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**Kazakhstan – Challenges to
the Booming Petro-Economy**
FAST Country Risk Profile Kazakhstan

Marie-Carin von Gumpfenberg

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info@swisspeace.ch

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September 2007

About the Author

Dr. Marie-Carin von Gumpenberg holds a PhD in Political Sciences on state- and nation-building in Kazakhstan. In 2000-2001, she served as an OSCE Human Dimension Officer in Kyrgyzstan. From 2003-2005, she was an OSCE Political Officer in Uzbekistan, and since 2005, she is Election/Democratisation Officer of the OSCE Mission in Georgia. In addition, since 2001 she is also the head of Policy Studies Central Asia, and has widely published on security issues and political developments in Central Asia. Among others, she edited the "Lexikon Zentralasien" in 2005.

The views expressed in this publication are those of the author(s) and do not necessarily reflect the views of swisspeace.

Table of Contents

Abstract/Zusammenfassung/Résumé	1
1 Introduction	2
2 Intra-Government Confrontation	4
2.1 Constitutional Distribution of Powers	4
2.2 Informal Distribution of Powers	6
2.3 Internal Power Struggles	9
3 Government – Non-Government Confrontation	12
3.1 Government – Opposition	12
3.2 Government – Media	16
3.3 Government – Civil Society	19
4 Conflict Lines within the Kazakhstani Society	23
4.1 Marginalized Ethnic and Sub-Ethnic Groups	23
4.2 Migrant Workers without Social and Legal Protection	26
4.3 Radical and Extremist Islamist Groups	28
5 Regional Security Threats	33
5.1 Cross-Border Conflicts	33
5.2 International Involvement	36
Conclusions	41
Appendix	44
Bibliography	46

Abstract/Zusammenfassung/Résumé

Owing to the profits from the oil and gas sectors, Kazakhstan is achieving high economic growth rates. The lack of diversification and the concentration of lucrative business sectors in the hands of a few persons make such growth unsustainable. The political system is stable as long as the balance between a strong president and influential interest groups is upheld. In the mid- and long-term, increasing social tensions between winners and losers of the economic growth as well as a shifting in the balance between different interest groups challenge the officially propagated stability of the country.

Kasachstan weist dank den Einnahmen aus dem Erdöl- und Erdgasgeschäft ein markantes Wirtschaftswachstum auf. Dieses ist jedoch wegen der mangelnden wirtschaftlichen Diversifizierung und der Konzentration der einträglichen Wirtschaftszweige in der Hand einiger Weniger nicht nachhaltig. Das politische System ist stabil, solange der Ausgleich zwischen dem starken Präsidenten und den einflussreichen Interessengruppen gelingt. Zunehmende soziale Spannungen zwischen Gewinnern und Verlierern des Wirtschaftswachstums sowie Gleichgewichtsverschiebungen zwischen den Interessengruppen stellen jedoch mittel- bis längerfristig die staatlich propagierte Stabilität des Landes in Frage.

Grâce aux profits provenant du secteur pétrolier et gazier, la croissance économique du Kazakhstan a atteint des taux de croissance élevés. Toutefois le manque de diversification de l'économie et la concentration des secteurs économiques les plus lucratifs dans les mains de quelques personnes rendent la croissance guère soutenable. Le système politique reste stable aussi longtemps que l'équilibre entre une présidence forte et les puissants groupes d'intérêts est respecté. A moyen et long terme, l'augmentation des inégalités sociales aussi bien que des modifications dans les relations entre les différents groupes d'intérêts pourraient venir contrarier la stabilité vantée du pays.

1 Introduction

Kazakhstan is geographically the largest country in Central Asia with more than 2.7 million square kilometers of land and with a relatively small population of 15.1 million people. Landlocked between Russia, China, Kyrgyzstan, Uzbekistan, and Turkmenistan, it has vast resources of crude oil and gas whose exploitation and export has led to a remarkable economic growth in the past years. Since independence, the country's stability has never been seriously challenged neither by external actors (e.g. terrorist invasions like in neighboring Kyrgyzstan and Uzbekistan in 2000) nor by internal actors (e.g. mass demonstrations like in Kyrgyzstan in 2005).

Unlike the other Central Asian countries, Kazakhstan has developed positively in terms of its economy. Its energy wealth, relatively small population and market reforms have ensured development towards a middle-income country. Although politically authoritarian, it is economically quite liberal. Opportunities for developing businesses are widely available and not restricted to elite business groups. Although the wealth generated from energy sales is heavily controlled by the ruling elites, the Kazakhstani President Nursultan Nazarbaev has ensured that in the past years money has also been diverted to development projects, social security, infrastructure development and education.

Nevertheless, the countryside and former one-company towns still suffer from the economic decline, which set in with the disintegration of the Soviet Union. As a result, migration into the cities has increased leading to a rise in conflict within these cities. These people, forming the future "lumpen proletariat" of the country, might become a force putting the country's stability at risk. Disillusioned by the government's inability to provide basic goods and services, these people might seek a radical solution to their problems. Some of them might even opt for an Islamic government.

Despite initial fears of preponderance by the titular nation, the Kazakhstani president undertook sustained efforts to assure an inter-ethnic balance, emphasizing that the country's current identity is based on its multi-ethnicity. Ethnic Kazakhs form 55 per cent of the population and is rising. Slavs and other Russian-speaking groups currently make up about 36 per cent but is declining. Minorities have a relatively good standing, although Kazakhs enjoy numerous informal preferences and fully dominate governmental, administrative, and economic structures. Nevertheless, tensions along ethnic lines exist, however, they are – such as in the case of the 2006 confrontation between Kazakhs and Turkish expatriate workers and the 2007 clashes between Kazakhs and Chechens – small-scale and locally concentrated.

In the mid-term, internal causes for instability and conflict might lie in internal power dynamics rather than in socio-economic cleavages or ethnic divisions. Mass protest seems to be unlikely due to the president's firm grip on power. Political competition is concentrated within a small circle of influence groups dominated by the president's family and wealthy businessmen, and a small, however, powerless political opposition that is largely comprised of defected government officials. In the upcoming years, the issue of succession is becoming more and more acute – and might become a source for instability in the country, if the president does not secure a successor.

In this case, external players might play a key role. Over the past years, Russia and China have increasingly shown their interest in and their capacity to compete for Kazakhstan's oil and gas reserves against Western players. Since independence, Kazakhstan has pursued a multi-vectoral foreign policy by cultivating ties with all regional powers. It is convinced that a uni-directional orientation in foreign policy would be "short-sighted, impracticable, and politically and economically damaging." This approach is only being challenged by disputes with Uzbekistan about issues such as water distribution, trade and cross-border migration. Uzbekistan could have an impact on Kazakhstan's stability in the case of a regime collapse in Uzbekistan, which could lead to civil war and increased migration into Kazakhstan and potential cross-border fighting. Despite the small likelihood of such a regime collapse, Kazakhstan has been stepping up defense capabilities at its southern borders since years. At the same time it has welcomed signals of rapprochement from the Uzbek government.

With Europe expanding more and more eastwards due to EU-enlargement and planned NATO-accession, Kazakhstan gets closer to Europe. Despite being geographically far away from Europe, it is politically close to Europe. Nowadays, Kazakhstan, as a neighbor of Europe, has strategic importance for Europe, not only because of its vast oil and gas resources – which Europe urgently needs to secure its energy supply – but also because of its decisive role in the Central Asian security system. Kazakhstan has proved over the years that it is able to maintain stability within the country while at the same time striving for stability within the region. A stable neighborhood is of utmost importance to Europe, which wishes to secure its energy supplies from Central Asia, and at the same time to avoid mass influxes of migrants, increased drug trafficking and penetration by radical and extremist Islamic groups.

2 Intra-Government Confrontation

2.1 Constitutional Distribution of Powers

Over the past years, Freedom House¹ has observed a decline in Kazakhstan's democracy. The rating in 2006 of Kazakhstan's national and local governance, media and judicial independence, electoral process, civil society, and corruption, scored 6.36 points out of a possible 7.00 where 7.00 indicates a total collapse of democratic procedures. This score is lower than Kazakhstan's rating in 1997, when Freedom House assessed Kazakhstan's democracy at 5.30 points due to its at that time still existent independent media, and vibrant civic and democratic freedom. Since then, the president promoted economic prosperity and social "stability" at the expense of developing transparent and democratically accountable institutions. As a result, "powerful financial groups and members of the presidential family fully control the parliament and top political offices and continue to intimidate, buy off, co-opt, and even accuse like criminals their business and political opponents, critics, and independent media."²

Nursultan Nazarbaev runs the presidential office since 1989 after having been approved by a referendum in 1995 and re-elected in nearly uncontested elections in 1999. In a landslide victory (91 per cent for Nazarbaev), the incumbent was re-elected in December 2005 for the third – and most probably – not last time. Western observers have criticized the conduct of the elections in their assessment. The Organization for Security and Cooperation in Europe (OSCE) concluded that "despite some improvements in the administration of this election in the pre-election period, the presidential elections did not meet a number of OSCE commitments and other international standards for democratic elections." Specifically they pointed at "numerous and persistent examples of intimidation by the authorities," "overall media bias in favor of the incumbent," and a vote count assessed as "bad or very bad" in 27 per cent of counts observed.³ The next presidential elections are scheduled for 2012, in which the incumbent is most likely to run.⁴

The parliament consists of two chambers: the *Senate*, the upper chamber, and the *Mazhilis*, the lower chamber. It is currently composed of 39 deputies; seven of them are appointed by the president and 32 are selected through indirect elections by the 14 oblast or regional assemblies of the capital Astana, and the former capital Almaty. All senators serve a six-year-term, with half of them facing elections every three years. Last elections to the *Senate* were held in August 2005. Of the 16 deputies elected indirectly, ten seats went to *Nur Otan* and one each to the pro-presidential parties *Aul*, *Asar*, and the *Civil Party* (the two latter one merged meanwhile with *Nur Otan*). The remaining seats went to candidates unaffiliated with any party but loyal to the president. The elections were not observed by the OSCE. The May 2007 constitutional changes envisage a 47-member *Senate* to which the president appoints 15 members "in order to represent in the Senate the national and cultural and other significant interests of the society" (Art. 50).

The *Mazhilis* is comprised of 107 deputies out of which 98 deputies are elected proportionally by party lists, and nine are delegated by the Assembly of the Peoples of Kazakhstan "in order to ensure the representation of ethnic minorities" (Art. 50). Last *Mazhilis* elections were held in August 2007 after its dissolution, following amendments to the Constitution and the election law in May 2007.

The pro-presidential party *Nur Otan* won all 98 seats. None of the other five competing parties

¹ Freedom House: Nations in Transit 2006: Kazakhstan, p. 1.

² Freedom House: Nations in Transit 2006: Kazakhstan, p. 2.

³ International Election Observation Mission: Republic of Kazakhstan. Presidential Elections – 4 December 2005 Statement of Preliminary Findings and Conclusions.

⁴ The parliament approved in May 2007 constitutional changes allowing the first president of Kazakhstan to run for office more than two times.

overcame the 7 per cent threshold. The remaining nine *Mazhilis* deputies were chosen by the *Assembly of People of Kazakhstan* that is formed by the president, who is its chair for life. In their preliminary statement, the OSCE jointly with the Council of Europe concluded: "While these elections reflected welcome progress in the pre-election process and during the conduct of the vote, a number of OSCE commitments and Council of Europe standards were not met, in particular with regard to elements of the new legal framework and to the vote count."⁵ The deputies of the *Mazhilis* are elected/appointed for a period of five years. The next *Mazhilis* elections are scheduled for 2012.

The international election observers are not the only one to criticize Kazakhstan's democratic performance. Always quite outspoken was the European Parliament that lately in March 2006 expressed its great concern about the fact that over a period of three months two prominent opposition politicians were killed and called for an independent and transparent investigation of both murders (see Chapters 1.3 and 2.1). In addition, it urged the Kazakhstani⁶ government to "respect democracy, the principles of international law and human rights and move towards democratization, the provision of guarantees of greater freedom for citizens and liberalization."⁷

All this criticism points to a core problem in Kazakhstan: the distribution of power. In Kazakhstan, power is not being distributed according to democratic rules and procedures but along informal arrangements between the president and various influence groups. The political system as outlined in the 1995 constitution⁸ exists only on the surface (see in detail next chapter). According to the 1995 constitution, Kazakhstan is a presidential government. Changes introduced in May 2007, however, indicate a shift towards a parliamentary government.

The president continues being the head of state (art. 2), who is to be elected by popular vote for a seven-year-term (after 2012: for five-year-term). The president forms the government. The president with the consent of the parliament appoints the prime minister and the ministers (Art. 44). The government is responsible for its entire activities towards the president and the parliament (Art. 64).

Not the prime minister, but the president is the commander-in-chief of the Kazakhstani armed forces. In a crisis situation, he can declare a state of emergency and mobilize the army (Art. 44). Furthermore, the president determines foreign policy and represents the state according to international law (Art. 40).

Along with his extensive executive powers, the president has far-reaching legislative powers. He has not only the right to initiate legal acts, but also the exclusive right to initiate changes to the constitution (Art. 53 & 91). Also the president exerts influence over the legislative process within his control and intervening authorities. He can determine the sequence of the discussion of draft laws (Art. 61) and call for referendums (Art. 44) and to rule if necessary by order (Art. 45). Furthermore, the parliament can assign the president authority to draft and to issue laws (Art. 53).

Also in the field of jurisdiction, the president is entitled to exert extensive competencies and influence taking. The procurator's office and the jurisdiction are exclusively subordinate to the president (Art. 83). The president appoints with the consent of the *Senate* the general prosecutor as

⁵ International Election Observation Mission: Republic of Kazakhstan. Parliamentary Elections – 18 August 2007. Statement of Preliminary Findings and Conclusions.

⁶ The Author differentiates between Kazakhs and Kazakhstani people. The first belong to the ethnos, the second are citizens of Kazakhstan, comprised not only of Kazakhs but also other ethnic groups such as Russians, Germans, etc.

⁷ European Parliament resolution on Kazakhstan, in: Bulletin of the European Commission, March 2006.

⁸ Constitution of the Republic of Kazakhstan 1995, in: <http://www.legislationline.org>.

well as the judges of the Supreme Court (Art. 44 and 82). Without consultation of the *Senate*, he can dismiss them (Art. 44).

The impeachment proceedings, as outlined in the constitution, are complicated and protracted. The president can be disempowered only in case of illness or treason (Art. 47). Immediate successors are first of all the chairperson of the *Senate*, then the chairperson of the *Mazhilis* and finally the prime minister. These successors have, however, fewer competencies than the president himself, as they are denied the right to change or to amend the constitution (Art. 48).

The government headed by the prime minister bears responsibility for enacting and implementing all policies, but has little independent power to formulate policies or initiate legislation. The government members are responsible to the prime minister and are bound to implement the policy, pursued by the Government. In case a government member does not pursue it shall resign or subjected to release from his office (Art. 68). Karim Masimov, the current prime minister, was appointed by the President in January 2007. No prime minister since 1998 has held the position for more than three and a half years.

2.2 Informal Distribution of Powers

The fundamental political dynamics in Kazakhstan are not between the president on one side and parliament, political parties, media and civil society on the other side. It is between the president and various influence groups. The president and these influence groups comprise a sophisticated system of checks and balances with the president as the key actor monitoring the activities of the influence groups and using his authority to limit their powers, whether in general or in particular cases. At the same time the influence groups try to pressure the president into making decisions in their favor. This informal system of checks and balances exists parallel to the official one as outlined in the constitution. The president, the parliament, political parties, media and civil society should seek to influence and to control each other. De facto power is concentrated in a tightly knit circle of family and businessmen where only an insider would have a real chance of gaining a top job in Kazakhstan – with or without elections.

The influence groups are dominated by key figures, mostly relatives of the president or wealthy businessmen. Several of Nazarbaev's children and their spouses have prominent positions in Kazakhstan's heavily intertwined public and private sectors. The most prominent figures are:

- Darigha Nazarbaeva, born in 1963, is the eldest daughter of President Nazarbaev. In 1995, she set up the *Khabar* broadcasting agency, which is today the country's leading national channel with over 600 employees.⁹ In 2003 she founded the pro-presidential party *Asar* (*All together*) that garnered in the 2004 parliamentary elections four seats. Since its establishment, *Asar* went on to make tentative attempts to take a semi-independent line, especially taking a critical stance on the government's media politics. Although Nazarbaeva was the public face of *Asar*, several top figures within the party drawn from the customs and security services were associates of her husband, Rakhat Aliiev, who was the de facto leader of the party.¹⁰ Her bid to position herself as the successor to her father by creating *Asar* has met with stern resistance from the leading pro-presidential *Nur Otan*. Her party's merger with *Nur Otan* in September 2006 suggests that Darigha Nazarbaeva lacked sufficient support from her father. Nevertheless, Darigha Nazarbaeva, until August 2007 holding the position of a

⁹ See www.khabar.kz.

¹⁰ Freedom House: Nations in Transit 2005: Kazakhstan. p. 7.

member of the *Mazhilis*, is expected to continue to influence the political scene in Kazakhstan, predominantly through their media holdings.

- Rakhat Aliev, born in 1962, is the husband of Darigha Nazarbaeva and son-in-law of President Nazarbaev. He has previously held key positions in the taxation department and national security services. As his ambitions to follow in his father-in-law's footsteps became too outspoken, he was sent twice to Vienna as Kazakhstan's ambassador to Austria and the OSCE – lately in February 2007. In May 2007, the President stripped him of his credentials and issued an international arrest warrant against him. Subsequently, Rakhat Aliev was arrested in Vienna. Freed on one million Euro bail his extradition to Kazakhstan was denied by Austrian authorities in summer 2007. Rakhat Aliev is known to control key media outlets and to hold shares in the Kazakhstani banking sector. Human Rights organizations have repeatedly accused him of intimidating and persecuting journalists¹¹, opposition politicians and businessmen (see Chapter 1.3).
- Timur Kulibaev, born in 1966, is the husband of Dinara Nazarbaeva, the second daughter of President Nazarbaev. After having worked in leading positions in the banking sector, which allegedly he still controls, he switched to the oil and gas industry where he held executive and senior positions. In 2002 he became Vice President of *KazMunaiGaz*, one of Kazakhstan's biggest state oil and gas companies. In June 2006, he was appointed as chair of the company's new board of directors, giving the president a chance to control a major sector of the national economy directly.

President Nazarbaev's Relatives in Leading Positions

<i>Name – Relationship to the President</i>	<i>Most important positions held over the past years</i>
Daughter Darigha	Head of <i>Khabar</i> News Agency (since 1994) Chair of Kazakhstan's Congress of Journalists Chair of <i>Asar</i> Political Party (2003-2006) Co-Chair of <i>Nur Otan</i> Political Party (since 2006) „Nazarbaeva Group“
Husband of daughter Darigha Rakhat Aliev	Head of the Almaty Tax Police (1997-1999) Deputy Head of the National Security Committee (2000-2001) Ambassador in Vienna (2002-2005, 2007) First Vice Foreign Minister (2005-2007) Special Representative for OSCE issues (2005-2007) „Aliev Group“

¹¹ Reporters without Borders: Kazakhstan – Annual Report 2002; Committee to Protect Journalists: Attacks on the Press 2003.

Husband of daughter Dinara Timur Kulibaev	Supervisory board chairman of the Almaty Trade and Financial Bank (1995-1997) Leading positions at <i>KazachOjl</i> , <i>KazachTransOjl</i> , <i>KazMunaiGaz</i> (1997-2006) Director of <i>KazMunaiGaz</i> (since 2006) “Kulibaev Group”
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Sources: RFE/RL, Eurasianet, Central Asia Caucasus Analyst

President Nazarbaev has ensured his authority, not only by relying on the formal power structures as outlined in the constitution, but also by controlling informal power structures dominated by his family members. These informal power structures have developed dynamically over the past years. All three of the above mentioned family members are being said to be preparing for the presidency. In the past years, Darigha Nazarbaeva had been the most likely successor of her father to the presidency. However, the latest merger of Darigha’s party with the president’s party and her husband’s arrest indicate a shift within the informal power structures towards the Kulibaev group. Both moves seem to be aimed at countering the president’s daughter Darigha and her husband’s influence – and their presidential aspirations – and at increasing Timur Kulibaev’s influence in Kazakhstani politics.

In addition to the president’s family members, strategic economic influence groups belong to the informal system of checks and balances in Kazakhstan. One of the key power brokers is Aleksandr Mashkevich, an Israeli citizen born in 1954 in Kazakhstan, who is heavily involved in Kazakhstani business. He started out as an academic but decided at the beginning of perestroika to become a leading metallurgist and the founder of the *Eurasian Bank* in Kazakhstan. Aleksandr Mashkevich currently serves as president of the *Euro-Asian Jewish Congress* (EAJC). He is heading the *Eurasia Group* of metallurgical enterprises, which is estimated to produce almost one quarter of the country’s GDP. The group has found their political platform in the *Civic Party* that they established before the 1999 parliamentary elections. Its membership of estimated 160,000 includes almost all employees of affiliated companies and their families.¹² Although the *Civic Party* has periodically contested the authority of *Nur Otan*, it has pursued a clear pro-presidential agenda. In December 2006, it merged with *Nur Otan*.

The informal political system of checks and balances that Nursultan Nazarbaev has built around himself since 1991 aims at controlling key political as well as economic stakeholders. Over the past years the president has been able to balance the various interests of these informal political and economic groups, which struggle for influence and power. Herewith he has pursued the economic development of the country, and not only of his family. According to foreign policy expert Fiona Hill, Nazarbaev’s family may “always try to get a piece of the action they don’t control.”¹³ At the same time, president seems to be willing to leave space for others outside their immediate circle to develop and grow businesses and make money such as the *Eurasia Group*.

Currently, the established informal system of checks and balances is undergoing a transformation into a more and more complex organism – including more key players with varying backgrounds and varying interests. Nazarbaev’s family members still play a key role; however, they are more and more contested by other influential players. The *Eurasia Group* is only one of the powerful players.

¹² Freedom House: Nations in Transit 2005: Kazakhstan, p. 3.

¹³ Fiona Hill: Whither Kazakhstan? Part II, in: In The National Interest, October 2005.

Others have emerged in the past years and will continue to emerge. As long as the president keeps the various influence groups under control, this currently parallel system will be characterized as stable. If the president, however, eases his grip on power, the system may get out of control and the competing interests, especially of the president's relatives, may lead to a serious political crisis. First signs of such a crisis can be seen in the Sarsenbaev and Aliev cases which are being discussed in next chapter.

2.3 Internal Power Struggles

While the conduct of the last parliamentary and presidential elections have raised doubts about the government's willingness to pursue democratic principles, the murder of a prominent opposition figure and the arrest warrant against one presidential relative have questioned the country's political stability revealing an increasing struggle between various influence groups for the president's succession.

The first case centers on the murder of opposition figure Altynbek Sarsenbaev who was found shot dead on the outskirts of Almaty on 13 February 2006. Trained in Moscow as a journalist, Altynbek Sarsenbaev, born in 1962, served twice as information minister (1993-2001, 2004). In 2001-2003, he was Kazakhstan's Ambassador to the Russian Federation. While being information minister in 2004, he took a smoother stance towards independent media – he ordered the dropping of lawsuits that the ministry had previously launched against private newspapers, and started to redraft the media legislation. After the 2004 parliamentary elections, Altynbek Sarsenbaev resigned as information minister to protest the conduct of the elections.¹⁴ Since 2003 he had been active in the opposition parties *Ak Zhol* and *True Ak Zhol*, as well as *For a Just Kazakhstan* and a member of Zharmakhan Tuyakbai's unsuccessful campaign in the December 2005 presidential election.

The official investigation showed that Altynbek Sarsenbaev's murder was thoroughly planned and organized. In connection with the murder, six members of the National Security Committee (KNB) *Arystan* Special Forces unit, and Erzhan Utembaev, head of the administration of the *Senate* (the upper chamber of parliament) were arrested. According to the police findings, Erzhan Utembaev ordered the killing of Altynbek Sarsenbaev out of "personal enmity."¹⁵ Apparently, Sarsenbaev had made "unflattering revelations"¹⁶ about Erzhan Utembaev in a newspaper article. To pay for the killing, Erzhan Utembaev took out a USD \$60,000 loan from a bank. The kidnapping and actual killing was carried out by the members of *Arystan* Special Forces unit.

All political actors expressed their shock about the murder. Speculations about the real "organizers" were quickly spread – even by Darigha Nazarbaeva, the daughter of President Nazarbaev, who alleged that "destructive and influential forces, both in the opposition and in power, were unhappy with the results of recent elections, (and) wanted to review the results of the presidential election and establish a new division of power."¹⁷ She characterized forces behind the murder as the "old

¹⁴ Ibragim Alibekov: Kazakhstan: Election Results Harden Opposition, in: Eurasianet: Eurasia Insight, 27 September 2004.

¹⁵ Gulnoza Saidazimova: Kazakhstan: Authorities Insist Personal Enmity Behind Sarsenbaev's Murder, in: RFE/RL Feature, 27 February 2006.

¹⁶ Joanna Lillis: Kazakhstani Assassination Trial Concludes with Guilty Verdicts, Questions Continue. In: Eurasianet: Eurasia Insight, 5 September 2006.

¹⁷ RFE/RL Newslines, 27 February 2006.

guard of entrenched very influential officials” and warned: “We are under the supervision of a gray junta of officials and under the threat of death squads.”¹⁸

During the court hearings, then Security Committee Head Nartai Dutbaev claimed that a member of the president's family was involved: “either Rakhat Aliev [husband of Darigha Nazarbaeva], Timur Kulibaev [Nazarbaev's son-in-law], or Kairat Satypaldy [Nazarbaev's nephew].”¹⁹ These allegations were quickly dismissed by President Nazarbaev's son-in-law, then deputy Foreign Minister Rakhat Aliev, who called these allegations a “stage-managed smear campaign” staged by the opposition and “a part of the overall plan that began with the murder of this well-known politician” in order to “destabilize the society.”²⁰ He successfully sued Nartai Dutbaev who hinted in interviews that Rakhat Aliev was behind the killings.

On 31 August 2006, the verdicts in the Sarsenbaev murder trial were announced. The man alleged to have contracted the murder, Erzhan Utembaev, the former chief of the *Senate's* administration, received a 20-year-prison-term. Observers – including opposition leaders, journalists and relatives of the victims – questioned the court's verdict criticizing the government's apparent unwillingness to investigate allegations of higher-level involvement in the murders. In their view, the real “organizers” of the crime had not been identified.²¹

Another case raises as many questions as the Sarsenbaev murder: case of Rakhat Aliev, son-in-law of President Nazarbaev and husband of the President's eldest daughter Darigha Nazarbaeva. Rakhat Aliev, born in 1963, a former doctor, entered into politics in late 1990ies. He held posts in Kazakhstan's police department, the national security committee, and the presidential security service. As his ambitions to follow in his father-in-law's footsteps became too outspoken, he was sent to Vienna as Kazakhstan's ambassador to Austria and the OSCE in 2002. In July 2005, he returned from Austria, after having been appointed as the new First Deputy Foreign Minister and Special Representative on OSCE issues. In February 2007, Rakhat Aliev was again appointed ambassador in Vienna, only to be stripped of his credentials in May 2007. Based on an international arrest warrant, he was briefly arrested by the Austrian authorities. Freed on one million Euro bail he was awaiting his extradition to Kazakhstan in Vienna in summer 2007.

Shortly before the arrest warrant was issued, Rakhat Aliev openly criticized the his father-in-law for “backtracking on democracy” and inventing “murky stories related to the murder of opposition members.”²² Referring to the May 2007 constitutional changes that allowed the incumbent president to be re-elected for another term, Rakhat Aliev accused Nursultan Nazarbaev of usurping power and reducing presidential elections to a “political farce.”²³ One day later, he was stripped of

¹⁸ RFE/RL Newswire, 13 March 2006.

¹⁹ Gulnoza Saidzimova: Kazakhstan: Apparent Rift Opens Within Nazarbaev Family, in: RFE/RL Feature, 19 Mai 2006.

²⁰ RFE/RL Newswire, 2 March 2006.

²¹ Gaziza Baituova: Kazakhstan: Sarsenbaev Murder Trial a “Farce”, in: Institute for War and Peace Reporting: Reporting Central Asia No. 463, 8 September 2006.

²² Farkhad Sharip: Nazarbayev Vows To Renew Kazakhstan's Political System: Another Sideshow Or Genuine Reform? in: Caucaz Europeanews, 12 June 2007.

²³ Farkhad Sharip: Nazarbayev Vows To Renew Kazakhstan's Political System: Another Sideshow Or Genuine Reform? in: Caucaz Europeanews, 12 June 2007.

his duties and his weekly newspaper *Karavan* and his *KTK* television channel were suspended for three months, allegedly for failing to observe the language law.

The interior ministry launched a criminal case against him based on charges of abduction, assault, and money laundering in connection with the *Nurbank* scandal. According to documents from Kazakhstani prosecutors, in January 2007, Rakhat Aliev abducted two senior managers at *Nurbank* and tried to force them at gunpoint to sign over the building of *Nurbank*. One of the managers has since been arrested in connection with other crimes. The other is missing. Kazakhstani officials have suggested that he may have been murdered.

Rakhat Aliev denies any involvement in the abduction of senior managers of *Nurbank*. He believes that he was persecuted because he had earlier revealed to President Nazarbaev his intentions to run for the presidency after 2012. The Aliev family is closely linked to *Nurbank*. Two sugar companies, supposedly related to Rakhat Aliev, hold 17 per cent of the *Nurbank's* shares.²⁴ Rakhat Aliyev's father, Mukhtar Aliyev, owns 7 per cent of *Nurbank*. His son, Nurali Aliev is part of the board of directors. *Nurbank*, Kazakhstan's seventh-largest by assets, had made its debut on the international capital markets in 2006, issuing a \$150 million five-year Eurobond.

Both cases, the Sarsenbaev murder case and the Aliev bank scandal, have shaken the country and put its seemingly firm political stability into question – for the following reasons:

- The involvement of the Arystan special-forces in the Sarsenbaev murder and of police special forces in the Aliev scandal demonstrates how little control the government and the parliament have over law enforcement agencies. Special units might be used/misused by ambitious politicians for their own ends. This fact let Darigha Nazarbaeva commend that the KNB, once headed by her husband Rakhat Aliev, and other special units were "out of control and able to turn Kazakhstan into another Chile of the 1970s, Argentina of the 1980s, or Somalia of the 1990s."²⁵
- The allegations about the presidential family's involvement in the Sarsenbaev murder and the *Nurbank* scandal show that speculations about an increased power struggle among the various influence groups in the country are not unfounded. Top-level influence groups formed by the president's relatives and leading businessmen seem to have stepped up their activities, competing not over the electorate but over the influence over the head of state. The issue of succession is becoming more and more acute. And the methods that various influence groups are willing to use in order to pursue their goals, seem to exceed more and more all internationally recognized standards of political struggle.

The following conclusions can be drawn: First, the murder of Sarsenbaev and the Aliev scandal show that political institutions have been only formally installed, and that their functioning highly depends on other actors. Influence groups and non-elected politicians run the country, and their mechanisms of conflict resolution are far from western democratic standards. Secondly, the political crisis over Sarsenbaev's murder and Aliev's banking scandal does not really threaten the country's stability as its people enjoy economic success and social stability; however, it shows signs of a crisis that might become full-fledged in the future when the succession problem becomes more acute.

²⁴ See: <http://www.nurbank.kz/ru/shareholder/index.html>.

²⁵ RFE/RL Newsline, 13 March 2006.

3 Government – Non-Government Confrontation

3.1 Government – Opposition

The relationship of the government and the opposition is something of a “sideshow”²⁶ to what is occurring on the main political stage, which is dominated by influence groups and the networks they control. The opposition in Kazakhstan is weak, lacking unity, having a low grade of institutionalization, and changing programmatic concepts. It has a tendency of cultivating its status as an opposition, lacking any willingness to start a constructive dialog with the government or to seek a compromise with the ruling powers.

Since independence, there have been various opposition groups emerging in Kazakhstan. At the beginning it was dominated by intellectuals coming from the dissident and ecological-national movement. The most prominent figure is the poet Olzhas Suleimenov, born 1936, who established in 1989 the anti-nuclear movement *Nevada-Semipalatinsk*. The movement carried out numerous protest actions – meetings, peace marches, and conferences – against nuclear tests at Semipalatinsk polygon. As a result, the nuclear test site Semipalatinsk was closed in 1991. The same year, Olzhas Suleimenov founded the *People’s Congress of Kazakhstan*, which became a critical voice toward the ruling government. When Olzhas Suleimenov declared his aspirations to compete with Nursultan Nazarbaev in presidential elections, he was appointed Ambassador to Italy in 1996, since then serving at different ambassadorial postings.

At a next stage, businessmen entered politics. With the emerging market economy, they sought political positions, and successfully obtained key government positions. However, after some time, they defected. One of the most prominent figures is Akezhan Kazhegeldin,²⁷ born in 1952, who presided in 1994-1997 over Kazakhstan’s privatization program before resigning as premier minister, reportedly for health reasons. In 1998, he founded a political party to defend the interests of Kazakhstan’s industrialists and businessmen, the *Republican National People’s Party* (RNPK), which managed to win one seat in the 1999 parliamentary elections but failed to register in 2003. As a result, the RNPK is not represented in the current parliament. In 2001, Akezhan Kazhegeldin, who lives since the end of 1990’s in London, was sentenced in absentia to ten years in prison. He was charged with taking bribes, abusing his power and position as prime minister and illegal possession of weapons and ammunition.

In a new wave, former close presidential allies joined the opposition in 2004. The “great exodus from under the president”²⁸ started in September 2004 after the parliamentary elections with the resignation of Information Minister Altynbek Sarsenbaev who then continued his political activities as co-chairman of the moderate opposition party *Ak Zhol* – until his murder in February 2006. The second prominent government figure was Grigorii Marchenko who resigned from the position of presidential aide in October. Grigorii Marchenko, who led the National Bank of Kazakhstan from October 1999 to January 2004, became head of the JSC Halyk Bank of Kazakhstan. The third person to leave his post was Zharmakhan Tuyakbai, the speaker of Kazakhstan’s *Mazhilis* and deputy chairman of the pro-presidential *Nur Otan* party. In October 2004, he gave up his seat in the *Mazhilis* and left the pro-presidential *Nur Otan* party. In September 2005, he founded the opposition movement *For Just Kazakhstan* which elected him as candidate for the December 2005 presidential elections in which he gathered 6.6 per cent of the votes. In September 2006, he set up a new party, the *All-Nation Social Democratic Party*, that was registered by the Ministry of Justice in January 2007.

²⁶ S. Frederik Starr: *Clans, Authoritarian Rulers and Parliaments in Central Asia*, Washington 2006, p. 6.

²⁷ See: <http://kazhegeldin.addr.com>.

²⁸ Dosym Satpayev: It is getting more and more difficult for Nursultan Nazarbayev to hold on to power, in: fergana.ru, 29 November 2004.

The “great exodus from under the president” raised the question of whether the president was still able to control the political elite. So far, the president had kept the elite under control by regular staff reshuffles. With their resignation, key “backstage players” within the inner circle of political elite took the lead, forestalled the president and set their own rules. By energetically demanding more economic and political reforms, they (not the president) dominated the political discourse for a short period of time, placing the ball in the president’s court. Despite protesting against the president’s policy, they did not achieve any serious policy change. Moreover, feeling more and more challenged by a growing opposition of experienced politicians and wealthy businessmen, the president stepped up his vigilance over the opposition. The following various means were used – presently as well as in the past – to keep the opposition under control:

Re-registration of political parties. At beginning of 2003, the Justice Ministry demanded political parties to re-register. As a result, only seven out of the 19 parties, which existed at the beginning of this year, were officially recognized by the Justice Ministry. Out of the other twelve parties, six opposition parties had already ceased their existence before the re-registration process and five others failed to comply with the strict requirements of the Justice Ministry. At the end, the seven newly re-registered parties were *Nur Otan*, the *Ak Zhol* (Bright Path) Democratic Party, the *Civic Party*, the *Agrarian Party*, the *Party of Patriots*, the *Aul* (Village) Social Democratic Party, and the *Communist Party*. In summer 2007, the picture was slightly changed due to registrations of newly founded parties and party mergers. As a result, the following parties competed in the August 2007 parliamentary elections: *Nur Otan* (having merged with *Asar*, *Civic* and *Agrarian* Parties), *Ak Zhol* (having merged with *Adilet*, *Patriots*, *Aul*, *Rukhiyat* (Patriotism), and *Communist People’s Party*. Only the last one is widely considered to be firmly in the anti-presidential camp, although *Ak Zhol* has voiced criticism at times. The government touted the exercise as a way to strengthen Kazakhstani democracy, but most independent observers saw it as a clever plan by Nursultan Nazarbaev to reduce the opposition to his regime.²⁹

Liquidation of parties. In January 2005, an Almaty court ruled for the liquidation of the *Democratic Choice of Kazakhstan* (DCK). In reaction to the “orange revolution” in the Ukraine, the party had called for “civil disobedience” to “remove the family clan that has usurped power and lambasted “the ruling clan headed by President Nazarbaev” for persecuting the opposition with “unconstitutional and illegitimate methods.”³⁰ This served the Kazakhstani authorities as a reason to liquidate the party, which was aiming to overthrow the constitutional order. Only in May 2004, the DCK, which Galimzhan Zhakiyanov and Mukhtar Ablyazov had formed in 2001, had received the registration.

- Denial of opposition parties’ registration: In February 2006, the Justice Ministry denied registration to the opposition party *Alga* (Onward!), the successor party of the *Democratic Choice of Kazakhstan*, claiming that *Alga* didn’t provide sufficient evidence for their membership. *Alga* members described the denial of registration as the “logical culmination of a process of constant pressure by the authorities on our party and its activists.”³¹ While denying *Alga* registration, the Ministry of Justice registered the opposition party *Naghyz Ak*

²⁹ Adam Albion: Curtains for Kazakh Opposition Parties, in: RFE/RL Central Asia Report, 28 April 2003.

³⁰ RFE/RL Newsline, 20 December 2004.

³¹ RFE/RL Newsline, 22 February 2006.

Zhol (True Bright Path) in March 2006. *Naghyz Ak Zhol* was formed in 2005 after a split in the *Ak Zhol* opposition party and merged with the *All-Nation Social Democratic Party* in June 2007.³²

- *Charges against opposition leaders:* The most prominent cases are the court proceedings against the DCK founders Galimzhan Zhakiyanov and Mukhtar Ablyazov. After both politicians had decided to form the *Democratic Choice of Kazakhstan* in November 2001, they faced criminal charges. In August 2002, Galimzhan Zhakiyanov, born in 1963, a mining expert and former governor of the Northern Pavlodar region, received a seven-year-prison-term on an abuse-of-power conviction stemming from his tenure as a government official. He was released in January 2006. Mukhtar Ablyazov, born 1963, former energy minister and former head of the influential Astana holding and president of national company KEGOC (Kazakhstan Electricity Grid Operating Company), received a six-year-sentence for abuse of power. He was released in May 2003.³³ The latest case is the case of opposition leader and businessman Bolat Abilov, born 1959, co-leader of *Naghyz Ak Zhol* and former *Nur Otan* member, who was sentenced in July 2006 to a three-year-suspended-sentence after being found guilty of insulting a police officer and threatening the officer with violence.
- *Splitting up the opposition:* In the run-up to the 2004 parliamentary elections, the *Democratic Choice for Kazakhstan* came under enormous pressure. Their leaders, Galimzhan Zhakiyanov and Mukhtar Ablyazov, already served lengthy prison sentences. Some members who tried to run for seats in the *Mazhilis* were hindered in campaigning or barred from participating in the elections so that no *DCK* candidate succeeded. Other members received high-ranking government posts. For instance, Uraz Dzhandosov, born 1962, one of the *DCK* co-founders, was appointed as an aide to President Nazarbaev. As a result, *DCK*'s perspectives diminished decisively becoming an influential opposition force. In the current parliament *DCK* holds one seat. Its members have been unsuccessfully trying to registered *DCK* with the new name *Alga, Kazakhstan!*.
- *Temporary formation of a quasi-opposition party:* In October 2003, Darigha Nazarbaeva, the president's daughter and head of the *Khabar* Media Holding, registered the political party *Asar* that won four seats in the 2004 parliamentary elections. *Asar* strongly supported the president's plans to build an economically strong, democratic and social-oriented state based on the rule of law. Its emphasis, however, has been on the young, aspiring middle class professionals and especially on socially vulnerable groups. *Asar* always tried to have a semi-independent line, not shy of criticizing the government. Its critical statements were tolerated by President Nazarbaev until the Sarsenbaev murder case. In June 2006, however, the president decided to gain full control over *Asar* and ordered a merger with the major pro-presidential party *Nur Otan*.
- *Co-optation of opposition's demands:* In an effort to address the oppositions' demands, the president created a state commission to develop a program of democratic reforms in March 2006. The commission was charged with developing a program for constitutional reforms for the years 2006-2011. Specifically, the task is to focus on the question of whether Kazakhstan should have a presidential or parliamentary form of government. In its April 2006 session, the Commission suggested that the Kazakhstani government put the introduction of local self-government, the conduct of elections of district and city heads, and the improvement of the

³² One of the co-chairmen of *Naghyz Ak Zhol*, Altynbek Sarsenbaev, was killed in February 2006, and another, Bolat Abilov, sentenced in July 2006 to a three-year-suspended-sentence.

³³ Since January 2005, Mukhtar Ablyasov was the President of the Investment- Industrial Group "Eurasia". In May 2005, he was appointed as Chairman of the Board of Directors, JSC "Bank TuranAlem".

court system on the reform agenda. Leading opposition parties refused to take part in the commission's work because they viewed it as primarily for show. The commission's work largely contributed to the before-mentioned constitutional changes (see Chapter 1.1).

Mayor Opposition Movements/Parties

<i>Opposition Movements (*foundation)</i>	<i>Registration as a Party</i>	<i>Chairpersons</i>
Republican National People's Party (*1998)	Failed to register in 2003	Akezhan Kazhegeldin, in exile
Democratic Choice of Kazakhstan (DCK) (*2001)	2004-2005	Galimzhan Zhakiyanov and Mukhtar Ablyazov, imprisoned 2002-2006/2003
Ak Zhol (*2002), split of DCK	2003 (merger in 2007 with <i>Adilet</i>)	Alikhan Baimenov
Naghyz Ak Zhol (*2005), split of Ak Zhol	2006-2007 (merger with <i>Social-Democratic Party</i>)	Bolat Abilov, has suspended sentence Altynbek Sarsenbaev † Uraz Dzhandosov
Alga, Kazakhstan (*2005), successor of DCK	Denied in 2006	Asylbek Kozhakhmetov
For Fair Kazakhstan (*2005)	Denied in 2005	Zharmakhan Tuyakbai
Social-Democratic Party (*2006)	January 2007	Zharmakhan Tuyakbai

Source: RFE/RL, Eurasianet, Central Asia Caucasus Analyst

The failure of the opposition to gain influence and weight in the political scene in Kazakhstan is not only contributed to the fact that political decisions are made by a small circle of family members and businessmen constituting the informal power system. Their failure may be attributed to the government's maneuvers to keep control over the opposition, but also to the opposition's weakness itself. Despite repeated efforts to unite, the Kazakhstani opposition remains divided. It comprises ambitious politicians who have separated from the ruling elite, and find it hard to establish common ground. Their failure to nominate one single candidate for the 2005 presidential elections is the most telling example of their disunity.

In addition, the opposition lacks sound institutionalization. Opposition parties emerge, merge and debase. Often they are ad-hoc arrangements of influential politicians defected from the government and lacking sound membership and a clear political vision. Furthermore, the opposition has not yet found a way to establish a culture of dialog within the opposition or between the opposition and the government. Many key opposition leaders are not able to come forward with constructive suggestions and/or are not willing to seek compromises.

Additionally, in the past years key opposition figures have been driven out of politics. Some of the most prominent opposition leaders have been sentenced with criminal charges. While one after serving his prison term has left the political scene, a second is in self-imposed exile and has been convicted in absentia and a third is being threatened with receiving a lengthy prison sentence. Additionally, two leading opposition figures are deceased. Besides Sarsenbaev, former Emergency Situations Agency head Zamanbek Nurkadilov, born in 1944, was found dead in his home in Almaty in November 2005. A one-time ally of President Nazarbaev, Zamanbek Nurkadilov had joined the

opposition in 2004. Police investigators concluded that Zamanbek Nurkadilov's death was a suicide. The opposition called the police's findings a political maneuver to hide Nurkadilov's assassination.³⁴

In Kazakhstan, real political power is vested in one major pro-presidential political party: *Nur Otan*, chaired by Nursultan Nazarbaev. The party merged in September 2006 with the *Asar* Party, headed by Darigha Nazarbaeva, and in December 2006 with *Civil Party*, led by the industrial conglomerate *Eurasia Group*. *Nur Otan* claims a membership of one million members. Numerous other minor parties loyal to the president (for example, *Aul*, the *Democratic Party* of Kazakhstan, the *Agrarian Party*, and the *Communist People's Party* of Kazakhstan) serve to create a "Potemkin village-like structure of pluralism."³⁵ Opposition parties can not and will not be able to compete with the pro-presidential party *Nur Otan*. They are and will remain marginalized. The opposition has and will have almost no chance of being heard – not only because of the above mentioned reasons. Aspiring successors within the informal system may want to ensure that opposition movements are unable to gain political traction, so that they will not be a factor when President Nazarbaev leaves the political stage.

3.2 Government – Media

In its first years of independence, Kazakhstan's media developed rapidly. New television and radio stations emerged, and manifold newspapers were printed. From 1996 onward, however, the Kazakhstani government began placing increasingly strict regulations on the media, limiting access and usage of media. In 1999 Kazakhstan passed a new law on mass media, which restricted the registration and activities of television and radio stations and newspapers. As a consequence, access to frequencies became expensive and strictly controlled, and foreign ownership was restricted. Since then, access has been tightened further with increasing pressure on editors not to publish or broadcast material critical of the government.

In the following years, family members of President Nazarbaev consolidated their media imperia. The largest media group belongs to Darigha Nazarbaeva and Rakhat Aliev who control the leading *Khabar* and *Alma-Media* groups and numerous newspapers. Both bought shares in numerous so-called independent newspapers and television channels through auxiliary companies. The major television channels *Khabar*, *KTK*, and *Rakhat TV* are under their direct control. They also exert significant influence over the newspapers *Karavan*, *Novoe Pokolenie*, *Argumenty i Fakty*, and *Komsomolskaya Gazeta*, as well as the TV channel *31st Kanal* and the radio station *Russkoe Radio*.³⁶ At the beginning of 2006, Darigha Nazarbaeva's son, Nurali, born in 1985, became head of the *Shahar* media group, which controls the youth-oriented Hit TV.³⁷ This move prompted speculation that a media dynasty was in the making.³⁸

Their monopoly in the information market allows the presidential family to control other media as well. As of now, only media with ties to the president's family can win access to broadcast frequencies, satellite channels, and rights to operate national networks without participating in legally mandated tenders, or paying the permit fees for the use of those national resources. As a result, many successful operating independent TV and radio stations have ceased to exist or were

³⁴ RFE/RL Newslines, 30 November 2005.

³⁵ Freedom House: Nations in Transit 2006 Kazakhstan, p. 6.

³⁶ Freedom House: Nations in Transit 2005. Kazakhstan, p. 14.

³⁷ In January 2007, Nurali joined the board of directors of the *Nurbank* whose directors were kidnapping with one since missing.

³⁸ Joanna Lillis: Kazakhstani Government Moves to Reassert Control on Mass Media, 19 May 2006.

forced to broadcast on government-controlled frequencies. According to Freedom House, the presidential *Khabar* and *Alma-Media* groups' only serious competitor is the *Eurasia Group*, headed by Aleksandr Mashkevich who owns major newspapers such as *Express K*, *Delovaya Gazeta*, and the Kazakhstani edition of *Moskovskie Novosti*.³⁹

While the constitution guarantees freedom of the press and prohibits censorship (Art. 20), the current media legislation provides for special protection of the president and his family. Art. 318 of the Criminal Code gives the government the power to dismiss reporters or shut down media outlets for insulting "the honor and dignity of a citizen or a state organ or other body."⁴⁰ Additionally, the law on state secrets outlines cases of criminal offence such as the release of any information about the health, finances, or private life of the president, as well as economic information about the country such as the volumes of national mineral reserves and the amount of government debt owed to foreign creditors. Furthermore, the criminal and civil codes contain articles establishing broad libel liability for media representatives. Owners, editors, distributors, publishing houses, and journalists are held responsible for the content of information conveyed and have the burden of proving its veracity, regardless of its source.

These restrictive provisions were introduced after the release of materials related to the *Kazakhgate* oil funds corruption scandal in 2002 when reports were published that officials in Nursultan Nazarbaev's government – and possibly the president himself – accepted bribes from US oil companies for energy concessions in Kazakhstan. These provisions – along with pressure, intimidation and the overall lack of legal safeguards – contributed to increase self-censorship despite constitutional guarantees of freedom of speech. Too outspoken critics were imprisoned. The most prominent case is that of journalist Sergei Duvanov who after the publication of several reports about the *Kazakhgate* scandal was convicted of raping an underage girl in January 2003. Sergei Duvanov was released from prison and granted a "semi-free" status in January 2005. At the same time, fines for libel became exorbitant and bankrupted small media outlets. For example, the case of the opposition weekly *Assandi Times* that was convicted of libel and effectively shut down when the presidential administration won a USD \$370,000 judgment against the newspaper in an Almaty court in July 2004.

Since the beginning of 2006, the government once more tightened state control over local media outlets. Critical reporting media outlets experienced visits of security agencies, numerous tax inspections and regulatory lawsuits. Administration officials also influence distribution by pressuring publishing houses and newspaper vendors not to work with independent media. In April 2006, Kenzhegali Aitbakiyev of *Aina Plyus* was beaten unconscious by ten unidentified assailants. He suffered a broken jaw and nose, a concussion and heavy bruising. *Aina Plyus* has been suspended several times by authorities for alleged technical violations, and had to republish under different names. It had repeatedly covered the on-going *Kazakhgate* scandal.

In July 2006, further changes to the media law were introduced foreseeing high administrative fines and registration fees for media outlets, and mandatory re-registration in case of any minor changes in business data. The changes, which apparently sought to tighten state control over the media sector, drew sharp criticism from journalists, media watchdogs, and international organizations such

³⁹ Freedom House: Nations in Transit 2005. Kazakhstan, p. 14.

⁴⁰ Mark Berniker: A President at Crossroads, in: RFE/RL Reports, 3 February 2004.

as the OSCE. The OSCE Representative on Freedom of the Media, Miklos Haraszti, characterized the new media legislation as being against “international democratic standards for the government to define which press outlets are trusted by the public or to decide on the right number of outlets.”⁴¹

In 2007, freedom of press has further deteriorated.⁴² The journalist Kazis Toguzbaev received a suspended sentence on charges of insulting the honor and dignity of President in January 2007. The charges stemmed from articles entitled “Mafia regime shadows the murders of Altynbek Sarsenbaev posted in April 2006 on website www.cub.kz. In March 2007, an international scandal broke out after Information and Culture Minister Ertisbaev bared a team from Era TV from attending a press conference. Journalists opened a lawsuit against the Minister who had then publicly to apologize. Even so in March 2007, Oralgaisha Zhabaktaikyzy, a journalist with *Zakon i pravosudie* newspaper went missing after having published articles about the Kazakh-Chechen clashes in southern Kazakhstan (see also Chapter 3.1). In June and July 2007, journalists Yernazar Ibrayev and Ilyar Gafurov were murdered. Throughout the whole year, the state-owned *Kazakhtelekom* that holds the monopoly on the internet service providers exerted regularly censorship over the independent websites. It limited the registration of new internet domain names, blocked access to websites in Kazakhstan, restricted the bandwidth and hampered access over proxy servers.

In addition, the government stepped up their efforts to regain control over the information market controlled by the president’s family. In the past years, these media had enjoyed support from the government, as Nursultan Nazarbaev enjoyed the full support of his family members. After the Sarsenbaev murder, however, the presidential family’s loyalty was put into question. In April 2006, Culture and Information Minister Ermukhamet Ertysbaev – in an effort “to ensure a high-quality state information policy” – did not exclude the restoration of “full control” over the *Khabar* media holding company, founded by Darigha Nazarbaeva.⁴³ In May 2007, the newspaper *Karavan* and the *K7K* TV channel, affiliated with Rakhat Aliev, had temporarily to suspend their activities after an Almaty court decision. kompromatkz.info, a website controlled by Rakhat Aliev, stopped publishing incriminating materials on independent journalists and critics of current government.⁴⁴

In the past, the president tolerated the various influence groups using their media outlets for their own ends. Right now, it seems that the president – under domestic and international pressure following Sarsenbaev’s killing and the Aliev banking scandal – is trying to regain control over the information market. Re-ensuring the government’s control over the media has suddenly become a top priority. As a result, the media market may become even more censored and state-controlled than it already is.

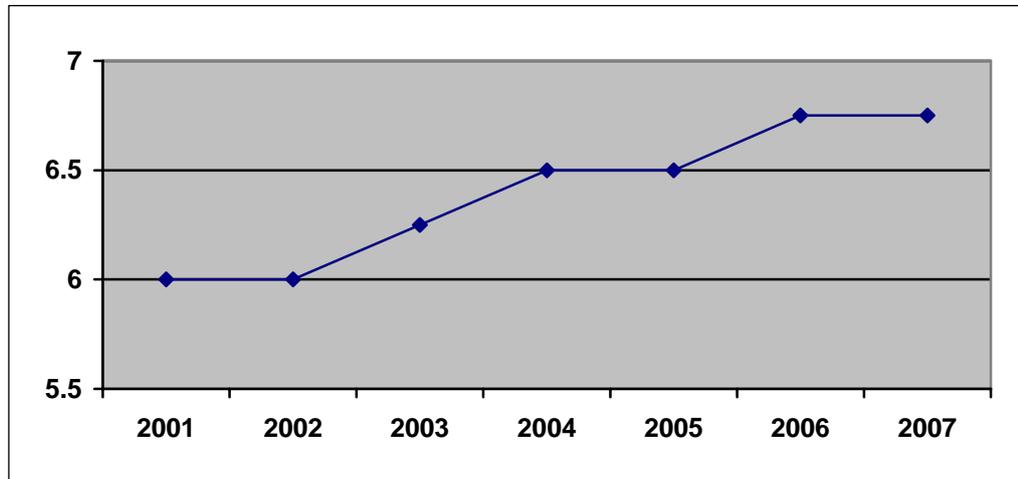
⁴¹ OSCE Representative on Freedom of the Media asks Kazakhstan to withdraw media law amendments, 19 June 2006.

⁴² See for details: <http://www.adilsoz.kz>.

⁴³ RFE/RL Newsline, 24 April 2006.

⁴⁴ See also Freedom House: Nations in Transit 2007. Kazakhstan, p. 318.

Freedom House Ranking of Independent Media in Kazakhstan



Source: Freedom House: Nations in Transit 2007, Kazakhstan

On the surface, Kazakhstan has a plurality of media channels and a diverse range of newspapers, although political and financial interests affiliated with the president control almost all of them. International organizations such as the United Nations or the OSCE have regularly criticized this undue concentration of media ownership and conflicts of interests. Since years, Freedom House classifies the media situation in Kazakhstan as not free.⁴⁵ As the above graph shows, there has been a significant deterioration in the media environment in Kazakhstan since 2001 – and it may deteriorate even more since the Sarsenbaev murder and the Aliev banking scandal. Independent and opposition media outlets lack freedom of expression, facing continued legal harassment. State-controlled media, as well as nominally independent media with ties to the president through subsidies or holding companies, avoid criticism.

The government perceives media freedom as a risk. More media freedom would mean giving more voice to discontented people, to opposition forces, and also to radical/extremist actors, while at the same time allowing media take more control over the government and their actions and financial transactions. By suppressing media freedom, however, the government puts itself at risk. Due to the apparent lack of media freedom, rumors, unproved allegations and misperceptions dominate the public discourse. As people are not given a means to express their opinions, they are increasingly looking for other ways to protest the current political system. Since years, protest movements and radical Islamist groups have been gaining influence in Kazakhstan, an issue that will be discussed in the Chapter about Societal Cleavages.

3.3 Government – Civil Society

The relationship of government and civil society can also to be characterized as a "sideshow"⁴⁶ to what is occurring on the main political stage. Civil society organizations have only a limited influence in Kazakhstan. Despite the fact that there is a significant number (2005 more than 4000) of registered Non-Government Organizations (NGOs) in the country, the vast number are either inactive, existing only on paper, or quasi-governmental, established to compete with independent

⁴⁵ Freedom House: Freedom of the Press 2005, Kazakhstan.

⁴⁶ S. Frederrik Starr: Clans, Authoritarian Rulers and Parliaments in Central Asia, Washington 2006, p. 6.

NGOs in obtaining grants. According to Freedom House, only about 800 are active, and fewer than 150 are able to make a positive impact.⁴⁷ Almost half of all NGOs are concentrated in Almaty, although their number in the capital, Astana, and major towns such as Atyrau, Aktau, and Shymkent are increasing. There are only very few NGOs in the sparsely populated rural regions in central and north-eastern Kazakhstan.⁴⁸

Almost one-third of active NGOs are engaged in social issues such as social protection, health, and welfare of children, care of the disabled, poverty alleviation, and rural infrastructure development, as well as women's support. Many of these groups get direct government funding. In addition, a number of groups are dedicated to environmental issues, e.g. the *Coalition of Environmental NGOs* and *Network for Anti-Nuclear Campaign*. Very few NGOs are engaged in the field of human rights. *Kazakhstan's Bureau for Human Rights and Rule of Law* is among the most prominent of the human rights NGOs advocating for civil rights and democratization. While other NGOs are able to function with little or no government interference, human rights NGOs are subject to tight government control. This control ranges from difficulties in registration and acquiring office space and technical facilities, to frequent tax and financial audits, as well as legal and monetary constraints.

As civil society organizations have decisively contributed to government changes in Georgia, Ukraine and Kyrgyzstan, the Kazakhstani authorities have increased efforts to tighten state control over the civil society sector. In September 2005, President Nazarbaev justified the government's increased vigilance over independent NGOs by referring to recent government changes in Georgia, Ukraine and Kyrgyzstan, where Western sponsored organizations played a triggering role. Nursultan Nazarbaev clearly spoke out "against any interference in Kazakhstan's internal affairs by any foreign country, any embassy or non-governmental organization. (...) This includes not interfering in the country's internal affairs by financing political parties and social movements and supporting this or that candidate on behalf of international and Kazakhstani NGOs, since that is forbidden by the constitution and laws of the land."⁴⁹

As a result, the Kazakhstani authorities stepped up their vigilance over students and youth groups. Several youth organizations, such as the *Youth Information Service of Kazakhstan*, the *Society of Young Professionals of Kazakhstan*, and *Kahar (Hero)*, have been subjected to raids and heightened vigilance for suspicion of attempting to enact a "colored revolution scenario" on the basis of foreign financing.⁵⁰ Foreign NGOs also became a target. By end of 2004, the state general prosecutor's office began with a thorough audit of 33 NGOs that operated based on large foreign grants, a step that signaled a new attempt to increase state control over NGO activity.⁵¹ Among the audited organizations was the *Soros Foundation-Kazakhstan*, against which the Kazakhstani authorities launched an investigation of tax evasion. While the Kazakhstani officials claimed that the reasons behind the investigation were simply financial and legal, the foundation described the move as a deliberate attempt to force it out of the country.⁵²

⁴⁷ Freedom House: Nations in Transit 2007. Kazakhstan, p. 315.

⁴⁸ Marie-Carin von Gumpfenberg: Zivilgesellschaft in Zentralasien, in: osteuropa 11/2002, p. 1462.

⁴⁹ Bruce Pannier: Kazakhstan: Nazarbaev Warns Foreign NGOs Ahead Of Presidential Election, in: RFE/RL Feature, 13 September 2005.

⁵⁰ Freedom House, Nations in Transit: Kazakhstan 2006, p. 12.

⁵¹ International Helsinki Federation for Human Rights: IHF Report 2006. Human Rights in the OSCE Region, p. 226.

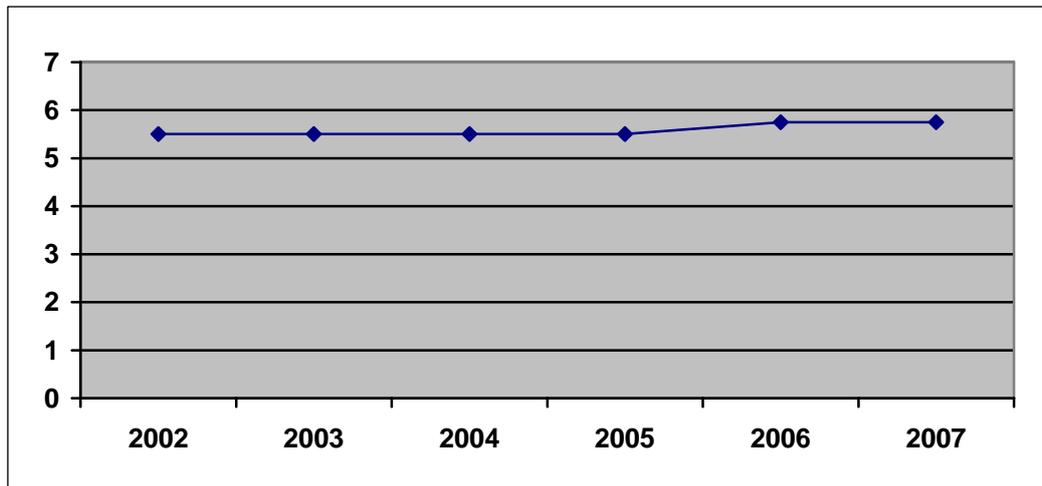
⁵² Gulnoza Saidazimova: Kazakhstan: Soros Foundation Says Tax Evasion Case Is Politically Motivated, in: RFE/RL Features, 30 December 2004.

Despite the government's efforts to gain control over the NGO sector, foreign donors still remain the main source of funding for civil society organizations conducting advocacy campaigns, monitoring human rights and promoting democratic reforms. Donors such as the US Agency for International Development support public health and electoral reforms and in particular, Counterpart Consortium with a range of social issues and the Eurasia Foundation and the Soros Foundation with educational and civil rights issues. The government and loyal Kazakhstani businesses have also been increasingly competing with the foreign donors.

In 2003, the government adopted a resolution "On the program of the state support of non-governmental organizations of Republic of Kazakhstan for the years 2003-2005." The purpose of the state program was to strengthen the civil society's role in resolving significant social problems on the basis of interaction with the government. In April 2005, a law on state social order was adopted, aiming at an equitable partnership between the government and civil society. The main intention was to ensure the timely and secure delivery of basic social services especially to the poor and socially vulnerable by outsourcing to civil society organizations. In 2004 and 2005, the government provided USD \$3.5 million and in 2006 \$4 million to the civil society sector. Until 2010, it intends to increase funding to USD \$8 million per year.⁵³

Kazakhstani leading NGO representatives perceive this government strategy as a move to curtail the activities of independent NGOs in the country.⁵⁴ They allege that the government aims at creating a network of pro-governmental NGOs that will eventually sideline the foreign-funded, independent civil society organizations. While Natalya Chumakova, director of the Democracy Support Center, criticizes that newly created government NGOs as being designed to neutralize truly independent organizations, the head of the Kazakhstani International Bureau for Human Rights, Evgeny Zhovtis, clearly speaks out against direct state intervention in the development of civil society as going against international practice. All maintain that they expect the government to continue to treat independent, foreign funded NGOs with suspicion and to closely monitor their activities.

Freedom House Ranking of Civil Society in Kazakhstan



Source: Freedom House: Nations in Transit 2006 Kazakhstan

⁵³ Freedom House: Nations in Transit 2007: Kazakhstan, p. 315.

⁵⁴ Gaziza Baituova: Kazakhstan: NGOs Fear Losing Independence, in: Institute for War and Peace Reporting: Reporting Central Asia No. 460, 11 August 2006.

As the above graph clearly demonstrates, the situation of the civil society has been slowly, but steadily deteriorating since 1997. In Kazakhstan, the civil society sector is far from becoming consolidated. This may be attributed to the current political system, which has more than often directly obstructed the activity of organizations perceived as being a threat to the country's stability. This may also be attributed to the international community, which has supported President Nazarbaev all these years (despite criticisms about him) preferring to see him in office rather than some unknown and unpredictable figure. The main reasons for a weak civil society need to be sought within the Kazakhstani society itself:

- First, the civil society is poorly organized. Many NGOs suffer from structural weakness and financial problems. Often NGOs are isolated organizations, which are run solely by a small group of hard-core activists with extremely poor resources and infrastructure. Most of them resemble soviet-style leadership showing more interest in gaining resources and power than in implementing societal demands and influencing political decision-making.
- Secondly, regional historic traditions foster political apathy. The Kazakhstani have little experience in providing civil services and exercising civic control. Political hierarchies with khans, tsars, and *Communist Party* Secretaries at the top of power, and clan elders, imperial governors, and *Obkom* functionaries towards the bottom have left little room for the development of broad civic participation. Not only the Soviet paternalistic model of government but also the post-independence political system has engendered apathy and cynicism among the Kazakhstani population as a whole.

Despite a relative weakness, civil society actors play an important role in Kazakhstan as they contribute to conflict resolution at the local level. Unregistered self-help groups play a greater role than registered NGOs. These self-help groups, being different from the Western concept of civil society engagement, are part of a specific Kazakhstani concept of civil society engagement. Their engagement is usually initiated by elderly people who often chair these informal self-help groups. These groups are usually run by volunteers with only a few paid staff. They are locally resourced with a small area of operation, multi-sectoral and unregistered. They are formed by people with some "connections" to improve their own circumstances. These self-help groups are intended to benefit the whole community by rendering support to vulnerable people and settling disputes. By solving conflicts on the local level without government involvement, these grass-root civil society initiatives relieve the government of its responsibility, play a role in the temporary improvement of living standards and therefore, diminishing social conflict potential and contributing substantially to stability at the local level.⁵⁵

⁵⁵ See also: Sabine Freizer: The Role of Civil Society in Development in Central Asia. Draft paper for the Ecumenical Consultation on Central Asia: Future Opportunities & Challenges, Geneva, 1-2 May 2003.

4 Conflict Lines within the Kazakhstani Society

4.1 Marginalized Ethnic and Sub-Ethnic Groups

In the early 1990's, Kazakhstan was seen as a potential zone of ethno-political conflict. Because of the existing ethnic diversity, speculations about the imminent "Balkanization" of this virtually unknown country were sparked. The German politician, Egon Bahr, characterized Central Asia as a region with incomprehensible and not influenceable national, ethnic and regional passions, which could be hardly kept under control.⁵⁶ The American geo-politician Zbigniew Brzezinski compared Central Asia with an "ethnic boiling pot," and forecasted that Kazakhstan would erode as a result of cleavages between the Turkish-Muslim and the European-Christian population. "In Kazakhstan, a country with less than 20 million people, almost equally populated by Kazakhs and Slavs, the frictions will intensify due to ethnic and linguistic differences."⁵⁷

Despite these pessimistic forecasts, Kazakhstan has not experienced any major ethno-political conflicts between the titular nation, the Kazakhs, and the Slavic population since independence. Today ethnic Kazakhs make up 55 per cent of the population and are increasing. The share of Slavs and other Russian-speaking groups are currently at about 36 per cent and declining. There is no visible tension along ethnic or religious lines between both groups, although Kazakhs enjoy numerous informal preferences and fully dominate governmental, administrative, and economic structures.

Being fully aware of the potential risk of inter-ethnic cleavages as well as frictions within the Kazakh nation, President Nazarbaev proclaimed Kazakhstan in the early 1990's the political artefact of the Kazakh(stani) nation. Through propaganda of "national harmony" and "Kazakh(stani) patriotism," he wanted to construct "national solidarity." The president tried to appeal to the national consciousness of Kazakhs as well as non-Kazakhs in order to consolidate them and to dispose of the nation-state. He wanted to integrate the population into a Kazakh(stani) nation-state – sharing a difficult past and working for a better future. For that reason Nursultan Nazarbaev thought he could manipulate sub-ethnic loyalty and ethnic relationships in order to construct supra-ethnic and nation-state identity.

However, the analysis of this concept shows that Nursultan Nazarbaev presented a very contradictory model of national identity.⁵⁸ On one hand, he gave preference to a model, which aimed at creating a supra-ethnic nation-state. The president wanted to revive patriotism directed to constitution and state in order to integrate the whole population, especially the non-Kazakhs, into the Kazakhstani state. Everybody should feel proud to be a citizen of Kazakhstan, a state that gives them the possibility of self-determination and allows them to identify themselves with a new state independent of ethnicity and to integrate into civic community.⁵⁹ On the other hand, Nursultan Nazarbaev propagandized a model, which strived for evolutionary-cultural assimilation of the multi-ethnic groups into the Kazakh community. He wanted to unite all Kazakhstani ethnic groups under the umbrella of the Kazakh titular nation. The aim was to create a "cultural-civilized reality" that would be considerably formed by Kazakh culture.

Nursultan Nazarbaev defined the relationship of Kazakhs and non-Kazakhs to the state differently. While the Kazakhs were to deduce their identity from the Kazakh(stani) *nation*-state, the non-

⁵⁶ Egon Bahr: *Deutsche Interessen. Streitschrift zur Macht, Sicherheit und Außenpolitik*. München 1998, p. 91.

⁵⁷ Zbigniew Brzezinski: *Die einzige Weltmacht. Amerikas Strategie der Vorherrschaft*, Berlin/Weinheim 1997, p. 139 (Translation by the author).

⁵⁸ See Marie-Carin von Gumpfenberg: *Staats- und Nationsbildung in Kazachstan*, Opladen 2002, p. 124ff.

⁵⁹ Nursultan Nazarbaev: *Pjat' let nezavisimosti. Iz dokladov, vystuplenij i statej Prezidenta Respubliki Kazachstan*. Almaty: Kazachstan 1996, p. 461.

Kazakhs were to define their identity through the Kazakhstani nation-*state*. In other words, the Kazakhs are to define their identity first through their affiliation to their own ethnos and then through their affiliation to the constitutional state. The non-Kazakhs, on the contrary, were to identify themselves first through the constitutional state and then through Kazakh or Kazakhstani culture. The long-term target of official nationalism was not only to stimulate approval of the Kazakhstani nation-state, but to considerably strengthen the support of non-Kazakhs towards the titular nation.

Despite the president's propagation of a Kazakh(stani) identity, so far a homogenous society has not emerged in Kazakhstan that would demonstrate "national solidarity." Tensions within society, however, characterize everyday life. In some cases these tensions culminated into bloody clashes in the past 20 years. However, these clashes took place not so much between Kazakhs and Slavs, but more often between the titular nation and the more recent migrant communities.

Since 1989, Kazakhs and various seasonal workers (mostly Lezgins and Chechens) from the North Caucasus clashed in Novyi Uzen (now called Zhanaozen).⁶⁰ The most common causes of conflict were about Kazakhs getting access to bazaars dominated by the Caucasians or having an opportunity to work in the well-paid oil and gas industry, which since Soviet times are run by Caucasians. The latest incidents resulted in mass fighting in 2005 between Atyrau residents and Turkish laborers involving over 500 people from both sides; the destruction of Lezgin, Chechen and Azeri cafes and shops by Kazakhs in August 2006;⁶¹ and in violent clashes between ethnic Kazakhs and Chechens in two villages in the vicinity of Almaty have left five people dead and many more injured in March 2007.⁶² As Kazakhstan's economy booms, the rich-poor, rural-urban and educated-uneducated divides have widened, leading to social discontent that is from time to time erupting in inter-ethnic clashes.

Tensions are also high within the Kazakh community. Despite the president's repeated calls for unity within the Kazakh community, frictions among the Kazakhs are vibrant. The dividing factor is less about the affiliation to a *zhuz* (horde⁶³) than the educational background and the living standard. Intra-Kazakh cleavages run between rural and urban Kazakhs, Kazakhs educated in Kazakh schools and Kazakhs educated in Russian schools or abroad, and Kazakhs with migration background and Kazakhs born and raised in Soviet/post-Soviet Kazakhstan.

Of special concern for the stability of the country, which President Nazarbaev has persistently praised as an "oasis of inter-ethnic stability," is the growing number of unskilled rural Kazakhs migrating to the cities in the search of employment where they face a Western-oriented culture dominated by Russian-speaking people (see also next Chapter). Here different cultures clash. While most rural Kazakhs have no problems communicating in Kazakh, many urban Kazakhs are facing difficulties expressing themselves in Kazakh. A recent move by the Zhambul governor to require all official correspondence to be written in Kazakh has sparked widespread protest among urban

⁶⁰ See: Marie-Carin von Gumpenberg: Staats- und Nationsbildung in Kazachstan, p. 83ff.

⁶¹ Rinat Saidullin: Unrest in the Kazakh city of Aktau: the truth behind the veil of conflicting reports, in: Fergana.ru, 25 August 2006.

⁶² See: Joanna Lillis: Socio-Economic Tensions Threatens Kazakhstan's Ethnic Harmony, in: Eurasianet: Eurasia Insight, 3 April 2007.

⁶³ In Kazakhstan, there exist three major Kazakh hordes (*zhuz*), each composed of tribes claiming common ancestry and inhabiting a shared territory. The elder horde (*ulu zhuz*) inhabits the Southern territories, the middle horde (*orta zhuz*) is to find in the territory of the central steppe region and North-Eastern parts, whereas the younger horde (*kishi zhuz*) occupies the Western regions between the Aral and Caspian seas.

citizens, which make up nearly 70 per cent of the population in the Zhambul region.⁶⁴ Ever since independence, efforts have been made to encourage Kazak language usage. But these have been mostly poorly executed. As a result, the use of Kazak has diminished while the number of people who count themselves as Russian speakers has steadily grown – today they represent 85 per cent of the population.⁶⁵

Of concern is also the precarious status of the Kazakh Diaspora that has returned to Kazakhstan since independence. With the intention of enhancing the number of pure Kazakh-speakers in the country, the Kazakhstani government has facilitated the repatriation of these so-called *oralmani* people from China, Mongolia, Turkey, Iran, Russia, Tajikistan and Uzbekistan. So far more than 300,000 people have returned.⁶⁶ As Central Asian expert Bhavna Dave⁶⁷ points out, these *oralmani* are generally lacking the linguistic skills or related skills to build on (the knowledge of Russian, including the Cyrillic alphabet in which Kazakh is written), and often encounter a lukewarm response from neighbors. They also have to fight an uphill bureaucratic battle, having to wait for years before obtaining registration cards and Kazakhstani passports. So far, only about 10 per cent of these migrants have managed to obtain passports although they are formally entitled to Kazakh citizenship, and many of the *oralmani* families lack proper housing, access to adequate health care and education.⁶⁸

At the beginning of October 1997 Nursultan Nazarbaev delivered a speech with the topic “Kazakhstan – 2030 Prosperity, Safety and Improvement of Welfare for all Kazakhstanis.” He promised that until 2030 all Kazakhstanis would live in national unity, social justice and economic prosperity. In order to realize this vision, the president appealed to the population to support his reforms “loyally and patriotically.” Only a unified Kazakhstan nation with “true love for its motherland” could achieve a “flourishing and stable Kazakhstan,”⁶⁹ where social justice and economic growth would reign. However, as the recent clashes in western and southern Kazakhstan demonstrate, the Kazakhstani government has still a long way to go to overcome existing inter-ethnic and intra-ethnic cleavages and to build up a Kazakh(stani) nationhood.

⁶⁴ Gaziza Baituova: Kazakhstan: Language Tensions Mount. Ban on official use of Russian in southern region rattles non-Kazak speakers. In: Institute for War and Peace Reporting: Reporting Central Asia No. 457, 21 July 2006.

⁶⁵ Gaziza Baituova: Kazakhstan: Language Tensions Mount. Ban on official use of Russian in southern region rattles non-Kazak speakers. In: Institute for War and Peace Reporting: Reporting Central Asia No. 457, 21 July 2006.

⁶⁶ Kazakhstan to enlarge annual returnee quota to 15,000 families, in: kazinform, 1 December 2004.

⁶⁷ Bhavna Dave: Minorities and Participation in Public Life: Kazakhstan, in: UNHCHR: Minority Rights: Cultural Diversity and Development in Central Asia. Bishkek 2004.

⁶⁸ See also: Kazakhstan: The challenge of sustaining returnees, in: The Long Journey Home, February 2005.

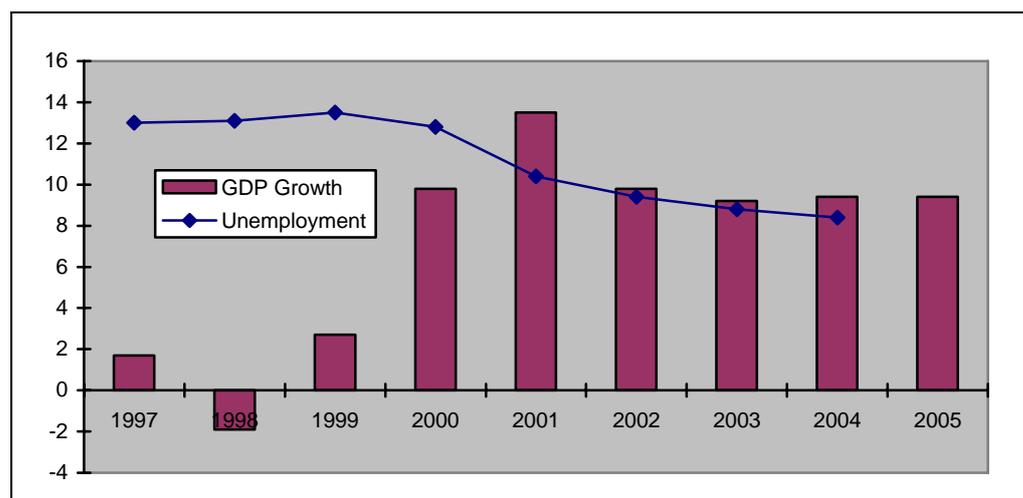
⁶⁹ Nursultan Nazarbaev: Kazakhstan – 2030. Prozvetanie, bezopasnost' i uluchshenie blagosostojaniya vseh kazachstanzev. Almaty 1997, p. 195.

4.2 Migrant Workers without Social and Legal Protection

As a result of the government's comprehensive economic reforms and due to the continued exploitation and trade of its rich mineral resources, Kazakhstan has become one of the economic leaders of the former Soviet Union. In recent years, the country has experienced an unprecedented economic boom fuelled by a combination of high world oil prices, expanded domestic production, increased investment, strong domestic consumption, and balanced macroeconomic policies. In 2005, Kazakhstan's GDP grew 9.4 per cent.⁷⁰ The average economic growth is forecasted to be at 8.5 per cent per year in 2006-2007.⁷¹

Despite impressive figures, the country still faces significant economic development challenges. To enable a stable economic growth, the country needs to diversify its economy by using the income of its mineral resources to finance the development of a mixed economy or specifically, to redirect investments in underdeveloped high-technology and agricultural sectors. According to the Asian Development Bank, "the challenge ahead is to maintain past successes and ensure broad-based development and employment by expanding non-oil manufacturing, raising productivity in agriculture, and extending the reach of small and medium-sized enterprises."⁷²

GDP Growth and Unemployment in Kazakhstan 1997-2005



Source: Agency of Statistics of Kazakhstan/Asian Development Bank

Continuing economic growth has resulted in higher living standards. The Human Development Index (HDI), which measures the average achievements of a country in three basic dimensions of human development (life expectancy, literacy rate/gross school enrolment and GDP), placed Kazakhstan at the 93 position in 1995, and at the improved 80 position in 2004.⁷³ The better rating was associated with a significant increase in GDP per capita, a rise in life expectancy and a remarkable increase in

⁷⁰ World Bank Kazakhstan: Country Brief 2006.

⁷¹ Asian Development Bank: Kazakhstan Macroeconomic Assessment of 2004.

⁷² Asian Development Bank: Central Asia's Rapid Growth to Continue in 2006-2007, ADB Press Release 6 April 2006.

⁷³ UNDP/UNFPA: National Human Development Report for Kazakhstan 2005. The Great Generation of Kazakhstan: Insight into the future. Almaty 2005, p. 20ff.

enrolment. While the former and the current capital, Almaty and Astana, were characterized by a high human development, in the regions Akmola, Almaty, Zhambul, Kostanai, Kyzylorda, North Kazakhstan and South Kazakhstan the human development was remarkably below the average.

The share of the population living in poverty is relatively low. According the Kazakhstani Agency of Statistics, only 16 per cent of the population had an income below the subsistence level (about USD \$40 per month) in 2004.⁷⁴ The most affected were children under 14 (making up 33 per cent of all poor), adolescents and young people aged 15-19 (13 per cent), and older people and retirees (6.7 per cent). According to UNDP, low aggregate income of the majority of people stands out as an important cause of poverty in Kazakhstan. A characteristic of Kazakhstan's poverty is that it affects both the employed and unemployed.⁷⁵ Most of the population living below the poverty line is to be found in rural areas where a de-modernization of the economy and society have taken place despite the growth of the oil and gas industry. There are significant regional disparities – due to the fact that economic reforms and economic growth have affected the regions differently. The southern agricultural oblasts have traditionally high poverty indicators. In western oblasts such as Atyrau and Manghystau industrial production (oil and gas) is high; however, it is not being distributed to the population leading to high poverty among the local people of these oblasts.

Due to the booming economy in major cities, migration within and immigration from outside of Kazakhstan have increased decisively over the past years. Economic migrants have been attracted by the prospect of low-skilled jobs in the growing construction and service sectors. There were a large number of migrants, mostly from underdeveloped rural regions in southern and western parts of Kazakhstan, which were attracted by the concentration of new wealth in cities like Astana and Almaty. At the same time, illegal migrants from neighboring countries were flouting the cities, working either temporarily or permanently in the country. Between 500,000 and 1,000,000 migrants from Uzbekistan, Kyrgyzstan and Tajikistan work illegally in Kazakhstan, with most of them working in the southern agricultural regions on the Kazakh-Uzbek border or on construction sites in Astana and Almaty.⁷⁶

As a result, shanty towns have sprung up on the outskirts of Astana, Almaty, and other cities, creating social pressures and a new lower class. The Almaty city administration has made several attempts last year to clear away these townships that have sprung up around the edges of the former capital in recent years but has encountered stiff resistance from residents. As a result, tensions increased and protest actions began cumulating into bloody clashes with police on 14 July 2006.⁷⁷

For months, the Almaty city authorities have been trying to clear dwellings in the Almaty settlement Bakai, which they say are illegal, to make way for urban development, and to install public utilities such as water, electricity and gas. Several times, squads of riot police have entered the area to protect court officials serving eviction orders and teams of demolition men. Each time they managed

⁷⁴ UNDP/UNFPA: National Human Development Report for Kazakhstan 2005. The Great Generation of Kazakhstan: Insight into the future. Almaty 2005, p. 29.

⁷⁵ UNDP/UNFPA: National Human Development Report for Kazakhstan 2005. The Great Generation of Kazakhstan: Insight into the future. Almaty 2005, p. 27.

⁷⁶ UNDP/UNFPA: National Human Development Report for Kazakhstan 2005. The Great Generation of Kazakhstan: Insight into the future. Almaty 2005, p. 44. Yunus Khalikov: Uzbek Government Ignores Labor Migration Issue, in: Eurasianet: Eurasia Insight 6 September 2006.

⁷⁷ See also: Gaziza Baituova: Police Pick up "Troublemakers" in Kazak Shantytown, in: Institute for War and Peace Reporting: Reporting Central Asia No. 457, 23 July 2006; Gaziza Baituova: Kazak "Free Land" Pledge Not All It Seems, in: Institute for War and Peace Reporting: Reporting Central Asia No. 464, 15 September 2006.

to destroy only a few homes before being driven out by angry locals. On 7 July 2006, Almaty municipal authorities finally entered and destroyed approximately 500 homes in Bakai. Four Bakai residents were injured and two arrested during the demolitions. More than 2000 people became homeless.

On 14 July, similar scenes took place in the Shanyark district of Almaty. More than 1500 local residents and 150 police officers clashed. Local citizens blocked roads leading into the settlement and threw rocks and Molotov cocktails at the police. Several vehicles were also set on fire. Four police officers were reportedly taken temporarily hostage during the clashes. One police officer was severely injured and died as a result of his injuries.

The Bakai and Shanyark residents – almost all are ethnic Kazakhs, mostly migrant workers from rural areas – claim that they have been living in the places for more than a decade. Most of them have acquired residence papers from the Almaty regional administration before Bakai and Shanyark were incorporated into Almaty city. As a result, the residents were required to undergo the re-registration of their land plots and houses. Many failed to do it properly, which left their titles open to challenges. The Almaty city authorities did not recognize their documents, ruling that the land has been illegally occupied and should be now subject to re-development. At the same time, the shanty town residents claimed that the city administration deliberately did not recognize their documents, being more interested in satisfying the interests of property speculators and construction companies who seek huge gains.

With the bloody clashes of 14 July 2006, the conflict between the suburban residents and the city administration has reached its peak. Until summer 2007, steps taken by the city administration have been inadequate in solving the problem. Neither the already existing law on property legalization was modified in order to give squatters the possibility of solving their own property rights' problems; a property amnesty law was introduced that would allow people to legalize homes they have already built without permission.

Since independence, the dissatisfaction with sharp economic disparities has been increasing: with those in power forming a small group of "haves" and everybody else making up the "have-nots." Out of the latter group, the internal migrants are the most vulnerable, consisting mostly of unqualified workers with basic education. These people, forming the future "lumpen proletariat" of the country, might become a force putting the country's stability at risk. Disillusioned by the government's ability to provide basic goods and services and not frightened anymore by law enforcement officers, these people might seek a more radical solution to their problems. Some of them might opt for an Islamic way of government.

4.3 Radical and Extremist Islamist Groups

Since the end of the 1990's, the Kazakhstani government has been increasingly concerned about the risk political Islam might impose on the country's stability. Fighting religious extremism became a top priority. Security services stepped up their monitoring of religious communities. Under special surveillance became activities of registered and non-registered religious groups. Imams were encouraged to provide information to the security services on any "unreliable" colleagues.⁷⁸ Imams' preaching started to be watched closely and the licensing of mosques thoroughly checked.

Among the Islamist organizations operating in Kazakhstan, the government has identified *Hizb-ut Tahrir al Islami* (Islamic Party of Liberation) as the main threat to country stability. *Hizb-ut Tahrir*

⁷⁸ International Crisis Group: Islam and the State. Asia Report No. 59, Osh/Brussels 2003, p. 33.

originating in the 1950's in the Middle East advocates the creation of a caliphate, an idealized Islamic state. The aim is to bring Muslims back to living an Islamic way of life in *Dar al-Islam*, the land where the rules of Islam are being implemented, as opposed to the non-Islamic world, *Dar ul-Harb*. An Islamic society would then be established in which all life's affairs were to be administered according to the *Shariah* rules.⁷⁹

Hizb-ut Tahrir appeared in the early 1990's in Central Asia. Its first foothold was in Uzbekistan where it won thousands of followers and then spread into neighboring Kyrgyzstan, Tajikistan and Kazakhstan. In Kazakhstan, the first reported public action of *Hizb-ut Tahrir* was the dissemination of leaflets during celebrations commemorating the ancient city of Turkestan in south Kazakhstan in 2000.⁸⁰

It is difficult to establish exact numbers of the group's total membership in Kazakhstan. Most estimates for all of Central Asia vary between 15,000 and 20,000 with *Hizb-ut Tahrir* activists quoting the upper end and human rights activists and observers citing the lower end of the range.⁸¹ It is assumed that Kazakhstan harbors insignificant numbers. Figures of *Hizb-ut Tahrir* court proceedings give a preliminary indication. For instance, 39 criminal cases against *Hizb-ut Tahrir* were launched in southern Kazakhstan in 2004. And in January 2005, police detained 40 alleged supporters of *Hizb-ut Tahrir* in Almaty.

Party members claim that their aim is to achieve political change through peaceful means. However, the Kazakhstani government interprets the party's goal as a call to overthrow secular governments and to establish an Islamic state, which is a threat to the country's stability. In an effort to be able to address this threat by legal means, it adopted a law on combating extremism in February 2005. The law provides definitions of political, national, and religious extremism, and stipulates procedures to declare groups extremist organizations. Based on this new law, *Hizb-ut Tahrir* has been recognized as an extremist organization and banned in Kazakhstan in March 2005. In July 2005 amendments to national security legislation were adopted that imposed new restrictions on criminal and civil procedure codes and on laws regulating political parties, NGOs, religious groups and the media. Although the amendments were ostensibly designed to strengthen the country's security, they may serve to further undermine civil liberties.

The heavy-handed policy that the Kazakhstani government started to deploy against *Hizb-ut Tahrir* in the past years is not competing with the sophisticated approach the party is using to win support from unaffected groups within the country. *Hizb-ut Tahrir* activists convey their message in simple terms: poverty and inequality can be addressed once corrupt governments are replaced with the rule of *Shariah*. This call for social justice especially strikes impoverished people in the towns and villages of southern Kazakhstan and on the outskirts of major cities.

Since its appearance in Kazakhstan, *Hizb-ut Tahrir* has used various methods to make their goals known to the public. In the early days of *Hizb-ut Tahrir*, propaganda literature was usually exchanged among members of the group. Next, party activists targeted big gatherings such as the millennium celebrations in Turkestan in order to spread the word by disseminating leaflets. This tactic was then followed by direct mailing, placing leaflets in people's post boxes. Presently,

⁷⁹ Hizb ut-Tahrir al-Islami, in: <http://www.globalsecurity.org/military/world/para/hizb-ut-tahrir.htm>.

⁸⁰ Saule Mukhametrakhimova: Perception and Treatment of the "Extremist" Islamic Group Hizb ut-Tahrir by Central Asian Governments, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 52.

⁸¹ Saule Mukhametrakhimova: Dealing With Hizb-ut-Tahrir, in: Institute for War and Peace Reporting, Reporting Central Asia No. 452, 16 June 2006.

members are becoming more proactive in getting their message across by initiating contacts with local media and offering interviews and information.

Hizb-ut Tahrir activists gained sympathy by their charitable work for vulnerable groups. Initially, they provided support for families of jailed party activists but then extended support beyond the party's ranks to the wider community. Party members support poor families in dispute with the authorities over payment of utility bills, help out young families, and organize the free distribution of food during religious holidays.⁸²

According to the International Crisis Group,⁸³ *Hizb-ut Tahrir* poses a very limited risk to the country's stability. However, this might change if the government continues to pursue its heavy-handed policy against *Hizb-ut Tahrir* while at the same time ignoring the marginalized population's social concerns. The country's "lumpen proletariat" might then turn to Islamist organizations such as *Hizb-ut Tahrir* en masse and strive to overthrow the government by violent means.

Another Islamist organization under the surveillance of the Kazakhstani government is *Al Qaeda* and its splinter groups whose interest in turning Kazakhstan into a Muslim state, as a recent research shows,⁸⁴ is quite low. In the early 1990's their activities were limited – due to the lack of US targets. As a result, *Al Qaeda's* interest was less focused on spreading radical Islamist ideas than on building up contacts and providing military assistance to Islamist fighters in Tajikistan. Starting in the mid 1990's, *Al Qaeda* trained Central Asians in Afghan camps who later fought against the US-led Afghan coalition. They even seem to have been planning strikes after the establishment of the anti-terror coalition in Kyrgyzstan in 2001. Kazakhstan, however, never seems to have been their target since they did not harbor troops of the anti-terror coalition.

Al Qaeda did not even seek to turn Kazakhstan into a Muslim state because it regarded the developments in this country "as a self-fulfilling prophecy: the oppression by anti-Muslim governments, the fast-growing interest in a more conservative Islam among the Muslims, the development of a gulf-state-sponsored NGO sector, the growth of Afghan-controlled narcotics trafficking networks through Kazakhstan, (and) the steady expansion of the *Hizb-ut Tahrir* across the country."⁸⁵ All these factors were pushing – in the eyes *Al Qaeda* – Islamic militancy ahead faster than *Al Qaeda* could have achieved over years.

Al Qaeda's main interest in Kazakhstan focuses on the large deposits of non-conventional weapons inherited from the Soviet Union, which is the world's fourth-largest nuclear weapons arsenal. After independence, Kazakhstan transferred all its nuclear warheads to Russia and destroyed the infrastructure at Semipalatinsk, a major weapons test site. Additionally, about 600 kilograms of weapons-grade uranium were transported to the United States. Nevertheless, Kazakhstan is still suspected of possessing weapons-grade nuclear material at two nuclear research institutes.⁸⁶ It continuously extracts and exports uranium. Despite the Kazakhstani government's increased

⁸² Saule Mukhametrakhimova: Perception and Treatment of the "Extremist" Islamic Group Hizb ut-Tahrir by Central Asian Governments, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 53.

⁸³ International Crisis Group: Radical Islam in Central Asia: Responding to Hizb ut-Tahrir, ICG Asia Report No. 58, Osh/Brussels 2003, p. 43.

⁸⁴ Michael Scheuer: Central Asia in Al Qaeda's Version of the Anti-American Jihad, 1979-2006, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 8.

⁸⁵ Michael Scheuer: Central Asia in Al Qaeda's Version of the Anti-American Jihad, 1979-2006, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 9.

⁸⁶ Sergei Dinalochkin: Kazakhstan: Astana Denies Links To Nuclear Smuggling Network, in: RFE/RL Report, 4 March 2006.

security, smuggling of nuclear material takes place in and through Kazakhstan. According to the former CIA official and terrorism expert Michael Scheuer, Kazakhstan became a “happy-hunting ground in which to seek WMD components or off-the-shelf chemical, biological, and nuclear weapons.”⁸⁷

The magnitude of nuclear leakage from Kazakhstan is undetermined. The most prominent case happened in March 2000 when Uzbek customs officials at the Gisht Kuprink border crossing discovered ten highly radioactive lead containers concealed in 23 tons of scrap stainless steel in a truck entering from Kazakhstan. Documents found in the truck indicated that the Iranian driver was planning to deliver his radioactive cargo to Pakistan, near the border of Afghanistan. Uzbek authorities found the radioactive material after their radiation detectors sounded off as the truck entered the customs post.⁸⁸

In the past years, the Kazakhstani government has stepped up its efforts against Islamist groups such as *Al Qaeda* by banning their activities in the country in 2004 and strengthening their combat preparedness. Since years, the Kazakhstani military holds major counter-terrorist exercises, simulating counter-insurgency operations against a small mobile force in a mountainous border region. One of the latest trainings was held in June 2006. The exercise itself involved military personnel from Kazakhstan and Russia. The scenario involved countering terrorism and illegal immigration.

However, according to the Russian researcher Pavel Baev,⁸⁹ the likelihood that *Al Qaeda* and its splinter groups will implement terrorist acts in Kazakhstan is not very high. In the past, terrorists have targeted markets, embassies and government buildings in Uzbekistan and not in Kazakhstan, which is still perceived by Muslims as the most liberal and tolerant country in Central Asia. The same can be also said about the risk of terrorist attacks against the energy infrastructure in Kazakhstan. *Al Qaeda* and its affiliated groups have been mainly operating in the Ferghana Valley and in Tashkent, thus far away from the Kazakhstani oilfields. This brings Pavel Baev to the conclusion that “the booming oil industry in western Kazakhstan most probably would remain off limits for extremist organizations that might have penetrated into the south-eastern regions of this vast country but still have limited reach.”⁹⁰

In the past years, radical and extreme Islam in Kazakhstan has been increasingly, merging with wider social and political discontent. The number of people turning to radical and extremist Islamist groups has been growing; however, they are still limited in numbers. To counter-act radical and extremist Islamist forces, the Kazakhstani government will not only have to step up its security measures, but also engage itself more in substantive political and social reforms by allowing media freedom, promoting human rights, strengthening political institutions, reforming law enforcement bodies, and ensuring social welfare also for the marginalized groups on the countryside and in the outskirts of the cities. So far, the government has neither sufficiently addressed the needs of these marginalized groups nor introduced substantive reforms. On the contrary, it has sometimes exaggerated the threat of political radical and extremist groups towards the country and used this

⁸⁷ Michael Scheuer: Central Asia in Al-Qaeda’s Version of the Anti-American Jihad, 1979-2006, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 7.

⁸⁸ U.S. Customs and Border Protection: Combating The Threat of Nuclear Smuggling at Home and Abroad, in: http://www.customs.gov/xp/cgov/border_security/antiterror_initiatives/safeguarding_america.xml

⁸⁹ Pavel Baev: Re-evaluating the Risks of Terrorist Attacks Against Energy Infrastructure in Eurasia, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 33.

⁹⁰ Pavel Baev: Re-evaluating the Risks of Terrorist Attacks Against Energy Infrastructure in Eurasia, in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 37.

perceived danger as pretext to justify suppressing non-violent political opponents.⁹¹ Continued repression, however, may strengthen marginalized groups, which could in the future enable them to be part of and benefit from the broader protest movement.

⁹¹ Richard Weitz: Terrorism in Eurasia. Enhancing the Multilateral Response in: The China and Eurasia Forum Quarterly, Vol. 4 No. 2, May 2006, p. 16.

5 Regional Security Threats

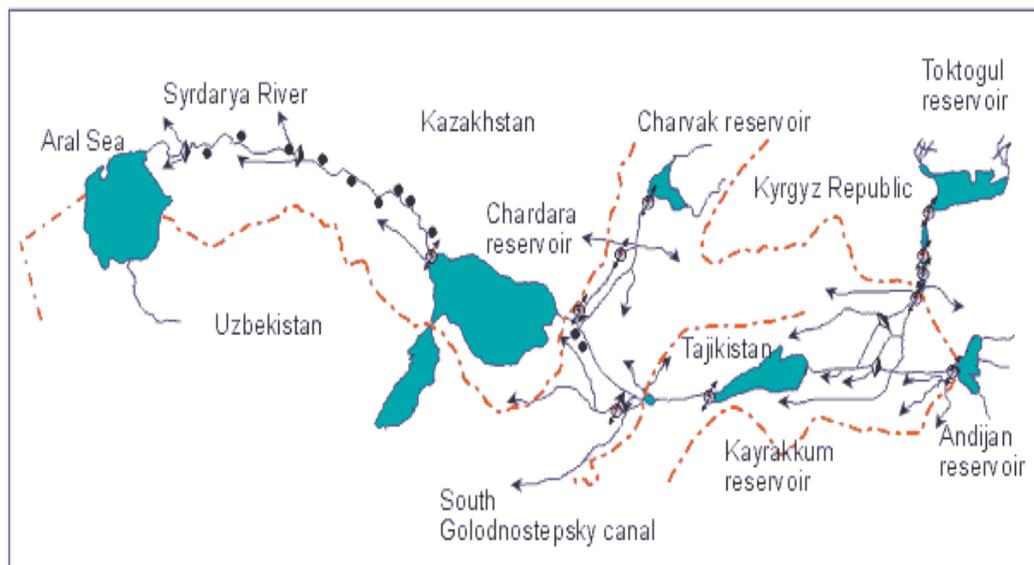
5.1 Cross-Border Conflicts

Since independence, the Kazakhstani president has been favoring a closer cooperation with its Central Asian neighbors as a foreign policy approach. This desire for close cooperation has been grounded in the country's growing feeling of a threat posed by sub-state actors (such as Islamist organizations operating across the borders and by neighboring states such as Afghanistan). Additionally, there has also been a growing perception of a threat from Uzbekistan that has seen in the past years invasions of paramilitaries (2000), terrorist attacks (1999, 2004) and bloody clashes (2005).

In the past years, there has been tension repeatedly between both Kazakhstan and Uzbekistan, which have been competing over the leadership in Central Asia. However, this tension always remained at a low level and was from time to time challenged by disputes about different issues such as water distribution, trade and cross-border migration, and border delimitation. However, this might change when instability within Uzbekistan increases and spreads to neighboring countries.

So far, regional water management problems in the Syr Darya basin have presented a challenge, although a limited one, to regional stability. The Syr Darya River flows 2,220 kilometers across Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. While the upstream countries, Kyrgyzstan and Tajikistan, use the water for hydroelectricity generation, the downstream countries use it for irrigation. While the upstream countries need the water primarily in winter to generate electricity, the downstream countries need water in summer to irrigate fields.

Syr Darya River Basin Map



Source: <http://www.icwc-aral.uz/bwos/map.gif>

Every winter, Kyrgyzstan is releasing water from its water reservoirs in order to generate hydroelectric power. This water flows into the Naryn River which meets the Syr Darya River and the Chardara Reservoir at the Kazakhstani-Uzbek border (see map above). Quite often, the Chardara Reservoir becomes in imminent danger of overflowing and destroying its dam because of Kyrgyzstan's winter flooding. When this happens, Kazakhstan then starts diverting water from

Chardara Reservoir into Uzbek lakes Aidarkul and Arnasai, which then overflow into nearby pastures threatening settlements in Uzbekistan.⁹²

In the past years, Kazakhstan, Kyrgyzstan, and Uzbekistan repeatedly met to discuss measures to prevent flooding caused by Chardara Reservoir. The discussion often ended with the signing of protocols under which Kazakhstan and Uzbekistan would supply electricity, coal, gas and fuel oil to Kyrgyzstan and Kyrgyzstan would reduce its hydroelectric output, while Uzbekistan would increase the flow of water from the Chardara Reservoir into its nearby Aidarkul and Arnasai lakes.

However, in 2004, despite earlier agreements and ad-hoc crisis management meetings, the flooding could not be stopped. The Syr Darya overflowed its banks flooding homes, farms and roads in southern Kazakhstan. The floods caused the displacement of over 30,000 people in Kazakhstan and Uzbekistan and overall damages were estimated at around USD \$4.6 million.⁹³

Being unable to engage in satisfactory dialog with its neighbors on solving the problem of excess water in the Syr Darya River, Kazakhstan plans to deal with the problem independently. The Kazakhstani solution is to construct another reservoir on the lower Syr Darya to take excess water from the river and either release it for use during irrigation season or allow it to reach the Aral Sea. Uzbekistan apparently objects to Kazakhstan's intention of building the new reservoir. It is worried that water urgently needed by Uzbekistan in summer could be used by Kazakhstan for irrigation.

The urgency of the situation forced both Central Asian governments to cooperate leading to short-time agreements on water management issues. However, these agreements were made in vain. The Kazakhstani as well as the Uzbek government are inclined to selfishly overstep agreements at the cost of ordinary people living on both the Uzbek and the Kazakh side, which are left to face the danger of flooding.⁹⁴

Another source of tension between Kazakhstan and Uzbekistan is Uzbekistan's strict border regime that virtually forbids all legal trade. In January 2003, Uzbekistan officially sealed its border with Kazakhstan in an effort to prevent its people from buying cheap consumer goods in Kazakhstan. The Uzbek government accused Kazakhstan of "economic aggression"⁹⁵ and of undermining the Uzbek economy. It even demanded that Kazakhstan should close its markets situated near the Uzbek border. This appeal was dismissed by Kazakhstani high-ranking officials countering that the Uzbek propaganda campaign waged in the Uzbek media against Kazakhstan is damaging relations between the two countries.⁹⁶

The tensions eased in the following period as people started to adjust to trade restrictions by circumventing them. Smuggling drastically increased. Border guards from both sides reluctantly tried to stop illegal activities. They also became involved in the cross-border smuggling business. They started to turn a blind eye to small-scale smuggling in return for bribes. If smugglers did not bribe the border guards, then the ensuing conflict could end deadly for the smugglers. Since 2003, the

⁹² There is a Central Asia Regional Water and Environmental Information System observing the level of the Chardara Water reservoir. See: <http://www.cawater-info.net>.

⁹³ Marina Kozlova: Politics clouds Sharing of Water, in: asiawaterwire.net, March 2006.

⁹⁴ For further information see: Victor A. Dukhovny: Water – Transboundary Cooperation in Central Asia. Past, Present and Future. May 2007.

⁹⁵ Uzbek Border Row Introduces New Element of Tension in Central Asia, in: Eurasianet: Eurasia Business & Economics, 27 January 2003.

⁹⁶ Uzbek Border Row Introduces New Element of Tension in Central Asia, in: Eurasianet: Eurasia Business & Economics, 27 January 2003.

Kazakhstani forces have shot dead one person and injured four, while their Uzbek counterparts had killed one and injured six.⁹⁷

One of the latest incidents involved Baurjan Akhmetov, a resident of the village of Kuanysh in southern Kazakhstan. He was injured when he resisted arrest by Uzbek border guards at the end of April 2006. Akhmetov said afterwards that he had been grazing livestock inside Kazakhstan at the time, while Uzbek frontier guards said he had stolen several meters of barbed wired from the border fence. Another incident occurred in May 2006, when an Uzbek border guard allegedly assaulted 13-year-old Kazakhstani Janibek Medeubekov while he was taking a donkey cart to collect water from a well in the border village Dostyk.⁹⁸

While the Kazakhstani government is not restricting illegal cross-border trade as it is a profitable business for all sides involved, it has increased control on illegal migration from Uzbekistan into Kazakhstan. These illegal migrants are mainly seasonal workers trying to earn a living in the more prosperous Kazakhstan. According to UNDP estimates, several hundred thousand Uzbeks are said to be working in southern Kazakhstan.⁹⁹ Additionally, Kazakhstan encounters an increasingly high figure of political refugees from Uzbekistan. These people looking for refuge in Kazakhstan are fleeing state persecution. Their number increased decisively after the Andijan events¹⁰⁰ in May 2005.

The Andijan events raised concerns within the ranks of the Kazakhstani government – not so much because of the increased number of refugees having fled to Kazakhstan, but more because of the threat a potentially instable Uzbekistan might pose on Kazakhstan. The Andijan events have proved to Kazakhstan that Uzbekistan is not only a government, which is aggressively pursuing its policy line with its neighbors, but also with its own people. In the eyes of the Kazakhstani government, Uzbekistan is at risk of becoming a failed state¹⁰¹ – an option which Kazakhstan would like to rule out. As a result, Kazakhstan re-considered its policy approach towards Uzbekistan.

With the visit of President Nazarbaev to Uzbekistan in March 2006 and the following visit of President Karimov to Kazakhstan in September 2006, tensions between both countries were eased. Both countries demonstrated goodwill. They emphasized progress in cross-border cooperation pointing at the completed delimitation of their 2,300-kilometer common border and the successful cooperation of Kazakhstani and Uzbek security services to unmask an underground extremist group in southern Kazakhstan in 2004.

In an effort to facilitate trade, both sides agreed to form an Interstate Council to develop an economic cooperation program for 2006-2008. Due to Uzbek trade barriers, the bilateral trade is at a

⁹⁷ Daur Dosybiev: Kazakh Parliament Probes Border Security, in: Institute for War and Peace Reporting: Reporting Central Asia No. 452, 16 June 2006.

⁹⁸ Daur Dosybiev: Kazakh Parliament Probes Border Security, in: Institute for War and Peace Reporting: Reporting Central Asia No. 452, 16 June 2006.

⁹⁹ UNDP/UNFPA: National Human Development Report for Kazakhstan 2005. The Great Generation of Kazakhstan: Insight into the future. Almaty 2005, p. 44.

¹⁰⁰ See: Marie-Carin von Gumpfenberg/Markus Brach-von Gumpfenberg: Die Ereignisse im usbekischen Andijan 2005 und ihre geopolitischen Implikationen, in: Orient 1/2006, S. 60-73; Human Rights Watch: „Bullets were falling like rain“: The Andijan Massacre, June 2005; ODHR: Preliminary findings on the events in Andijan, Uzbekistan, 13 May 2005, Warsaw 2005; International Crisis Group: Uzbekistan: The Andijan Uprising, Bishkek/Brussels 2005; British Helsinki Human Rights Group: The Andijan Tragedy: A Survey of Media Reports, Juni 2005.

¹⁰¹ See: Marie-Carin von Gumpfenberg/Markus Brach-von Gumpfenberg: Die Ereignisse im usbekischen Andijan 2005 und ihre geopolitischen Implikationen, in: Orient 1/2006, p. 72f.

relatively low level. In 2005 it totaled USD \$497 million.¹⁰² Besides the development of deeper cooperation in the economic sphere, both presidents strived for closer military ties. They did not even exclude the possibility of holding joint staff maneuvers involving both countries' armed forces. All these steps might be interpreted as the first steps in moving away from a competitive towards a cooperative approach in bilateral relations.¹⁰³

Uzbekistan sees Kazakhstan as the main gateway to western cooperation. Kazakhstan, however, is cautious towards its neighbor because it still considers it to be one of the major external threats to the country's stability. In July 2006, the government announced that it will allocate nearly USD \$4 million in emergency reserve funds to strengthen the border with Uzbekistan. The money will be used to construct border-crossing facilities, improve transportation infrastructure for border troops, and build protective fences in order to strengthen Kazakhstan's southern regions against organized crime and drug smuggling¹⁰⁴ — and to prepare Kazakhstan for the influx of a high number of migrants in case the Uzbek state fails.

5.2 International Involvement

Since independence, Kazakhstan has pursued a multi-vector foreign policy by cultivating ties with all regional powers, being convinced that an one-directional orientation in foreign policy would be "short-sighted, impracticable, and politically and economically damaging."¹⁰⁵ In March 2006, President Nazarbaev reiterated his commitment to this foreign policy approach emphasizing the need for constructive relations with Russia, China, and the United States through both bilateral ties and international organizations.¹⁰⁶

Within the framework of a constructive relationship, Kazakhstan seeks to remain an independent player not being too closely affiliated with one or the other geopolitical powers. According to foreign policy expert Stephen Blank, President Nazarbaev "appears to view great-power neo-colonialism as a threat equally dangerous to his administration as international terrorism and the 'democracy-from-below' phenomenon. Nazarbaev clearly feels that Russia, China, and the United States each wish to dominate Central Asia, and he is determined to preserve his administration's autonomy in the face of this and other threats."¹⁰⁷

However, since the Ukrainian revolution, a political drift toward Russia and China can be observed. The Kazakhstani leader – as his Russian and Chinese counterparts – has apparently interpreted the Ukrainian revolution in a negative manner. According to his perception, the revolution was "stage-

¹⁰² Gulnoza Saidazimov: Uzbekistan/Kazakhstan: Summit Is A Sign Of Changing Times, in: RFE/RL Features, 18 March 2006.

¹⁰³ Roger McDermott: Tashkent sees Astana as Gateway to Western Cooperation, in Jamestown Foundation: Eurasia Daily Monitor, Volume 3 Issue 167, 12 September 2006.

¹⁰⁴ Roger McDermott: Nazarbaev's Caspian Security Deals: What can Moscow Offer? In: Jamestown Foundation: Eurasia Daily Monitor, Volume 3 Issue 124, 27 June 2006.

¹⁰⁵ RFE/RL Newline, 2 November 2005.

¹⁰⁶ RFE/RL Newline, 3 March 2006.

¹⁰⁷ Stephen Black: Kazakhstan's Foreign Policy in A Time of Turmoil, in: Eurasianet Eurasia Insight, 27 April 2005.

managed" from abroad by the United States, and designed to install a more pro-American leader in Kyiv.¹⁰⁸

Viewing the US emphasis on democratization as a potential destabilizing factor for the country, the Kazakhstani government – after the Ukrainian revolution – started sending out clear signals of its displeasure with the Bush administration's efforts to globalize democratic values. Politically, Kazakhstan drifted further away from the US and closer to Russia and China, two countries that are unlikely to complain to Nursultan Nazarbaev about his authoritarian rule, the high-level corruption, and the continued human rights abuses.

However, at the same time, Kazakhstan continued to cooperate with all three regional powers in the economic field. The exploitation and transportation of Kazakhstan's hydrocarbon resources are the government's top priority in foreign policy. Kazakhstan has clear interests in maximizing the exploitation and diversifying the export routes, while the geopolitical powers have competing interests. While Russia tries – unsuccessfully – to maintain its monopoly over the hydrocarbons export routes, US and Chinese companies increasingly play a role in the development and export of Kazakhstan's oil and gas resources.

Since the end of the 1990's, Kazakhstan's economy has been flourishing due to high gains from oil and gas field extractions. Especially after the discovery of the Kashagan oil field,¹⁰⁹ which is expected to be fully functional in 2010, Kazakhstan has stirred up its ambitions to use its ample natural assets to vault itself into the ranks of oil-exporting powerhouses. However, the following major obstacles may frustrate Kazakhstan's ambitions:

First, most crude oil reserves are located under the seabed of the Caspian Sea shared by five neighboring countries: Russia, Kazakhstan, Turkmenistan, Iran and Azerbaijan. So far, the legal status of the Caspian Sea has not been fully resolved and discussions over the legal status are expected to continue.

Secondly, all of Kazakhstan's existing or potential export routes either cover vast distances or cross national borders. Most current exports are transported through a pipeline to the Russian Black Sea port of Novorossisk. And in the past, Russia and Kazakhstan have continuously disagreed over transit tariffs and transit volumes.

Because of the challenges of cooperating with Russia, Kazakhstan is considering alternative export routes. Kazakhstan hopes to bypass Russia by shipping oil across the Caspian Sea by tanker and then transporting it through the Baku-Tbilisi-Ceyhan (BTC) pipeline. The 1,767-kilometer BTC pipeline was completed in late 2004 with the first shipments of oil arriving in Turkey's Ceyhan Port in early 2005. The pipeline's output is scheduled to increase from eight million tons in 2006 to the design capacity of 50 million tons annually by 2008-2009. Kazakhstan expects to transport 20 million tons of oil per year through this pipeline.

Additionally, Kazakhstan intends to transport oil to Western China. The first part (450 kilometers long) within Kazakhstan was already finished in December 2002. From early 2004 until summer 2006, the construction of a 1,000-kilometer-long stretch from Atasu in Central Kazakhstan to Alashanku in China's Xinjiang Autonomous was completed. The pipeline has an initial annual

¹⁰⁸ Stephen Black: Kazakhstan's Foreign Policy in A Time of Turmoil, in: Eurasianet: Eurasia Insight, 27 April 2005.

¹⁰⁹ The Kashagan field is one of the world's largest oil fields, with estimated reserves of 45 billion barrels, of which between 8-13 billion barrels are currently considered recoverable.

capacity of ten million tons. The entire pipeline should eventually deliver 20 million tons of Caspian crude oil to western China annually.

Kazakhstan's decision to diversify oil export routes imposes a big challenge to its foreign policy approach. In the next years, Kazakhstan will have to continue to balance the interests of all geopolitical players involved in the oil business in Central Asia. This will give Kazakhstan an excellent opportunity to display its skills in multi-vectored foreign policy. Kazakhstan's energy deals are complex. Kazakhstan is pursuing cooperation with the West, while complying with Russian and Chinese interests. Should Kazakhstan be drawn deeper into Russian and Chinese-sponsored energy arrangements, its commitment for US-led ventures might be weakened.

Besides economic cooperation, Kazakhstan has sought close cooperation in the military and counter-terrorism field in the past years in order to gain support in strengthening its army and to build up its counter-terrorism structures. In many ways, Russian, Chinese, and US interests converge. All three powers agree that global terrorism poses a common threat, however they differ in their approach. Russia and China have jointly opposed the growing US military presence in the region. By developing the *Shanghai Cooperation Organization*, Russia and China united to counterbalance the US presence in Central Asia. In July 2005, they both called – together with their Central Asia fellows – for a withdrawal of US troops from Central Asia. Kazakhstan, fully aware of the interests of both superpowers, aligned with the call. It never had harbored US troops and repeatedly stated that it does not intend to station US troops on Kazakhstani soil.

At the same time, Kazakhstan continued to seek close military cooperation with the US and NATO. It contributed to American-led efforts in Iraq and Afghanistan by sending Kazakhstani military engineers and sappers to Iraq, and by training Afghan personnel and providing financial support to the Afghan government. From October 2001 through April 2006, it allowed more than 3,000 flights of US and NATO planes to pass through Kazakhstan's air space on missions to Central Asia and Afghanistan, and 360 planes to make emergency or refueling stops at airfields in Kazakhstan. Kazakhstan repeatedly hosted its *Steppe Eagle* international military exercises with the participation of the United States, Britain, and Turkey under NATO's Partnership for Peace program (lately in September 2006).¹¹⁰

Over the past years, Kazakhstan has greatly profited from closer military and counter-terrorism cooperation with China, Russia, the United States, and NATO. It was able to modernize its armed forces and security services; however, it is still in need of more sophisticated weapons and better training, given the unpredictable political situation in its neighboring countries, namely Uzbekistan. Despite Russia's objections, Kazakhstan has not abandoned its ambition to adopt NATO standards for its armed forces and remains active within NATO's Partnership for Peace program. In January 2006, it signed the Individual Partnership Action Plan¹¹¹ (IPAP) with NATO, being the fourth post-Soviet country – after Georgia, Azerbaijan, and Armenia – to seek a strong relationship with NATO.

While looking for closer military cooperation with NATO, Kazakhstan welcomes further support from Russian and China in the field of counter-terrorism, especially within the framework of international organizations. According to Nursultan Nazarbaev, "it is very important for Astana to be an active

¹¹⁰ Vladimir Socor: Cheney visit spotlights Kazakhstan's pivotal role, in: Jamestown Foundation: Eurasia Daily Monitor, Volume 3 Issue 89, 8 May 2006; Roger McDermott: Kazakhstan's Partnership with NATO: Strengths, Limits and Prognosis. In: China and Eurasia Forum Quarterly 2007, Volume 5 No. 1, pp. 7-20.

¹¹¹ Developed on a two-year basis, IPAP is designed to bring together all the various cooperation mechanisms through which a partner country interacts with the Alliance, sharpening the focus of activities to better support their domestic reform efforts.

member of the *CIS Collective Security Treaty Organization* and the *Shanghai Cooperation Organization*.¹¹² From the view of its main members, Russia and China, both aforementioned organizations constitute a counter-balance to the US and NATO influence in Kazakhstan. To put it briefly, both organizations have the following aims:

- Established in 1996 and transformed into an organization in 2001, the *Shanghai Cooperation Organization* (SCO) seeks to build up cooperation on the principles of "mutual trust and benefit, equality, mutual consultations, respect for the multifaceted cultures and aspiration to joint development."¹¹³ In January 2004, its members – China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan – established a SCO Secretariat in Beijing and in June 2004 a Regional anti-terrorist structure (RATS) in Tashkent. In June 2006, the SCO celebrated its fifth anniversary in Eastern China, where its members reaffirmed their commitment to improving mutual ties and signed agreements on fighting terrorism and developing better transportation links. After an analysis of the security and economic situation in the SCO region – "drugs are widespread, cross-border crimes are serious, and particularly economic development is lagging"¹¹⁴ – the SCO members decided to intensify their cooperation, working "for a long-lasting peace, shared glory, and a harmonious region."¹¹⁵ Amid calls for closer cooperation on security issues and on fighting drug trafficking, the SCO leaders also reiterated the desire for improved trade relations within the group. They proposed new road and rail links as well as investment in energy projects in Central Asia. One year ago, the Shanghai group concluded a summit in Astana by calling on the United States to set a timetable for leaving Central Asian military bases that were being used for coalition operations in Afghanistan.
- Created in 1992 and institutionalized in 2002, the *Collective Security Treaty Organization* (CSTO) with its members – Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan – aims at strengthening the security forces, adapting them to the new security environment and enhancing their capabilities to fight international terrorism and organized crime. Already since 2000, the CSTO has a Collective Rapid Deployment Force under Russian command. The 4,000-strong force, earmarked for possible operations in Central Asia, presently consists of nine battalions of varying readiness levels, including: three battalions from Russia, three from Tajikistan,¹¹⁶ two from Kazakhstan, and one from Kyrgyzstan.¹¹⁷ These units are based in the respective countries under national control and hold since 2004 annually joint exercises such as the anti-terrorist exercises "Rubezh" (in 2007 for the first time jointly with SCO). Russia's air base at Kant in Kyrgyzstan, with some ten tactical combat aircraft and about a dozen helicopters, is designated as a CSTO base and assigned to the Collective Rapid Deployment Force. In June 2006, the CSTO decided that any CSTO member country wishing to accept the deployment of non-CSTO troops on its territory has to first obtain the agreement of all the other CSTO countries. This implies that military exercises involving US or NATO country troops, their transit passage, or their

¹¹² RFE/RL Newline, 2 September 2005.

¹¹³ Brief introduction to the Shanghai Cooperation Organisation, <http://www.sectsc.org/html/00026.html>.

¹¹⁴ Bruce Pannier: Eurasia: Unified Message Emerges From Shanghai Summit, in RFE/RL Features, 15 June 2006.

¹¹⁵ Bruce Pannier: Eurasia: Unified Message Emerges From Shanghai Summit, in RFE/RL Features, 15 June 2006.

¹¹⁶ Two of battalion in Tajikistan are apparently from the Russian division stationed in that country and one from Tajikistan itself.

¹¹⁷ Vladimir Socor: CSTO Summit Military Block not yet Cemented, in: Jamestown Foundation: Eurasia Daily Monitor Volume 3 Issue 125, 28 June 2006.

use of military installations in any CSTO member country, for example on anti-terrorism missions, would necessitate Russian approval.¹¹⁸ This implies that the US or NATO allies would have to negotiate the approval with possible host countries as well as with the CSTO. However, it seems unlikely that CSTO members such as Kazakhstan, which is interested in NATO cooperation, would accept this decision. It is assumed that Kazakhstan will continue its bilateral contacts with NATO.

Despite various pressures from the side of regional powers, it is expected that Kazakhstan will continue its multi-vector foreign policy by cultivating ties with all regional powers. The Kazakhstani government will further seek to remain an independent player – not being too closely affiliated with other geopolitical powers. While Russia will remain Kazakhstan's "closest and most consistent ally," China will become more and more important for Kazakhstan. The US will continue to be an important cooperation partner despite the US insistence on human rights and democratic practices. Programmatic cooperation prevails as Kazakhstan as well as the regional powers are interested in the geopolitical stability of country and the exploitation and export of Kazakhstan's hydrocarbon resources.

¹¹⁸ See: Vladimir Socor: CSTO Summit Military Block not yet Cemented, in: Jamestown Foundation: Eurasia Daily Monitor Volume 3 Issue 125, 28 June 2006.

Conclusions

Since independence, Kazakhstan's stability has never been seriously challenged by external actors or by internal actors. And in the short-run, it is quite unlikely that Kazakhstan's stability will be seriously contested. Nevertheless, conflicts exist in present day Kazakhstan. However, these conflicts – such as between Kazakhs and Chechens/Turks or as between the shantytown residents and the Almaty law enforcement – accrued out of the specific local situation, which was aggravated by the government's reaction, and reached their peak in locally concentrated mass protest actions. A further escalation of these conflicts that never exceeded their specific geographic area seems to be unlikely. However, in the mid- and long-term the following crisis scenarios are not to be excluded:

- The current political system, dominated by the interplay of the president on the one hand and various influence groups on the other, might destabilize.

As of now, the president and various influence groups comprise a sophisticated system of checks and balances. The president as the key actor monitors the activities of the influence groups and uses his authority to limit their powers in general or in particular cases. At the same time, influence groups seek to pressure the president into making decisions in their interest. This informal system of checks and balances exists parallel to the official system of checks and balances as outlined in the constitution, whereas the president, parliament, political parties, media and civil society should seek to influence and to control each other. Nowadays, power is concentrated in a tightly knit circle of family and businessman where only an insider has a real chance of gaining the top job in Kazakhstan – with or without elections.

As long as the president keeps the various influence groups under control, this parallel system will be stable. If the president, however, eases his grip on power, the system may get out of control and the competing interests, especially of the president's relatives, may lead to a serious political crisis at the very top level of political rule in Kazakhstan. In the worst case – which is unlikely – competitors might get involved in a small-scale fighting leading to contract killings, kidnapping and blackmailing, and misuse of the security forces for their ends, which would lead to a failed state. In the most likely case scenario, President Nazarbaev succeeds in ensuring his succession by nominating the appropriate person in time, who will be able to act as a mediator between the various influence groups. Most probably this will be a person from outside of the "system" not having been involved in previous power games. And in the best case scenario, President Nazarbaev decides to undertake a system of change by curtailing the power of the influence groups, engaging in serious democratic reforms and pushing for democratic elections to select his successor.

- Due to the continued suppression of civil society actors, opposition groups and media freedom, the people's dissatisfaction with the government's performance in goods and services grows.

Presently, political power is vested in two major pro-presidential political parties – *Nur Otan* and the *Civil Party* that are dominated by the leading influence groups and controlled by the government. Opposition parties can not compete with them – due to lack of unity, low grade of institutionalization, and continuously changing programmatic concepts. The media is heavily controlled by the presidential family, which owns the largest media groups. As a result, rumors, unproved allegations and misperceptions – despite sound political discussions about possible reform directions – dominate public discourse.

As people are not given the possibility to assemble in political parties and to express their opinion, they are increasingly looking for other means to protest the current political system. Some are even prepared – such in the case of the shanty town residents – to use force in confrontations with law enforcement officers. In a worst case scenario, the government will intensify the suppression of civil society and opposition figures and further limit media freedom. As a result, Islamist groups operating underground – promising social justice and providing basic services to the people – will gain more and more support within the Kazakh(stani) population. A broad mass movement against

the government might emerge calling for the introduction of Islamic political system. In the most likely case scenario, the government will continue to suppress critical voices by closely watching and harassing them. Localized conflicts will continue to erupt due to the government's insufficient response to the needs of marginalized groups such as the shanty town residents in major cities. In the best case scenario, the government engages in substantive political and social reforms by allowing media freedom, promoting human rights, strengthening political institutions, reforming law enforcement bodies, and ensuring social welfare also for marginalized groups in the countryside and in the outskirts of the cities. Media freedom would give voice to discontented people, opposition forces and even to radical/extremist actors, and at the same time allow for criticism of the government, its actions and financial transactions.

- International cooperation becomes increasingly challenging. The competition of regional powers, the US, China and Russia over access to and export of Kazakhstan's vast hydrocarbon resources becomes more and more aggressive.

Since independence, Kazakhstan has pursued a multi-vector foreign policy by cultivating ties with all regional powers because it is convinced that a one-directional orientation in foreign policy would be "short-sighted, impracticable, and politically and economically damaging." Despite various regional powers' efforts to distract Kazakhstan from its path of multi-vector foreign policy, Kazakhstan has continued with its approach of programmatic cooperation with all actors. International cooperation has only been challenged by tensions between both Kazakhstan and Uzbekistan, which have been competing over the leadership in Central Asia. Although these tensions always remained at low level and were from time to time being challenged by disputes about different issues such as water distribution, trade and cross-border migration, and border delimitation. However, this might change when instability within Uzbekistan increases and spills over into neighboring countries.

In the worst case scenario, competition among the various regional powers would lead to increased regional competition involving Kazakhstan in unpredictable power games. The situation might additionally aggravate the situation in Uzbekistan. As a result of continued repression, it could destabilize and become embroiled in a civil war leading to fighting along the Uzbek-Kazakhstani border and a flood of refugees coming across the border into Kazakhstan. In the middle case scenario, Kazakhstan continues its multi-vector foreign policy balancing the interests of the various powers and pursuing its pragmatic approach towards its Central Asian neighbors. Uzbekistan remains stable. In the best case scenario, prospects of OSCE chairmanship, NATO cooperation and WTO accession lead Kazakhstan to broader cooperation and intensified integration into the world markets. At the same time, Uzbekistan slowly opens up, easing the grip on opposition and civil society actors, and seeking neighborly cooperation with Kazakhstan.

Kazakhstan is currently at the cross-roads. The prospective OSCE chairmanship, the intensified NATO cooperation and soon-to-be WTO accession could play a triggering role for Kazakhstan – all causing the country's leadership to open up the country for political reforms. However, prospects are low. In an effort to calm down exaggerated expectations of Western countries, President Nazarbaev emphasized repeatedly that Western values were not a 100 per cent transferable to Kazakhstan. "Kazakhstan is ready to listen to friendly advice, but it won't adopt the wholesale of Western values."¹¹⁹ At the same time, he advised a gradualist approach to political reforms. "Since our economy is not yet competitive enough and our civil society is still at a nascent stage, any hasty – which means unprepared – radical political reforms may destabilize social life in the country, cause

¹¹⁹ RFE/RL Newswire, 31 August 2005.

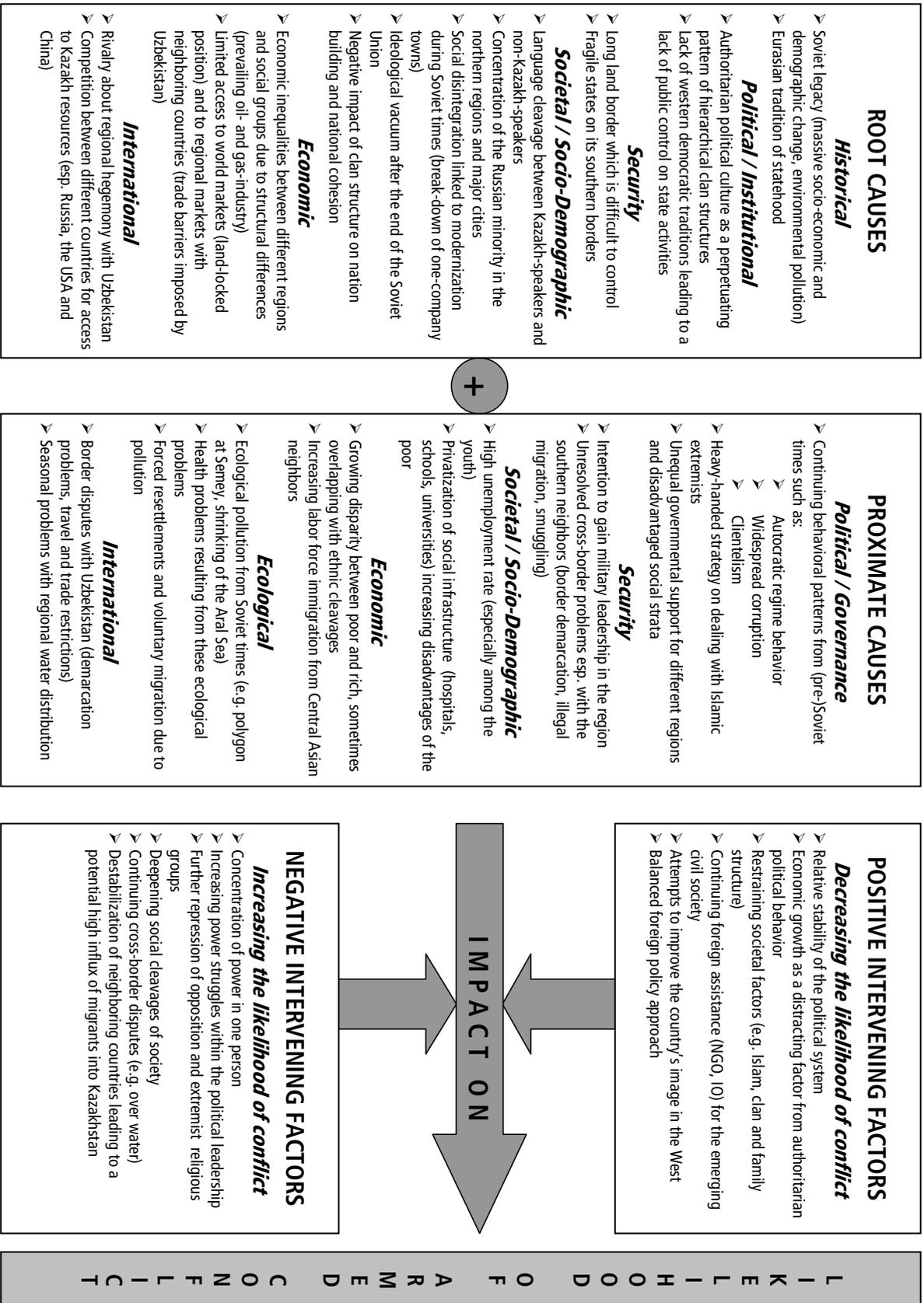
its people to reject liberal values and curtail democratic processes, which we are now witnessing in certain former Soviet republics."¹²⁰

At the same time, international engagement in Kazakhstan is rather low and lacks consistency. Political involvement is likewise limited, with only a handful of diplomatic missions in the country driven by differing strategic interests. The divide is not only over development priorities (economic development vs. democratic reforms) but over what constitutes stability as well. With Russia and China generally seeming to prefer maintaining the status quo, most Western countries are promoting democratic values and principles. Only very few international institutions such as the OSCE and the European Parliament dare to address human rights abuses and political reform deficits in a consistent manner. The overwhelming majority of the international community, however, seems to be primarily interested in the overall stability of country and its smooth exploitation and shipment of Kazakhstan's hydrocarbon resources in order to secure their country's energy supply.

¹²⁰ RFE/RL Newline, 31 August 2005.

Appendix

FAST Analytical Framework Kazakhstan / August 2007



Map of Kazakhstan



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