

Whither Kazakhstan? (Part I)

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The Specter of a “Colored Revolution”

Kazakhstan’s scheduled December 4, 2005 presidential election brings two major questions into focus for this Central Asian state. First, given the political upheavals at similar junctures in three other post-Soviet countries since 2003, will Kazakhstan avoid a so-called “colored revolution?”^[1] And second, can Kazakhstan President Nursultan Nazarbayev succeed over the long-term in combining regime stability with gradual top-down reform and modernization; or will his model of evolutionary change be either abruptly halted from below, or stagnate and even rot from the top?

The Kazakhstan government is particularly concerned about the answer to the first question, which has also generated a great deal of speculation within the country among opposition parties and key opposition leaders, who have formed a unified coalition movement (“For a Just Kazakhstan”) to contest the presidential election. The opposition coalition held its founding meeting on March 20, 2005 in Almaty against the backdrop of the upheavals in Kyrgyzstan, in a move that was clearly inspired by the general perceived contours of the “colored revolutions.” At the meeting, opposition speakers made frequent and explicit reference to the earlier events in Georgia and Ukraine, and to the drama that was then unfolding across the border in Kyrgyzstan.^[2] Representatives of the youth group, *Pora*, that played a key organizational role in the “Orange Revolution” in Ukraine, and opposition activists from Kyrgyzstan were also present in the audience. The opposition clearly hoped to use the momentum of events elsewhere to rally the population around its presidential candidate and oust President Nazarbayev.

For its part, Nazarbayev’s government has responded to the specter of a Kazakh “colored revolution” by trying to squeeze the groups that it sees as having played a decisive role in the other three countries: international NGOs (especially those funded by the United States), who are accused of directly supporting the opposition; the independent Kazakhstan media; and the opposition itself. A range of international NGOs in Almaty, including the Red Cross, were visited by tax inspectors, who poured through their books and hampered their activities, and a controversial bill to limit the operations of foreign NGOs in Kazakhstan was put before the parliament in spring and summer 2005.^[3] In September 2005,

President Nazarbayev issued a public warning to NGOs to refrain from “interfering” in the Kazakhstan elections and the government announced that it would even go so far as to monitor the activities of the United States Embassy in Kazakhstan.^[4] There have also been several legal and physical attacks on leading members of opposition parties, including the opposition coalition’s presidential candidate since March 2005; and press reports in Kazakhstan that the government has prepared contingency plans—including the use of force—for dealing with mass protests around the December 2005 election.^[5]

Misplaced Fears

The Kazakh government’s fears, however, seem misplaced. Kazakhstan is not Georgia, Ukraine, nor Kyrgyzstan. Many factors suggest that President Nazarbayev has a very good chance of both avoiding a “colored revolution” and of maintaining the momentum of reform. Although, of the three, Kazakhstan most resembles Ukraine, Kazakhstan is not at the kind of turning point that Ukraine was in winter 2004. At this juncture, the government of Leonid Kuchma was extremely unpopular and seen to have run its course, in spite of the growth in the Ukrainian economy and the positive trends in the state’s political development. Kuchma’s government had become mired in scandals domestically—including the 2000 murder of investigative journalist Georgy Gongadze, allegedly at the instigation of the President himself—and tarnished internationally after being implicated in the sale of radar installations to Saddam Hussein’s government in Iraq in breach of UN sanctions. Most importantly, Kuchma was also at the end of his constitutionally-mandated term. He could not run for the presidency again.

In the case of all three “colored revolutions,” Presidents Kuchma, Eduard Shevardnadze of Georgia, and Askar Akayev of Kyrgyzstan, had either reached or were approaching the end of their presidential terms at the critical juncture. In each case their personal popularity had plummeted. There was deep suspicion across the political spectrum (including among many of their supporters) that they intended to prolong their influence, if not their presidencies, through whatever measures they deemed necessary—including blatantly extra-legal measures that went beyond manipulating elections. In contrast, thanks to a referendum and a series of parliamentary votes over the last several years, Nazarbayev has the right to run for a third (now seven-year) term that will extend his presidency to 2012. Indeed, the Kazakhstan government has paid particularly careful attention to the issue of both the acknowledged and the perceived legitimacy of Nazarbayev’s presidential term. Initially, the presidential election was slated for some time in 2006, and there was much confusion and disagreement about whether Nazarbayev’s current term actually expires at the end of 2005 or 2006 because of all the past extensions and the varying dates of previous elections. Serious questions were raised about Nazarbayev’s right to continue his presidency into 2006. The decision to hold the presidential election in December 2005 was thus taken, in part, to eliminate the uncertainty.

A Record of Success

Furthermore, Nazarbayev's popularity, like that of President Putin in Russia, is generally seen as high (around 70-80% in some recent polls conducted by the Kazakh government).^[6] He also enjoys the reputation in the region of being the most accomplished of the transitional post-Soviet leaders. In the waning years of the USSR, Nazarbayev was touted as a potential Vice President or Prime Minister for Soviet President Mikhail Gorbachev.^[7] And, in August 2005, after Nazarbayev announced that he would run for president again, Gorbachev commended his former protégé for having "the most successful model of society in the post-Soviet space" and for his achievements in implementing socio-economic reforms.^[8]

Gorbachev's praise was not given lightly. Since the collapse of the Soviet Union in 1991, the Kazakhstan government under Nazarbayev's tutelage has done a lot of things right. On the economic front, Kazakhstan's performance over the last five years has been impressive. Nazarbayev is not in the situation of former Presidents Eduard Shevardnaze of Georgia, or Askar Akayev of Kyrgyzstan, as they faced election cycles in 2003 and 2005 at the helm of impoverished countries. Between 2000-2004, Kazakhstan recorded an average rate of GDP growth of 10.36% that far exceed neighboring Russia's 6.86% in the same period. Per capita incomes have grown from \$1,229 in 2000 to \$2,699 in 2004; and there has been significant progress in poverty reduction, with the proportion of the population living below the subsistence minimum now at around 16%, down from just over 30% of the population in 2000.^[9] The World Economic Forum's 2005 "Growth Competitiveness Index Rankings" report ranks Kazakhstan as the most competitive of the post-Soviet states, in 61st place out of 117 countries ranked, with the next regional state, Azerbaijan, coming in at 69th, and Russia lagging behind in 75th place.

Admittedly, much of Kazakhstan's good fortune is due to the happy confluence of a rapid increase in world oil prices since 1999 and the steady development of the country's considerable energy resources since the early 1990s. Kazakhstan's energy resources are the largest in the Caspian Sea region, with its offshore Kashagan field alone ranking as the largest new oil field discovered outside the Middle East, and the fifth largest oil field in the world in terms of reserves. Kazakhstan's gas reserves also put it among the top 20 countries in the world, equivalent in size to Canada and Kuwait. Oil production—which stood at 1.22 million barrels per day in 2004—now accounts for about 50% of Kazakhstan's export revenues, and approximately 30% of state budget revenues, and Kazakhstan is poised to become a major world oil exporter with production levels of as much as 3.5 million barrels per day projected by the government for 2015.^[10]

More Than Oil and Gas

But oil and gas are not the whole story. Privatization and other important structural reforms like the extensive overhaul of the banking sector have also

been accomplished. The private sector now employs 60% of Kazakhstan's workforce and accounts for 85% of economic activity.^[11] Kazakhstan has even forged ahead in implementing many of the tough social reforms that have thus far stymied Russian reformers—such as the creation of a national mortgage system to support the development of the private housing market, which Kazakhstan implemented in 1998; and the creation of private pension funds in 1997-1999. Kazakhstan also set up a National Oil Fund in 2001, which Russia did not introduce until 2004.^[12] Kazakhstan is now in the process of introducing communal services reform, and unlike Russia, where the monetization of state benefits brought thousands of pensioners out onto the streets across the country in January 2005, Kazakhstan has experienced few social upheavals in response to its reform program. Kazakhstan's successes on these fronts, and the speed in which many of the reforms have been carried out, have earned it glowing and admiring reports in the Russian press.^[13] And, during a visit to Astana in March 2004, several senior Kazakh officials made a point of letting me know (with considerable satisfaction) that I had just missed running into Russian presidential advisor, Economist Andrei Illiaronov, who had been on one of his frequent trips to the Kazakh capital to “see what to do and how to do it!”

Economic growth has also been enhanced by careful government attention to the development of Kazakhstan's *human* resources. Since the 1990s, President Nazarbayev has made it a national priority to nurture a new technocratic elite through education reforms, and a far-sighted, state-funded study-abroad program—the *Bolashak* (“The Future”) program. This program, which was established in 1993, places the best and the brightest from all over Kazakhstan (not just those with family ties to the ruling elite as in many other countries) in degree programs at a range of U.S., European, Russian, and other international universities. Most importantly these young, Western-educated experts are then brought back into the Kazakhstan government, as well as assisted in finding jobs in the Kazakh private sector, or in international institutions and companies operating in Kazakhstan. Over the course of the *Bolashak* program, it has produced a number of young deputy ministers and ministers including Azamat Abdimomunov, the Deputy Minister for Education and Science, who studied both at Indiana University and Harvard's Kennedy School of Government. Other young technocratic ministers, like Kairat Kelimbetov, the Minister of Economy and Budget, and Marlen Iskakov the Minister for Taxation, also spent time studying abroad with the encouragement and support of the state; and ministries and government commissions in Astana are full of young experts with impressive international educational experience. Although Kazakhstan still suffers from a shortage of skilled personnel for key government and private positions, it now has a new and growing, educated elite of world-class caliber.^[14]

In addition, Kazakhstan under Nazarbayev has not just sent its young people to study abroad, but has also launched a global quest for ideas on reform and modernization, as well as trying to learn from its own past mistakes. Kazakhstan's national strategic plan—*Kazakhstan 2030*—which was conceived in the late 1990s with the assistance of a team of experts from Harvard

University, consciously draws on the experience of the “Asian Tigers” with their state-driven, centralized, and more authoritarian approach to reform. It charts an evolutionary path to becoming a middle-income country—with even greater ambitions. At the same time, specific nationally-prioritized projects on the development of critical transportation routes, infrastructure, and future settlement patterns in this huge and sparsely-populated state have sought to minimize the burdens of the centrally-planned Soviet past, as well as to learn the lessons of development from similarly large states with low population densities and rich natural resources, such as Australia and Canada.

A Balancing Act at Home and Abroad

Equally importantly, on the domestic front, the Kazakh government has managed to avoid a potential north/south split of the country along ethnic lines that was predicted by many regional analysts in the 1990s. As the USSR collapsed, Kazakhstan was left with a majority Slavic population (Russian and Ukrainian) in the northern and eastern steppe regions—the legacy of Khrushchev’s “Virgin Lands” campaign of the 1950s to settle and cultivate new agricultural land.^[15] In the early 1990s, ethnic Russians in these regions demonstrated in favor of dual citizenship with Russia, and of having Russian established as the second state language, with many leaving for Russia when these demands were not met by the Kazakh government. The situation was also heavily manipulated by nationalist politicians in Moscow, who raised the possibility of the predominantly Slavic regions separating from Kazakhstan and joining the Russian Federation.

President Nazarbayev took a number of steps to head-off this possibility, including moving the capital from its old location in Almaty, in the predominantly ethnic Kazakh south, to Astana in the north to “anchor” the country. In spite of refusing to adopt dual citizenship and enshrine Russian as a second state language, Nazarbayev designated Russian the “language of inter-ethnic communication,” and has taken care to ensure that non-ethnic Kazakhs still occupy significant posts in the central and local governments and are not overtly discriminated against in hiring. In addition, the government has maintained the “Assembly of the Peoples of Kazakhstan,” an old Soviet-style institution celebrating Kazakhstan’s ethnic diversity; played host to numerous international conferences on religious tolerance and a range of multi-cultural issues; and funded the renovation and construction of new churches and synagogues as well as mosques. Combined with Kazakhstan’s economic growth, these policies have had some evident success. Inter-ethnic relations in Kazakhstan today present a very different picture from the dire predictions of a decade ago. Although tensions remain—especially given the fact that most ethnic Russians in Kazakhstan still have a poor command of Kazakh, which is an increasingly important skill at the top levels of government and business—the emigration of ethnic Russians and other groups from Kazakhstan has declined sharply from the levels of the 1990s. Instead, the country has become a major recipient of migration, the second largest after Russia in the region. In fact, according to the official figures of the Kazakhstan Migration Agency, 65,000

people—including 15,000 ethnic Russians—who left Kazakhstan in the 1990s, returned in 2003-2004.^[16]

This domestic balancing act has been mirrored externally in Eurasia. Kazakhstan has positioned itself proactively, by playing a weak hand strongly, promoting regional integration, and charting a course among the interests of the three main powers active in Central Asia: Russia, China, and the United States. This has involved including the major energy companies of all three states in high-profile oil and gas agreements; forging bilateral military-military ties with the United States and joining NATO's Partnership for Peace agreement, while extending Russia a fifty-year lease for the Baikonur space launch facilities, and pursuing an active membership in the Shanghai Cooperation Organization (SCO) with Russia and China; and promoting the creation of a single economic space with Russia, while still developing trade relations with the U.S. and China. Kazakhstan has also set its sights more broadly internationally, including initiating the creation of a regional security organization for Asia, the Conference on Interaction and Confidence-Building Measures in Asia (CICA), which held its first summit in Almaty in June 2002; applying to be the first Eurasian state to chair the OSCE in 2009; and courting international economic and political elites by hosting a number of major conferences, such as a Eurasian version of the World Economic Forum, and the Eurasian Media Forum.

Catching “the Russian Disease”?

Beneath the surface, however, Kazakhstan still faces a lot of challenges. These have tended to get far more attention and scrutiny in the West than the positive achievements of the last decade—as the title of Carnegie Endowment scholar Martha Olcott's 2002 book—*Kazakhstan: Unfulfilled Promise*—might suggest. In part this is the result of the rather gloomy prevailing view of the region that Kazakhstan finds itself in: bordering Russia, China's troubled western province of Xinjiang, Kyrgyzstan, and Uzbekistan. In the international media, the tendency has been to project the problems of the adjacent countries onto Kazakhstan. In spite of the fact that Kazakhstan was never traditionally considered to be part of Central Asia in the Soviet period, in most Western discourse it has been lumped in with the rest of “the stans” and assigned the same patterns of mismanagement, state weakness or failure, dictatorship, and repression as its neighbors. But Kazakhstan is not just “another stan” and Nazarbayev is not just “another Central Asian dictator.” In fact, Kazakhstan is emerging as one of the more advanced and substantial states in post-Soviet Eurasia—more akin, politically and economically, to Russia and Ukraine than to its other Central Asian neighbors—and it should be viewed as such.

Please continue on to Part Two

Whither Kazakhstan? (Part II)

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(Continued)

Even in the nature of its economic and political problems, Kazakhstan mirrors Russia and Ukraine rather than its Central Asian neighbors. The flip side of the development of Kazakhstan's energy resources underscores this very clearly. As in the case of Russia, where oil and gas are now seen as the country's greatest strategic assets, in Kazakhstan energy resources are viewed as the key to modernization and Kazakhstan's establishment as a future regional power. Currently in Russia, however, soaring world oil prices have led to an unprecedented influx of energy export revenues into the state budget, increasing the role of the state in politics and the economy, and stifling the further development of political pluralism and private-sector innovation as the government begins to drive major investment decisions. The Russian energy industry is also being stripped of revenues that would otherwise be reinvested in its long-term development to diversify the rest of the economy—running the dual risks of a future downturn in the oil and gas sectors if production and energy prices fall, and a broader collapse of the economy if government subsidies for other industries then disappear.^[1]

As a major oil producer with a similar post-Soviet economic profile, Kazakhstan runs the risk of catching this new “Russian disease,” where heavy-handed centralization and over-bearing statism loom on the horizon. Indeed, just like in Russia, economic nationalism is on the rise in Kazakhstan. Western investors in the oil and gas sector are feeling the squeeze through the stealth repeal (with new taxes and fines rather than canceled contracts) of some of the favorable terms for investment by international energy companies in the 1990s; and the Kazakhstan government has announced that it wants more “strategic control” over the development of its energy resources.^[2] In terms of state spending, in President Nazarbayev's addresses to Kazakhstan's people and parliament on both February 18, 2005 and September 1, 2005, he outlined an extensive array of government budgetary expenditures for increasing public sector wages and payments, new public housing programs, and developing small and medium businesses, as well as a whole series of new reforms.^[3] One Kazakh official commented to me in a candid moment in March 2005 that he feared that, with the state's coffers bulging with money, the government was now trying to do too much, too fast, and without adequate preparation—risking the quality of reforms in the quantity of spending.

A Victim of its own Success?

Unfortunately, Kazakhstan also runs the risk of becoming, like Russia, a victim of its own success. The World Bank's March 2005 country economic memorandum

on Kazakhstan—*Getting Competitive, Staying Competitive: The Challenge of Managing Kazakhstan's Oil Boom*—encapsulates the dilemma in its title. Kazakhstan's construction, banking, service, and retail sectors are booming. But, as the World Bank's report underscores, most consumer goods are imported, and the manufacturing and agricultural sectors are respectively stagnant and declining. The oil and gas sector accounts for nearly 80% of industrial output, with exports in all other industries holding flat since 1997, defying government efforts to diversify the economy. One of the most precarious sectors is housing construction, which shows every sign of overheating, fueled by the injection of large sums of oil money into the economy, and further encouraged by the massive building project of the new capital in Astana.

Beyond encouraging a construction boom, relocating the capital over 1,000 kilometers north to Astana has had some other downsides. It has moved the focal point of Kazakhstan's population into the geographic region of Western Siberia—a move equivalent to shifting the United States' capital from Washington, DC to Greenbay Wisconsin, or Russia's capital from Moscow to Irkutsk on Lake Baikal in Siberia. Astana is on average 10 degrees Celsius colder than Almaty, which is significant when one considers the additional costs involved in constructing new buildings of glass and steel to withstand the ravages of the elements and of keeping these buildings heated in the winter. Keeping buildings cool in the summer is also an issue. Although Astana holds the distinction of being the world's "coldest" capital city, the region around it experiences dramatic annual temperature swings from *minus* 30-35 degrees Celsius in the winter to *plus* 30-35 Celsius in the summer.^[4] The plans for Astana envisage growing the city from an initial size of 250,000 (before it was designated as the capital) to 1.2 million over the next several years. Its current population stands officially at around 600,000, and many of the buildings designed for and under construction in the city would not look out of place in the Persian Gulf states like Dubai and Qatar—including a dramatic steel, glass and stone pyramid, designed by world-renowned British architect Sir Norman Foster, to house a new religious and cultural center.^[5]

Like many of Russia's Siberian cities, Astana also suffers from problems of remoteness. Travel between Astana and Almaty and the relatively densely populated south of the country is difficult. Almaty remains the natural communications hub for Kazakhstan as well as a hub for the rest of Central Asia because of its location close to the borders with Kyrgyzstan and Uzbekistan. It still attracts most international flights, although the government is trying to redirect them toward Astana to the great irritation of the southern elite and many in the international community in Almaty. Flights between Almaty and Astana, although increasing in frequency, are often over-booked, and the only alternative travel option is by rail—a journey that can take as long as 20 hours between the two cities. For now, the technocratic governing elite in Astana is cut-off from rest of country, with much of the country's international presence and civil society (and the main political opposition) still concentrated in Almaty. Astana was created to solve one set of problems, but like Russia—which moved its capital

from Moscow to St. Petersburg, and then back again—Kazakhstan now has two capitals, Astana and Almaty, with very different profiles.

Central Asia's Migration Magnet

Kazakhstan shares other dilemmas with Russia, including an aging population and the kind of general demographic decline associated with the lower birth rates of developed industrial states. Like Russia, Kazakhstan has lower life expectancy and higher than normal adult mortality rates, which have been linked to the stresses attendant at the collapse of the USSR as well as poor dietary and healthcare practices.^[6] In fact, the Slavic population in Kazakhstan's north, shows the same poor health profile and low life expectancy as the Russian population it borders in the Urals and western Siberian, while birthrates have been higher among the ethnic Kazakh in the south. Kazakhstan's government has set ambitious targets for population growth from 15 million in 2005 to 20 million in 2015, including introducing programs for the migration of 4.5 million "Oralmans," or ethnic Kazakhs, from neighboring countries of Central Asia, Turkey, Mongolia, and China. Although 374,000 "Oralmans" have "returned" to Kazakhstan in recent years, the bulk of Kazakhstan's population growth is currently the result of illegal migration into Kazakhstan from the rest of Central Asia as well as China.^[7]

Economic migrants are attracted to Kazakhstan by the prospect of low-skilled jobs in the growing construction and service sectors. For example, the Kazakh government itself suggested (during interviews I conducted in Astana on this subject in March 2004) that Kazakhstan may presently have as many as a million illegal migrants, working either temporarily or permanently in the country. Officials from the Migration Agency and the Presidential Administration indicated that, according to their estimates, there are at least 500,000 people from Uzbekistan alone working illegally in Kazakhstan, with most working in the southern agricultural regions on the Kazakh-Uzbek border and in construction in Astana. As a further illustration, the local government in Almaty estimates that as many as 100,000 migrants from neighboring Kyrgyzstan come to work in the region every summer.^[8] Shanty towns have sprung up on the outskirts of Astana, Almaty, and other cities, creating social pressures and a new underclass that the Kazakh government has not yet devised policies to deal with. The concentration of new wealth in cities like Astana and Almaty have also exacerbated existing economic disparities among Kazakhstan's far-flung regions, increasing domestic political tensions.

Ensuring New Leadership

In large part, as already noted, many of these issues are a mark of the success of Kazakhstan's post-Soviet transition. Modernization and rapid economic development of the kind that Kazakhstan is experiencing always bring new social problems, as well as demands for more change—especially political change. Although the Bolashak program has been very successful in bringing a new

generation of people into positions of power, Nazarbayev's is still an aging regime held in place by what is essentially an old Soviet elite. Nursultan Nazarbayev may have been the most successful of the former Soviet leaders who inherited a new state, but he is still a Soviet holdover. And unlike in many other states, including Russia and Ukraine, there has been no post-Soviet transition of executive power in Kazakhstan. If Nazarbayev completes his third term in 2012, he will have been in power for almost a quarter of a century. All of which raises the question of how to create the mechanisms to bring in an entirely new president and leadership in the near future.

The Kazakh parliament, which is now generally seen as tightly controlled by the executive branch, has not yet emerged as a route to the upper echelons of power. Presidential preference (enlightened as it may be at times) is still seen in Kazakhstan as the way ahead. If Nazarbayev is re-elected in December 2005, the top job will be locked in for the next seven years. And, with decisionmaking authority centralized in the presidential administration, Kazakhstan has all the basic conditions for a ruinous round of infighting over the question of a successor—very similar to the waning days of Boris Yeltsin's regime in Russia, and to the drama unfolding again in Russia as President Putin approaches the end of his term in 2008.

A Growing But Fractious Opposition

Frustration with the Nazarbayev regime is already bubbling up to the surface of politics. There have been numerous splits in the ruling elite over the last several years, illustrated by the defection, ostracizing, and even imprisonment of political figures once close to Nazarbayev, including former Prime Minister Akezhan Kazhegeldin, and Galimzhan Zhakiyanov, the former Governor of Pavlodar, and a sometime protégé of the Kazakh President. Both were accused of corruption after publicly parting ways with the President and entering the opposition, with Kazhegeldin ending up in exile abroad, and Zhakiyanov jailed for several years.¹⁹¹ The Zhakiyanov case, although shrouded in a great deal of intrigue, is particularly striking, as Zhakiyanov was, in the late 1990s, viewed within the Kazakh government as a rising star, designated by the President for greater things. He moved rapidly in this period from the head of the Agency for Control Over Strategic Resources to the governorship of Pavlodar, a key province on the Russian border. His equally rapid demise suggests that some of the members of Nazarbayev's "anointed" young generation may have pushed for too much power, too fast and too early for the President's preferences.

The Kazakh opposition is now filled with people who have been in power, or close to the center of power, and have had the opportunity of participating in the running of the country, but who have felt stifled by Nazarbayev's heavy top-down control, or disillusioned with the lack of political and economic opportunity. These include figures like Oraz Zhandosov, the former Deputy Prime Minister, Finance Minister, and Chairman of the Central Bank of Kazakhstan, once seen as one of Nazarbayev's "young Turks," spearheading the country's reform program;

and Zharmakhan Tuyakbay, a former Nazarbayev loyalist and ruling party member, the former Prosecutor General and Speaker of Parliament, who parted ways with Nazarbayev after accusing the government of manipulating the outcome of Kazakhstan's last round of parliamentary elections.

At the founding congress of the opposition movement "For a Just Kazakhstan" in March 2005, the opposition parties and leaders present selected Tuyakbay as their candidate to contest the presidential election. The opposition leaders at the meeting also paid tribute to Kazhegeldin—who was reported to be funding the new movement from exile—and to Zhakiyanov, who was portrayed as the symbol of the opposition, the outcast martyr, suffering for his convictions.^[10] However, the fact that the opposition includes such formerly influential figures, all of whom entertain their own ambitions for the "top job," has also tended to lead to infighting. The various opposition movements have repeatedly split into competing factions and the coalition "For a Just Kazakhstan" is a precarious one.^[11]

For Family and Friends

As in Russia and other post-Soviet states, the opposition to Nazarbayev may be fractious, but it is genuine, and it is also complicated by its links to the Nazarbayev "family" and political "clan." References to the Nazarbayev family (his actual immediate and extended family) are usually the issue that raise the most direct comparisons with the other Central Asian states—especially Kyrgyzstan and Uzbekistan, where presidential family members have been active in politics and business. In Kyrgyzstan, the corruption and venality of President Askar Akayev's family, and his coterie's attempts to manipulate the 2004 parliamentary elections with a view to enabling Akayev to stay in power longer than the constitution permitted, were the main triggering events for the protests and eventual overthrow of the government. Akayev's son, Aidar, and daughter, Bermet, both ran in the parliamentary elections in district races where prominent members of the opposition had been excluded, and won their seats before the elections were overturned by subsequent events. In Kazakhstan, Nazarbayev's family and associates are increasingly visible in key business sectors. Nazarbayev's eldest daughter, Dariga, has her own political party in addition to significant media holdings; and her husband, Rakhat Aliev—Nazarbayev's son-in-law—was appointed as a new First Deputy Foreign Minister in July 2005, having formerly served as Ambassador to Austria and Deputy Chairman of the National Security Committee.^[12] Immediately after Akayev's overthrow, many people in Kyrgyzstan and Kazakhstan speculated that these similarities would have an impact on public perceptions of Nazarbayev's legitimacy.^[13]

The surface similarities between the Akayev and Nazarbayev families, however, do not tell the whole story of public perceptions. Based on my interviews in Kazakhstan over the last two years, there is a general sense among the Kazakh elite that Nazarbayev's family is more restrained in its activity than its counterparts in Kyrgyzstan or elsewhere in the region. While not minimizing the

extent of the problem, several of my interlocutors described the situation in the following general manner: although members of Nazarbayev's family may "always try to get a piece of the action they don't control," they are "more modest" and "wiser"^[14] in their approach; they have a "sense of proportion;" "they don't flaunt themselves too much." They are seen to leave space for others outside their immediate circle to develop and grow businesses and make money. As one seasoned Western observer noted, Nazarbayev sets the tone at the top. His "clan" still seems to have a sense of the importance of developing the country and of not stripping its assets at the population's expense. This is not "Sukharto's Indonesia" (which is how several Western observers in Bishkek described Akayev's Kyrgyzstan in its waning years).^[15]

In Kyrgyzstan, in 2004-2005, the general perception, in contrast, was that no one could do business without the Akayev family—and given the small size of Kyrgyzstan and its economy, the family's intervention had become all-consuming. In Kazakhstan, corruption and cronyism may be serious problems but they are not overwhelming. Kazakhstan is large and its economy is growing. There is more of the proverbial pie (while the economy keeps growing) for everyone to share, even if the Nazarbayev family takes the biggest piece.

Questions About the Alternatives

In this regard, there is also a general sense in Kazakhstan, at the public and the elite level, that the opposition is "not all that much better." Many Kazakh professionals outside the government presume that the opposition—especially given the fact that many of its members were once in Nazarbayev's inner circle—is just as corrupt, or potentially as corrupt, as "the family." Members of the Kazakh elite are also relatively well-informed about events elsewhere in the region, and the evident disillusionment in Ukraine and Georgia, and especially in Kyrgyzstan, with the "colored revolutions" has tempered desires for a radical change in leadership in Kazakhstan. In my interviews in March 2005, beyond the opposition party leaders, many Kazakhs in civil society and the media in Astana and Almaty expressed a great deal of skepticism about the outcomes of the "colored revolutions" in Ukraine and Georgia—where they saw one group of insider political elites simply being exchanged for another. And the unfolding events in Kyrgyzstan that were, at the time, heading toward the overthrow of Askar Akayev were generally seen as a "bunt"—more a riot than a replay of the "Orange" and "Rose" revolutions in Ukraine and Georgia. There was considerable alarm in Almaty (which unlike Astana is very close to Bishkek) at the widespread looting and criminality in Kyrgyzstan that accompanied Akayev's flight from the country.

Although against the backdrop of the other political upheavals in Eurasia in 2003-2005, the December 2005 presidential elections in Kazakhstan may appear to be a turning point, it seems unlikely that Kazakhstan will follow the path blazed by Georgia, Ukraine and Kazakhstan under current circumstances. It is difficult to conceive that the Kazakh population will rally around the opposition

in the weeks leading up to the election—unless there is some kind of massive provocation that sharply undercuts Nazarbayev’s legitimacy. Nazarbayev remains popular, neither the population nor a large group of the elite is disaffected at this juncture, and the opposition, in spite of its attempts to present a united front, lacks a coherent political platform—with the exception of a proposed new draft of the Kazakhstan Constitution.¹⁶¹ By pulling the election date forward from 2006 to December 2005, the government also removed the advantage from the opposition, leaving them with essentially only three months (September to November) to campaign for their presidential candidate.

The fact that Kazakhstan is a huge state geographically, with two capitals, a small population, no clearly defined periphery, and major differences between north and south, as well as between rural and urban areas, makes it very difficult for the opposition to campaign across the country and offer a compelling alternative to Nazarbayev. And Nazarbayev is still “delivering” for the people of Kazakhstan in 2005. In contrast, Shevardnadze, Kuchma and Akayev were no longer delivering much for their populations. And, in many respects, at this juncture, the “colored revolutions” in Georgia, Ukraine, and Kyrgyzstan have not met the high expectations that were invested in them—especially in Kyrgyzstan where the new government seems to have fallen into protracted crisis with political assassinations and rumors of criminal groups infiltrating politics at the highest levels. The Orange Revolution in Ukraine has been upturned by the dismissal of Prime Minister Yulia Timoshenko and her team in September 2005 after months of bickering and infighting; and the bloom is off the Rose Revolution in Georgia.

In both Georgia and Ukraine, the much-praised new governments of Mikheil Saakashvili and Viktor Yushchenko got huge boosts in legitimacy and trust by simply becoming the *new* governments, and replacing the bankrupt and despised regimes of Eduard Shevardnadze and Leonid Kuchma. In Georgia, after several initial bold moves to tackle corruption and completely dismantle and revitalize Georgia’s predatory traffic police, domestic economic reform is dragging and Saakashvili’s government has become bogged down in military adventures in the separatist republic of South Ossetia and foreign policy confrontations with Russia. Few people in Georgia, have seen their material well-being and daily lives improve and the public dissatisfaction has returned.¹⁷¹ If Saakashvili cannot meet the expectations of the population, then his government’s legitimacy will be a rapidly depreciating asset. Likewise, President Yushchenko in Ukraine saw his popularity drop precipitously, as his government turned on itself and became paralyzed. Almost 15 years after the end of the Soviet Union, simply being a Ukrainian or Georgian leader that can claim to be separate and independent from Moscow is no longer sufficient. And no matter what “color” a new government is perceived to be, it has to deliver.

Delivering After December 2005

In looking ahead, Nazarbayev’s legitimacy and popularity as President after December 2005 will also depend on his ability to keep delivering. This is not just

an issue of ensuring continued improvement in the economic well-being of the population, although this is an important element. As Mikhail Gorbachev also noted in August 2005—when commenting on Nazarbayev’s decision to run for a third presidential term—Nazarbayev must keep on opening up the political system to opposition and minority views, and expand pluralism for Kazakhstan to move ahead.¹⁸ The big test for President Nazarbayev and his government will come after the December presidential election as they look ahead to 2012 and consider how to conduct the future succession of executive power. At this stage, President Nazarbayev seems to have a clear preference for the kind of transfer of power from Presidents Yelstin to Putin in Russia in 2000, with a selected successor rather than the chaotic change of power in Georgia, Ukraine, and Kyrgyzstan. But Nazarbayev’s considerable legacy would be squandered if he followed too much of the Russian path in ensuring this succession, by taking further steps to crack down on the opposition, NGOs, and the media, instead of strengthening the existing electoral and institutional democratic processes in the period leading up to 2012. A crackdown on the alternative views and institutions to the presidential administration would both undercut Kazakhstan’s position as one of the leading post-Soviet states and increase Astana’s current isolation from the rest of the country.

Without a more dynamic political system, Kazakhstan cannot expect to continue its soaring economic growth indefinitely. As the population becomes increasingly politically sophisticated in Kazakhstan, Nazarbayev must offer adequate and alternative avenues of political participation and expression for a larger number of people. And he must continue to provide opportunities for advancement for the young educated elite, he has spent so much effort in cultivating over the last several years. Kazakhstan needs a genuine opposition and an emancipated and active parliament in addition to a strong executive branch. If there are no meaningful political institutions to convey and mediate the population’s opinions and demands over time, people will eventually take to the streets to protest if there is a downturn in the economy or some other crisis that increases the perception of hardship or cuts into the perceptions of Nazarbayev’s legitimacy. Russia’s social benefits protests in January 2005 underscore this fact—as do events in Georgia, Ukraine, and Kyrgyzstan.

In conclusion, although the “colored revolutions” of the last two years do not set the course for Kazakhstan in December 2005, they do have some lessons for President Nazarbayev for January 2006 to December 2012. He should not take public opinion or his current popularity for granted. Shevardnaze, Kuchma, and Akayev, were all popular in the early years of their presidencies and were seen as progressive reformers. And, after this December, he should not try to stay in power beyond the currently constitutionally-mandated term. The people of Kazakhstan need to be able to see a different future that extends beyond the person and presidency of Nursultan Nazarbayev.

Endnotes for Part I

^[1] Based on developments in Georgia in November 2003 (the “Rose Revolution”), Ukraine in December 2004 (the “Orange Revolution”), and Kyrgyzstan in March 2005 (the “Tulip” or “Yellow Revolution”), a “colored revolution,” roughly speaking, involves an elite split, combined with general grassroots dissatisfaction with the government. It is triggered by the falsification of nationwide elections, which leads to mass protests and the toppling of the incumbent president (or designated successor in the case of Ukraine). In the international media—given the close political links between the two new presidents in Ukraine and Georgia, the open reference to Georgia’s revolution during the events in Ukraine, and the use of the same kinds of colored symbols and general opposition tactics—these upheavals have been presented as a single set of events. They have been depicted as a new wave of “peaceful, democratic revolutions,” reminiscent of the revolutions of the late 1980s in Eastern Europe, that are now sweeping across the territory of the former Soviet Union.

^[2] The opposition’s founding meeting for the coalition movement in Almaty, which I attended, took place at a time when protestors in Kyrgyzstan had seized provincial administrative buildings in the southern Kyrgyz cities of Osh and Jalalabad. Mass demonstrations and the overthrow of Askar Akayev’s government in Bishkek were still a few days ahead on March 24, 2005.

^[3] Bruce Pannier, “Kazakhstan: Tough Bill on NGOs Meets with Unexpected Opposition,” [*Radio Free Europe / Radio Liberty*, June 28, 2005.](#)

^[4] “Kazakhstan To Watch U.S. Embassy During Election,” [*Radio Free Europe / Radio Liberty*](#), September 21, 2005.

^[5] “Demonstrations Are Banned in Kazakhstan,” RIA Novosti (Russia), April 8, 2005; Roger McDermott, “Kazakhstan Prepared to Use Force Against “Revolutionaries,”” *Jamestown Foundation: Eurasia Daily Monitor*, Volume 2, Issue 29, July 5, 2005; and reports from “The Movement for a Just Kazakhstan” electronic newsletters, circulated since June 2005.

^[6] See interview with Kazakhstan Presidential Advisor Yermukhamet Yertysbaev, “V nyneshney situatsii, kogda reyting Nazarbayeva zashkalivaet za 80 protsentov, prinimat’ prezidentu uchastie v teledebatakh — eto zavedomo umen’shit’ svoyu elektoral’nyu bazu,” on the Kazakh website www.zakon.kz, September 20, 2005.

^[7] After steadily rising through the ranks of the Communist Party in Kazakhstan, Nazarbayev became the First Secretary of the Central Committee of the Communist Party of Kazakhstan in 1989, and President of Kazakhstan in 1990. For a more detailed discussion of his career path, see Martha Brill Alcott, *Kazakhstan: Unfulfilled Promise* (Washington, DC: Carnegie Endowment, 2002), p.27.

^[18] “M. Gorbachev podderzhivaet reshenie Nazarbayeva idti na tretiy prezidentskiy srok,” *Interfax*, August 25, 2005.

^[19] Information from IMF Country Reports on the Russian Federation (2004) and Kazakhstan (2005); and World Bank: Poverty Reduction and Economic Management Unit, Europe and Central Asia Region, *Republic of Kazakhstan: Country Economic Memorandum—Getting Competitive, Staying Competitive: The Challenge of Managing Kazakhstan’s Oil Boom*, (Report No. 30852-KZ, March 20, 2005). Note that the State Statistical Agency of Kazakhstan estimates the country’s poverty rate at only 12%.

^[10] For more detail on Kazakhstan’s energy reserves see the U.S. Department of Energy’s Energy Information Agency’s “Kazakhstan Country Analysis Brief” (July 2005), at www.eia.doe.gov/cabs/kazak.html.

^[11] See “Kazakhstan’s Way Forward: Stability, Modernization and Prosperity,” Address of the President of the Republic of Kazakhstan Nursultan A. Nazarbayev at the Opening of the 2nd Session of the Parliament of Kazakhstan, September 1, 2005.

^[12] At the beginning of 2005, Kazakhstan’s Oil Fund held \$5.3 billion and is expected to reach \$8.4 billion at the end of 2006.

^[13] See, for example, Aleksei Nechiporenko, “Pripodnyataya Tselina: Kazakhstan razvivaetsya neveroyatnymi tempami,” *Novaya Gazeta*, No. 70, September 22, 2005.

^[14] In July 2005, according to the Kazakhstan Education Ministry’s official site (www.edu.gov.kz), the Bolashak program had received 6,716 applicants for 3,000 places in its 2006 scholarship program, with the largest groups of applicants seeking to study respectively in the United States (2,066), Great Britain (1,704), and Russia (1,184).

^[15] In the 1989 Soviet Census, ethnic Kazakhs accounted for 39.7% of the total population of Kazakhstan, and ethnic Russians and Ukrainians, 37.8% and 5.4% respectively.

^[16] Figures provided during an interview with the Migration Agency in Astana on March 19, 2004.

Endnotes for Part II

^[1] For a more detailed discussion of these issues see Fiona Hill, *Energy Empire: Oil, Gas and Russia’s Revival*, London: The Foreign Policy Center, 2004.

^[12] Based on interviews with local representatives of international oil companies in Almaty in March 2005 and United Financial Group (Moscow) 2005 reports on the energy sector in Russia and Kazakhstan.

^[13] “Kazakhstan on the Road to Accelerated Economic, Social and Political Modernization,” February 18, 2005, and “Kazakhstan’s Way Forward: Stability, Modernization and Prosperity,” September 1, 2005.

^[14] For a detailed discussion of the problems associated with cold and remote cities in Russia and Siberia, see Fiona Hill and Clifford Gaddy, *The Siberian Curse: How Communist Planners Left Russia out in the Cold*, Washington DC: Brookings Institution Press, 2003.

^[15] Hugh Pearman, “Foster Designs the Pyramid of Peace,” *The Sunday Times* (London), February 20, 2005.

^[16] Average life expectancy in Kazakhstan dropped to 61.7 years in 2002 from 67.73 in 1992.

^[17] Information from interviews with the Kazakhstan Migration Agency, Presidential Administration, and the Kazakhstan Center for Systems Research in Astana in March 2004

^[18] Natal’ya Berzhbitskaya, “Lyudi v dvizhenii nuzhdayutsya v podderzhke,” *Kazakhstanskaya Pravda*, March 19, 2004.

^[19] Martha Olcott has a detailed discussion in *Kazakhstan: Unfulfilled Promise* of the struggles between President Nazarbayev and the Kazakhstan parliament and the various rifts within the political elite in the late 1990s. See Chapter 4, “Trying Pluralism and Abandoning It,” pp.87-127.

^[10] Information taken from personal notes at the meeting.

^[11] See, for example, Marat Yermukanov, “Kazakh Opposition in Disarray as Decisive Battle Looms,” *The Jamestown Foundation Eurasia Daily Monitor*, Volume 2, Issue 72, April 3, 2005.

^[12] Marat Yermukanov, “Nazarbayev Lines up his Men Ahead of Election Campaign,” *The Jamestown Foundation Eurasia Daily Monitor*, Volume 2, Issue 150, August 2, 2005.

^[13] Especially since, at one point, Akayev’s son was married to Nazarbayev’s younger daughter, and the Nazarbayev family are reported to have significant investments in Kyrgyzstan.

^[14] Strictly speaking, the Russian word my interlocutors in these private interviews used was “vospitanny” or “well brought-up.”

^[15] This reference came up repeatedly in interviews.

^[16] Household surveys carried out by the World Bank in conjunction with the Brookings Institution in December 2004 show generally high levels of satisfaction with the situation in the country across Kazakhstan.

^[17] General conclusions from interviews in Tbilisi in July 2005.

^[18] *Interfax*, August 25, 2005.