

The Future of Kazakhstan After the Presidential Election Event Summary



May 12, 2011



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Conference Agenda

“Kazakhstan’s Transition in a Comparative Perspective”

Vladimir Socor

Senior Fellow, The Jamestown Foundation

“Seeking Stability in an Unstable Neighborhood”

Janusz Bugajski

Senior Fellow in the Europe Program at the Center for Strategic and International Studies (CSIS)

“Implications of the Election for Kazakhstan's International Position”

William Courtney

Former US Ambassador to Kazakhstan

“Kazakhstan’s Future after the Presidential Election”

Ambassador Erlan A. Idrissov

Embassy of Kazakhstan to the United States



Opening Remarks by Glen Howard, President of the Jamestown Foundation

We are delighted that Jamestown is available to organize today's discussion, examining the future of Kazakhstan following the presidential elections. Two of the persons represented on this panel—Janusz Bugajski and Vladimir Socor—were part of an observation team that monitored the election. The content of this report and the event we organized earlier this year are based upon their findings and insight into what they perceived during their visit to Kazakhstan, how the election proceeded and how they perceive the future of the country following the elections.

The only thing that we can say with certainty after the elections in Kazakhstan is that this Central Asian country will continue its multi-vectored foreign policy approach between the two great centers of power in Eurasia—Russia and China. This is a very difficult balancing act to follow when you are a land-locked Central Asian state with major energy and mineral resources. Since gaining independence, Kazakhstan has charted a delicate balancing act as it has taken advantage of its strategic location pinned between Russia and a surging China to the east. Geography poses a unique challenge to Kazakhstan. Reorientation of trade flows via the old Soviet north-south axis have been replaced by a new and enhanced Silk Road, transforming Kazakhstan from a sleepy Soviet backwater to the forefront of western energy exploration and development, thus giving this country a chance to build a new distinct identity separate from its Soviet past. Twenty years of independence has seen the steppes of Central Asia transformed as Kazakhstan has used its natural resource to integrate itself into the global economy, first with the Caspian Pipeline Consortium (CPC) and now with its overland oil pipelines to China.

Seeking to distance his country from the Soviet past, President Nazarbayev has taken the steps of other great statesmen in Eurasia by first relocating his nation's capital to Astana from the old Soviet capital of Alma-Aty, a move that closely follows the steps of the founder of the modern Turkish state—Ata Turk.

Following the presidential elections, it is important to note that Kazakhstan will continue to play an important role in US strategy as it navigates between a Euro-Atlantic and a Euro-Pacific future. By emerging as a key supply nexus for NATO supply lines in Afghanistan via the Northern Distribution Network (NDN) Kazakhstan has shown that for the foreseeable future it will play a major role in being a key partner for the Euro-Atlantic Alliance as it faces its greatest challenge in Afghanistan. However, the discussion today is less about the situation to the south, and more about the elections in Kazakhstan. Therefore, it is important to stress that the capacity to evolve in a democratic direction—particularly in the case of the Central Asian states—is also

shaped by the external security environment and the threat of a militant form of Islam that is seeping through the porous borders of Afghanistan, posing a challenge to Kazakhstan's democratic evolution. Since this conference addresses the democratic evolution of Kazakhstan we cannot fail to forget that the tide of militant Islam that swept Central Asia in the 1990s has not gone away; it may rear its head again in the region in the near future. For that reason, the great challenge for Kazakhstan will be to continue to improve the rule of law and enact further reforms that improve the standard of living of its populace, eliminate corruption, and promote Western-educated elite who will emerge as the new generation of leaders in Kazakhstan. In many ways, therefore, the recent Presidential elections was about the future of Kazakhstan as it strives to further distance itself from its Soviet past.

To discuss the elections we are delighted to have this group of distinguished experts. No observer of Central Asia affairs is better qualified to speak on the recent elections in Kazakhstan than Vladimir Socor. Socor, a native of Romania, is a long time American observer and frequent traveler to the region. Mr. Socor believes that the best way to understand the democratic evolution of Kazakhstan is to take a comparative historical approach to the evolution of democracies in Western Europe and view Kazakhstan's evolution through this prism rather than the approach taken by other experts on civil democracy. Many of you know Vlad who is a senior fellow at The Jamestown Foundation. The focus of his talk will be on the process of guided political pluralization in Kazakhstan. Rather than take the usual Western approach of charting Central Asia's progress by determining whether the countries that make up the region are full blown Jeffersonian democracies, he will examine Kazakhstan's evolution on a par with the countries of Central Europe that emerged in the aftermath of the collapse of the Austrian-Hungarian Empire as well as that of neighboring Turkey, which emerged with a strong central leadership in the wake of the collapse of the Ottoman Empire.

Our second speaker is Janusz Bugajski, a senior fellow at the Europe Program at the Center for Strategic and International Studies (CSIS). He will further discuss the ongoing reforms going on in Kazakhstan, placing its development both within a historic and a comparative context. He will also be evaluating the concrete goals that Kazakhstan has set for itself as it strives to maintain stability on the one hand, while adhering to the benchmarks it set for itself regarding its own process of democratization. Our third speaker is Ambassador William Courtney, a former US Ambassador to Kazakhstan. He will be going third, comparing Kazakhstan's progress in development with other post-Soviet states, particularly the economic progress it has achieved in comparison to Ukraine and neighboring Uzbekistan. Finally, our fourth speaker will be Ambassador Erlan Idrissov, Kazakhstan's Ambassador to the United States, who is ready to provide us with his personal view regarding his country's process of reforms. I believe you all have copies of their bios in your packets so no further introduction is needed. Vlad will now share his views with you on the future of Kazakhstan after the recent elections.

Remarks by Vladimir Socor, Jamestown Senior Fellow

Summary

A success story among post-Soviet states, Kazakhstan has achieved nation-building, rapid modernization and rapidly rising standards of living based on its own model of governance that features a strong executive presidency and continuity in the ruling elite. Azerbaijan represents a similar case, and no criticism of Kazakhstan or Azerbaijan has any merit unless one acknowledges these countries' special starting circumstances and successes to date.



Kazakh President Nursultan Nazarbayev overwhelmingly won re-election, and, as opinion polls suggest, his support among the Kazakh population is genuine. The presidential election reflected the country's desire for continued stability and continued Kazakhstan's gradual evolution toward ever more transparent electoral contests and more democratic politics. Western Europe followed a similar evolutionary process in the 19th Century, while Turkey slowly became more democratic over the course of the 20th Century.

As they democratized, Western European countries invented a number of safeguards to prevent democratic forces from becoming destabilizing. These included: a strong executive; a bi-cameral parliament with an appointive upper chamber and a limited franchise; avoidance of coalition governments; continuity in power of the state founder or founders; and a five-year versus a four-year electoral cycle. The post-Soviet states, which, after the collapse of Communism, neglected implementing most of these safeguards—such as Ukraine, Moldova and Kyrgyzstan—suffered from destabilized governments and societies. Kazakhstan, however, avoided these pitfalls by rejecting the “Color Revolution” model of overnight structural change—plagued by misconceptions in the West—and opting instead for slower, more deliberate institution building.

In Kazakhstan, the political debate has now turned to the most appropriate way to democratize and pluralize the parliament. Various ideas have been presented, including splitting the governing Nur Otan Party into a statist “conservative” party and a pro-business “liberal” party. Other

suggestions are to create a second, “liberal” party from business and social groupings, or to create a three-party system with the forced merger of a number of small parties into a viable opposition force. While the parliament clearly needs to be pluralized, a strong and steady executive and a strong majority party will be required to properly guide the process.

In terms of recommendations, a strong Nazarbayev presidency and a bi-cameral parliament with an appointive upper chamber and a high threshold to entry are required for an orderly democratization process. The Cabinet should remain accountable to the president, and a single majority party should form a government each five-year electoral cycle for the time being. Kazakh political society is not yet mature enough to be able to handle a constant, kaleidoscopic reshuffling of party coalitions. Moreover, any ethnically or religiously-based political parties should be forbidden. At the same time, Kazakhstan needs to clarify its procedure of presidential succession—one not based on “anointment” of a successor. As this may be President Nazarbayev’s final term in office, he has a unique opportunity to help guide a generational change in Kazakh leadership.

The US government, on the other hand, must realize that it is a minor player in Central Asia. In addition, any criticism of Kazakhstan needs to proceed from an acknowledgement of Kazakh successes since independence. Finally, it is the Kazakh people and government that are in the best position to decide on their political system and transitional path to democracy.

Full Remarks

Thank you, Glen, ladies and gentlemen. It is essential to place Kazakhstan’s political development in the historic and comparative contexts. It is this context that I will try to outline in today’s presentation. Without doubt, Kazakhstan is a success story in terms of post-Soviet nation-building and in terms of rapid modernization, providing for a rapidly rising standard of living for Kazakhstan’s citizens. Under its own model of governance, which is based on a strong executive presidency and continuity of the existing team in power, Kazakhstan has achieved this success story.

It is not the only case. We have a similar case in Kazakhstan’s neighbor across the Caspian Sea: Azerbaijan, where continuity in power for the long-term and the strong executive presidency have ensured the stability, which is necessary for rapid economic growth and eventually, in due course, for democracy. Many people are criticizing Kazakhstan for a deficit in democracy. The same is true of Azerbaijan with regard to Western perceptions. But it seems to me that any criticism of Kazakhstan—or Azerbaijan—ought to start with an acknowledgement of these countries’ successes. Any criticism that does not start at that point of departure would not have credibility.

President [Nursultan] Nazarbayev won reelection on April 3rd, with a score of 95.5 percent of the votes cast, in a turnout of 89.9 percent. I think there is a consensus among external observers that both the turnout and score were genuine, reflecting the approval rating of President Nazarbayev's performance by Kazakhstan's citizens in the course of the years, including most recently the IRI poll of February 2011, which found, approximately, the same rate of approval for the president's performance on the part of the citizens.

The vote reflected, in addition to the president's performance, a concern by Kazakhstan's citizens to retain stability, which they regard as threatened in a number of Muslim countries and next door in Kyrgyzstan. All this after the failure of the "Color Revolution" experiments in a number of countries—including European countries—where the introduction of parliamentary democracy, as in Ukraine or Moldova, proved premature.

The election reflected clearly the political choice of Kazakhstan's citizens. It marked a definite advance in the transparency of Kazakhstan's electoral processes. These advances can be noticed from one electoral cycle to the next, and this was no exception. And, this election opened the way for a transition to the formation of a more pluralist parliament in the elections, which are due in 2012.

In sum, this presidential election tested Kazakhstan's capacity to evolve toward open, democratic politics in the years ahead, during President Nazarbayev's term, which is now commencing. The president intends to oversee a cautious transition to political and institutional pluralism during this five year term. In Kazakhstan's circumstances, a successful orderly transition necessitates gradual implementation from above.

Western Europe underwent a lengthy transition toward democracy during the 19th Century, and Turkey underwent its own process during the 20th Century. The historical experience of Western Europe and of Turkey is one of elite-guided evolution over time toward an ultimately democratic outcome. West European polities in the 19th Century, during their evolution in the direction of democracy, developed a number of political and institutional safeguards of stability. Not every West European country developed the full, identical set of such safeguards, but most of them developed most of these safeguards. These include:

- A head of state whose legitimacy is beyond dispute, either the monarchy or as a presidency with strong executive powers;
- A bi-cameral parliament with an appointive upper chamber; a limited franchise, not universal but limited franchise, which was of course possible in the 19th Century—it is no longer a possibility now, limiting the franchise. But the corresponding safeguard in today's circumstances is a high threshold of parliamentary representation for political

parties in order to prevent fragmentation and proliferation of parties that are mere political “projects” rather than genuine parties;

- Avoidance of coalition governments. One party government—not permanent government, but one party government in each given electoral cycle—this is possible either through the formation of a long-term majority party or through the formation of a two-party system in which parties alternate in power without making coalitions with each other;
- Continuity in power of the state-founding leader or leaders—there are ample examples of this safeguard of stability. I will mention just two. In the inter-war Czechoslovakia, which was regarded as a model of democracy in Central Europe, President Tomas Masaryk was in office for 17 consecutive years, from the moment of the founding of the state in 1918 until his death in office in 1935. We have a similar situation in Kemalist Turkey where Kemal Ataturk, the founder of the Turkish state without whom Turkey’s long-term development toward democracy would have been inconceivable, also died in office after having served almost 20 years;
- And, the five-year electoral cycle, as opposed to a four-year electoral cycle, is also an additional and useful safeguard for stability and continuity.

We can now move from the experience of Western Europe to the recent experience of a number of post-Soviet countries where parliamentary government—I am not speaking about democracy, I am speaking about the parliamentary form of government—was introduced prematurely. The examples are Ukraine’s “Orange Revolution,” which as we now know—and we are fully aware in retrospect—has simply led to the disorganization of the Ukrainian state. Such state building efforts that had been undertaken prior to the orange revolution were gravely set back by the chaos that followed the Orange Revolution only to culminate in the return of the former forces to power amid popular disenchantment.

Another example is Moldova where impeccably free and fair elections in 2001 led to the revanche of the Communist Party, which kept power for eight years, and then, again, the premature introduction of parliamentary government in Moldova in 2009 has resulted—in exactly two years—in four parliamentary elections, one constitutional referendum and four attempts to elect a head of state—all unsuccessful, all within two years.

At one time or another, even the change of the regime in Kyrgyzstan was regarded, at least initially, as a democratic revolution. Of course it was anything but, and portraying it as such could only undermine the concept of Western democracy in the eyes of Central Asians. Kazakhstan has managed to avoid all these pitfalls. It has opted instead for evolution rather than revolutionary regime change, and for institution building rather than overnight introduction of parliamentary government.

I would like to single out four misconceptions that lie at the basis of Color Revolutions and overnight democratization without institutions. Four misconceptions:

- The proponents of such changes say—and this is the first misconception—“we are interested in the process, not in the outcome.” Of course we should be interested in the first place in the outcome. Otherwise, as in the case of Ukraine, you end up with a president like the Ukrainian president who was elected in late 2004. That is the case of being interested in process not in outcome. We should be interested in the outcome and in the election of a competent and effective president.
- The second misconception: the uncertainty of the election’s result until the last minute is good and is a mark of democracy. But, some societies are not mature enough to bear that kind of uncertainty. As in the experience—again I am referring to Kazakhstan and Azerbaijan—in both of these countries, it demonstrates that it is a good thing that the reelection of President Nazarbayev was predictable, and a good thing that the reelection of Presidents Heydar and then Ilham Aliyev were predictable. It was for the good of these countries and the good of the Western partners of these countries.
- The third misconception is: longevity in office by an individual leader is, by definition, bad. It cannot be democratic. Again, we see the counter-examples, which I mentioned.
- And, the fourth misconception is: we should introduce, as fast as possible, a system of checks and balances. But, as we know from so many examples in post-Soviet countries and not only, these societies and these political systems, which are insufficiently institutionalized are unable to manage checks and balances. Checks and balances soon turn into gridlock, and into a Hobbesian political system of war of all against all—as we saw in Ukraine, as we now see in Moldova, as we now see in Kyrgyzstan. It’s Hobbesian; it is not checks and balances. It’s mutual check mating and mutual rivalries. We need to wait for institution-building at the state level and for the maturation of societies in order to introduce viable checks and balances that do not turn into paralysis and civil strife.

The new government of Kazakhstan that was formed after the presidential election is very similar in its composition to the previous government, with personnel continuity presaging policy continuity as outlined in President Nazarbayev’s re-election platform. In his re-election platform the top priorities are defined as: reform of the judiciary, systematic anti-corruption efforts, and the election of a pluralist Majilis—the lower house of parliament—by 2012 in place of the incumbent single-party Majilis.

The debate about turning the Majilis into a pluralist institution has already started. It is being conducted in earnest in full view of public opinion in the mass media. And it is properly

initiated by President Nazarbayev's own circle and by the leadership of the governing Nur Otan Party—reform implemented from above.

There are various ideas being aired from above in the course of this debate. The president's top political advisor, Yermukhamet Yertysbayev, advocates in the mass media—this is a public debate—a two-party system modeled on the US party system—Republican and Democratic parties—modeled also on what used to be the United Kingdom's two-party system—Conservative and Labor. Yertysbayev is convinced that such a system would serve the interests of stability and of a predictable evolution of Kazakhstan toward the institutionalization of democracy.

In this proposed scheme, the existing governing party Nur Otan, the party of power, would be defined as “Conservative,” a party basically of state employees. The other party in Yertysbayev's proposal, the Ata Meken Party, would become the party of business, of a “Liberal” orientation, representing the interests of a growing class of entrepreneurs and managers, promoting liberal legislation both economically and in the social arena. According to its proponents, this system would have the merit of separating political power and business interests from one another, thereby eliminating the feeding trough of corruption that had resulted from the merger of business with politics.

Other voices in the Nur Otan Party propose dividing the Nur Otan Party into two: a conservative and a liberal party. Yet another view voiced by the Secretary of the Nur Otan Party Yerlan Karin—again, in the media, this is a public debate—Karin believes that Majilis that would properly reflect the spectrum of political views in society should consist of more than two parties. He advocates the merger of a number of small parties under new leaders in order to create a viable opposition. This would be in opposition to the two major parties that are being proposed.

Incidentally, the incumbent Majilis, whose term expires in 2012, comprises 107 deputies, including 98 elected and nine nominated/appointed by the assemblies of the peoples of Kazakhstan.

Parliamentary elections are due in 2012, so the presidential election could be regarded as a test run for parliamentary elections that would be, this time, more competitive. There are nine small parties, legally registered in Kazakhstan, including three parties that find themselves as opposition. At least one of these parties, Auyl, whose headquarters Janusz and I visited during our visit, during our trip. “Auyl,” which means “village” aspires to represent specific economic interests—in this case, commercial agriculture—in the new parliament. With this party you can perhaps see the emergence of interest group politics in Kazakhstan.

Admittedly, the incumbent Majilis does not fully reflect the diversity of political views in Kazakhstan's society. It needs to be pluralized. At the same time, a stable majority party in each electoral cycle, with a strong executive president, remain indispensable to an orderly process of political reform in Kazakhstan.

May I conclude with a number of policy recommendations to Kazakhstan, and to the United States government and to the United States' NGO community? Kazakhstan is facing an institution-building process evolving in the direction of open democratic politics. It will be a gradual, step-by-step evolution. President Nazarbayev remains the guarantor of stability during this transition period. His presidency needs to retain strong executive powers at least for the duration of the five-year term, which is now starting.

Kazakhstan should retain the bi-cameral parliament with an appointive senate as one of those safeguards for stability. We know this from the experience of Europe. There is no reason, no grounds, to rush it in Kazakhstan when the West Europeans themselves did not rush.

The current threshold for parliamentary representation by parties is relatively high by European standards: seven percent. Yet, this too is a safeguard for stability. Remember, incidentally, that today's Turkey, which is hailed as a democratic state by the Western world has a ten percent threshold for parliamentary representation.

The cabinet of ministers needs to remain, for the time being, accountable to the president pending restructuring of relations between cabinet and parliament. Both of the presidential advisors, whose views I quoted a couple of minutes ago, are emphasizing the need to restructure the relationship between the cabinet of ministers and parliament. That is, a gradual process of shifting accountability of government from president to parliament. It will take institution-building efforts, and that will take time.

Whether Kazakhstan decides to have a two-party system or more than two parties represented in the Majilis, it will be important that in any given legislative period—five years—there should be a one-party government, as we have in Azerbaijan and as we have, incidentally, in Georgia, which is again a safeguard for stability. These societies are not yet mature enough to sustain the daily game of reshuffling government coalitions: the kaleidoscopic refashioning of coalition governments on a daily basis. We are not there, yet. Kazakhstan would be well-advised not to allow formation and operation of ethnically-based parties or of religiously-based parties.

The state needs to develop a credible procedure for presidential succession. The procedure must not be based on "anointment" by the incumbent head of state of a *naslednik* successor. It should rather be a succession process that goes through institutions, which are now being built. So, an institution-based, not a palace-based succession process.

And, finally, since this might be the final term in office of Nursultan Nazarbayev, it is a unique opportunity to effect a generational change in the high levels of government under the guidance of this president. This president has a great opportunity to use his well-earned and well-exercised powers to effect a generational change at the top of the political establishment.

And, a couple of recommendations to the US government and even to the US NGO community. In fact, just three of them. First, recognize that your role is a limited one, inevitably. There is not sufficient knowledge—not sufficient inter-cultural communication—between the American government and society and Kazakhstan’s government and society to enable Americans to provide advice on how Kazakhstan should manage its transition. The role is, by definition, limited.

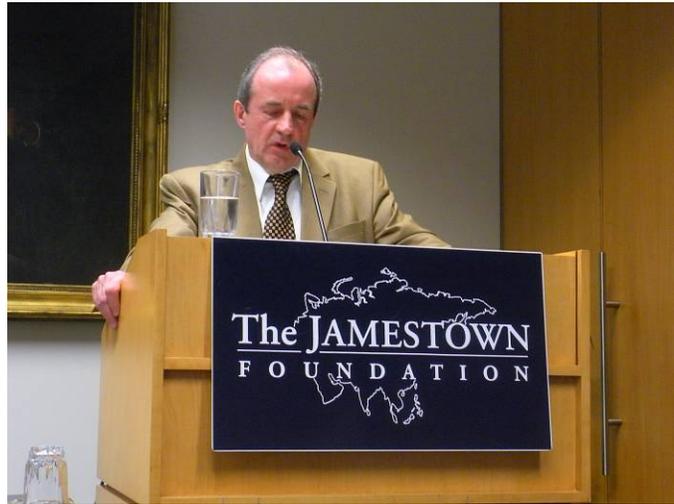
Secondly, any criticism, which in many cases can be well-founded, and justified and well-argued...but even the best argued and the most-justified criticism, for which there will be plenty of opportunity, needs to proceed from an acknowledgment of Kazakhstan’s success. And, the same is true of Azerbaijan. Other criticism that does start from that point of departure will simply lack credibility.

And, third and finally, Kazakhstanis themselves are best qualified to judge the appropriate scope and pace of their political transition. The Kazakhstani leadership and their citizens are in the best position to know what the most appropriate scope and pace is. These decisions need to be made in Kazakhstan, by the Kazakhstanis themselves. Thank you.

Remarks by Janusz Bugajski, CSIS Senior Fellow

Summary

In assessing Kazakhstan's statehood, one must realize that the country first became independent only 20 years ago, in an unpredictable and potentially violent environment, and without any previous history of sovereign democratic governance. Furthermore, Kazakhstan's independence was initially fragile, beholden to possible reversals from Moscow and threatened by instability in neighboring countries. The Kazakh government had to build a viable multi-ethnic and multi-denominational state in these circumstances.



Kazakhstan's authorities accomplished this by creating a strong, stable presidential system. Thus, the country developed into a secular, multi-ethnic and multi-religious Islamic-majority state, which seeks peaceful cooperation with its neighbors and to increase US presence in the region. At the same time, its democratization has been slow and gradual, which has worried some Western observers. Nevertheless, Kazakh officials have set concrete goals and benchmarks for themselves regarding their democratization process, while making sure to maintain stability.

Maintaining stability in Kazakhstan and Central Asia will be dependent on seven factors: fully consolidated national independence, effective state institutions, balanced economic development, growing political competition, effective national security, international economic integration and balanced regional cooperation. Stability can be either a short-term solution or a long-term commitment, and Kazakhstan has the opportunity to encourage internal stability by pursuing a measured process of democratization, which engages all social groups and political voices in the country as living standards and the economy develop. Kazakhstan can best assure international stability by defending its sovereignty and independence, developing regional and interregional economic networks and supporting international institutions that guard against threats facing Central Asia.

Full Remarks

When assessing Kazakhstan's statehood, and its political development in the past 20 years, first of all remember: Kazakhstan emerged as a state only 20 years ago, in a very unpredictable security environment, with a persistent threat of violence as the Soviet Union disintegrated...and a tradition of Soviet centralism that permeated policy and mentality. Unlike in Central Eastern Europe—the former Muscovite satellites in Eastern Europe and the three Baltic States—there was no period of institutionalized democracy in an independent state that the new country could draw upon as a model of inspiration to building its institutions after the collapse of communism and Sovietism in the early 90s. A third contextual point: Kazakhstan's sovereignty was initially fragile and susceptible to potential political reversals in Moscow and to the ambitions of Russian nationalist groupings, which I actually believe have not completely disappeared. It also faced challenges from conflicts in nearby countries such as Tajikistan—more recently, of course, in Kyrgyzstan. And the central government needed to create a viable multi-ethnic and multi-denominational state if it was to prevent potential fragmentation or even state failure.

To accomplish this, the country's leaders decided to focus on establishing a strong presidential system, rather than installing a potentially more unpredictable multi-party parliamentarism. Vlad has said a few words on this already, so I will not continue in that vein. Hence, on the home front, the Kazakh administration had several targets: consolidating national independence, building authoritative institutions, ensuring multi-ethnic or inter-ethnic coexistence, and developing and modernizing the national economy.

During its 20 years of independence, Kazakhstan's achievements need to be acknowledged, as well as its short-comings pointed out and valuable future targets indicated. In sum, Kazakhstan developed into a secular Islamic majority state, characterized by inter-ethnic and inter-denominational multi-culturalism. It has pursued cooperative relations with all of its neighbors, and harbors no territorial claims on any of them—unlike some of its neighbors. The government does not practice isolation or societal closure and does remain open to global influences. In particular, in the Washington context, it seeks to strengthen the US presence throughout the Central Asian region.

So, where did Kazakhstan fall short of initial expectations? Similar to its neighbors it maintained a strong presidential polity, and is only planning to gradually loosen the reigns to develop a more competitive political system. This has convinced some Western observers looking at the short-term to conclude that Kazakhstan is static and non-reformist, and that leadership aims to maintain power at all costs. However, the government in Astana has set itself clear targets for democratization and political liberalization over the coming years, and, where

possible, it should be assisted in their implementation. These include reform of law enforcement and the judicial system, developing a pluralistic party system and parliament, cooperating with civil society organizations, improving its anti-corruption legislation and enhancing the legal protection of foreign investment.

And, this brings me to a critical question in Kazakhstan's quest for stability. We keep hearing the word "stability." How do we define stability, and what does it mean for leaders and public? Does it simply signal continuity, predictability and maintenance of the status quo? After all, it can be argued that the communist and Soviet systems were stable, at least superficially—although, as it proved, only temporarily. The difference, I believe is that communism could not be reformed, and the tinkering with policies, as we witnessed in the late '80s and early '90s, brought down the entire ideological, institutional and imperial edifice.

In contrast, I believe the political structure that Kazakhstan has developed during the past 20 years, can be transformed into a more competitive and pluralistic political system. Ultimately, I believe stability inside Kazakhstan and stability for Kazakhstan in its neighborhood requires the pursuit of at least seven elements. And, let me just outline these seven.

First, fully consolidated national independence. Twenty years of statehood in a neighborhood that Kazakhstan inhabits does not guarantee permanent national independence and state integrity. The cultivation of a distinct Kazakh identity and the construction of Kazakh statehood, the fully liberated self from the lingering influences of centuries of imperialist dominance is a multi-generational project.

Two, effective state institutions. Whatever the level of democratic development, if it is to retain its legitimacy, the government must provide its citizens with the basic necessities. These include personal security, justice, social services and economic opportunity. Moreover, official corruption and abuse of office must be combated, as office-holding should not be a means of personal enrichment. In fact, Transparency International recently upgraded Kazakhstan, I believe, by 15 places in its index on corruption. It's a good step forward—still a long way to go—but a good step forward.

Third, balanced economic development. As an emerging power in the region, Kazakhstan must invest in the kind of economic development that benefits broader sectors of the population and promotes the emergence of a class of entrepreneurs, professionals and local leaders who can accelerate the country's development in the coming years.

Number four, growing political competition. Vlad has already referred to this. Let me highlight what I believe. Politics, I believe, needs to become more responsive to the changing structure of society in order to harness the expectations of different interest groups in an

emerging democracy. Here, the upcoming parliamentary elections in 2012 will be important for several reasons: moving the country from a presidential to a more mixed presidential-parliamentary system; an opportunity for greater competition among several political streams, political parties and interest groups; more extensive public debate on policy and politics; and, very importantly—we are beginning to see this in Kazakhstan—greater involvement of a new generation of citizens in public life and political life.

Five, effective national security. The state must provide credible protection from the security threats that challenge Kazakhstan's integrity and stability: whether this is international jihadist terrorism, organized crime and trafficking, resource disputes between Central Asian countries, environmental disasters, the list goes on and on, I don't need to repeat.

Six, international economic integration. Kazakhstan's integration with global markets and increasing economic diversity will attract business and commerce from all corners of the globe. Here, Kazakhstan's international balancing—or “multi-vector policy” as it is known—is not only important politically but also economically. Its ambitions to develop East-West infrastructure and commerce should be supported, including the highway and railway projects designed to link China with Europe.

And seven, balanced regional cooperation. This not only concerns the larger powers—the United States, Russia, and China from which Astana can benefit—but also the smaller Central Asian states, where joined projects in a host of domains from water management, cross-border crime fighting, to trade and infrastructure development must be developed and sustained, and other nearby countries in Central and South Asia, including Afghanistan, increasingly engaged.

In sum, I think stability can either be a short-term solution or it can be a long-term commitment. The internal stability that Kazakhs value in a turbulent and unpredictable region can be promoted through consequential democratization and the engagement of all social groups and political voices in the country's development as living standards increase and the economy itself diversifies and develops. The international stability that Kazakhstan seeks, will best be assured where Kazakhstan can defend its sovereignty, is not dependent on any outside power, can develop regional and interregional economic networks and where international institutions effectively contribute to preventing or limiting the spread of conventional and unconventional security threats throughout Central Asia. And I think I will finish there.

Remarks by Amb. William Courtney, Former US Ambassador to Kazakhstan

Summary

Kazakhstan is a lightly populated emerging middle power, which has generally played a positive international role and tends to punch at or slightly above its weight. Its future potential, however, will depend on the country's ability to expand energy production, deepen economic reforms, reverse its slide toward corruption and autocracy, and employ wise political leadership. Nonetheless, Kazakhstan compares very favorably with two other important post-Soviet states—Ukraine and Uzbekistan—in a number of development indices.



In terms of population, Kazakhstan is nearly three times less populous than Ukraine, and only three fifths the population of Uzbekistan, which helps explain why Uzbekistan tended to be regarded as the most important Central Asian state in the Soviet Union. In GDP terms, Kazakhstan ranks 54th in the world, while Ukraine is 55th and Uzbekistan only 82nd, thus probably making Kazakhstan economically the most important post-Soviet Central Asian state. Ukraine's gross national income per capita is three fifths that of Kazakhstan, whereas Uzbekistan's is only 28 percent as high as its northern neighbor. This shows the boon Kazakhstan's energy industry has brought the country even in the absence of close ties to Europe that Ukraine enjoys.

Kazakhstan's business climate indices also show that Kazakhstan's economic reforms have progressed significantly further than in Ukraine or Uzbekistan. Kazakhstan ranks 59 out of 183 in the ease of doing business, while Ukraine and Uzbekistan rank 145 and 150, respectively. Similarly, in terms of the corruption perceptions index, Kazakhstan ranks 105, but Ukraine and Uzbekistan rank much lower at 134 and 172, respectively, out of 178 countries tallied. These figures show that economic reforms are more important than proximity to markets; high corruption burdens Kazakhstan's economic development; Uzbekistan's significantly higher corruption and lower living standards may make Kazakh-Uzbek cross-border tensions increase; and that Nazarbayev's

legitimacy comes from stable economic growth despite high-level corruption. In the index of human development, the UNDP ranks Kazakhstan 66 out of 169 countries. Ukraine, on the other hand, ranks 69 and Uzbekistan is in 102nd place. Kazakhstan started with a much lower level of development compared to the Slav-majority Soviet republics, making its present achievement all the more remarkable. Its positive improvements in all of these indices have allowed Kazakhstan to attract lucrative Chinese investment and take on leadership roles in international institutions such as the OSCE.

As controversial as the Kazakhstani bid for OSCE chairmanship was in the West, the bigger shock came from Kazakhstan's desire to host a heads-of-state summit in Astana. Though cordial and modestly helpful, the summit was devoid of much substance due to Kazakhstan's diplomatic overreach, proving the country still lacks the experience and clout necessary to lead a substantive international diplomatic undertaking that brings results.

As demonstrated by the OSCE chairmanship example, Kazakhstan punches at or just above its weight in the international arena. Yet, its incomplete domestic political reforms and uncertain post-Nazarbayev future hold Kazakhstan back in terms of its international prestige. A more open political process is needed to guard against internal instability, extremism from the south, and pressure and intimidation from the north.

A successful transition to democracy is still possible, especially if the leader helps guide the process. The transitions of Spain, South Korea, Chile and Romania can provide useful examples to learn from. It will be most important for open debate on Kazakhstan's future to begin now, for more inclusive and transparent reforms to continue, and that independent civil society institutions be strengthened.

Full Text

Thank you, I appreciate the opportunity to be here, Glen. I will make a few comments about Kazakhstan's international position now and perhaps in the future in the wake of the presidential elections.

Kazakhstan is a lightly populated emerging middle power, one which has played a relatively positive international role. Overall, Kazakhstan is punching at or slightly above its weight in international affairs. By comparison, two other important post-Soviet states, Ukraine and Uzbekistan, have been more absorbed internally and made less progress. They are punching under their weight. In the future, Kazakhstan's international position will depend on whether and how it does four things: expands energy production, deepens economic reforms, reverses the

slide toward corrupt autocracy and leads wisely. Let's consider several indices of Kazakhstan's potential for international power and influence, and look at a few of the broader implications. To help put the indices in perspective, we'll compare and contrast them to indices of Ukraine and Uzbekistan.

The first index is population. According to Kazakhstan's national statistics agency, the country's population on April 1 was 16.5 million. Wikipedia ranks Kazakhstan as the world's 62nd most populous country. By comparison, Ukraine ranks 29th with a population of 45.7 million, and Uzbekistan ranks 45th with a population of 27.4 million. Thus, Kazakhstan is nearly three times less populous than Ukraine and it has only three fifths of the population of Uzbekistan. Population is one of several reasons why prior to the Soviet collapse Uzbekistan was sometimes considered to be the most important country in Central Asia.

The second index is gross domestic product or GDP. According to the World Bank, in 2009, Kazakhstan's GDP was 115 billion dollars in current dollars. This ranks it 54th among 194 economies. By comparison, Ukraine ranks just below in 55th place with a GDP of 114 billion and Uzbekistan, however, ranks far below in 82nd place with a GDP of just 32 billion dollars. These figures suggest that Kazakhstan has international economic weight somewhere comparable to Ukraine and far in excess of that of Uzbekistan. One can draw conclusions about which Central Asian country may be the more weighty, today.

A third index is gross national income per capita based on purchasing power parity. According to a World Bank ranking of 213 countries in 2009, Kazakhstan ranks 97th at a per capita income of 10,300 dollars. By comparison, Ukraine ranks lower at a 123rd at a per capita income of 6,200 dollars, and Uzbekistan ranks far lower at a 159th with only 2,900 dollars in per capita income. Thus, Ukraine's per capita gross national income is only three fifths of Kazakhstan's, and Uzbekistan's is only 28 percent of Kazakhstan's. Thus, Kazakhstan's advantages in energy and economic reform appear to outweigh Ukraine's advantages in "Europeanness," proximity to European wealth and easier access to world markets. These data on per capita income also suggest that outward flows of migrants and temporary labor, seeking economic opportunity, will be higher from Ukraine and Uzbekistan than from Kazakhstan.

A fourth index is business climate, for which two proxies are useful approximations. One is the World Bank's ease of doing business measure, which presents quantitative indicators on business regulations and the protection of property rights. Kazakhstan ranks 59 among 183 economies. By comparison, Ukraine and Uzbekistan rank far lower at 145 and 150, respectively. The second proxy for business climate is Transparency International's corruption perception measure, which tallies 178 countries, and which Janusz just mentioned. Kazakhstan ranks 105, well above Ukraine at 134 and Uzbekistan at 172.

Taken together, one might draw several inferences from these two indices. First, there is a near absence of economic reforms in Ukraine and Uzbekistan as compared with Kazakhstan. Second, economic reforms seem to be more important for economic progress than being close to or part of Europe. Third, economic strength and standards of living in Kazakhstan are burdened principally by high corruption. Fourth, because corruption in Uzbekistan is so much worse than in Kazakhstan, and incomes are so much lower in Uzbekistan, risks may be greater for cross-border frictions or refugee flows if instability or conflict were to increase in Uzbekistan. A fifth inference is that despite corruption concentrated at the top in Kazakhstan, competent economic strategy is a notable strength and source of legitimacy for President Nazarbayev.

A fifth index is human development. The United Nations Development Program's international human development indicator combines data on life expectancy, education, per capita income and other dimensions of human progress. For 2010, the UNDP ranks Kazakhstan at 66 out of 169 nations, versus Ukraine—only slightly lower—at 69 and Uzbekistan—much lower—at 102. Over the last two decades, Kazakhstan has probably gained ground in human development, relative to Ukraine and Uzbekistan. At the time of the Soviet collapse, Kazakhstan had roughly comparable numbers of ethnic Kazakhs and Slavs—each somewhere around two fifths of the population. On average, ethnic Slavs were better educated. In the intervening two decades, some ethnic Slavs have immigrated, and the ethnic Kazakh population has grown—including in part because of immigration from abroad. Ethnic Kazakhs may now be a majority. Thus, Kazakhstan's relative improvement in human development over the past two decades is all the more notable. Kazakhstan's international position will be bolstered as its workforce becomes increasingly educated and skilled. This may help Kazakhstan transform its growing economic power into broader dimensions of international power, influence and prestige.

Let's discuss several implications of these indices. Human and economic capacities are helping Kazakhstan execute skillful international strategies, such as attracting Chinese energy and transportation investments, thereby reducing Kazakhstan's vulnerability to Russian monopolistic and oligopolistic transportation and other aspects of economic power. Likewise, political talents and economic strength are enabling Kazakhstan to take on more international responsibilities, such as chairing the Organization for Security and Cooperation in Europe last year and the Organization for the Islamic Conference beginning this year. For more insight into how this works, let's look at an example: the dynamics of Kazakhstan's OSCE chairmanship.

It took a certain measure of boldness for Kazakhstan to seek the honor of being the first post-Soviet state to chair the OSCE. But, its leaders and diplomats made a careful calculation: their country had a strong hand of cards. It was based on a record of responsible nuclear and biological non-proliferation and arms-control steps, growing international energy and economic power and a coterie of increasingly able diplomats. Many Western human rights groups and some international diplomats voiced surprise and dismay about Kazakhstan's bid for the

chairmanship. They pointed to human rights abuses and authoritarian rule. Yet, opponents could not stop Kazakhstan, because too many OSCE member states had strategic interests in Kazakhstan.

Once becoming OSCE Chair-in-Office, Kazakhstan delivered a second shock: it wanted to host the first OSCE summit since the historic conclave in Istanbul in 1999. Once again, many Western human rights activists and some international diplomats were skeptical that Kazakhstan deserved this honor. Western OSCE members saw Kazakhstani improvements in human rights as a quid pro quo. Kazakhstan agreed, although in the end it did not comply. Once more, Kazakhstan had correctly calculated the correlation of forces. It went on to host an agreeable and modestly helpful summit last December in Astana. The summit was, however, devoid of much substance. One of several reasons was diplomatic overreach. Kazakhstan still lacks the experience and clout to lead a major international diplomatic undertaking, which brings important, substantive results.

The OSCE example illustrates how Kazakhstan is punching at, or possibly above, its international weight. Yet, it faces obstacles ahead in maintaining and growing its international position. The most important challenge is the political system, which diminishes Kazakhstan's international respect and legitimacy. As well, concern is growing that Kazakhstan's future political transitions will be unstable. In this context, it is safe to say that Kazakhstan has weakened its international position by conducting another presidential election without genuine opponents. The respect, which President Nazarbayev enjoys in Kazakhstan, is being eroded by his apparent support as a political heir for a son-in-law who is particularly well known in Kazakhstan for corruption. Without a more open political process, Kazakhstan's future will be in greater doubt. This could make Kazakhstan more vulnerable to internal instability, extremism from the south, and pressure and intimidation from the north.

Successful transitions from autocracy to democracy are possible, especially if the outgoing leader helps lay the groundwork. Although no two countries are alike, the transitions in Spain, Chile and South Korea deserve study. So, too, does the transition in Romania. What is most important is that open debate about Kazakhstan's future begins soon, that a consensus develop for more inclusive and transparent political arrangements and economic reforms, and that free and competitive institutions of civil society be created and strengthened. Thank you.

Remarks by Amb. Erlan A. Idrissov, Kazakhstan Ambassador to the United States

Summary

Kazakhstan realizes that President Nazarbayev's extremely high poll numbers do not fit the paradigm of Western political systems. Yet, as several independent, Western opinion surveys show, the sentiment of support for Nazarbayev is genuine, as is the majority trust in the country's development.



As a nation, Kazakhstan is very young—the average age of the population is 30 years old—and most support a path toward stability and economic prosperity. In addition, after his reelection, President Nazarbayev openly declared the need to pursue “dual track” political and economic reforms. Under the motto of “modernization, public welfare, innovation and integration,” Nazarbayev identified key Kazakhstani areas and institutions in need of reform. The government will focus on the rule of law, good governance, development of political institutions—especially the parliament—economic modernization and diversification, as well as education.

A new government was appointed very quickly after the presidential election. Filled with young, Western-educated technocrats, the government represents a strong continuity with the previous government, which carried the country through the global financial crisis and set very ambitious economic goals. The long-term strategy focuses on diversifying the economy away from extractive industries.

In terms of education, the Bolashak Program has been incredibly successful, and is now being reoriented to support Kazakhstanis' pursuit of advanced degrees abroad. Moreover, money that went to funding college educations for students attending foreign institutions will now be used to support the newly-built Nazarbayev University, which is partnered with eight American universities.

Though no one can deny Kazakhstan's economic successes, some express concerns about the country's political future—especially about presidential succession, which may be a source of future instability. These concerns come from the fact that Kazakhstan has a very different political culture from countries in the West. Yet, Kazakhstan has a legal, constitutionally-enshrined succession mechanism that includes provisions for if a president becomes incapacitated. No one can live and rule eternally and there will be no pre-chosen successor. The upcoming elections will represent a real generational change at the top of the country's leadership, for which education will be key. Kazakhstan continues to struggle with its legacy of a Soviet past, and generational change will be the most important way to finally overcome it, which is why the government has been investing so much in its young people.

A major focus for the government now will be the empowerment and reform of parliament. Kazakhstan is too small for more than ten political parties, but two or three will be sufficient. Political opposition, while valuable, has been exceedingly weak in Kazakhstan, which is why the government has had to actively try to support it—a phenomenon very difficult to understand in the West.

When working on rule of law, Kazakhstan is also working to tame corruption, with visible results exemplified by the country's latest Transparency International ranking. A series of corrupt high-ranking officials have been imprisoned, and law enforcement has cracked down on smuggling.

Kazakhstan mindfully tries to remain open to Western influence and welcomes US involvement in Central Asia; Western influence tends to be benign and helpful to a country attempting to reform and modernize its economy and political system. Yet, in the end, the choices for the future will have to be made by the Kazakhs alone. Nazarbayev is very attentive to the wishes and desires of his own people, and will act in the best interest of Kazakhstan. Generational change is coming to Kazakhstan just as it has come to the Arab World during the Arab Spring uprisings, but the Kazakhstani government will do everything in its power to ensure that this change is well managed and does not destabilize the country or its neighborhood.

Full Text

Of course I am very pleased that in front of me I had very prominent speakers who know better than me what is going on in Kazakhstan. I will try to reduce my remarks as short as possible to leave more space for questions and answers. Let me at once say that I am flattered for the continued interest in Kazakhstan, which we observe lately. I am, of course, grateful to Jamestown for having this panel long after our elections, and the audience, of course, for this interest. I can boast that I had opportunity to become a TV star here in the United States. I had a

TV lunch in Springfield, where Obama declared his presidency, for the “Knowledge Network,” a PBS program airing to more than 1,000,000 audience [members]. Last week I was at the all-America TV show, “This is America,” by Dennis Wholey. There was a big article on Kazakhstan in *The Washington Post*, so we are very flattered by that. And I thank everyone for keeping an interest; we hope it is a deserved interest.

I would refrain also from commenting on the elections. This is not a gratifying job for an ambassador, because whatever I say will not be believed, anyway; because it will be taken as a white-wash or something. But, I would be absolutely happy to participate in the debate with you.

We all have read the reports of different observers. One thing I would say: we recognize that in Western political culture 95 percent is a bizarre result. But, to counter that, I would just mention the report by IRI [International Republican Institute]—or the results of the IRI poll. I don’t think that anyone would doubt the credibility of [an] IRI poll, which they did together with the National Endowment for Democracy, and was technically executed by Gallup Organization. They did that poll just one month before the election, and the poll result produced a 90 percent approval rate for the incumbent. And, 87 percent of the voters or population consider that the country is moving in the right direction.

I won’t tell you a story of how I was struggling to get this report, but eventually it was placed on the IRI’s website, only two months after it was executed. I don’t know what stands behind that delay; but, anyway, it is now publically available, and I am happy that it is available. I would welcome any skeptics to go and see the results of that poll, because it provides quite an interesting insight. It gives you the views of different ages in Kazakhstan, different ethnic groups in Kazakhstan. It turns out, by the way, that Slavs are more supportive of Nazarbayev than non-Slavs. That’s an interesting discovery for myself in the IRI poll.

Let me focus briefly on how I read—myself as a citizen of Kazakhstan—the post-election results. There were a number of signs, which can give an informed observer an understanding of where we go and where we are headed. First of all, my reading of the election is that the country, which by age is very young—our average age is slightly more than 30 years old—this is a very young nation. The great majority has definitely voiced for the path of stability and economic prosperity. That is for sure. This is my first reading.

Secondly, I tentatively listened to the inaugural speech of the incumbent a week after the election. I noticed for myself... By the way, there was a big op-ed by Nazarbayev in *The Washington Post* just before the election, where he publically recognized the need for a focus now on political reform and modernization, and he touched upon those issues, which were considered taboo, particularly when it comes from the president himself. He talked about

defamation, he talked about media freedom, etc, etc. One interesting aspect of his inaugural speech was that he focused immediately on the political reforming. That was the clearest signal that Kazakhstan has built some economic muscles and clearly understands that the declared—at the time of independence—goal for “dual track” economic and liberal political development should go hand in hand. This is being now considered an opportune time to focus on.

He identified particularly key areas for modernization. By the way, he declared his new term to be under the four word motto or logo: modernization, public welfare, innovation and integration. I will comment on these words, but his focus, as he declared, would be on the rule of law, good governance, development of political institutions—first of all the parliament—and results...of course the focus on economic reform and modernization will be there, particularly diversification...and the focus on education. So, these are the pillars on which Kazakhstan [bases] its dynamic growth in the future, and this is on which the government will focus.

Another sign, which I interpreted quite positively for myself, was a very quick reappointment of the government. Actually, we have the old “new government” or the new “old government,” we have the new “old president” and the new “old government.” In other words, we have the new “old team” of reformers and modernizers. Let me remind you that our government is very young. Our government consists of—as I said—young, Western-educated, highly-dynamic technocrats who were part of Nazarbayev’s team in delivering...in carrying the country through the global crisis and implementing a very massive and very ambitious economic program of modernization. We declared the commitment to the goals.

Kazakhs like different programs; they try to look into the future. So, we have a long strategy until 2020 – 2030. To achieve that, we developed mid-term programs. Currently, we are focusing on the economic diversification program until 2020, where we try to amass efforts to turn the economy, finally, away from the extractive sector. So, a lot of effort is being put there.

One focus I would like to highlight is education. I am sure that many of you know about the Bolashak Program, and how much money is invested by Kazakhstan in education. This is very important politically. It should not be measured only in terms of money; we invested billions now. In 20 years, we invested billions in just one program: Bolashak. About 70,000 Kazakh students, from 1993—from hardest days of our economic chaos—have been trained in the West, in the best global universities. Just two days ago, it was announced that we will change the focus of Bolashak. Previously, it was focused on Bachelor degree programs. Now we will take out the money from Bachelor degree students to a new focus on Masters degrees and PhDs. So, that talks about the quality of our approach to education. Last year, we have opened a state-of-the-art university, Nazarbayev University. It’s not a personality cult; he refused for a long time to give his name, at the request of the education committee, to the university, but he agreed because

it related to a sector, which symbolizes the future. He hoped that having that name, no one will try to undermine that institution.

Nazarbayev University is an answer of Kazakhstan, or a new vision of Kazakhstan for education. It is partnering, by the way, with eight American universities—among them, Duke, Harvard, Berkeley Laboratory, Wisconsin, Madison, etc, etc. So, some of the best universities of the United States are partnering in delivering different programs together with our university. So, the money from the Bolashak Bachelor degree part will go now to finance Nazarbayev University, because last year we focused on the first intake of the foundation course; now they will go to the Bachelor degree, and on and on. The focus on education is very important for what I am going to say next.

We hear, in a choir of voices, which comment on Kazakhstan, that, yes, no one can deny Kazakhstan's economic successes. There are efforts to political modernization, although some see it as very slow, some see it as lip service, etc, etc. But, one refrain, which is common for everyone is the concern about succession. There are speculations that there is no clear mechanism for succession; that this is a point where stability in Kazakhstan may shake, etc, etc. My vision for that is the following: I believe that from a legal point of view, from an institutional point of view, everything seems absolutely fine. We have a succession mechanism; it is in our constitution that if something happens to the incumbent, there is a Chairman of the Senate who takes the job in the interim period. Then, that interim period is used for the preparation of regular elections. That is fixed in the constitution and everyone knows that this mechanism exists.

But, we understand that those commentators who raise concerns about this succession think that, since we have a different political culture, they are not sure whether the incumbent will be coming with a specific name for his successor, or whether that kind of unclear situation will lead to chaos and violence and fighting, etc, etc. Again, my answer to this is the following: everyone in Kazakhstan understands that we are nearing a generational change. No one is eternal, and this is clearly understood by everyone. No one wants to live eternally in this life. We would wish maybe, but no one wants...they understand that this is not possible. Therefore, everyone understands there is a legal procedure, and I specifically focused your attention on education.

The government and the incumbent are focusing, all these years of independence, their efforts on nurturing a new generation of well-educated, well-motivated...well-equipped generation to take the reigns and continue the pattern of growth and prosperity of the country. That's the dream; that's the ambition; that's the hope that this will come by. Therefore, do not expect anyone on the speculation list to come by as a future president or whatever. The system and life will produce, and we hope that it will produce someone from the young generation.

Therefore, government has put in so much money into that young generation to enable them, to empower and to hand over the reigns to them.

Yes, we have a unique situation so far as we emerge from the bizarre political culture, which was the Soviet Union. We had to address that; we fight with that. Our biggest challenge, of course, is to go as far away from the Soviet legacy as it is possible, and you know that habits die very hard. It is very difficult to change yourself in one day. Therefore, it's a major change, a major challenge, and we believe that the best way to address this challenge is nurturing the young generation of, as I said, well-educated, well-motivated, well-grounded young boys and girls in Kazakhstan. Therefore, the answer to those who are concerned with the succession situation in Kazakhstan is to watch the young generation. There you will find the answers to those kinds of concerns.

Let me also tell you a few words about what the government immediately started to focus on, rightly. And, Bill, thank you for the excellent comparative statistics. I try to refrain from comparing ourselves with our neighbors. Particularly with certain of our neighbors it is not well taken, but thank you for doing this. I will use your statistics now, and I will quote you in my future talks.

Let me say that we are seriously thinking about how to empower, how to enhance our parliament. We believe, as was quoted from Yertysbayev, that for a small, in terms of population, country like Kazakhstan of 16 million people, we don't need 10 or 12 parties. Two or three parties will be enough, but they should be strong; they should be viable; they should be real. We call it constructive opposition. We are not against opposition. We understand the benefits of opposition. But, we don't have one, and we don't see one emerging. We want to help one emerge to the point, even, that the government advises the opposition how to become more politically active, and how to emerge with a political platform—inviting, for example, the business community to form a political party. Do you have a senior political advisor from this government giving advice to Republicans how to improve their political doings? It's nonsense here, but this is what is happening in Kazakhstan. You don't expect Nazarbayev to drag the opposition to become active in the elections.

So, we have our political realities, which are very difficult to be understood by the West, because you have a completely different political culture and history. We are actually making our political history; we are nurturing our political culture. We do not want to copy anyone, but we try to understand what is best in other cultures, and we try to put it in our ground. So, parliament and political institutions.

Rule of law is very important. This is a very difficult to achieve task. It's pronounced very easily, but to turn rule of law into a culture of your body and your nature is very difficult. Do not

forget that the law enforcement body of Kazakhstan still has many traces of the Soviet system. You can fire 50,000 policemen in one day. Who will you bring in instead the next day? Therefore, these are the challenges in our hands. We have to address these challenges in a “stable,” as we say, manner. The word “stability” is sometimes mocked when it comes to Kazakhstan because we pronounce “stability” at every opportunity. But, this is our choice; this is our reality. Therefore, we want to make a “rule of law” change or culture, arriving in a stable, orderly way—not chaotic, abrupt or some non-productive way.

Of course, when you talk about rule of law you talk about corruption. We are happy that we are moving toward the top of the list at Transparency International. Janusz told us that we moved 15 points this year compared to last year. This is a great achievement, but still corruption is very pervasive. We try to focus on that. It is not that Kazakhstan is only getting the small fish and not getting the big fish. There is enough big fish. Three or four ministers were imprisoned on corrupt cases. Six members of the supreme court, six supreme judges were indicted two weeks ago in Kazakhstan, or three weeks ago. Just two days ago, there was a major operation by a law enforcement body uncovering a powerful group on the Kazakh-Chinese border of more than a hundred people, penetrating all sectors, operating a huge smuggling operation of Chinese goods into Kazakhstan. They were operating for a number of years. You have now a hundred of them locked up, including the head of the customs committee. These are the small examples where we try to focus.

Believe me, we try to remain open to external influences. Western influence is very benign. We have voiced for Western influence, for the American Western influence, from the very beginning. This is the influence and this is a source of values, which we will not be able to get anywhere else from our neighborhood. Only the West can produce new values to us. Therefore, we embrace them in our own way. Again, previous speakers said that—I think Vladimir Socor said—it is for Kazakh citizens alone to make the final, right judgment [as to] what is good and what is not good for Kazakhstan.

We invite a more informed understanding of our partners in the West. Yes, we *do* have a different political culture. We do have different political realities in Kazakhstan. But, we are changing, and no one can deny that. And, we hope that we are changing for the better. This is in our Kazakh nature. We [pursue] ambitious tasks, we chart them in a collective manner—nomads are always collective. We take decisions on a collective basis. It is not that Nazarbayev decides everything in Kazakhstan. It’s absolutely not true. He listens; he has very good ears, believe me, and he has very good eyes. Therefore, we believe that all our plans, which we chart in partnership with our friends in different countries, we hope that these plans will come true.

Let me once again say that we are at the point of a generation change. We are compared very frequently in the Western media with the Arab Spring. These are two different things. But,

my personal assessment of what is going on in the Arab World is a generation change. Unfortunately, it has taken violent forms. What we see in our part of the world, in my country particularly, is also a generation change. But, we try to make this generation change to be well-managed, well-educated and well-informed. This is a small, but, at the same time, a very big difference. I hope that this big difference will help us to achieve our ambitious goals. Thank you very much.

Questions and Answers

Question: Elena Suhir, Center for International Private Enterprise. You mentioned the Customs Union earlier. I was just in Kazakhstan last week, and a lot of people were talking about what they think will be, at least in the short-run and maybe in the long-run, negative ramifications of the Customs Union and economic development in the country. I was wondering if you could comment on that. What is your vision in terms of industrial development in Kazakhstan? How do you see the economy changing as a result of the Customs Union? If you could comment on that.

Amb. Erlan Idrissoyev: Thank you, it's a good question. Maybe I will give a longer answer. First of all, this was a realistic change and a choice. Let me remind you that Kazakhstan fights for WTO membership almost for the entire period of its independence. And, it is dragging on and on and on. And, actually, this drag pushed us toward the Customs Union in a way. I don't know what would be the situation with the Customs Union, and what would be the terms of the Customs Union if, for example, Kazakhstan and Russia would have been in the WTO earlier. The Customs Union choice came at a time of the global crisis. The discussions and debates on the Customs Union started earlier in the '90s. In fact, Nazarbayev was a proponent of economic integration in the post-Soviet space as a tool for peaceful existence and cooperation in our huge space. But, at the time of the global crisis, customs union debates intensified, and actually, Russia, Belarus and Kazakhstan have made a realistic choice for markets in Russia, in Kazakhstan and Belarus instead of elusive markets of Europe and America because the WTO didn't want us there. They came with all these long sets of demands and requirements, which were very difficult to implement. Therefore, this is the first part of the answer—a bigger picture answer.

The smaller picture answer is also realistic because Kazakhstan, as a market, is only 16 million people. By coming into the Customs Union, we have a market of more than 170 million people, with a combined GDP of more than 2 trillion [dollars]. So, it's a huge opportunity. Of course Russia's economy is much bigger. But, Bill has given you statistics: we are officially much better

in doing business terms, in economic freedom terms and many other terms. There are signs that many Russian businesses now tend to register in Kazakhstan under the conditions of the Customs Union because it is much easier for them to do business from Kazakhstan. We are open to that. That is one of the elements of the Customs Union.

On a public level, on the street level, people are unhappy because we don't have a motor industry; we don't have to protect it. Russia protects its own motor industry. Of course, the tariffs go up, and our consumers are unhappy because from the middle of summer, when you bring in a car to Kazakhstan, it will have a serious customs duty on that. But, it's on a street level. On a bigger economic level, it's much more convenient because Russia constitutes, first of all, a huge market for Kazakhstan.

Russia constitutes a huge, and the biggest viable transit route for Kazakhstan. Therefore, transit tariffs were the most important factor in us joining the Customs Union because, being the largest landlocked country in the world, Kazakhstan has a big challenge of the transport cost factor in its produce, in its economy. Therefore, we have to consider the most efficient outlets to the global markets. The Customs Union gives us such an opportunity.

Therefore, I think that in the longer-term, all the members of the Customs Union are going to gain, otherwise they wouldn't come together. I don't think that the people in the Kremlin or in Minsk sit and just play games with the Customs Union. They have made very serious calculations for their future growth and all the aspects for joining the Customs Union, and I think that this is a collective decision to make it, and now, when the controversy over the Customs Union is going into history, now we hear that Kyrgyzstan, a member of the WTO, is interested to join. I think the Kyrgyz prime minister even invited Turkey to join the Customs Union, which was, of course, an interesting to imagine proposal. But, it has its attraction, it's a huge market, and actually, Russia, Kazakhstan and Belarus now position themselves as a common platform to do business. Our economies are growing and we want to reap benefits from this unification, and we want to go further to a common economic space where goods and services and labor and everything will have complete free movement in our space. We think that with Russia's, our and Belarus' potential, this promises a good future.

Question: My name is John Conlan, I am a former United States Congressman, and I appreciate your presentation, as well as Bill Courtney, former Ambassador to Georgia, and Vlad and the others. I have a suggestion that you might take back to your country and your leadership that will help your image both in the United States and in the West. There has been significant harassment and persecution of Christians inside Kazakh [sic] by the police and other authorities. Whether there is a few thousand or a few hundred thousand Christians in Kazakh is no threat to the government or the stability. They have no political agenda, and they are quite different from Wahhabi activists and others coming in from the south. So, I would suggest that it may be

elements from within the police—the old Soviet types that may have militant atheism and a hostility to Christianity or religion. There needs to be a distinction between the Christian minority, which is not significant and in our lifetime will never be a majority... They are no threat to the state, but they do have lots of supporters in the West and in the Congress and in leadership positions in our society that would look negatively toward Kazakhstan if the law enforcement authorities continue to harass them, close their churches, put their pastors in prison. That's not smart. So, that would be my suggestion to you to bring to your leadership as something that they could do, which would enhance their international reputation and win them more friends in the West.

Amb. Erlan Idrissov: Thank you very much. With all my due respect to you in your personal capacity and as a capacity of a former Congressman, I have to admit that you have been presented with wrong statistics. First of all, Christianity is not a minority in Kazakhstan. It is quite a visible community. We have different denominations in Kazakhstan of Christianity. Of course, the majority is Orthodox, but we have more than 300,000 Catholics, and we have the Mormon Church, we have Jehova's Witnesses, we have Adventists, etc, etc. This is the first fact. Second fact, and all the observers, the majority of observers, will tell you that Kazakhstan is a tolerant country. In terms of religious freedom, it's a bright spot in the former Soviet space. No one is being persecuted in Kazakhstan on religious grounds. There are no churches, which are being closed. There are no pastors, which are being imprisoned arbitrarily.

The issue, which you may be referring to, is a Baptist church, which refused to register. This is a long-time issue, which those who observe this issue are aware of. Any government in the world wants some statistical data about what is going on in the locality. And, this is not the government, it's a local authority...

We understood that certain religions do not want to have political registration. We said, "Okay, we respect that, but provide us your name, your telephone number, your address." That's it. That's the only requirement. The local clerk here has—it is written in his instructions—that there is an entity, which holds a building etc, etc. They have the address; they do whatever they want to do. And, this is his duty on the job: to get the data from them. And, he goes to them and says, "Please, give us the data. What's your name? What's your telephone number? What's your address?" That's it. Nothing more is required. They said, "No, we are not giving it to you. You are persecuting us because we are Baptist." He says, "I don't understand what 'Baptist' means. I don't have anything against you. You simply give me your address. This is my job to do."

So, I do not agree with you that there is any persecution on religious grounds in Kazakhstan. Kazakhstan is absolutely religiously free. If there are certain wrong-doings by clerical people, then they are human beings. Sometimes they have problems with the police, or whatever. It doesn't mean that, if they have problems with the law, their religion should protect them. They

are citizens of the country. But, to believe that Kazakhstan is persecuting someone on religious grounds is a gross mistake. I strongly disagree with this. Kazakhstan is a free religious country. Therefore, no community, whether it is Wahhabi, or Mormons, or whatever, they are not persecuted in any way.

Janusz Bugajski: If I could just jump in quickly. I am not sure about the condition of the Baptist community in Kazakhstan, or any of the Protestant denominations, but when I last visited Karaganda, a large Catholic cathedral is being constructed where there is a sizeable Polish and Lithuanian minority still left from the Soviet period—and their descendents, as well as other Catholics. And, actually, even the pope has been invited to visit Kazakhstan at some point. So, to say it's discriminating against Christians, I would think is really missing the point. If there are some problems with some denominations, I think it's more of a legal matter, as the Ambassador has pointed out, than a policy matter.

Amb. Erlan Idrissov: Let me give you one example. There are certain issues in the world with anti-Semitism. At the previous election—2007, I think—we had the parliamentary elections, a Jewish member of the Canadian parliament went to Kazakhstan as an observer, and one night he asked for a police escort to go to a synagogue in our capital. People who were near him were surprised. They asked, “Why do you need an escort? You can go to a synagogue and just enjoy yourself.” He was insisting. He said, “No, I need it.” When he went, he was absolutely shocked. The synagogue was not fenced; it was not guarded by the police. It was part of the public park. He was shocked, knowing that in many countries of Europe, synagogues were being protected and guarded. Having a synagogue openly and freely standing there in Kazakhstan—in a forgotten country of Kazakhstan—he wouldn't believe that. So, these are the perceptions. I strongly recommend that you get more information—fair information about the religious situation in Kazakhstan—and don't believe certain sporadic outbursts of individuals who try to paint a big picture of religious infreedom [sic] in Kazakhstan. This is absolutely not true and I strongly and emotionally stand against such accusations.

Participant Biographies

Janusz Bugajski

Janusz Bugajski is the Director of the New European Democracies Project, holder of the Lavrentis Lavrentiadis Chair in South East European Studies, and Senior Fellow in the Europe Program at the Center for Strategic and International Studies (CSIS) in Washington, D.C. His recent books include *Georgian Lessons: Conflicting Russian and Western Interests in the Wider Europe* (2010); *Dismantling the West: Russia's Atlantic Agenda* (2009); *America's New European Allies* (2009); *Expanding Eurasia: Russia's European Ambitions* (2008); *Atlantic Bridges: America's New European Allies* (2007), *Cold Peace: Russia's New Imperialism* (2004), and *Political Parties of Eastern Europe: A Guide to Politics in the Post-Communist Era* (2002).

Ambassador William Courtney

William Courtney is director of strategy and development for Computer Sciences Corporation (CSC). He was senior vice president for national security programs at DynCorp from 2000 until CSC acquired it in 2003. Prior to retiring from the Foreign Service, he was co-chair of the US delegation to the review conference of the Organization for Security and Cooperation in Europe which prepared for its 1999 summit in Istanbul. He was an adviser on the 1999 reorganization of foreign affairs agencies, special assistant to the president for Russia, Ukraine, and Eurasia, and ambassador to Kazakhstan and Georgia. He led negotiations to eliminate strategic nuclear weapons in Kazakhstan, and to remove a large cache there of highly enriched uranium (project sapphire). Earlier he headed the US delegation to the implementation commission of the Threshold Test Ban Treaty, and co-chaired the US delegation in initial talks with the USSR and Russia on nuclear weapons safety, security, and dismantlement. It helped pave the way for the Nunn-Lugar cooperative threat reduction program. He graduated from West Virginia University with a BA and Brown University with a PhD in economics, and was an international affairs fellow at the Council on Foreign Relations. He is a member of the Council, the American Academy of Diplomacy, and the board of directors of the World Affairs Council of Washington DC.

Ambassador Erlan A. Idrissov

Erlan A. Idrissov is Kazakhstan's ambassador to the United States and has served in this position since 2007. Mr. Idrissov worked in Pakistan and different diplomatic positions. In 1992 he was appointed to the position of Secretary of the Permanent Mission of Kazakhstan to the United

Nations in New York. Three years later, he began work for the Ministry of Foreign Affairs of Kazakhstan as the Head of the American Department while also acting as the Ambassador-at-Large. Mr. Idrissov later became an assistant to the President of Kazakhstan, focusing on international issues, and, in 1997, was nominated to become the First Vice-Minister of Foreign Affairs of Kazakhstan. Following his service in this position, he was appointed Minister of Foreign Affairs of Kazakhstan in October 1999. Mr. Idrissov was posted to London in 2002 to serve as Ambassador to the United Kingdom, Norway, and Sweden. He continued to work in Europe until he was appointed Ambassador to the United States on July 7, 2007.

Vladimir Socor

Vladimir Socor is a Senior Fellow of the Washington-based Jamestown Foundation and its flagship publication, Eurasia Daily Monitor (1995 to present), where he writes analytical articles on a daily basis. An internationally recognized expert on former Soviet-ruled countries in Eastern Europe, the South Caucasus, and Central Asia, he covers Russian and Western policies there, focusing on energy policies, regional security issues, secessionist conflicts, and NATO policies and programs.

Mr. Socor is a frequent speaker at U.S. and European policy conferences and think-tank institutions. He is a regular guest lecturer at the NATO Defense College and at Harvard University's National Security Program's Black Sea Program (Kennedy School of Government). He is also a frequent contributor to edited volumes. Mr. Socor was previously an analyst with the Radio Free Europe/Radio Liberty Research Institute (1983-1994). He is a Romanian-born citizen of the United States based in Munich, Germany.