

## The EU and Kazakhstan Balancing Economic Cooperation and Aiding Democratic Reforms in the Central Asian region

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Kazakhstan's continuing socioeconomic and political stability, a formal commitment to political reforms and an unambiguously pro-Western orientation make it the EU's most reliable partner in the Central Asian region. Its rising oil exports – almost 80% of EU imports from Kazakhstan consist of fuel – and geostrategic location make a close and continuing partnership with the EU inevitable. Recognising that Kazakhstan is favourably placed to be the foremost player in the region, this analysis advocates that the EU should 1) develop an internally-differentiated strategy towards Central Asia with Kazakhstan as a strategic anchor in the region, and 2) prioritise the promotion of democratic reforms and transparency of political and economic processes which can turn Kazakhstan into a more effective and reliable partner of the EU and a positive engine for reform in the broader region.

Kazakhstan's economy has grown from \$18 billion in 2000 to nearly \$80 billion in 2007 and is predicted to double in the next 7-8 years. Having already achieved recognition by the EU and the US Department of Commerce as a country with a market economy, Kazakhstan aspires to be among the top 50 most competitive economies in the world within the next decade. Already, its GDP accounts for almost two-thirds of the combined GDP of Central Asian states. Thus the gap between its economy and that of its neighbours is increasing rapidly.

President Nursultan Nazarbaev has cultivated a vision of Kazakhstan as a prosperous and stable country that is set to achieve the economic success of Kuwait, and the social harmony, political stability and development levels of Western societies. This promise of stability and prosperity, guided by the economic success delivered by its rich oil and mineral resource base, has

enabled Nazarbaev's regime to garner considerable domestic support and legitimacy. Although Kazakhstan's ruling elites have shown a greater responsiveness to both domestic and international public opinion, they have yet to demonstrate a full-fledged commitment to building an open, democratic polity.

While Kazakhstan is undoubtedly ahead of other Central Asian states in combining relative political freedom with socio-economic well-being, its multi-party system and legal-institutional framework are designed to enhance presidential authority and perpetuate the present political establishment. Having already expressed his eagerness to stand for the next presidential elections (scheduled in 2012), Nazarbaev has not established any mechanisms for the transfer of power or succession. The President's eldest daughter Dariga Nazarbaeva and her husband Rakhat Aliev, on the one hand, and the second son-in-law Timur Kulibaev, on the other, are often looked upon as harbouring the ambition and resources to succeed Nazarbaev. At the same time, members of the presidential inner circle such as Kasymzhomart Tokaev and Marat Tazhin, who have demonstrated unswerving loyalty to the regime and have powerful reputations for their technocratic prowess, are likely to play a decisive role in a battle for succession. Tokaev, a Sinologist who has previously held the posts of Ambassador to China, Minister of External Affairs and Prime Minister, currently holds the crucial post of Chairman of the Senate, which has the constitutional authority to assume power in the event of death or incapacitation of the president. Having headed the National Security Service in the past, Tazhin now holds the position of the Minister of Foreign Affairs.

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Overall, members of the inner circle in a post-Nazarbaev Kazakhstan are likely to pursue the present economic policies and maintain the multi-vectoral policy geared at balancing the West, Russia, China and the neighbouring Muslim world. Under the present regime, the ability of electoral reforms and the new post-Soviet institutions to facilitate open electoral competition and encourage political participation from below is limited. None of the presidential or parliamentary elections held in Kazakhstan so far has been recognised as ‘free and fair’ or meeting international standards.

Kazakhstan’s relative economic well-being and socio-political stability can be attributed to two main factors: 1) its enormous oil and natural gas reserves, combined with mineral wealth, which have attracted some \$34 billion in foreign direct investment since 1991; and 2) President Nursultan Nazarbaev’s skilled disbursement of this wealth and political power to crucial societal strata through the use of patronage and balancing of clan and ethnicity-based attachments.

Increasing oil exports and high global oil prices have propelled Kazakhstan’s economic growth of over 8% annually since 1998. Oil revenues accounted for at least two-thirds of the country’s budgetary revenues in 2006, increasing its GDP to \$5,100 from \$3,620 in 2005. As Kazakhstan aspires to rank among the top five oil exporters by the year 2015, oil will account for over three-fourths of its budgetary revenues. The reserves in the National Oil Fund, which was created in 2000 to cushion the economy from fluctuating global oil prices, had grown to \$12 billion by the end of 2006. Possessing the most dynamic banking sector after Russia, Kazakhstan is also a frontrunner in developing a vibrant telecommunications sector.

Having held the top leadership position since 1989 under Soviet rule, Nazarbaev has displayed considerable political acumen in steering his country towards economic transition to establish a modern, competitive, market-oriented economy. While showing remarkable pragmatism and flexibility in responding to new challenges, he has also skilfully improvised upon Soviet-era mechanisms of coercion and control for extracting the compliance of the citizenry to his particular form of rule. Nazarbaev has erected a patronage-based system in which the inner circle of close family, friends and business associates exerts formal and informal influence over vital economic resources, industries and political positions. The inner circle of the presidential family has bought off numerous privatised media channels and occupies vital political positions in the government. At the same time, Nazarbaev has continued to broaden and regenerate his clientelist base, offering rapid career mobility to technocratic elites and top level government bureaucrats. Political loyalty to the regime is the best means of attaining career mobility whereas pursuit of independent political ambition invites severe sanctions. It is virtually impossible for a political party

or an individual to acquire a major political position without joining pro-regime parties or pledging personal loyalty to the regime. Critics of the government and opposition have little prospect of launching an independent political career.

## Internal political structure and stability

Kazakhstan’s 1995 constitution and subsequent amendments have vested unlimited constitutional and de facto powers upon the office of the president in what already was a unitary, highly-centralised presidential system. Subsequent constitutional amendments have conferred immunity from prosecution to the ‘First President’ and will allow him to play an advisory role upon quitting office. The prime minister, who is appointed by the president, is a technical functionary entrusted with implementing socio-economic policies and delivering results without challenging the authority of the president. The presidential administration, which is an extra-constitutional structure beyond the purview of the parliament, exerts considerable power and influence, whereas the Council of Ministers headed by the prime minister forms the second, and subordinate, flank of the executive.

A notable development since 2004 is the emergence of a third centre of power in the growing influence of Kazakhstan’s Security Council.<sup>1</sup> Currently headed by Berik Imashev, the Security Council has acquired a leading role in coordinating the activities of the law and order authorities, formally under the control of the Ministry of Interior Affairs, thus eroding the authority of the prime minister. While remaining fully under the control of Nazarbaev, the Security Council is becoming a battleground of competing groups vying for influence. The pivotal role played by the security services in Turkmenistan in guiding the accession of Gurbanguly Berdymukhammedov to the presidency after Saparmurat Niyazov’s death suggests that Kazakhstan’s Security Council is likewise well-positioned to exert an independent influence in the post-Nazarbaev era.

The appointment of 41-year old Karim Masimov, an ethnic Uighur, fluent in English, Chinese and Arabic in addition to Russian, as prime minister earlier this year has brought several reform-oriented technocrats within the cabinet and led to significant changes within the government.<sup>2</sup> Daniyar Akhmetov, who held the post earlier, now heads the Ministry of Defence. Tokaev, now occupies the pivotal post of Chairman of the Senate. The post was previously held by Nurtai Abykaev, a kin of Nazarbaev and widely seen as a ‘grey cardinal’, who is now ambassador to Russia. Abykaev’s temporary exit from the domestic scene may be geared at protecting him from rumours about

<sup>1</sup> Mukhamedzhan Adilov, “Organ pri prezidente ili tretii tseentr vnimaniia?” (<http://www.kub.kz/article.php?sid=16536>).

<sup>2</sup> Daniyar Ashimbaev, “Nazarbaev smenil matritsu”, *Kontinent*, 14 February 2007 (<http://www.kub.kz/article.php?sid=16285>).

his alleged complicity in the killing of Altynbek Sarsenbaev, a leader of the opposition party Nagyz Ak Zhol, in February 2006. A number of former employees of the Ministry of Interior Affairs and the Security Council, some of whom were closely associated with Abykaev, have been convicted in the Sarsenbaev murder case.<sup>3</sup> Past trends indicate that the key figures within the inner circle have easily re-entered domestic politics after having held vital diplomatic posts abroad.

The attention of Kazakhstan's political establishment is now turned to preparing for the next (2008) parliamentary elections. The presidential party Otan has refashioned itself into an enlarged entity Nur Otan by securing a merger with the Asar party, which was established by Nazarbaev's eldest daughter Dariga Nazarbaeva, also an MP and a media tycoon, and the Civil Party of Kazakhstan. The latter, led by Azat Peruashev, is the political wing of the business conglomerate Eurasia Group headed by Alexander Mashkevich, Patokh Shodiev and Alizhan Ibragimov, which is estimated to produce about 15% of the GDP of Kazakhstan. These pro-regime parties are fully in control of the parliament which is bereft of any genuinely independent members. The moderate Ak Zhol led by Alikhan Baimenov holds the sole 'opposition' seat in the parliament and has offered a constructive partnership with the government. Opposition parties Alga, Nagyz ('Real') Ak Zhol and the new party Atameken founded in late 2006, which is widely seen as supported by the president's second son-in-law Timur Kulibaev and has not yet declared itself in opposition to the government, have been battling to obtain registration.

## Foreign relations and oil export routes

Kazakhstan has done well to use its geographical location, vast territorial expanse and the need for multiple outlets for oil exports to follow what it terms a 'multi-vectoral' foreign policy. Rather than attaching priority to a single country, its foreign policy is geared at developing close partnerships with all of its neighbours and an active engagement in multilateral regional organisations, particularly the Commonwealth of Independent States (CIS), the Shanghai Cooperation Organisation (SC), the Eurasian Economic Community (Eurasec) and the EU. This approach has allowed Kazakhstan to deepen its already close ties with Russia, expand economic, political and strategic cooperation with China, develop growing ties with the European Union and procure support of the US. In what is an important rhetorical affirmation of the close ties with Russia and the commitment to the CIS, Nazarbaev has also called for establishing a Eurasian Economic Union on the model of the EU. Outlining Kazakhstan's

new military doctrine, its Defence Minister Daniyal Akhmetov acknowledged that participation in the Collective Security Treaty Organisation (CSTO) and military cooperation with its member states is a priority for Kazakhstan. As a key member of CSTO after Russia, Kazakhstan sees itself as better-placed to gradually build a further partnership with NATO and the US. While its relationship with Russia and key role in the CSTO is the primary source of security and diplomatic leverage, Kazakhstan's political elite is eager to push for a closer collaboration with NATO and the US, particularly through participation in peace support operations.

Without a doubt, Kazakhstan needs a close and preferential partnership with Russia to increase its oil exports, and thereby build a stronger economic base. At the same time, President Nazarbaev is also looking to diversify the country's energy export routes. At present, the Caspian Pipeline Consortium (CPC) route passing through Russia is the largest export route for transporting oil from Kazakhstan. Although the current capacity of the CPC route (28 million tonnes in 2005) is to increase to about 67 million tonnes within a few years, which will allow Kazakhstan to transport this oil further to Europe with Russia's consent, Kazakhstan is seeking further oil export routes that complement, rather than compete with the routes offered by Russia. Russia, however, has sought to channel the main Central Asian energy export routes across its territory. In May 2007, President Putin persuaded Kazakhstan together with Turkmenistan to back Moscow's plan to build a gas pipeline to bring gas from the two Central Asian countries along the Caspian shore and into Russia – rather than across the Caspian and the South Caucasus, the route favoured by the EU and the United States.

China has also sought access to Kazakhstan's energy resources. A 1000 km-long pipeline linking Atasu in central Kazakhstan to Alashankou on the Chinese border is to be operational by mid-2008 and will provide a new source of oil for China to develop its western Xinjiang region. Although further expansion of this route is planned, the high transportation costs make the economic benefits of the pipeline to Kazakhstan uncertain. The route currently has greater political than economic significance for Kazakhstan.

Issues such as oil export routes and energy security are vital for the EU. Kazakhstan is the EU's biggest trading partner in Central Asia, with bilateral trade worth over €15 billion. About 85% of Kazakhstan's exports to the EU consist of oil and gas. Should the EU's relationship with Russia be transformed and result in a much closer economic and strategic partnership, Kazakhstan's partnership with the EU and participation in many of its programmes could be enhanced further.

Nazarbaev has already indicated a willingness to consider any pipeline routes that could be "profitable for Kazakhstan", while reiterating that it is a partner,

<sup>3</sup> "Kazakh Court Upholds Sarsenbaev Murder Convictions", *Radio Free Europe/Radio Liberty*, 8 December 2007 (<http://www.rferl.org/featuresarticle/2006/12/cf021dc5-eb0d-4eb9-a24c-fe2b4c6b70dd.html>).

and not a competitor with Russia in seeking to diversify its export routes. A continuing EU engagement can enable Kazakhstan to become more closely involved in extending the Baku-Tbilisi-Ceyhan (BTC) pipeline and possibly use its close ties with Russia to assuage the latter's discontentment over the route.

Furthermore, closer cooperation between Kazakhstan and the EU is crucial in aiding the development of the Trans-Caspian-Trans-Black Sea energy transit corridor and for the Odessa-Brody pipeline. By aiding a diversification of oil export routes, the EU is keen to ensure a secure supply of oil and help Kazakhstan, Uzbekistan and Turkmenistan to obtain higher export prices – notably for gas exports – and establish a stronger position vis-à-vis Russia. Kazakhstan has been steadily increasing its investment in Georgia, particularly in the transportation infrastructure, becoming the third major investor after the UK and the US. As a result, it is in a position to play an important role in achieving the EU's aims in the south Caucasus through its investment in the economies of the region.<sup>4</sup> Given the widespread agreement within the EU to support these pipeline routes and enhance energy security, there are three vital issues that the EU must address in expanding energy cooperation with Kazakhstan:

- Ensuring transparent management of revenues from oil and gas and to cooperate closely with international efforts such as the Extractive Industry Transparency Initiative (EITI).
- Implementing comprehensive policy measures for an equitable distribution of wealth and social welfare. Although poverty levels are declining, an estimated 16-18% of the population, a vast proportion of which resides in remote rural areas, lives below the poverty line.
- Development of grassroots institutions for civic participation and lifting various legal barriers that restrict basic civil rights to public assembly and to participation in electoral contests. This will help to rectify the emphasis of the regime on promoting 'democratisation from above'.

## New EU strategy for Central Asia

As the EU seeks to develop a coherent though internally-differentiated strategy towards its recent members, it must also be mindful of the shared historical experience of the Central Asian people as well as the significant variation in socio-economic development, reform-orientation and state capacity among them. Kazakhstan has shown a keen interest to participate in the European Neighbourhood Policy (ENP), a privileged relationship between the EU and all its current non-member states that are not members

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<sup>4</sup> Diana Petriashvili, "Georgia pins investment hopes on Kazakhstan", *Eurasianet.org*, 17 April 2007 (<http://www.eurasianet.org/departments/insight/articles/eav041707a.shtml>).

or potential members. Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy, emphasised developing a more differentiated approach by the EU and establishing unique relationship towards each of the Central Asian states.<sup>5</sup>

Kazakhstan has continued to emphasise its 'Eurasian' status, underscoring its geographical, historical, ethno-cultural ties with Europe and the desire to play a prominent role in the Western club of nations on the basis of its enormous size and economic potential. Although pragmatic considerations push the present Kazakh leadership to maintain a balance between Russia, China and the West, a growing stratum of its elites, educated in the West, are fully cognizant of the advantages to be attained from a close and growing multilateral partnership with Europe. They see Europe as providing vital technical assistance in modernising Kazakhstan's educational, health and social infrastructure, in addition to reforming its economy.

In the present context, Kazakhstan is the obvious candidate for regional leadership and the most reliable partner for the EU in the region. This is because Uzbekistan, a powerful contender for regional leadership, has failed to utilise its enormous potential despite possessing the most diversified economic infrastructure and human capital. The utter failure of President Islam Karimov to undertake reforms has generated a systemic socioeconomic crisis that the regime is tackling through an alarming use of repression since the killings in Andijan in May 2005. This turns Uzbekistan into the gravest long-term threat to stability in the region. Succession in Uzbekistan is unlikely to be as smooth as in Turkmenistan, which appears to be taking incremental measures to engage with the outside world and extricate itself from the personality cult of Niyazov. While committed to establishing relatively open political systems, both Kyrgyzstan and Tajikistan are weak states with poor governance capacity, dependent on donor support.

However, the EU must not succumb to the facile reasoning that Kazakhstan is far 'better', and 'more democratic' than the rest in the region seen as lacking structural and cultural conditions to build democratic institutions and processes. Such a view can easily lapse into condoning the Kazakhstani regime's formalistic and instrumental pledge to political reforms and reinforcing its fixation with 'stability'. As a fast expanding economy with a GDP that is currently almost two-thirds that of the entire Central Asian region, Kazakhstan's record in promoting democracy and human development needs to be assessed in comparison with other post-communist states that have

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<sup>5</sup> Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy, "The European Union and Central Asia – building a 21st century partnership", talk at L.N. Gumilyev Eurasian National University, Astana, 17 October 2006 (<http://www.europa-nu.nl/9353000/1/j9vvh6nf08temv0/vhezfobvbuxv?ctx=vgu719bwytoy>).

a comparable success in establishing market economies and aiding privatisation. While sensitivity to the cultural and historical legacy of the region – notably the impact of the Soviet years – is necessary, ‘culture’ should not be viewed as a static variable hampering democratic development. The powerful resistance within Kazakhstan to creating an open media and competitive political system comes from groups and interests within the present regime who rose to power during the Soviet period by actively working within the coercive communist party apparatus against pro-reform forces. In this way, these strata of ruling elites have been the architects of the new post-Soviet authoritarianism rather than hapless recipients of a Soviet authoritarian legacy.

### **Kazakhstan’s candidacy for the OSCE Chair and commitment to political reforms**

Kazakhstan’s political elites were fully aware of the need to ensure that the presidential election of 2005 met the basic international standard as spelled out by the Organisation for Security and Cooperation in Europe (OSCE) to boost their candidacy for the chairmanship of the OSCE for 2009. Although there were no significant technical or procedural violations during the 2005 presidential elections, the entire administrative and propaganda machinery worked together to favour the incumbent and discredit the opponents.<sup>6</sup> Nazarbaev secured another 7-year term by garnering 91% of the vote, an outcome that would be considered implausible and even illegitimate in a democratic or democratising country. This has earned him the nickname of ‘Mr 91 percent’ among his critics who warn about the impending ‘100 percent’ scenario in the next (2012) presidential elections. Aged 67 and in good health, Nazarbaev has given no indication of preparing any successor and indicated his willingness to run for the next (2012) presidential elections.

Attaining the OSCE chair in 2009 and gaining a visible niche within the European framework is primarily a matter of status and prestige for the Nazarbaev regime, which is keen to boost its visibility and legitimacy in Western circles. Kazakhstan is spending enormous resources and efforts on PR activities to promote a positive image in Western media by touting its economic achievements and the dizzying construction in Astana. After initially becoming incensed over the blockbuster movie *Borat*, the Kazakh political establishment quickly learnt lessons and sought to reap benefits from the publicity aroused by the blockbuster. Furthermore, obtaining the OSCE chair for 2009 is also a matter of the personal reputation of Rakhat Aliev whose future political prospects are closely linked with whether Kazakhstan manages to hold a

<sup>6</sup> Republic of Kazakhstan, Presidential Election 4 December 2005, OSCE/ODIHR Election Observation Mission Final Report, released on 21 February 2006 ([http://www.osce.org/documents/odihr/2006/02/18133\\_en.pdf](http://www.osce.org/documents/odihr/2006/02/18133_en.pdf)).

leadership position within a European organisation. Aliev was reappointed Kazakhstan’s ambassador to Austria in January 2007 (a position he held from 2001 to mid-2005 before becoming the First Deputy Minister of External Affairs) in order to intensify lobbying for the 2009 OSCE chair.

A decision on Kazakhstan’s candidacy for the 2009 OSCE chair is expected in the latter half of 2007. The US has made its support to Kazakhstan contingent on establishing proper democratic institutions. The Chair of the US Senate’s Foreign Relations Committee Joseph Biden expressed dissatisfaction with Kazakhstan’s lack of progress in moving towards democracy and emphasised that Kazakhstan must be “part of the solution, [and] not part of the problem”.<sup>7</sup> While a more realistic option appears to be to consider Kazakhstan’s candidacy for the year 2011, it is still likely that Kazakhstan may get the 2009 chair to avoid the current diplomatic impasse. Several states supporting its candidacy justify this as a means of attaining a closer cooperation with the former Soviet states and as a further inducement as well as lever for pushing for political reforms. If this were to happen, Kazakhstan is likely to hail this as a vital recognition of the success of economic and political reforms, as an affirmation of its centrality in the region and as an opportunity to push for cooperation in energy, economic and security issues over democratisation and humanitarian agenda. Thus a rift between the security and human dimension objectives (democracy and human rights) of the OSCE has the potential of undermining the EU’s objective of balancing trade and economic interests with democratisation.

Russia has criticised the OSCE for shifting between its ‘security’ and ‘democratisation’ agenda, noting the prime purpose of the organisation is security. Kazakhstan shares this ‘traditional’ conception of the OSCE and notes that it has proved to be a crucial axis of stability and security in the region, and has taken steady steps towards building democratic institutions. In other words, it has made a significant contribution towards the three crucial objectives emphasised by the OSCE.

### **Can the Kazakh political elite reconcile the practice of democracy with its vision of prosperity?**

Nazarbaev and his associates aver that democracy can emerge only on the back of economic prosperity and social stability. The Kazakhstani political establishment sees the promotion of democratisation and civil society as the imposition of a Western ideological agenda which is fraught with negative and destabilising consequences. The state-regulated media skilfully portray the ‘colour revolutions’ in the near abroad as a popular outpouring against economic discontent and which has only exacerbated

<sup>7</sup> <http://eng.gazeta.kz/art.asp?aid=84190>

lawlessness. Such propaganda has had a considerable effect in inoculating the ordinary people ‘against political change’ to support ‘stability’ and in equating democracy with social unrest and Western propaganda.

Voicing its commitment to establish a ‘responsible’ civil society, Kazakhstan’s ruling elites have used economic carrots, political control and electoral mandates to pressure non-governmental organisations and independent political parties to forge a ‘constructive partnership’ with the government. At the same time, NGOs engaged in advocacy of civil rights and political reforms remain dependent on foreign donors and their activities have come under continuing surveillance through financial audits and other forms of control. Much of Kazakhstan’s much-acclaimed social and ethnic stability is achieved by curtailing civil and political rights and rewarding a culture of civic apathy and political disengagement.

So far the Nazarbaev leadership has opted incrementally to allow ‘democratisation from above’ by overseeing the emergence of a multi-party system, regulating electoral competition, and attempting to create a structure of NGOs and civil society that is loyal to the regime. The state-appointed Commission on Democratisation and Civil Society devotes itself to this task. The reforms proposed by the regime in response to the mounting pressure from the OSCE, particularly the US, offer a mere tinkering of the present system to build a more visible façade of democracy. The government tends to indicate its desire and commitment to political reforms in the presence of leading international actors, but often fails to follow it up with appropriate legislation and implementation. Just a few days before the high profile annual meeting of Eurasian Media Forum in 2007 organised by Dariga Nazarbaeva, a new, more liberal draft media law was introduced in the parliament.<sup>8</sup> Though the draft media law eases restrictions on freedom of information and media registration, it retains the provisions that prosecute journalists for writing articles that undermine “the honour and dignity of the president”. The OSCE, and leading international media watchdogs such as Freedom House have called for the abolition of this particular clause.

Nazarbaev has hinted at the possibility of transforming the present system into a parliamentary democracy and of establishing a 50% quota for political parties on the basis of proportional representation. The new system, or similar proposals, if adopted, would still allow Nazarbaev to recast himself as prime minister at a future date and, thereby, retain full power.

Notwithstanding the incremental promotion of democratisation from above, it is vital to note that neither the regime, nor international actors can fashion

the development of democracy and civil society in the desired direction. The Kazakhstani ruling elites’ support to democratisation may be largely instrumental and self-serving, but it still provides an opening for long-term processes conducive to political liberalisation, transparency and civic participation. In Kazakhstan’s visibility within the OSCE and EU, Kazakhstan’s civil rights activists see a space for the pursuit of democratisation agenda, although they do caution that this will not inevitably follow. There is a widespread view among them that an outright denial would deprive the Kazakhstani political establishment of any vital incentive to promote further reforms.

### **Conclusion: Long-term prospects for reforms**

Despite the numerous shortcomings of its political system, Kazakhstan possesses the various supporting conditions for achieving a transition to democracy in the long run. This is because the establishment of a competitive, market economy has unleashed several processes that indicate a long-term trend towards democratisation. Among the most significant of these are the emergence of a private and competitive educational system, the rise of an upper middle class, the introduction of a legal-institutional infrastructure in which multi-party elections take place and finally, a strong desire among the political elite and the educated citizenry to be part of a ‘European’ framework. These resonate with the vision outlined in the ‘European Education Initiative’ in the draft EU Strategy on Central Asia. (At the same time, the rapid emergence of a market economy has generated stark economic disparities and weakened the social safety network, as it has enhanced the ability of the regime to use patronage and sanctions to subordinate private business. Markets have not produced an independent entrepreneurial class or facilitated the expansion of a middle class that can press for political and economic reforms to limit the role of the state. On the contrary, business interests and entrepreneurs remain dependent on governmental patronage and goodwill.

When the development of institutions of political representation and civic participation do not keep pace with the rapid rise in oil-based revenues, it becomes ever more challenging to establish rule of law, accountability and transparency. The EU must develop a nuanced approach in urging compliance with these recommendations, offer sustained support to building mechanisms of transparency and accountability in political processes and financial dealings and renounce the cliché of the ‘preservation of stability’ so beloved by the ruling group in Kazakhstan. It must ensure that the desire to secure further cooperation in the energy sector does not derail pursuit of its fundamental aims.

The German foreign minister Frank-Walter Steinmeier has offered a ‘Central Asia Initiative’ to bundle together EU security and energy interests in the region, but such a strategy cannot be de-linked from an overall

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<sup>8</sup> Joanna Lilis, “Kazakhstan: Officials send signal on media liberalization”, Eurasianet.org, 20 April 2007 (<http://www.eurasianet.org/departments/insight/articles/eav042007.shtml>).

emphasis on political reforms and transparency.<sup>9</sup> According priority to energy and security interests over democracy and institution-building is harmful in the longer run. Cultivation of close cooperation in energy and economic issues without a simultaneous emphasis on pursuing political reforms, combating corruption and encouraging civic participation will be detrimental to both EU and to Kazakhstani citizenry in the longer run. In an absence of a democratic framework, such cooperation can only aid technocratic purposes, benefit the top strata of society and produce a new class of professional technocrats interested in perpetuating rather than reforming the present system. Together with the OSCE, the EU must emphasise the urgency for Kazakhstan to launch, ahead of the decision on Kazakhstan's bid to chair the OSCE, a set of comprehensive democratic reforms that can provide the basis for a sustainable process of political reform in the country. This emphasis offers incentive and hope to the pro-reform elite within the government, civil rights NGOs as well as the growing middle class to press for political reforms in order to be more closely tied with Europe.

## Recommendations to the EU

The following recommendations identify a set of reforms that the EU should seek to promote in Kazakhstan through its engagement with a dialogue focused on developing concrete ways to implement such reforms.

- *Lift constraints on the civil right to public assembly.* Kazakhstan must scrap the numerous legal restrictions on freedom of assembly. Under current provisions, prior permission from the Ministry of the Interior is required in order to organise any public meeting. Existing laws and informal actions prevent opposition and civil society groups from holding a public meeting in any of the central areas of the major cities. The planning of the new capital Astana especially allows the government to control public space and make it logistically difficult for citizens to organise public meetings in any of the central areas.
- *Allow registration to opposition and independent political parties.* It is vital to introduce the necessary amendments to the laws on the registration of political parties during this year, in order to facilitate the registration of the Alga, Nagyz Ak Zhol, Atameken parties and other prospective parties so that they can prepare for the next parliamentary elections scheduled in 2008.
- *Amend the election law and end the persecution of opposition leaders.* Kazakhstan's election law contains a clause that bars a person convicted of an administrative offence from contesting elections. For example, Bulat Abilov, a prominent leader of Nagyz Ak Zhol, is facing a string of politically-motivated charges of economic misdemeanour, some of which have been upheld by the courts, in turn disqualifying him from standing for any public office. Kazakhstan's judiciary has not issued a single verdict in the past decade that acquitted members of the opposition or independent journalists in respect to charges brought against them by individuals affiliated with the regime. The EU and OSCE must exert pressure on the government to end the persecution of members of the opposition, particularly of Bulat Abilov who is being investigated for politically-motivated charges of corruption and misappropriation of funds.
- *Ensure independence and impartiality of the Central Election Commission (CEC).* Under the present system, the presidential administration maintains complete control over the appointment of the CEC. The latter in turn has an uncontested mandate to appoint lower-level election commissioners. This system rests on patronage and has allowed the regime to successfully utilise the so-called 'administrative resources' in order to produce a desirable electoral outcome. The Election Commission is fully loyal to the president who handpicks its members. Orderly organisation of elections and successful delivery of expected results have opened up further career paths for the chairman and other members of the CEC. The EU, together with the OSCE, must press for reforms that limit the power of the president to appoint members of the CEC and regional and district and local election commissions and allow an effective say to non-governmental organisations and non-governmental figures.
- *Ensure independence of the media.* Kazakhstan's media is privately-owned but controlled almost entirely by major financial groups affiliated with key members of the regime and the major pro-regime political parties. Kazakhstan must repeal its draconian media law which currently makes it impossible for banned news outlets to re-register or for a banned journalist to be absorbed in the existing media channels. The clause about protecting the "honour and dignity of the president" as well as anti-terrorism legislation are widely used to restrict basic media freedoms. Kazakhstan has been forced to offer a measured response to the widespread international attention and negative publicity it has received due to its handling of the satirical film *Borat*.
- *Ensure independence of the judiciary.* Under the country's strong executive system based on presidential patronage, the judiciary, like the legislative branch, has remained loyal to the regime. The judiciary has continued to protect the interests of the state and its functionaries rather than those of individuals, minorities and the weaker strata of society. Despite notable improvement in wages and professional training for judges, Kazakhstan's judiciary has a very poor record in handling cases related to civil liberties and human rights.

<sup>9</sup> <http://euobserver.com/9/23329>