



KAZAKHSTAN: A TSAR IS BORN

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The disintegration of the Soviet empire in 1991 opened a new era with respect to international relations in Central Asia. The newly independent states abruptly confronted a dual problem: to reaffirm their independence loudly and strongly while maintaining privileged ties with other former Soviet republics. Logically they had two paths open to them. For some, the first path was to seek a counterweight to the preeminence of Moscow by deepening their relations with China, the United States and Europe, as well as with the principal regional powers. For others, the road traveled was in the direction of strengthened, independent and autonomous regional cooperation that was at times contrary to the interests of the great powers.

According to terminology which reflected in the 1920s both the practice of Soviet ethnologists and the political line of Moscow's leaders, Central Asia consists of Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan. Further to the West, the Caspian Basin brings together the three trans-Caucasus republics of Armenia, Azerbaijan and Georgia plus Kazakhstan, Turkmenistan and large parts of the Iranian and Russian territories. These two zones are geographically anchored right in the centre of Eurasia and the last decade has clearly shown that other actors, more or less far removed, have a considerable influence on the politics, the economy and the security of these two regions. Notably, these are Afghanistan, India, Iran, Mongolia, Pakistan and Turkey.

The wave of independence from the beginning of the 1990s contributed to rendering regional relations much more complex than in the time of the '*Great Game*' which, in the 19th century pitted Great Britain against Russia in a contest to rule over the Caucasus and Central Asia. At that time, Moscow and London reigned as masters. The Russians and British could permit themselves if not closely controlling the local actors, then ignoring them superbly. The arrival of many actors from outside the region, the multiplication of the sources of conflicts of interests and the temporary shaping of alliances of convenience did not simplify things in any way. While China, the United States, Europe and Russia may have substantial influence on regional developments, these countries cannot dictate their will as was the case in the past.

Since its independence in 1991, and more precisely since the start of the new millennium, Kazakhstan has undergone a profound change which constitutes a case apart among the former Soviet Socialist Republics. In a little more than a decade, this slightly industrialised and essentially agricultural country has made a formidable leap forward. It now appears to be one of the major actors on the Central Asian scene.

Given its privileged geographical position – both in Central Asia and attached to the Caspian Sea Basin -, to the size of its territory, its considerable energy resources, relative social and political stability, its firm and resolutely maintained decision to open up to a market economy and to a balanced and subtle diplomacy, Kazakhstan has rapidly established itself as a natural leader on the second path.

Here we have a *success story* of a unique type for a former Soviet bloc country.

1. Prudent diplomacy...

Under the firm rule of its President, Nursultan Nazarbaev, the only leader alongside his Uzbek counterpart, Islam Karimov, to have held office without interruption since 1990,¹ Kazakhstan has followed a foreign policy on a straight course aiming to maintain good political and economic relations with China, the United States, the European Union, Japan and Russia, as well as with a dozen other leading countries.

Nursultan Nazarbaev and his team have constantly watched out to stay clear of the quicksand and mirages of Central Asian diplomacy that led Turkmenistan under the late Saparmurad Niazov to an aggravated isolationism and which caused his great rival and neighbour Uzbekistan to get bogged down.

In 2004, the Kazakh Minister of Foreign Relations, Kasymzhomart Tokaev, qualified this '*balanced and multi-dimensional policy*' as an '*objective necessity*.' Such a justification - '*to limit our relations with certain countries of the region would end up undermining our national interests*' – would, at times, bother Moscow (on the issue of the trans-Caspian initiative) and irritate Washington (in the matter of relations with Tehran).

This policy, which can seem like a balancing act on a tight rope, translates into deeds : a major role within the most important Eurasian multinational programmes. Despite certain frustrations, the Kazakh government has remained a loyal partner of the Community of Independent States (CIS) and it holds a good place in the ranks of founding countries of the Organisation of the Treaty of Collective Security (OTCS). Kazakh officials are still advocates of the Eurasian Economic Community, in particular in the domain of managing water and standardisation of tariff and customs policies. Wishing to play an important part within the Shanghai Cooperation Organisation (SCO), they have jealously watched to see that this entity is not transformed into an overtly anti-American tool. More than any other country in the region, they have also been engaged in advanced dialogue with NATO. Finally, for the European Union, Kazakhstan is a key partner in the domain of strategic partnerships over energy as well as in efforts at regional integration.

Besides the halo of a '*certificate of good conduct*' in cooperation and international or regional relations, Kazakhstan is quickly establishing itself as a future giant which intends to hold the rank of regional leader and essential actor at the international level. This is the prism through which it develops its vision, in the medium term, of a Central Asia that is reinvigorated and sure of itself.

2. ... and an ambitious project

In March 1994, President Nazarbaev launched the idea of a Eurasian Union. But this plan has not received any support or encouragement from the other newly independent states.

¹ President of the Council of Ministers of the Kazakh Soviet Socialist Republic from 1984 to 1989 and First Secretary of the Kazakh Communist Party from 1989 to 1991, he was elected President of Kazakhstan on 24 April 1990.

Managing with great difficulty and sometimes painfully to rid themselves of the heaviness of the Soviet system, they were, in fact, not very desirous of getting into an unclear union that made them fear a new dependency. In April 2007, he relaunched this idea with the objectives of common management of their borders and water resources.² The idea is simple: it is a matter of demonstrating that Central Asia is capable of looking after itself and avoiding becoming the backyard and plaything of outside powers, performing a not very enviable minor role.

The realisation of this Union of Central Asian States would surely represent the point of pride of the efforts by Astana to strengthen regional autonomy and deepen the process of local integration. The idea of President Nazarbaev is to set up a union that is independent of the other existing organisations such as the OTCS and the SCO and in which neither China nor Russia nor any other of the great powers will be members or even present as observers.

Kazakh experts believe that integration is part of a natural process which, in the past, was often slowed down or paralysed, since everything should push the countries of Central Asia to reach an understanding. After the fall of the USSR, the Central Asia countries often encountered many difficulties cooperating with one another. They all have had disputes over borders, commercial exchanges, visas, transportation and communications, illegal immigration and natural resources like gas and oil. Despite everything, the need for solidarity and security appears to be stronger. Therefore, in May 2005 the Central Asia governments closed ranks behind the Uzbek authorities after the tragic events of Andijan.

For such a union to be viable, its supporters argue that it should target the following domains : sharing energy and water resources, the improvement of the regional network of communications and transport, the solution of the disputes over borders, an agreement on commercial tariffs, the establishment of collective mechanisms for dealing with environmental threats and natural catastrophes and the development of a genuine regional tourist industry. ³ More generally, the advocates of this envisage, *in fine*, an economic and customs union.

The fear of seeing instability of neighbouring countries spread across the borders – either directly, through massive influx of refugees, or indirectly by prevarication of foreign investors – prompts the Kazakh leaders to promote regional integration. Despite recent Kazakh efforts to diversify the commercial partnerships, the economy of Kazakhstan still depends for much of its capital and technology on foreign companies.⁴ Many experts believe that the solution of regional disputes, better use of natural resources and the re-confirmation of the pivotal role of Central Asia in the energy crossroads between Europe and Asia can come about through greater cooperation. In the area of security, strengthened collaboration is necessary to counter criminal groups and transnational terrorism, as well as to get greatest benefit from the economic advantages that Kazakhstan and its neighbors enjoy.

In reducing inter-regional tensions by promoting greater economic integration, these countries will become more attractive to foreign capital and they will carry more weight in their relations with outside actors.

3. The economic advantages ...

Thanks to its natural wealth and to a sensible policy, Kazakhstan has the most advanced economy in Central Asia. Its GDP is greater than the combined GDP of all the other countries of the region. It is estimated to have been more than 113 billion Euros in 2007. The

² <http://www.cacianalyst.org/?q=node/4604>

³ <http://www.kisi.kz/site.html?id=1788>

⁴ <http://www.eurasianet.org/departments/business/articles/eavo40606.shtml>

administration encourages its citizens to diversify regional and international trade in order to reduce, insofar as possible, its dependence with respect to suppliers, customers and markets. This economic policy is accompanied by an ambitious vision. In 2005, President Nazarbaev told the participants of an international conference on the theme of the *'Strategy of Kazakhstan up to 2030'*⁵ that he saw in his country *'a feature of union, an integrator of the inter-regional economic links, the centre of gravity of investment and financial capital and a centre of attraction for the largest worldwide companies which would like to establish themselves on the Central Asian market.'* And he added that his country could perfectly well fulfill its function *'of a link, a transcontinental economic bond between Europe and the areas of the Pacific and the South of the Asiatic continent.'*

Ever since 2006, President Nazarbaev has not stopped speaking of his determination to propel Kazakhstan to the list of the 50 most developed countries in the world. In October 2007, he announced his intention to set up a *'communications axis that will connect the Persian Gulf and the Baltic Sea by means of railways, highways, oil pipelines, gas pipelines and electricity transmission lines.'*⁶ On October 22, 2007 during a conference in Washington, the ambassador of Kazakhstan to the United States, Erlan Idrissoy, said that ever since independence, his country *'has never considered its status as land-locked to be a curse'* but on the contrary, it used it *'as a key advantage to promote inter-regional integration.'* And he added that his country *'could not prosper unless it were surrounded by other prosperous countries.'*⁷ In February 2008, Nazarbaev reconfirmed this wish. He believes Kazakhstan is destined to become a *'regional locomotive of economic development.'*⁸

The formidable economic growth of Kazakhstan during the last decade – after a period of convalescence following the collapse of the Soviet empire and thanks to the rebound in the price of oil- allowed it to become the first among the former countries of the Soviet bloc to see itself given a positive note by the international rating agencies with respect to investments and solvency. At the start of the new millennium, the macroeconomic boom allowed the authorities to wipe away its debts to the IMF. While the formidable revenues from energy resources made possible this upturn, the authorities wisely achieved deep reform in the area of markets.

Realising that they could not permanently count just on hydrocarbon exports, the Kazakh leaders resolutely oriented themselves to a diversification of the markets, both in terms of products and in terms of partners. One important element in this strategy was the creation in 2001 of a national fund under the direct authority of President Nazarbaev and fed by export taxes. Amounting now to many billions of Euros, this fund is used by the governmental authorities to finance large-scale socio-economic projects outside the domain of energy.

... and the energy advantages

Exports of oil contribute more than half of the income of Kazakhstan. Out of the 1.45 million barrels/day produced, 1.2 are sold to foreign buyers.⁹ According to American experts, Kazakhstan has the largest reserves of the Caspian Basin.¹⁰ Estimates value it at the level of Algeria (9 billion barrels) or that of Libya (40 billion barrels). What makes these oil resources interesting for the international community is that they are situated at the heart of the network of present and future oil and gas pipelines which cross or will cross Eurasia. The Kazakh leaders have always said they are in favour of diversification of the export routes of

⁵ http://www.akorda.kz/www/akorda_kz.nsf/sections?OpenForm&id_doc=DE8&lang=en

⁶ <http://www.rferl.org/content/article/1078873.html>

⁷ <http://www.carnegieendowment.org/files/ConferenceReport.pdf>

⁸ http://www.akorda.kz/www/akorda_kz.nsf/sections?OpenForm&id_doc=0793&lang=en

⁹ <http://www.eia.doe.gov/emeu/cabs/Kazakhstan/Oil.html>

¹⁰ <http://www.eia.doe.gov/emeu/cabs/Kazakhstan/Background.html>

oil and, in the near future, those of gas. This clear-cut approach anticipates a Western route in the direction of the South Caucasus and Turkey, and Eastern route towards China via the other Central Asian republics and a possible Southern route towards the markets of South Asia via Iran. In April 2007, President Nazarbaev explained this pragmatic approach by economic considerations.¹¹ In short, the exports from Kazakhstan will use the most lucrative route, whether this be Western, Russian, Iranian or Chinese.

Kazakh officials are aware of the dangers posed by exporting exclusively through Russian networks, as is the case at present. This is why, having the advantage presented by the future gas and oil pipelines, in March they, together with Uzbekistan and Turkmenistan, got from the Russian gas giant Gazprom, sales prices that are considerably raised for 2009.

Meanwhile, it seems that on another pragmatic basis, the Kazakh authorities decided to gradually take control over the oil and gas companies operating on their territory. On July 9, the authorities announced that the national company, the giant *KazMunayGaz* (KMG) had taken 51% control over *MangystauMunayGaz* (MMG), the Indonesian company *Central Asia Petroleum*, the biggest present day producer in Kazakhstan.¹²

4. Some shadows in the painting

a) Democracy and human rights

The flattering appraisal of Kazakhstan in the area of economics should not make us forget that this country suffers from a disturbing lack of democracy and that human rights figure among the elements overlooked by progress. Along with the other republics of Central Asia, Kazakhstan has consistently ranked over many years among the worst pupils of the world medal winners in this matter.

None of the elections arranged under the presidency of Nazarbaev has ever been judged to be free and fair by the OSCE. In 2007, he strengthened his grip on the country by obtaining the right to stay in power for life and by organising legislative elections during which his party won all the seats. Even if such a result left political analysts speechless and plunged international observers into perplexity, what he demonstrated despite everything is the confidence that the Kazakhs¹³ accord to their President as national leader. They like him for having, as the head of the country for 16 years, ably negotiated the turns of the road to independence, for having maintained the unity of the country, both territorial and national, and for having, up to the present, hindered the development of separatist nationalist or community movements.¹⁴

Dismissing with a sweep of his hand the criticisms that arose from these legislative elections, Nazarbaev believes that such a result constitutes '*a formidable opportunity to adopt the laws needed to accelerate the modernisation of politics and of the national economy.*'¹⁵ A political advisor to Nursultan Nazarbaev said in June that the country might organise early elections next year by authorising greater participation of the opposition parties. The goal is

¹¹ <http://www.eurasianet.org/departments/insight/articles/eavo41807a.shtml>

¹² <http://www.eurasianet.org/departments/business/articles/eavo72208.shtml>

¹³ Officially, the inhabitants of Kazakhstan are called in French 'Kazakhs.' It should be noted that this name in fact covers two distinct terms: that of 'Kazakh' and that of 'Kazakhstani,' which correspond to two different realities. The term 'Kazakh' designates exclusively the members of the 'Kazakhe' ethnic group. The term 'Kazakhstani' designates all the citizens of Kazakhstan, whatever ethnic group they belong to.

¹⁴ Kazakhstan is home to a hundred different ethnic groups on its territory.

¹⁵ <http://hrw.org/englishwr2k8/docs/2008/01/31/kazakh17749.htm>

to offer guarantees of pluralism to the West while Kazakhstan prepares to take over the revolving Presidency of the OSCE.

On 2 September, Nursultan Nazarbaev firmly excluded this possibility. *'There is no legal or political reason to organise early elections ... They will take place, as provided by the Constitution, in 2012,'*¹⁶ he said during a parliamentary session.

While the law guarantees liberty of the press, the independent media are threatened and pursued for their liberty of tone towards the President and government. Journalists run serious risks. The NGO *Human Rights Watch* notes that since 2002, six independent journalists died in mysterious and troubling circumstances or disappeared without trace. Many internet sites are subjected to censorship, suspension of their activities or are purely and simply closed.

b) The threat from independence movements

The Kazakh leaders are aware that the great ethnic diversity of the population of their country makes it vulnerable. In 1989, the last census of the Soviet age mentioned 40% of Kazakhs versus 44.6% from Slavic peoples (38% Russians, 5.5% Ukrainians and 1.1% Byelorussians).

The voluntary departure of many Slavs (according to the 2007 census, they were no more than 30%), an elevated birth rate among Kazakhs (according to the same census, they were now nearly 60%), the return to the country of many emigrants, a tolerant linguistic policy and a flourishing economy have contributed to easing tensions.¹⁷

Today, the four million Russians (out of the six million of 1989) contribute largely to the economic development of the country and they profit from a lot of socio-economic progress. Many belong to the emerging middle class, and like young Kazakh entrepreneurs they have successfully gone into business thanks to a favourable policy by the government. No ethnic group can be said to occupy a predominant position in any of the social classes of Kazakhstan.

Despite everything, some observers seem to fear the vague independence feelings of certain provinces in the North which have a strong Slavic majority. These fears have otherwise recently resurfaced due to the Russo-Georgian conflict.¹⁸ The Russian justification for its intervention in Georgia – that it came to the aid of its Russian citizens under threat, i.e., Ossetians carrying Russian passports – gives the Kazakh authorities food for thought.

Despite the fact that the Constitution of the country does not recognise dual nationality, an overwhelming majority of the Slavs in the North possess a Russian passport or are about to obtain one.¹⁹ Many consider themselves above all to be Russian citizens and only see their future and that of their children as linked to Russia.

5. The coronation of 2007

The decision in November 2007 to entrust the future 2010 Presidency of the OSCE to Kazakhstan confirms the growing importance of this country in Eurasia.²⁰ While recognising

¹⁶ <http://kazakhstan.neweurasia.net/2008/09/04/no-elections-president-says/#more-626>

¹⁷ <http://www.kazakhembus.com/042007.html>

¹⁸ <http://www.rferl.org/content/Article/1192632.html>

¹⁹ With the recent simplification of procedures for distributing Russian passports - upon simple demand, any former citizen of the Soviet Union can get one- this phenomenon should rapidly spread.

²⁰ http://www.osce.org/documents/mcs/2007/12/28637_fr.pdf

that there is still progress to make in the matter of standards of democracy and human rights, many Western governments hope that this Presidency will encourage new progress and will give the OSCE enhanced influence within the former Soviet bloc.

For the Kazakh authorities, this future responsibility at the international level is the recognition of their economic and political reforms, of their role as leaders at the Central Asian level and of their contribution as bridge between the former Soviet Republics and other member countries of the OSCE. For Nursultan Nazarbaev, this distinction is similar to the coronation of the Tsar.

That is at least the impression which emerges from the latest statements by Kazakh officials on 22 July before the American Congress. Answering criticism addressed to them over the process of democratisation in his country, Askar Tazhiyev, chargé d'affaires at the Embassy of Kazakhstan in the United States and future traveling ambassador of Kazakhstan in charge of OSCE affairs, responded sharply to his American detractors.²¹ According to him, it is *'particularly vexing to continually hear the sincerity of his country questioned.'* He was obliged to reconfirm before his audience that Kazakhstan was continuing its policy of modernisation according to *'its own calendar and outside of any pressures wherever they come from.'*

Somewhat like the Chinese authorities who won the right to organise the Olympic Games of 2008 thanks to promises of liberalisation and democratisation, the Kazakh authorities promised at the conference in Madrid in November 2007 that in exchange for being given the Presidency of the OSCE they would adopt a certain number of key reforms before the end of 2008. They have not been slow to remind the rulers of the Western world that they remain the masters of their own agenda.

6. Conclusion

Over the course of the 17 last years in power, Nursultan Nazarbaev has proved his pragmatism, flexibility and intuition in the delicate and difficult domain of relations with Russia and the Western powers. Up to the present, he has succeeded in taking a brilliant economic path. He skillfully negotiated the twists and turns of promoting and using the vast hydrocarbon reserves that his country abounds in without attracting the anger of a Kremlin that is always ready to jealously recall that it still considers Central Asia to be its favourite terrain for manoeuvres.

The events of the last few weeks in the Caucasus and the Russo-Georgian conflict, as well as all the consequences that it exposed, demonstrated, if there were any need, that it cannot allow itself the luxury of deviating one inch from this prudent strategy.

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²¹ <http://www.eurasianet.org/departments/insight/articles/eavo72508.shtml>