Cracks in Social Contract: Instability in Kazakhstan, Its Sources and Alternative Risks

Onset of Instability

Before May of 2011 the possibility of an unstable Kazakhstan was a remote one. Though President Nazarbayev was getting ever older and the issue of succession raised serious concerns with foreign investors, the public life in Kazakhstan was devoid of turbulence. International Crisis Group, an international conflict watchdog with an arguable tendency to over-read conflict potential put Kazakhstan only two times on a security alert between October 2000 and May 2011. Economist Intelligence Unit assigned Kazakhstan lowest probability to have social unrest among CIS countries in its 2010 Political Instability Index, while Polity IV State Fragility Index 2010 put Kazakhstan as the least fragile among Central Asian countries.

Observers assumed presence of some kind of Kazakh social contract where citizens would surrender most political freedoms and rights for economic welfare and political stability. Kazakhstani have enjoyed among the highest incomes in the post-Soviet world and, unlike Tajikistan and Kyrgyzstan, avoided any inter-ethnic strife, and, therefore, were considered to be by and large happy with their leader. Such an assumption was further confirmed by the apparent indifference of Kazakhstanis to policy-makers’ antics – first extending president’s term limits and then abolishing them altogether, then designating him as “Leader of the Nation”, and granting him founding-figure status on par with Singapore’s Lee Kuan Yew or Turkey’s Mustafa Kemal.

There were turbulent moments in 1990s, till the basic institutions of the state were built and Nazarbayev’s grip on power was consolidated. Even the comparatively quiet 2000s brought its nervous moments: a high-profile showdown by several members of government and business establishment in 2001, a big international corruption scandal, two political murders and defection and flight of Nazarbayev’s son-in-law. But never did these scandals lead to popular mobilization and contention. Even economic slowdown and devaluation of currency during global financial crisis did not push the Kazakh public to take to the streets.

After Nazarbayev’s second reelections in April 2011 the political quiet was broken. On May 17, 2011 a young man blew himself up in the lobby of regional KNB (former KGB) office in north-eastern town of Aktobe, injuring two. This was the first suicide

As the protests were brutally broken up in Zhanaozen, another, a more violent one broke out in the neighboring village of Shetpe on December 17, and was also dispersed using firearms. In both Zhanaozen and Shetpe angry protesters were accused of destroying government buildings and property and putting fire on local prosecutor’s office and oil firm’s offices. On December 18 and 19 two thousand gathered in the regional center Aktau on a peaceful rally to stop violence in Zhanaozen and Shetpe.

The government’s reaction to Zhanaozen challenge was fast and “traditional”. On December 16, as initial protests broke out, all communications lines were blocked and troops were mobilized. Police prevented travel of outsiders to the town and several activists were arrested for demonstrating against police brutality in Almaty, the largest and most contentious city. On December 17, the police arrested seventy in Zhanaozen and Nazarbayev declared the state of emergency and curfew in the district. Prosecutor General issued a statement calling protests acts of “hooliganism”\(^2\). Government also clamped down on violent dissent in the neighboring village of Shetpe, but showed restraints with peaceful demonstrators in Aktau. Nazarbayev initially supported actions of the police against “bandity”, whom he carefully distinguished from striking oilmen. Seemingly, he did not find Zhanaozen riots grave enough to cancel his official trip to Moscow.

Alarmed by Islamist insurgency and deadly strikes by oilmen in western Mangistau, foreign media was quick to point to “shaken stability” and “cracks in social contract”. US Helsinki Commission held a talk on instability in Kazakhstan and International Crisis Group put Kazakhstan in “deteriorating situations” category. The American volunteer organization, the Peace Corps, called back its volunteers in November 2011.

But how real is the political danger? Are protests a harbinger of turbulent changes to come or a one-time event, well managed and killed off by the incumbents? Will any such events follow and what would be their scale? Where is the bigger threat to stability in Kazakhstan – among the wide masses or among those in top? What are the prospects for a change in Kazakhstan, given the zeitgeist of Arab Spring and Russian electoral protests?

The easiest and most obvious way to proceed would be to look at the past and see if Nazarbayev faced any similar challenges in his presidency and how he managed them. However, past is a grounded concerns that ethnic Slavs dominating North Kazakhstan would secede and join Russian Federation should the newly-empowered ethnic Kazakh elites push too hard on ethnic nation-building. Unlike other Central Asian ethnicities, Ka-

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\(^2\) Office of the Prosecutor General later claimed communication blockade was a technical issue caused by a damaged cable and not a deliberate government act.

\(^3\) Prosecutor’s Office consistently referred to government challengers as “hooligans”, though their alleged actions (arson, firing into policemen, destroying government buildings, plunder, blocking transport) should ideally have been qualified as a more serious type of crime.

**Analysis of past (perceived) threats to the incumbent**

First, when Kazakhstan reluctantly declared independence in December 1991 there were well-grounded concerns that ethnic Slavs dominating North Kazakhstan would secede and join Russian Federation should the newly-empowered ethnic Kazakh elites push too hard on ethnic nation-building. Unlike other Central Asian ethnicities, Ka-
Kazakhs were not the majority in "their" country and most of the Russian-speaking Slavic minorities (Russian and Ukrainians) were concentrated in the north of the country.

President Nazarbayev successfully navigated between rising Kazakh ethno-nationalism and formal ideology of multiculturalism and over time eliminated the threat of Russian secession through encouraging internal migration of ethnic Kazakhs to the North, securing Russian Federation's support for its territorial integrity and political disempowerment of separatist forces in the North. Secession is not a threat anymore and Nazarbayev takes due credit for that.

Second, similar to Russia's Boris Yeltsin, Nazarbayev had to deal with a non-compliant parliament in early nineties. Following the Russian example, Nazarbayev secured "voluntary" dissolution of the parliament in December 1993, accusing it of blocking economic reforms. The new parliament was elected under very tight government control and with Communist party banned from running.

Though most of the new MPs were staunch supporters of Nazarbayev, the second parliament also ended up disappointing him. Unhappy with the pace and mode of economic reforms, the majority of deputies handed a vote of no-confidence to the Premier. When Nazarbayev ignored the vote, a more radical faction called for Nazarbayev's resignation as well. A number of laws vetoed by Nazarbayev were overridden by parliamentary majority. Happy with such a contentious parliament, Nazarbayev had to bow to demands of MPs and fire his Premier.

Following this standoff, there was a seven-months-long political deadlock, with parliament acting populist and incoherent, which Nazarbayev ended through Constitutional Court's ruling that elections of 1994 were illegitimate and dissolving the parliament in March 1995. He ruled by decree for nine months, till the new Constitution was adopted in August 1995, necessitating new elections to the legislature and extending his tenure till 2000.

Third big challenge to Nazarbayev regime came when a number of prominent businessmen and government officials wrote an open letter to Nazarbayev accusing his son-in-law, Rakhat Aliev, of corruption and usurping power. Signatories to the document also organized "Democratic Choice of Kazakhstan" (DCK) movement to promote political reforms and limit powers of presidency and presidential family's growing influence. This was the first case of open defiance of elites against president Nazarbayev.

The president acted decisively, publicly defending his son-in-law and condemning DCK. Enraged Premier Tokayev demanded that government officials who signed the letter immediately resign, but Nazarbayev simply fired them. Two members of the DCK, Mukhtar Ablyazov and Galymzhан Zhakiyanov, were subsequently arrested and imprisoned for one and four years, respectively. Following the DCK scandal Premier Tokayev had to resign, while Aliev was sent off to Vienna as an ambassador.

The fourth and fifth political challenges were scandals popularly known as "Kazakhgate" and "Rakhatgate". "Kazakhgate" scandal involved a prominent New York banker and trader James Giffen, unfolded in 2003, when Giffen was arrested in US for bribing Foreign Corrupt Practices Act that prohibits US companies from paying bribes to overseas officials. Giffen was charged with making payments and gifts to Kazakh officials to secure contracts on behalf of American oil companies. Giffen confessed to payments, but claimed he was acting in the interests of US Government and the CIA, and requested court access to classified intelligence documents to back up his claims. The government refused and the Giffen case was resolved in 2011 with Giffen pleading guilty to a minor misdemeanor and de facto winning his case using a legal loophole.

The fifth challenge, the "Rakhatgate" scandal involved a public demarche of President’s son-in-law Rakhat Aliev against Nazarbayev and Kazakh political elite and publication of compromising audiotapes and documents Aliev had been collecting on senior Kazakh politicians. Aliev also published an autobiographical "Godfather-in-Law", a political tell-all memoir. Kazakh officials banned the book and have fought, fruitlessly, for extradition of Aliev from Austria where he is currently residing. The Vienna court cited threat of torture and political bias and refused to hand over Aliev to Kazakhstan. Aliev has been stripped off all his diplomatic and military ranks and fired from all government positions he was holding. Dariga, Nazarbayev’s daughter, divorced him soon afterwards. Though the book and subsequent interviews by Aliev put the President and his associates in rather embarrassing light and made many influential individuals furious, the public impact of the revelations was minimal and kept to private discussions.

The final, sixth, potential political challenge, economic slowdown and financial troubles due to global financial crisis led to falling trust in banks and some insolvent problems. There were concerns in Kazakhstan at the onset of the crisis that financial troubles coupled with rising food

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prices might spill out into political discontent of the poorest and boost opposition’s appeal. Especially vulnerable were the incumbents during devaluation of tenge in February 2009, which could have caused bank run and public discontent with rising prices of imported food. However, financial measures did not lead to any significant public mobilization and Kazakh devaluation went on without major political upheaval.

The short history of Kazakh political crises up to Zhanaozen clashes shows that President Nazarbayev has been very savvy and shrewd both as an elite power-broker and a public figure. He has successfully handled all major challenges to his power and has so far averted any significant public mobilization against his rule. This makes observers believe that he will also successfully mount the recent challenges – Zhanaozen crisis, rise of militant Islam and the threat of Arab Spring type revolt in his country.

“Zhanaozen legacy” and popular discontent

Zhanaozen protests can easily be called unprecedented due to amount of attention and criticism it attracted and the use of firearms. It is also the first case when a politically-motivated state of an emergency was declared in Kazakhstan since the all-Soviet August putch of 1991.

Interestingly, Zhanaozen was a site of a bloody clash once before, in 1989, when a disco fight between a Kazakh and a Lezgin escalated into a four-day ethnic killing spree. It took Soviet troops and heavy machinery to stop the carnage and bring order. Then as well local authorities had to call a curfew on the town.

The elites have managed to localize the recent crisis by sealing the town off and blocking all communications. A number of mid- and higher level political functionaries and police officials have been sacrificed to public anger. More importantly, Timur Kulibayev, Nazarbayev’s second son-in-law in charge of KazMunaiGaz, was fired from his position, apparently to demonstrate Nazarbayev’s impartiality and ruthlessness in dealing with those responsible for the bloodbath. Several lower ranking police officers have been tried and President paid a visit to the region, albeit only when the protests were put down. Several attempted protests were blocked in Almaty and a number of political dissenters arrested, including the editor of a prominent weekly “Vzglyad” Igor Vinyavsky and leader of the unregistered “Alga” party Vladimir Kozlov.

As such, the conflict momentum of Zhanaozen is most likely extinguished. However, the potential for conflict is present throughout the country, especially in northern and western parts, including Zhanaozen, where labor disputes between companies and desperate workers still lie unresolved. Such potential, however, is unlikely to lead to Zhanaozen-type violent outbreaks in the foreseeable future.

Militant Islam

Militant Islam, despite in recent rise, can be ruled out as a serious threat to the Nazarbayev regime, even if individual attacks continue. The main reason for this is large security apparatus at President’s service, which has effectively repressed Islamists since their very rise in the late nineties. Another is that Kazakhstan does not border a state that is known to harbor or support terrorists. Unlike, Tajikistan, Uzbekistan and Turkmenistan, Kazakhstan does not share a border with Afghanistan and so far as NATO troops are cordon off north of Afghanistan, Taliban-connected insurgency is not a direct and an immediate threat to Kazakhstan.

Finally and most importantly, Islamists traditionally had a very limited social base among ordinary Kazakhs. The majority of the population are non-practicing believers and have been suspicious of Salafist and Wahhabi ideology that locals view as alien to Kazakh tradition of Islam. Through government repression and poor socio-economic conditions might fuel Islamic sentiment in the future, so far the destabilizing potential of Islamist insurgency is quite limited in Kazakhstan.

Kazakh Arab Spring?

After popular mobilization in Middle East and North Africa that led to ousting of Tunisia’s Ben Ali, Egypt’s Mubarak, Libya’s Qaddafi and Yemen’s Saleh, many started wondering if Arab Spring would inspire anything similar in Central Asia.

The majority of experts, including myself seem to agree that Arab Spring has a very limited potential in Central Asia. University of Washington political scientist Scott Radnitz cited language barrier between the two regions, autocrats’ increased alertness and weak civil society to argue for the non-diffusion of protests into Central Asia. Assistant Secretary of State Robert Blake added that better economic situation and oil wealth in Kazakhstan, as well as lack of meaningful opposition and alternative sources of information would further discourage popular protest. Another important factor is availability of work opportunities in neighboring Russia for the disenchanted youth.

In addition to the above, popular revolution is unlikely in Kazakhstan because the scarcely populated capital Astana is far away

from major industrial and financial centers and the presidential compound is itself a stronghold separated from the rest of the city by a river. Therefore, it is very difficult to expect large protests in Astana. Most likely forms of protests that will “sting” Nazarbayev are industrial strikes in the West and North and in Almaty, the financial center of the country and the stronghold of opposition.

More Likely Sources of Risk: Elites and Succession?

Many pundits have rightfully highlighted the socio-economic and demographic changes that might pose challenges in the more distant future. Ethnic nationalism, rising influence of Islam, growing rich-poor gap and general economic grievances are only a few of them. Experts also agree, however, that such changes are unlikely to pose a serious risk to stability in the near future.

The more serious immediate challenge to Nazarbayev’s rule seems to come from the three factions around the president: the feuding family, business elites and regional leaders. These top echelons of power are most likely to engage in aggressive struggle inside and among themselves once the current balance president departs from the political scene. All three groups are now competing discreetly on who will succeed Nazarbayev. If Nazarbayev becomes incapacitated or dies in office, the Speaker of the Senate temporarily takes over and most probably elections will be announced. It’s the time around these elections when instability is most likely. The way elections work in authoritarian societies is that each sides mobilizes its genuine (i.e. “paternalized”) supporters and buys off others’, while trying to weaken other factions using various tricks.

It is such tricks that could lead to mass mobilization by each faction of their supporters. While Kazakh feel a strong attachment to regional and other primordial identities, such attachments by themselves might not readily translate into mobilization, especially when there is a rift in these primordial groupings between leaders and ordinary members.

On the other hand, in the struggle for power the elites will certainly resort to tricks of smear campaigns, police or prosecutor-supported raids on each others’ strongholds, arrests and even contract killings. It is these dirty tactics that have the potential of mobilizing supporters of endangered elite factions. One only has to hope that elites would favor a more peaceful and restricted path of negotiations behind closed doors and limited mobilization.

Recommendations to European policy makers

a. Liberalization and democratization

A prominent Kazakhstan scholar claims that US has not much to lose from pushing Kazakhstan towards democracy and might actually gain something while doing so.\(^6\) I cannot say the same about European countries, though. Currently there’s very little use from European diplomatic pressure on Kazakhstan, but even less from economic pressure. Even though European Union is biggest export destination for Kazakhstan, most of its exports include fuel and mining products, for which European Union is a desperate and a competing buyer. Diplomatically, Kazakhstan has been keen to maintain the image of an enlightened Central Asian autocracy and belong to OECD-like prestigious groups without reforming its political system. For example, Kazakhstan has invested immense resources into securing OSCE Chairmanship in 2010 and holding the organization’s annual summit in Astana.

Nazarbayev likes to appear at different highest level get-togethers and does not want to become a pariah in international scene. Moreover, he is struggling fiercely to carve out leadership niche for his own country in geographic or identity groupings. This peculiarity of Kazakh political system and its thirst for international legitimation and recognition can be skillfully utilized to advance reform agenda.

On the diplomatic front, the momentum of maximum influence is now gone. The window of opportunity existed when Kazakhstan was campaigning for Chairmanship of OSCE and was more likely to bow to various human rights and liberalization demands and suggestions. Europeans actually tried to exploit the opportunity, but Kazakh diplomatic establishment took note of suggestions, but watered them down to largely formal legislative initiatives with very little change in practice. Taking into account this history of interaction, European policy makers are advised to make targeted requests concerning specific issues or people instead of general statements and concerns about overall human rights situation.

Combined with an international media exposure and openness of Kazakh leadership to the role of a benevolent autocrats, “specific-issue” strategy should work for amnesties for human rights activists or discontinuing harassment of individuals. For example it is largely due to consistent international pressure that a prominent human rights activist Evgeny Zhovtis was released, albeit serving more than a half of his widely contested sentence, as was opposition newspaper editor Igor Vinyavsky.
Kazakh political establishment, unlike most of its neighbors boasts many Western-educated young technocrats with a comparatively more liberal worldview and reformist tendencies. They have to be supported and nurtured and kept in constant contact with. Such people include Kairat Kelimbetov, Economic Development and Trade Minister, Zhanar Aitzhanova, Economic Integration Minister and many lower level officials. Moreover, unlike a number of regional authoritarianisms, Kazakhstan has been very open in terms of educational opportunities abroad and has invested significantly in elite education programs. This has to be made use of, for example in the framework of European Erasmus Mundus program, as well as by linking up with leading Kazakh universities. Educating a few political leaders at Oxford and Columbia will not help, as examples of Mikheil Saakashvili and Saif al Islam Qaddafi show. The goal is overwhelming numbers and a critical mass of liberal-thinking professionals.

Ultimately, the productive democratic impulse will come from within the Kazakh elite, most probably from business elites who are in increasing need to protect their newly acquired property from the “inner circle” of the President. Such disillusioned elites are the most likely force behind liberalization, if not democratization, and greater pluralism. A part of such business elites are those who have a vested interest in Kazakhstan’s good international image for their private purposes.

A note of caution here is that representatives of Kazakh business establishment, just like their Russian and Ukrainian counterparts, have mastered the skills of “liberal talk” when defending their business interests, as exemplified by Russian oligarchs Vladimir Gusinsky, Boris Berezovsky and Mikhail Khodorkovsky, as well as Kazakh Mukhtar Ablyazov and Rakhat Aliev. Their liberal intentions have to be accepted with a grain of salt and policies shaped accordingly.

While not “causing” democratization, working with media and civil society might help unleash the democratizing potential and provide a good background once the domestic opportunities arise for democracy promotion. Here as well, extreme caution has to be exercised, as CIS governments have largely succeeded in convincing the local populace that Western-linked civic action and non-governmental groups are agents of foreign domination and interference. Moreover, the legal barriers for foreign sponsorship of domestic civil society have rose up significantly and many Western-provided funds end up in the hands of government-organized civil society groups, GONGO.

For the sake of stability, EU policymakers might want to join the foreign investors in pushing President Nazarbayev appoint a successor while in power, to prevent instability. While President Nazarbayev is naturally unwilling to do so and will most likely cling to power as long as health and popularity permit him, much potential instability might be averted if Nazarbayev were to appoint a successor today. One type of motivation that the President might listen to is a claim that if a successor is appointed while he is still in power, it might be easier to ensure that his legacy and political tradition is followed and well-institutionalized even when he is gone.

b. Zhanaozen and the current situation

While the majority of experts and foreign policy makers seem to have a rough agreement over Western demands regarding Zhanaozen, German chancellor clearly showed how not to deal with the situation. While Baroness Ashton, EU foreign policy chief expressed her concern with the situation in Zhanaozen and European Parliament passed a resolution regarding the situation in Kazakhstan, Ms Merkel hosted President Nazarbayev in Berlin on February 8 in what was apparently a desperate German move to secure export of Kazakh rare earth metals to German producers. Although human rights issues were mentioned, they were quickly brushed aside. Ms Merkel’s French colleague Nicolas Sarkozy also did not shy away from meeting a Central Asian autocrat on September 19, 2011.

So far the Kazakh government has already carried out some measures that could have been asked from them. Specifically, Kazakhstani police are expected to receive latest riot control equipment so that firearms become only the tool of last resort. Oil strikers were promised a pay, a number of high profile officials were fired and several policemen charged for shooting at protesters.

EU policymakers should continue to press for the release of opposition activist Vladimir Kozlov arrested in the aftermath of Zhanaozen events (another arrested activist, journalist Igor Vishnyavsky was released recently). It is also necessary to lobby for the release of a number of other lower profile activists who were imprisoned for various charges in connection with their criticism of government’s handling of the crisis. But mere release from custody is not enough, policymakers should lobby for dropping of all charges against them, so that these activists could resume their work without a criminal record.

Most importantly, however, EU policymakers should continue pressing for an impartial investigation into the events, preferably by a team that should also include reputable foreigners. Such
a proposal has already been floated in the European parliament and seems to have the support of MEPs.

In the middle and long-run, American and European policy-makers should cooperate with multinational companies based in their countries to advance corporate social responsibility. Even though Zhanaozen riots started out as a dispute between a domestic company and its workers, the situation at some foreign-owned companies is also critical and more strikes might follow.

It is most likely that the business establishment does realize the short-sightedness of mistreating their workers and supporting authoritarian regime and is well aware of the danger of longer-term instability for their businesses. However, business community would hardly organize itself for a political action. Therefore, the policymakers’ support of this agenda is highly recommended.

As this article was being drafted, the situation at a number of state and foreign-owned mining companies was tense with workers planning strikes in reaction to company leadership’s renouncing previously reached agreements.