

PRESIDENTIAL ELECTIONS IN KAZAKHSTAN: THE POLITICAL, ECONOMIC, AND DEVELOPMENT AGENDA

On November 17, 2005, Hudson Institute's Center for Future Security Strategies hosted a panel discussion on "Kazakhstan Presidential Elections: The Political, Economic, and Development Agenda." The featured speakers were Center Director S. Enders Wimbush, who also served as moderator; Matthew Bryza, Deputy Assistant Secretary of State for Europe and Eurasia; Vlad Socor, Senior Fellow at the Jamestown Foundation and columnist for *The Wall Street Journal Europe*; and Ariel Cohen, Ph.D., Senior Research Fellow for Russia and Eurasia Studies and International Energy Security of the Heritage Foundation.

The panelists agreed that the elections, scheduled for December 4, should be seen as an opportunity to help promote political and economic reform in the region. They stressed the need to place the upcoming vote in regional and historical context. Kazakhstan may not meet all the criteria of an established Western-style liberal democracy, but the country has achieved substantial economic and political reform in a very short time, and from an initially low baseline. The elections will have a major impact in defining the environment in which other actors will pursue their own, often conflicting, political, security, and energy strategies in the region. The speakers argued that the United States needs to develop a better understanding of Central Asia and its various external actors to participate more effectively in this game.

S. ENDERS WIMBUSH

It is important that we think about Kazakhstan's presidential elections in new and innovative ways. It is particularly essential that we get our questions right as we go forward. The kinds of questions we might have asked in the past emphasized our preoccupation with Kazakhstan's internal politics and the relationship of the governors to the governed. Of course this continues to be important, but these elections are about so much more than that.



Twelve years ago, many believed that the most important criteria for evaluating any election in the former Soviet Union was whether they were free and fair, and thereby promoted domestic democratic principles in the country. Since then, we have become more aware of the importance of external actors, all with strategies for pursuing

their specific interests in the Central Asian/Caucasus region. Who would have foreseen in the early 1990s the aggressive competition between China and India for access to the area's energy resources, the resurgence of Russia as a quasi-hegemonic actor, that Iran would be within close proximity to becoming a nuclear weapons power, or that the United States would have a military presence in Central Asia that could become permanent?

Kazakhstan today lies at the fulcrum of significant geo-strategic shifts resulting from large power competition for long-term advantage in the region, the competition for energy, and the more potent political and military tools most actors possess to pursue their strategies. The importance of the elections in Kazakhstan and in nearby countries lies precisely in how they will shape the thinking of key actors regarding how the strategic landscape is evolving and how they must adjust their strategies. The election, therefore, is a central part of the competitive environment within which the interested parties will calibrate their interests and strategies in the region.

MATTHEW BRYZA

The United States has three core strategic interests in Central Asia, the Caucasus, and other nearby areas, such as Turkey. One interest is developing and exporting the energy resources of the Caspian Sea region. Kazakhstan's burgeoning potential as a major energy supplier



will only enhance the country's value in the future. A second interest, reflecting the post-9/11 security agenda, is obtaining Central Asian support for countering terrorism and the proliferation of weapons of mass destruction. Washington appreciates Kazakhstan's long-standing assistance in fighting terrorists, supporting U.S. military forces in Afghanistan and Iraq, and cooperating on preventing the nonproliferation of weapons of mass destruction.

The third core American strategic goal, expanding freedom through economic and especially political reform, provides a

foundation for achieving the first two interests. Achieving political legitimacy and stability requires free and fair elections. The upcoming ballot offers an opportunity to advance political freedoms in Kazakhstan and to help legitimize the government. The Bush administration wants Kazakhstan to become a leader in all three areas. If international observers declare the election free and fair, Kazakhstan's aspirations to chair the OSCE will improve, as will the country's ability to pursue further economic reforms and promote regional cooperation in energy, security, and other areas.

The administration recognizes that democracy follows a different path in every country. Developing democratic institutions is a long and difficult process. A country makes progress if it constantly moves toward greater political openness. President Nursultan Nazarbayev has committed his government to holding free and fair elections. Kazakh authorities have declared their intent to increase media access for opposition candidates, publish election lists, and encourage free debates. Some progress has been noted in these areas, but further improvements are possible. Questions remain about issues such as adequate media access for opposition candidates.

VLAD SOCOR

It is essential to place Kazakhstan's approaching elections in historical and international context. Despite having started from a very low baseline, and despite the relatively short period since Kazakhstan gained independence, the country's institutional and economic development should be regarded as a success for American policy. This positive appraisal becomes even more apparent when one compares the favorable developments in Kazakhstan with U.S. setbacks in neighboring states (especially in Uzbekistan, Tajikistan, and Russia). The only other country in the region possibly showing equal promise is Azerbaijan, where the recent elections testified to the country's significant if underappreciated progress towards meeting democratic principles.

As recognized by U.S. President George Bush in his recent and unusually warm letter to President Nursultan Nazarbayev, Kazakhstan has experienced a rare case of successful post-Soviet nation building from scratch—thanks in part to Nazarbayev's firm leadership. The country has become a model of ethnic and religious tolerance, and has developed a functioning market economy and a strong banking system. Kazakhstan attracts more foreign direct investment per capita than any other former Soviet republic, and permits Western ownership of mineral deposits, a rare case among oil-rich states. After 9/11, the Kazakh government, on its own initiative, extended emergency landing and refueling rights to U.S. military personnel involved in anti-

terrorism operations in Afghanistan. Only a strong government could have felt sufficiently confident to make such a risky decision.

Kazakhstan has already become a strategically significant source of Western energy supplies. It currently produces approximately 50 million tons of oil annually. Forecasts project its energy production will soar to 100 million tons by 2010 and at least 150 million tons by 2015. Even by then, it will consume only some 20 million tons internally. As a result of this equation, a considerable share of Kazakh oil production will remain available for exports. These volumes can help constrain further price rises on the world energy markets. Although Europe is likely to be the primary consumer of Kazakhstan's oil, the United States has a vital interest in promoting the construction of new westbound energy routes from Kazakhstan. Kazakh oil will likely reduce Europe's growing dependency on Middle Eastern and Russian energy. Consequently, it will help strengthen transatlantic solidarity by expanding Europeans' latitude for independent decision-making.

Several developments need to occur for Kazakhstan to reach its full potential as an energy supplier. First, the use and capacity of the Baku-Tbilisi-Ceyhan pipeline need to increase. Second, Kazakhstan must overcome Russian and Iranian objections, nominally on environmental grounds, to its laying undersea cables and pipelines on the Caspian seabed. The United States and other countries should provide

full support for Kazakhstan's proposal, made in 2004, that each littoral country be allowed to undertake construction in its own sector of the seabed without others' approval. Finally, the recent bidding war for Petrokazakhstan

demonstrated that Chinese representatives, exploiting the cash surplus generated by Chinese state enterprises in their domestic markets, are willing to pay above-market prices to secure Central Asia's energy sources. China's claim on Kazakh oil needs to remain minimal to avoid further distorting world energy markets.

The mixed results of the recent "color revolutions" in Georgia, Ukraine, and Kyrgyzstan mean that observers must have realistic expectations regarding political developments in Kazakhstan. They should declare the upcoming elections a success even if the process shows only modest improvements over past ballots. Failure to recognize and reward the significant strides Kazakhstan already has made since independence towards political and economic freedoms could disrupt the positive trends in that country.



ARIEL COHEN

Like any complex political phenomena, elections occur in an historical context. Eurasia is the battleground where the interests of both nation states and the global Jihadi movement clash. It already witnesses a contest between Western values and civilization on the one hand, and the Jihadi values manifested by the Hizb ut-Tahrir al-Islami, the Islamic Movement of Uzbekistan, and other Islamist extremists on the other. Kazakhstan's peaceful inter-ethnic and inter-faith relations represent a boon in the battle for hearts and minds in the Islamic world. In order to frustrate the spread of Islamic

fundamentalism, President Nazerbayev is developing a synthetic Kazak identity for the over one hundred ethnic groups in the country.

The United States and its allies need to cultivate relationships not only with Central Asian governments, but also with their peoples. We must support those trends that promote economic development and greater political participation, which itself contributes to stability and prosperity. In addition to promoting a new synthesis between the best of Western and Eastern civilizations, President Nazarbayev has followed the Asian Tiger model of development.

Like Kazakhstan, they too have made tremendous political and economic progress despite starting from low baselines. Although



outlets offering differing interpretations. Americans are impatient people: we want democracy *now*. But democracy is an organic phenomenon, typically embedded in a civilization that grows gradually over time.

Many interested parties will be watching this election closely, Moscow foremost among them. Russian officials and their political consultants have been eagerly sharing their view with their Central Asian colleagues that the recent color revolutions succeeded because the incumbent regimes proved unwilling to use sufficient force to remain in power. Ignoring what happened in Ukraine, Russian political consultants linked to the Kremlin claim that whoever spends the most money will win the ballot.

Russia, China, India, and Iran are all competing for access to Central Asian energy. Russian officials and capitalists are striving to control the region's oil and gas pipelines. Their success to date has already yielded tremendous economic and political dividends. Chinese

Kazakhstan remains an imperfect democracy, and the prospects of an opposition victory in the upcoming elections are questionable, the country does boast multiple political parties and print media

firms, which are organs of the state, have shown a willingness to spend tremendous sums to acquire guaranteed access to energy reserves in Kazakhstan and elsewhere. The Kazakhstan-China pipeline, which will open on January 1, 2006, will have the capacity to move 250,000 barrels daily. Iranians want to pump Kazakh oil south and are eager to incorporate Kazakh technology into Iran's military-industrial complex.

For too long, American policy makers have ignored the threat presented by the growing prominence of the Shanghai Cooperation Organization (SCO). Russia and China are using the SCO to pursue strategies that challenge vital U.S. interests in the region. Uzbekistan already has defected to their camp, and other former Soviet republics could easily follow.

One can envisage four probable scenarios with respect to the upcoming presidential elections. First, Nazarbayev could garner some 70% of the votes while international observers affirm that the ballot was free and fair. Second, a widespread desire by zealous local authorities to show their allegiance to the incumbent could tarnish the elections by, for example, reelecting Nazarbayev with 98% of the vote. Third, if the elections are found to have been undemocratic, the opposition may register protests but leave it at that. Finally, if there are major violations during the vote count, validated by Western observers, opposition leaders might aggressively challenge the legitimacy of the outcome. It is in the interest of the United States that a new significant step in democratic development takes place in a transparent fashion; elections are legitimate and smooth; and the situation in Kazakhstan remains stable.

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