



Kazakhstan: Recent Developments and U.S. Interests

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Summary

Kazakhstan is an important power in Central Asia by virtue of its geographic location, large territory, ample natural resources, and economic growth, but it faces ethnic, political, and other challenges to stability. Kazakhstan gained independence at the end of 1991 after the break-up of the former Soviet Union. Kazakhstan's president at the time, Nursultan Nazarbayev, was one of the top leaders of the former Soviet Union and was instrumental in forming the successor Commonwealth of Independent States. He has been reelected President of Kazakhstan several times and in June 2010 was proclaimed the "Leader of the Nation" with lifetime ruling responsibilities and privileges. Kazakhstan's economy is the strongest in Central Asia, buoyed by oil exports. Its progress in democratization and respect for human rights has been halting, according to most observers. Nonetheless, Kazakhstan's pledges to reform convinced the Organization for Security and Cooperation in Europe to select the country's leadership for its 2010 presidency.

According to the Obama Administration, the United States' strategic aim in Kazakhstan is to help the country develop into a stable, secure, and democratic country that embraces free market competition and rule of law, and is a respected regional leader. Cumulative U.S. aid budgeted for Kazakhstan in fiscal years 1992 through 2010 was \$2.05 billion (all program and agency funds), with Kazakhstan ranking fifth in aid among the 12 Soviet successor states. A large part of U.S. aid has supported Comprehensive Threat Reduction (CTR) programs to prevent the proliferation of weapons of mass destruction. Budgeted aid for FY2011 was \$17.6 million, and is estimated to be \$18.8 million for FY2012. Requested aid for FY2013 is \$14.9 million (these latter amounts include foreign assistance listed in the *Congressional Budget Justification for Foreign Operations*, and exclude Defense and Energy Department funding). Among congressional actions, foreign operations appropriations since FY2003 have forbade assistance to the government of Kazakhstan unless the Secretary of State determines and reports that Kazakhstan has significantly improved its human rights record. A waiver on national security grounds has been exercised in recent years.

Reportedly responding to a U.S. appeal, the Kazakh legislature in May 2003 approved sending military engineers to assist in coalition operations in Iraq. The 27 troops trained Iraqis in demining and water purification. They pulled out of Iraq in late 2008. Since 2009, Kazakhstan has permitted air and land transit for U.S. and NATO troops and equipment—as part of the Northern Distribution Network—to support stabilization operations in Afghanistan. In mid-May 2011, the Kazakh legislature voted against sending some officers to take part in noncombat missions in Afghanistan, citing popular opposition to sending military personnel to Afghanistan.

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Political Background

Kazakhstan's moves toward democracy have been halting. The 1995 constitution establishes strong presidential power. As further fleshed out by a presidential edict, the legislature can neither control the budget, initiate constitutional changes, or exercise oversight over the executive branch. Most bills are initiated by the president, and if the legislature fails within 30 days to pass one of his "urgent" bills, he may issue it by decree. The bicameral legislature consists of a popularly elected lower chamber, the Majilis, and an upper chamber, the Senate, whose members are indirectly elected by regional assemblies or by the president. A People's Assembly composed of cultural and ethnic leaders serves as a presidential forum. A law in 2000 guaranteed the president certain post-retirement powers, as well as immunity from prosecution. These powers include the chairmanship of the People's Assembly and membership on the Security Council and Constitutional Council, and the right to advise the incumbent president and to retain a role in "initiatives on the country's development."

Kazakhstan: Basic Facts

Area and Population: Land area is 1,049,200 sq. mi.; about four times the size of Texas. The population is 17.5 million (*The World Factbook*, mid-2012 est.).

Ethnicity: 53.4% are Kazakh and 30% are Russian (1999 *Kazakh census*). Other ethnic groups include Uzbeks, Tatars, Uighurs, and Germans.

Gross Domestic Product: \$219.6 billion; per capita GDP is about \$13,200 (*The World Factbook*, 2011 est., purchasing power parity).

Political Leaders: *President:* Nursultan Nazarbayev; *Chair of the Majilis:* Nurlan Nigmatulin; *Chair of the Senate:* Kayrat Mami; *Prime Minister:* Karim Masimov; *Foreign Minister:* Yerzhan Kazykhanov; *Defense Minister:* Adilbek Dzhaksybekov.

Biography: Nazarbayev, born in 1940, moved up through the ranks of the Kazakh Communist Party (KCP), becoming its head in 1989. He also was appointed president by the legislature in 1990. He resigned from the KCP in 1991 and won an unopposed popular election as president in December 1991. A 1995 referendum extended his rule. He was reelected in 1999 and 2005. In 2000, legislation granted him some official powers for life, and in 2007 he was exempted from term limits.

On December 4, 2005, President Nazarbayev was reelected with 91.1% of 6.74 million votes cast in a five-man race. Many observers credited economic growth in the country and increases in pensions and state wages as bolstering Nazarbayev's popularity. He campaigned widely and pledged democratic reforms and poverty relief. Five pro-government parties formed a People's Coalition to back him. Many oppositionists supported a Movement for a Just Kazakhstan, which backed Zharmakhan Tuyakbay, the head of the Social Democratic Party. Another candidate, Alikhan Baymenov, had been nominated by the "moderate opposition" Ak Zhol Party. Observers from the Organization for Security and Cooperation in Europe (OSCE) and others assessed the election as progressive but still falling short of a free and fair race.

The legislature approved constitutional changes in May 2007 that President Nazarbayev claimed would increase legislative power and boost democratization. The changes included increasing the number of deputies in both legislative chambers, decreasing the president's term in office from seven to five years (reversing a 1998 change from five to seven years), and requiring a court order in case of detention or arrest. Seemingly nonreformist changes included a requirement for a two-thirds vote in each legislative chamber to override presidential alterations to approved bills, a provision that nine deputies of the Majilis (the lower legislative chamber) are appointed by the People's Assembly, and a change "initiated" by the legislature excluding Nazarbayev from term limits. Visiting former U.S. Assistant Secretary of State Richard Boucher stated in June 2007 that

“these constitutional amendments go in the right direction.... [and] point the way to a stable, democratic system.”¹

An early Majilis election was called for August 18, 2007. As per constitutional amendments and election law changes, the size of the chamber was increased to 107 members. Ninety-eight members were to be elected by party lists and nine by the People’s Assembly headed by the president. Seven parties were registered for the election, six of which were pro-government and one of which was an opposition party, the National Social Democratic Party. The ruling party, Nur-Otan (Fatherland’s Ray of Light), reportedly received 88.05% of 8.87 million votes cast and won all 98 seats. The other parties were unable to clear a 7% threshold needed to win seats. Observers from the OSCE praised some positive aspects of the vote, but judged it as falling short of a free and fair race.² In 2009, the Azat (Freedom) Party and the National Social Democratic Party announced that they were merging to increase their electoral prospects, but the government has refused to register the new party.

Legislation approved in May 2010 proclaimed Nazarbayev the “Leader of the Nation” (“El Basy”) and reiterated and may have broadened lifetime powers granted in 2000 even if he retires from the presidency. The underlying purpose of the legislation may have been its guarantees of lifetime immunity from prosecution and other protections for the president and his family, including their business dealings. Nazarbayev refused to sign the bills into law, stating that although he was honored by the designation, he did not need such “puffery,” and that his family should be covered by the same laws as everyone else. Despite these seeming protestations, he did not formally veto the bills, so under a law implementing the constitution,³ they went into effect in mid-June 2010. He explained that he did not veto the bills because he was certain the legislature would bow to the wishes of the people and over-ride a veto.

In late 2010, supporters of President Nazarbayev launched a petition drive to hold a referendum to approve extending his term in office until December 2020 (a similar referendum had been held in 1995 to extend his term to 1999). The United States and other countries and international organizations were critical of the proposed referendum. The Kazakh legislature quickly approved a bill to hold a referendum even before the petition drive was complete, but President Nazarbayev vetoed the legislation. The legislature overrode his veto (by this time, reportedly two-thirds of the electorate had signed the petition), but the Constitutional Council ruled at the end of January 2011 against the legitimacy of proposed constitutional changes necessary to hold the referendum. President Nazarbayev claimed that to gratify the petition-signers who had endorsed his presidency and to uphold democracy, he would move up the date of the next scheduled presidential election from late 2012 to April 3, 2011.

Many opposition politicians decried the holding of a sudden presidential election. They claimed that they would not be able to mount adequate campaigns in only a few weeks, while Nazarbayev’s supporters had already mobilized to carry out the petition drive. During a three-week registration period, three candidates besides the president were able to satisfy the many

¹ U.S. Embassy, Astana, Kazakhstan. *Interview by ... Richard A. Boucher with Aybek Aldabergenov of Era TV*, June 6, 2007.

² OSCE, Office for Democratic Institutions and Human Rights, *Republic of Kazakhstan Parliamentary Elections, 18 August 2007: Election Observation Mission Report*, October 30, 2007.

³ Joanna Lillis, “Bill to Boost Nazarbayev’s Powers in Kazakhstan Remains Theoretically Alive,” *Eurasianet*, June 9, 2010.

requirements necessary to run (two of these also had run in the 2005 presidential election), while other more well-known opposition politicians refused to run, were unable to satisfy the various requirements, or were denied registration. All of the presidential candidates proclaimed that they wanted Nazarbayev to win, and one candidate announced on voting day that he had cast his ballot for the incumbent. The Kazakh Central Electoral Commission (CEC) reported that 89.99% of 9.3 million voters turned out and that Nazarbayev was reelected with 95.55% of the vote. According to OSCE monitors, “needed reforms for holding genuine democratic elections still have to materialize as this election revealed shortcomings similar to those” in previously monitored elections. The OSCE reported “serious irregularities” during voting, “including numerous instances of seemingly identical signatures on voter lists and cases of ballot box stuffing,” and judged vote counting as even more problematic.⁴ The U.S. Embassy congratulated Nazarbayev on his reelection and “welcome[d] Kazakhstan’s commitments to further liberalize the political environment and believe[d] that continued improvements in the electoral process are critical components.”⁵

For the third time during his period of rule, Kazakhstan’s President Nazarbayev issued a decree on November 16, 2011, dismissing the legislature and setting early elections for January 15, 2012. He invoked his constitutional power to dissolve the legislature in case of a “political crisis” between the legislature and the executive branch of government. He argued that the crisis was linked to the possibility of another global economic downturn. His presidential advisor added that other reasons included rising terrorism and increasing popular discontent that would make it more difficult for the ruling party to win if the election were held at the normal time in late 2012.⁶

Of the 107 seats in the lower legislative chamber (the Majlis), 98 were to be allocated through party list voting, with the remaining 9 members selected by a presidential advisory body. Critics complained that the holding of an early election appeared aimed—as in the case of the early presidential election—to hinder the political opposition from preparing for the election. Critics also alleged that the government had prepared for an early election, including by suspending the activities of the opposition Communist Party in October 2011, on the grounds that the party was trying to form an illegal alliance with an unregistered party to participate in a future legislative election. Another possible preparatory move included the Ak Zhal Party’s selection of Azat Peruashev as its head, who allegedly is a supporter of Nazarbayev. Under a law passed in 2009, more than one party must be represented in the legislature, so that even if only the ruling party gained enough votes to win seats under normal rules, a runner-up party would be granted at least two seats.

Seven parties were registered to run in the January 15, 2012, election to the Majlis. One other party, Rukhaniyat, was de-registered two weeks before the election, a procedure the OSCE stated appeared selective. Days before the election, over two dozen candidates were removed from the party lists by the Central Electoral Commission because of alleged inaccuracies in their documentation, a procedure deemed problematic by the OSCE.

⁴ OSCE, Office for Democratic Institutions and Human Rights, *International Election Observation, Republic Of Kazakhstan, Early Presidential Election, 3 April 2011: Statement of Preliminary Findings and Conclusions*, April 4, 2011.

⁵ U.S. Embassy, Astana, Kazakhstan, *Press Release: U.S. Embassy Statement*, April 4, 2011.

⁶ *CEDR*, December 19, 2011, Doc. No. CEP-950019.

The official campaign season opened on December 16, 2011, the same day that a peaceful protest by striking energy workers in the northern Kazakh town of Zhanaozen turned violent, resulting in over a dozen deaths and dozens of injuries. Martial law was declared in the town and was extended to the end of January 2012, but voting on election day went ahead. Rukhaniyat claimed that it was blocked from participating in the election because of its criticism of the security crackdown in Zhanaozen. The riots contributed to more emphasis in the campaign to the need for boosting social programs. According to some reports, the government waited until after the election to launch arrests of many alleged protesters.

According to the final results issued by the CEC, the ruling Nur Otun Party received 80.99% of 7.02 million votes cast and won 83 seats, Ak Zhol received 7.47% of the vote and 8 seats, and Communist People's Party received 7.19% and 7 seats. The other four parties—the National Social Democratic Azat, Auyl, Patriots, and Adilet—failed to clear the 7% vote hurdle and won no seats. Even the presidential administration has stated that both of the minor parties that entered the Majlis are pro-Nazarbayev parties.

OSCE election monitors judged that the election did not meet fundamental principles of democratic elections. They reported that the legal framework for holding democratic elections was inadequate, only selected parties were permitted to run, voters had no assurance of which candidates on the winning lists might end up with seats, the open exchange of views during the campaign was restricted, and there were “significant irregularities” on voting day, including ballot box stuffing and “significant changes” by higher electoral bodies to vote totals reported at the precinct level. The OSCE monitors also raised concerns that the CEC had declared the winners before the appeal process period was over.⁷ In early March 2012, President Nazarbayev criticized some unnamed countries in the OSCE for using election monitoring to “pressure” other OSCE members, and threatened that Kazakhstan and other CIS members might cease inviting the OSCE to monitor elections.

Even before the election was over, observers reported that government arrests and harassment of journalists and opposition party politicians were increasing. In late January 2012, one prominent opposition newspaper editor was arrested on charges that were two years old, and the head of the unregistered Alga Party was arrested on charges of inciting social disorder, ostensibly referring to the events in Zhanaozen. Several leading politicians of the National Social Democratic Party Azat and others have been arrested and fined following protests that have been held every month since late January 2012 against alleged electoral violations and the government crackdown in Zhanaozen. In mid-March 2012, the European Parliament approved a resolution that expressed indignation for the incarceration of opposition politicians and journalists since the election on political grounds and called for their release. The resolution urged the Kazakh government to reverse the recent further deterioration of human rights by undertaking reforms to ensure future pluralistic elections, to safeguard a free press, and to permit NGOs to operate freely. The resolution also “strongly condemn[ed] the violent crackdown by the police against demonstrators in Zhanaozen,” and called for an independent and credible investigation of the incident.⁸

⁷ OSCE, ODIHR, *Republic Of Kazakhstan, Early Parliamentary Elections, 15 January 2012: OSCE/ODIHR Election Observation Mission Final Report*, April 3, 2012.

⁸ European Parliament, *Resolution of 15 March 2012 on Kazakhstan*, 2012/2553(RSP), March 15, 2012.

Terrorism and Unrest in Kazakhstan

Kazakhstan long argued that there were few terrorists within the country but this stance began to change in late 2003 with the establishment of an Anti-Terrorist Center as part of the National Security Committee. Shocking many Kazakhs, it reported the apprehension in late 2004 of over a dozen members of the obscure Islamic Jihad Group/Union of Uzbekistan (reportedly an offshoot of the Islamic Movement of Uzbekistan). It alleged that the group had ties to Al Qaeda; had cells in Kyrgyzstan, Uzbekistan, and Russia; and had been involved in attacks in Uzbekistan. In mid-2006, authorities detained 15-30 members of the banned Hizb ut-Tahrir group. In April 2007, 16 alleged terrorists were arrested on charges of planning attacks against security and police forces. In February 2008, security forces arrested five members of an alleged Salafi Jihadi Jamaat, whose leader had received training in Syria. In September 2009, six alleged terrorists were sentenced to 12-17 years in prison for planning to attack foreign oil companies and non-Muslims. In late 2009, the Kazakh National Security Committee reported that the government had prevented four terrorist attacks in 2008 and three in 2009.

Several suicide bombings and other alleged terrorist attacks occurred in Kazakhstan in 2011, although the government appeared reluctant to release many details and trials of alleged terrorists were usually closed to outside observers. A suicide bombing took place in a security office on May 17, 2011, in the city of Aktoke, and a car bombing took place at another security office on May 24 in Astana. On the night of June 30, alleged terrorists killed three police officers in the village of Shubarshi in Aktobe Region. Apparently shaken by these and other bombings and terrorist attacks, President Nazarbayev directed changes to the law on religion that were duly approved in late September. On October 31, two explosions occurred in the city of Atyrau, one at the regional administration building and the other a suicide bombing in a residential area. A week after these bombings, two police officers were killed in Almaty by alleged terrorists. On November 12, in the town of Taraz, one person killed several police and attacked a security office. The same day, an attempted explosion reportedly was foiled and an attack on a roadblock was carried out in Taraz, resulting in additional police deaths. The Jund al-Khilafah (Soldiers of the Caliphate) claimed responsibility for the bombings in Atyrau and may have been involved in other incidents. Kazakhstan's Office of the Prosecutor-General claimed that Jund al-Khilafah was formed in mid-2011 by Kazakh citizens Renat Khabibuly, Orynbasarov Unasov, and Damir Nabiyeu, was allied with the Taliban, was headquartered in Pakistan's tribal area, and was dedicated to "waging a jihad on the territory of Kazakhstan." At the end of November 2011, Kazakhstan banned Jund al-Khilafah as a terrorist organization.⁹ Jund al-Khilafah also has claimed responsibility for attacks on U.S. forces in Afghanistan. In April 2012, 47 alleged members or accomplices of the Jund al-Khilafah were sentenced for the October 31 attacks.

On December 16, 2011, energy sector workers on strike since May 2011 and others reportedly extensively damaged and burned government and other buildings and clashed with police in the town of Zhanaozen, in the Mangistau Region of Kazakhstan, resulting in 16 deaths and dozens of injuries, the government reported. Some observers alleged that there were more casualties and that the riots were triggered or exacerbated by police firing on the demonstrators (video posted on the Internet appeared to back this claim). Protests and violence also spread to other areas of the region. President Nursultan Nazarbayev declared a state of emergency and curfew in the town on December 17 and sent military and security forces to the region. He claimed that the violence was pre-planned and financed, perhaps from abroad, that the rioters had been given alcohol and

⁹ CEDR, November 9, 2011, Doc. No. CEP-950038; *Interfax*, November 30, 2011.

money, and that police had shot into the crowds only in self-defense. At the same time, he charged that local officials had not heeded the grievances of the striking oil workers and had given him misinformation. In response, he fired the head of Kazmunaigaz, the state-owned energy firm; ousted his son-in-law as head of the national fund that owned Kazmunaigaz; replaced the governor of the region; and pledged new employment and retraining for oil workers who had been fired during their long strike. Critics charged that he took these moves to protect his popularity and that of the ruling political party during an electoral campaign (see below). The government reported that dozens of individuals have been detained so far in connection with the protests.

A trial against 37 individuals charged with crimes associated with the Zhanaozen riot opened in late March 2012. The bulk of the defendants were striking workers and youths, who were accused of initiating the violence, although five police officers were being tried for abuses in quelling the unrest. In late April 2012, the nongovernmental organization Human Rights Watch called for the trial to be suspended while an investigation of alleged torture and other abuses against those on trial is carried out. In June 2012, a court sentenced about one-half of the defendants to 3-7 years in prison and gave suspended sentences, pardons, or acquittals to the rest. Another trial of 12 suspects resulted in four being sentenced to 4-7 years and the others being acquitted, pardoned, or amnestied. Other arrests have occurred.

In early July 2012, President Nazarbayev called for introducing new provisions in the criminal code to facilitate the prosecution of strike organizers. At a meeting with policemen on July 12, 2012, President Nazarbayev criticized them for not taking preventive measures against terrorism, and stated that “over 100 crimes connected with terrorism were committed in Kazakhstan in 2011-12. As a result, dozens of [terrorists and policemen] have died.... And we have to admit the fact that radical and extremist groups are putting enormous pressure on the government and society.”¹⁰ According to a Kazakh Security Council official, over 300 individuals have been convicted in Kazakhstan on charges of terrorism since 2005.¹¹ In late July 2012, one policeman was killed and one wounded in Almaty, and the alleged assailants later engaged in a gun battle with security forces and were killed. Reportedly, the assailants were criminals, but some observers warned that the attack may mark the revival of terrorist actions in Kazakhstan after several months of seeming quietude.

Human Rights

According to Human Rights Watch, Kazakhstan’s human rights record in 2011 was marked by the failure to carry out long-promised human rights reforms and by further setbacks. A new restrictive religion law was adopted, Internet websites were blocked, and laws restricting freedom of the media and freedom of assembly remained in place. The judiciary lacked independence, torture and arbitrary arrest remained problems, political party formation was discouraged, and the activities of nongovernmental organizations were restricted.¹²

In its *Country Reports on Human Rights Practices for 2011*, the U.S. State Department did not report whether or not the Kazakh government’s human rights record had improved during the

¹⁰ *CEDR*, July 13, 2012, Doc. No. CEP-950108.

¹¹ *CEDR*, June 27, 2012, Doc. No. CEP-950051.

¹² *World Report 2012*, Human Rights Watch, January 22, 2012.

year, but did identify ongoing problems and progress. The most significant problem areas included severe limits on citizens' rights to change their government; restrictions on freedom of speech, press, assembly, and association; and lack of an independent judiciary and due process. Other reported abuses included detainee and prisoner torture; arbitrary arrest and detention; restrictions on freedom of religion; restrictions on the activities of nongovernmental organizations (NGOs); and trafficking in persons. Most law enforcement officials committed abuses with impunity from prosecution. Police and prison officials regularly beat and abused detainees, often to obtain confessions. The Coalition of NGOs against Torture, a domestic organization, received 156 complaints during the year. The Prosecutor General's Office reported the release of over one thousand individuals whose detentions were deemed to violate procedures. The government occasionally arrested and detained government opponents and critics. Corruption was evident at every stage of the judicial process. Lack of due process was a problem, particularly in politically motivated trials involving protests by opposition activists.

The government used various legal and coercive means to control the media and limit freedom of expression. Media observers believed that most of the seven nationwide television broadcasters were owned wholly or partly by the government, and that most other broadcast media were controlled by members of the president's family or loyal associates. The domestic NGO Adil Soz reported that harassment of journalists decreased somewhat during the year, although journalists working in opposition media and those covering corruption continued to face harassment from officials and private actors. Control of media was ensured through expansive and vague laws prohibiting insulting the president or senior officials; divulging information about the president's health, finances, or private life; advocating class, social, race, national, or religious superiority, or cruelty and violence; and releasing economic information deemed sensitive. Adil Soz reported that over two dozen criminal and civil lawsuits had been filed against media outlets and journalists during the year, and that five journalists were serving prison sentences.

There were significant restrictions on freedom of assembly, and police used force to disrupt peaceful demonstrations. The law defined national security threats to include unsanctioned gatherings, public meetings, marches, demonstrations, and strikes that upset social and political stability. Opposition figures and human rights monitors complained that complicated and vague procedures made it difficult for groups to organize public meetings and demonstrations, and that local authorities turned down many applications for demonstrations. International human rights groups and local NGOs reported that the government continued to monitor the activities of NGOs that worked on sensitive issues and noted government harassment, including police visits and surveillance, of NGOs considered to be affiliated with the opposition.¹³

The State Department's *International Religious Freedom Report* reports that the government demonstrated a trend toward deterioration in respect for and protection of the right to religious freedom during 2011. A religion law passed in October 2011 imposes stringent registration requirements on religious groups. A new Religious Affairs Agency oversees the activities of religious groups and can initiate action to ban a group that violates the law. Its activities include the inspection and approval of religious literature. The *Trafficking in Persons Report 2012* reported that the Kazakh government continued to reduce the use of forced child labor in the cotton harvest and to increase law enforcement efforts against human trafficking. However, the State Department averred that Kazakhstan had not addressed the issue of official complicity in trafficking, among other issues, so would retain its "Tier 2" status as a country that does not fully

¹³ U.S. Department of State. *Country Reports on Human Rights Practices for 2011*, May 24, 2012.

comply with the minimum standards for the elimination of trafficking but is making significant efforts to comply.¹⁴

In February 2012, human rights activist Yevgeniy Zhovtis, sentenced in 2009 to four years in prison for a traffic accident, received a presidential amnesty and was released.

Kazakhstan's Presidency of the Organization for Security and Cooperation in Europe

The 15th Ministerial Meeting of the OSCE in Madrid in late November 2007 decided that Kazakhstan would hold the OSCE chairmanship in 2010, the first post-Soviet, Eurasian, Muslim-majority country to host an OSCE summit. Kazakhstan's then-Foreign Minister Marat Tazhin pledged at the Ministerial Meeting that Kazakhstan would enact human rights reforms prior to assuming the chairmanship and that during the chairmanship, Kazakhstan would ensure that NGOs are able to participate in OSCE events and that ODIHR's mandate is preserved.¹⁵ Addressing the Parliamentary Assembly of the OSCE in Astana in June 2008, President Nazarbayev stated that his country's preparations for holding the chairmanship included the elaboration of a blueprint he termed "the path to Europe," which envisaged Kazakhstan's integration into Europe in the areas of energy, transport, technology transfers, education, culture, and democratization.

Kazakhstan's progress in meeting these pledges was mixed at best, according to most observers. In early February 2009, President Nazarbayev approved changes to laws on the media, elections, and political parties. Political parties that did not gain at least 7% of votes cast in a Majlis election were accorded the right to participate in some legislative affairs; the number of signatures necessary for registering a party for a Majlis election was reduced from 50,000 to 40,000; and requirements for registering media were eased. Critics termed the changes minor.¹⁶ One positive sign was an action by the constitutional court in February 2009 to strike down a proposed law that would have tightened restrictions on religious freedom (however, a possibly restrictive religion law was passed in 2011). In July 2009, changes to the media law were signed into law that restricted access to the Internet and broadly banned media reporting that "interfere[s] with election campaigns," takes place during times when campaign news is not allowed, tries to influence election results, or influences participation in strikes. ODIHR had urged the legislature not to enact the changes.¹⁷

Kazakhstan assumed the chairmanship of the Organization for Security and Cooperation in Europe (OSCE) on January 1, 2010. It followed a varied agenda with emphasis on each of the military/security, democratic/human rights, and economic/environmental "dimensions" or "baskets" of activity of the OSCE. Kazakhstan stressed that it would emphasize several issues of concern to Kazakhstan, Central Asia, and Russia, among them: bolstering nuclear disarmament;

¹⁴ U.S. Department of State, *International Religious Freedom Report for 2011*, July 30, 2012; *Trafficking in Persons Report*, June 19, 2012.

¹⁵ OSCE, 15th Ministerial Council Meeting, *Address of Marat Tazhin, Minister of Foreign Affairs of the Republic of Kazakhstan*, November 29, 2007.

¹⁶ *An Atmosphere of Quiet Repression: Freedom of Religion, Assembly and Expression in Kazakhstan*, Human Rights Watch, December 2008.

¹⁷ *Human Rights in Kazakhstan: Seven Months before the OSCE Chairmanship*, Human Rights Watch Memorandum, Human Rights Watch, May 20, 2009.

continuing the “Corfu Process” dialogue on the future of European security (including discussion of Russia’s draft European Security Treaty); appointing a Special Representative of the OSCE Chairman to promote dialogue on protracted conflicts in the former Soviet Union; and supporting several initiatives regarding Afghanistan.

At an informal OSCE foreign ministerial meeting in Almaty (Kazakhstan’s largest city) in July 2010, an agreement was reached to hold an OSCE heads of state and government summit on December 1-2, 2010, in Astana (Kazakhstan’s capital), the first since the Istanbul summit in 1999. Kazakhstan had strongly urged holding this summit to “modernize” the activities of the OSCE. The United States earlier had raised concerns about the necessity of holding such a summit, but received assurances from Kazakhstan and others that a summit would address substantive issues of U.S. interest.¹⁸ At a meeting of the OSCE Permanent Council (the main decision-making body; it convenes weekly in Vienna) on November 15, 2010, Kazakh Foreign Minister and OSCE Chairman-in-Office Kanat Saudabayev called for the upcoming summit agenda to include enhancing the OSCE’s efforts in Afghanistan; bolstering early warning and conflict prevention mechanisms; reaffirming the rule of law and the role of civil society; promoting cooperation among international security organizations; and formulating an action plan to update the 1999 Vienna Document (provisions for confidence and security-building, including the exchange and verification of information on armed forces, defense policies, and military activities).¹⁹

During three Review Conference meetings to prepare the agenda for the summit, the United States stressed that in addition to the measures mentioned by Saudabayev, the agenda should include reestablishing an OSCE Mission in Georgia; empowering ODIHR to better monitor elections; and strengthening the powers of the OSCE Representative on Freedom of the Media, among other measures. At the same time, the United States reiterated that it did not see the need for new treaties or institutions to safeguard European Security as urged by Russia.²⁰ The United States also criticized Kazakhstan’s efforts to exclude some civil society representatives from the September 30-October 8, 2010, Review Conference held in Warsaw, Poland.²¹

According to many observers, the December 1-2, 2010, OSCE Summit accomplished a few of the goals set by Kazakhstan but fell short on most. Summit participants could not agree on an action plan, but issued the Astana Commemorative Declaration toward a Security Community. There appeared to be some progress in bolstering Afghanistan’s security and development and in reaffirming the centrality of democracy and human rights as core principles. The United States and Russia clashed over the issue of Georgia’s territorial integrity, including whether Russia had complied with ceasefire accords, and over Russia’s failure to carry out its pledge to withdraw troops from Moldova. Lack of progress in resolving the Armenia-Azerbaijan conflict over the breakaway Nagorno Karabakh also was mentioned by the United States as a reason the summit

¹⁸ Commission for Security and Cooperation in Europe, Articles, *OSCE 2010 Informal Ministerial: Kazakhstan Persistence Earns A Summit In Astana*, by Winsome Packer, November 1, 2010.

¹⁹ OSCE Permanent Council, *Countdown to the OSCE Summit: Statement by Mr. Kanat Saudabayev, Chairperson-in-Office of the OSCE and Secretary of State and Minister for Foreign Affairs*, November 15, 2010.

²⁰ United States Mission to the OSCE, *Opening Plenary Session at the OSCE Review Conference, Vienna, Austria, As delivered by Dr. Michael Haltzel, U.S. Head of Delegation, OSCE Review Conference, October 18, 2010; Closing Plenary Session of OSCE Review Conference in Vienna, Austria, As delivered by Dr. Michael Haltzel, October 26, 2010.*

²¹ United States Mission to the OSCE, OSCE Review Conference, Vienna, Austria, *As delivered by Julie Raschka, October 25, 2010; Catherine Fitzpatrick, “Turkmen Activists Denied Entry to OSCE Review Conference in Warsaw,” Eurasianet, October 4, 2010.*

could not agree on an action plan (however, a statement was issued calling for a settlement of the conflict). Although the summit declaration called for building on the so-called Corfu process to further European security cooperation, the United States and some other members of the OSCE had objected to Russia's call (supported by Kazakhstan) for a new European Security Treaty.

Economic Developments

Kazakhstan is the most economically developed of the former Soviet Central Asian republics. The country is a major regional exporter of oil, gas, and wheat. Up to one-fifth of the population, however, lives below the poverty level. In 1997, President Nazarbayev launched a plan to create an economically developed, secure, healthy, and educated country by 2030. In late 2005, he called for bringing Kazakhstan into the ranks of the top 50 developed countries within 10 years. At the beginning of 2010, President Nazarbayev launched a five-year plan for industrial diversification in line with his goals for 2030, aimed at developing the transport, pharmaceutical, telecommunication, petrochemical and food processing sectors of the economy. In May 2012, he called for developing transit infrastructure so that Kazakhstan would become the central hub of a new regional "silk road."

In 2008, tightening credit contributed to the collapse of Kazakhstan's real estate market, but high oil prices in the first part of the year partly cushioned the decline in GDP. In November 2008, President Nazarbayev launched a concerted anti-crisis plan that included lowering tax rates and drawing \$10 billion from a National Oil Fund (created in 2000 to stabilize the economy in the case of swings in world prices of oil, gas, and metals) to recapitalize banks that had nonperforming loans and large foreign debt payments; to support Kazakhstan's currency, the tenge; and otherwise to boost the economy. Declining oil revenues and foreign debt repayments led the central bank to devalue the tenge by 20% against the U.S. dollar in early 2009. According to the Economist Intelligence Unit (EIU), GDP expanded by only 1.2% in 2009, the slowest pace of growth since 1998.²² Economic growth rebounded in 2010, and the government reported that GDP further expanded by 7.5% in 2011, boosted by higher agricultural production and growth in the services sector as consumption increased. Average annual inflation was 8.3% in 2011, rising slightly from the previous year and partly reflecting increases in food prices and public sector wages. According to the *CIA Factbook*, about 38% of Kazakhstan's GDP in 2011 was derived from energy and other industrial production, about 57% from services, and 5% from agriculture, although the latter sector employed about 26% of the country's workforce.

The United States exported about \$826 million of goods to Kazakhstan and imported about \$1.7 billion in 2011. Exports were about \$500 million and imports were about \$782 million during the first six months of 2012. U.S. exports have mostly been machinery and transport equipment, while imports have been oil and metals.²³ Among the businesses operating in the country (for energy firms, see below), Boeing has sold aircraft, a GE-Kazakh joint venture manufactures locomotives, and FedEx operates a shipping center in Almaty.

Following the labor-related violence in Zhanaozen (see above), the Kazakh government boosted social spending and employment programs in 2012. According to the EIU, GDP may grow by

²² *Kazakhstan: Country Report*, Economic Intelligence Unit, May 2011.

²³ U.S. Department of Commerce, Census Bureau, International Trade Statistics, at <http://www.census.gov/foreign-trade/statistics/country/>.

5.7% or less in 2012, due to a fall-off in agricultural production because of drought, ongoing problems in mining, softening energy prices, and declining construction. In mid-2012, the International Monetary Fund (IMF) conducted a review of Kazakhstan's economy, and called for the country to continue efforts to reform its problem-plagued banking sector, improve the business environment, promote private investment, remove barriers to trade, foster technological modernization to boost productivity, and increase health, education, and other social spending, particularly in rural areas. The IMF also raised concerns about the growing public sector.²⁴ The World Bank and others have reported that Kazakhstan has improved its business climate in recent years in line with its development goals, but that much further progress is needed to reduce corruption, revamp labor laws and business regulations, and improve the rule of law.²⁵ Kazakhstan hopes to complete bilateral negotiations with trading partners that will clear the way for it to win approval by the World Trade Organization by the end of 2012 for joining the organization in 2013.

Energy

According to British Petroleum, Kazakhstan possesses 30 billion barrels of proved oil reserves (about 2% of world reserves) and 66.4 trillion cubic feet of proved gas reserves (about 1% of world reserves). Until recently U.S. foreign direct investment (FDI) played a dominant role in the development of Kazakhstani oil and gas resources, amounting to about \$16.5 billion in Kazakhstan (over one-third of all FDI in the country) from 1993-2012.²⁶ According to some reports, China provided about \$13 billion in investments and loans to Kazakhstan's energy sector in 2009, so its cumulative FDI may eclipse U.S. FDI. Some U.S. energy firms and other private foreign investors have become discouraged in recent years by harsher Kazakh government terms, taxes, and fines that some allege reflect corruption within the ruling elite. In 2009, the Karachaganak Petroleum Operating (KPO) consortium (the main shareholder is British Gas, and U.S. Chevron is among other shareholders), which extracts oil and gas from the Karachaganak fields in northwest Kazakhstan, was faced with an effort by the Kazakh government to obtain 10% of the shares of the consortium. Facing resistance, the government imposed hundreds of millions of dollars in tax, environmental, and labor fines and oil export duties against KPO. Both the government and KPO appealed to international arbitration. In December 2011, KPO agreed to transfer 10% of its shares to the Kazakh government, basically gratis, and in exchange the government mostly lifted the fines and duties.²⁷ In May 2012, President Nazarbayev suggested that foreign energy firms operating in the country could help finance domestic industrial projects.²⁸

²⁴ *Republic of Kazakhstan: Staff Report for the 2012 Article IV Consultation*, International Monetary Fund, May 31, 2012.

²⁵ James Roberts and Ariel Cohen, *How More Economic Freedom Will Attract Investment To Kazakhstan And Central Asia – Analysis*, The Heritage Foundation, June 27, 2012.

²⁶ U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on Europe and Eurasia, Hearing: U.S. Engagement in Central Asia, *Testimony by Robert Blake, Assistant Secretary, Bureau of Central and South Asian Affairs*, July 24, 2012.

²⁷ *Press Release: Agreement Reached with Republic of Kazakhstan on Karachaganak*, BG Group, December 14, 2011, at <http://www.bg-group.com/MEDIACENTRE/PRESS/Pages/14Dec2010.aspx>.

²⁸ Georgiy Voloshin, "Kazakhstan's Economic Proposals Reveal Fears about Political Instability," *CACI Analyst*, June 13, 2012.

Kazakhstan's main oil export route has been a 930-mile pipeline completed in 2001—owned by the Caspian Pipeline Consortium (CPC), in which Russian shareholders have a controlling interest—that carried 693,000 bpd of oil in 2009 from Kazakhstan to Russia's Black Sea port of Novorossiysk. Kazakhstan's other major oil export pipeline, from Atyrau to Samara, Russia, has a capacity of approximately 730,000 bpd. See **Figure 1**. Lengthy Russian resistance to increasing the pumping capacity of the CPC pipeline and demands for higher transit and other fees, along with the necessity of offloading the oil into tankers at Novorossiysk to transit the clogged Turkish Straits, spurred Kazakh President Nazarbayev to sign a treaty with visiting Azerbaijani President Aliyev in June 2006 to barge Kazakh oil across the Caspian Sea to Baku to the BTC pipeline. Kazakhstan began shipping about 70,000 bpd of oil through the BTC pipeline at the end of October 2008. Another accord resulted from a visit by President Nazarbayev to Azerbaijan in September 2009 that provides that up to 500,000 bpd of oil will be barged across the Caspian to enter the BTC or the Baku-Supsa pipeline. When the volumes exceed 500,000 bpd, a trans-Caspian pipeline may be built.

Apparently to counter Kazakh's export plans via Azerbaijan, then-President Putin's May 2007 agreement with Nazarbayev (see above) envisaged boosting the capacity of the CPC pipeline. However, this project did not materialize in the timely fashion, so Kazakhstan proceeded to upgrade its Caspian Sea port facilities. Kazakhstan also barges some oil to Baku to ship by rail to Georgia's Black Sea oil terminal at Batumi, of which Kazakhstan became the sole owner in early 2008. Kazakhstan began barging oil from Batumi to the Romanian port of Constanta in late 2008 for processing at two refineries it purchased. Some Kazakh oil arriving in Baku also could be transported through small pipelines to Georgia's Black Sea port of Supsa or to Russia's Black Sea port of Novorossiysk, although in the latter case Kazakhstan might be faced with high transit charges by Russia.²⁹

In December 2010, the CPC approved a plan to upgrade the pumping capacity of the oil pipeline to 1.4 million bpd, with several phases of construction through 2015. As of the end of 2011, construction reportedly has faced delays.

In addition to these oil export routes to Europe not controlled by Russia, in 2009 Kazakhstan and China completed an oil pipeline from Kazakhstan's port city of Atyrau to the Xinjiang region of China that initially carries 200,000 bpd to China. See **Figure 1**. Some Russian oil has been transported to China through this pipeline, the first Russian oil to be transported by pipeline to China.

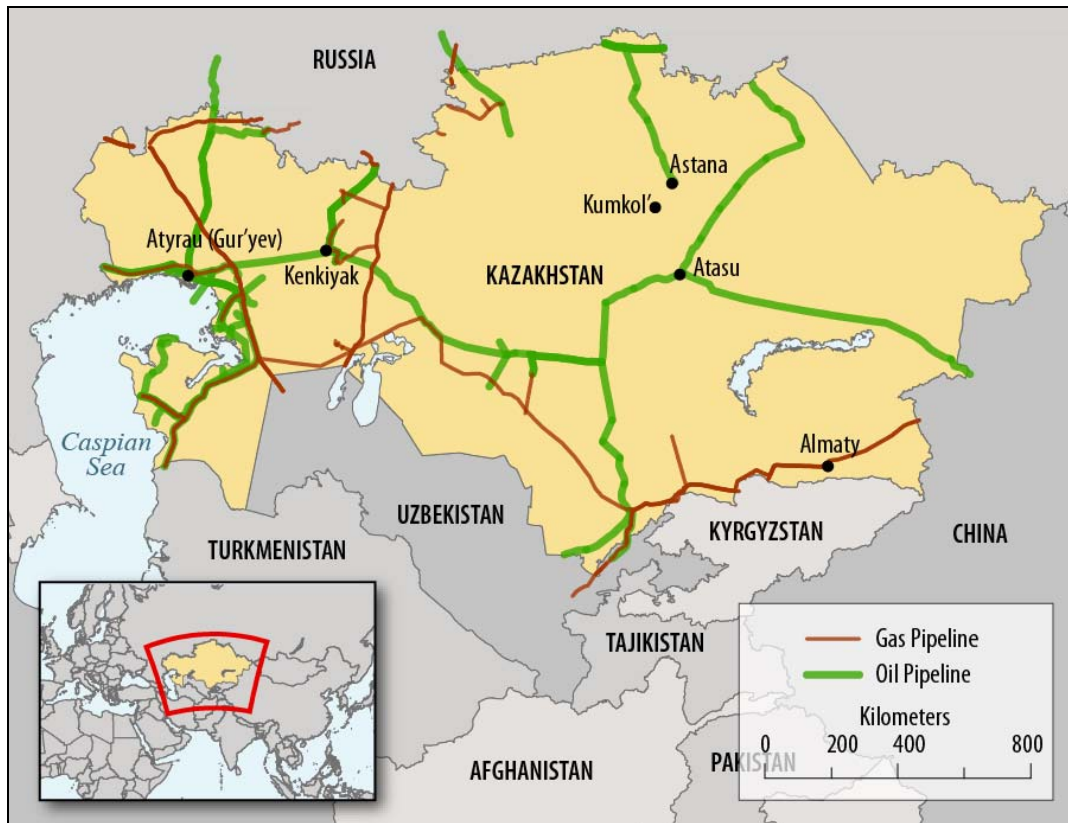
Russia is the major purchaser of Kazakh gas through the Central Asia-Center gas pipeline network. According to British Petroleum (BP) data, Kazakhstan exported 422 bcf of gas to Russia in 2010.³⁰ Kazakhstan completed its sections of the Central Asia-China gas pipeline in 2009-2010. At the end of October 2008, China and Kazakhstan signed a framework agreement on constructing a gas pipeline from Beyneu, north of the Aral Sea, eastward to Shymkent, where it will connect with the Central Asia-China gas pipeline. The pipeline is planned initially to supply 176.6 bcf to southern Kazakhstan and 176.6 bcf to China. Pipeline construction began in September 2011 and to be completed by 2015.

²⁹ *ITAR-TASS*, May 29, 2008; *CEDR*, December 11, 2007, Doc. No. CEP-950096; April 26, 2008, Doc. No. CEP-950045.

³⁰ "Natural Gas: Trade Movements 2010," *BP Statistical Review of World Energy*, June 2011, p. 29.

Kazakh officials have appeared to make contradictory statements about providing gas for European customers via a possible trans-Caspian pipeline traversing the South Caucasus and Turkey. President Nazarbayev appeared to support the possible transit of Kazakh gas through Turkey when he stated on October 22, 2009, during a visit to Turkey, that “Turkey ... will become a transit country. And if Kazakhstan’s oil and gas are transported via this corridor then this will be advantageous to both Turkey and Kazakhstan.”³¹ Reacting to the decision of the European Commission to facilitate talks on building a trans-Caspian gas pipeline, Minister of Oil and Gas Sauat Mynabyev stated in early October 2011 that “we do not have available resources for the gas pipeline yet.”³²

Figure 1. Map of Kazakhstan with Gas and Oil Pipelines



Source: CRS.

Foreign Policy and Defense

Nazarbayev has stated that the geographic location of Kazakhstan and its ethnic makeup dictate its “multipolar orientation toward both West and East.” He has pursued close ties with Turkey, trade links with Iran, and better relations with China, which many Kazakhs have traditionally viewed as a security threat. There are over 1 million ethnic Kazakhs in China, and 300,000 ethnic

³¹ CEDR, October 22, 2009, Doc. No. CEP-950337.

³² Interfax, October 6, 2011.

Uighurs of China residing in Kazakhstan, who have contributed to complicated relations between the two states. While seeking to protect Kazakh independence, Nazarbayev has pursued close relations with Russia and other Commonwealth of Independent States (CIS) members for economic and security reasons. In 1998, Kazakhstan and Russia signed a friendship treaty; in 1998 and 2002, they signed accords settling Caspian seabed resource claims; and in 2005, they signed a border delineation agreement. In late 2005, the Central Asian Cooperation Organization merged with the Eurasian Economic Community (Eurasec; Russia and Kazakhstan belonged to both). Eurasec members Russia, Belarus, and Kazakhstan launched a Customs Union in July 2010. On April 4, 2011, just after his reelection, President Nazarbayev stated that “our foreign policy targets will remain as before. We have close relations with Russia and China, the EU, and the United States, and other states of the region are our big partners.” In regard to the latter, he hailed increasing trade and other integration within the Customs Union.³³ Nazarbayev also has supported Russia’s then-Prime Minister Putin’s October 2011 proposal for deeper regional economic integration on the basis of the Customs Union to establish an Eurasian Union (which Putin stated was based on a concept advocated by Nazarbayev in 1994). Some in Kazakhstan have voiced concerns that Kazakhstan’s sovereignty will be harmed by these integration efforts. In an interview in April 2012, President Nazarbayev appeared to take a somewhat anti-Western viewpoint, criticizing the West for trying to “impose” democracy on other countries and using media, including social media, to instigate the “Arab Spring.”

Kazakhstan still relies heavily on Russia for military training and equipment, but has expanded defense cooperation with other states. About 30,000 Kazakh troops serve in the army, 12,000 in the air force, and 3,000 in the navy. There are about 9,000 border guards, about 20,000 Internal Security (police) troops, and 2,500 presidential and government guards.³⁴ In 1999, Kazakhstan reaffirmed a CIS Collective Security Treaty (later formalized as the Collective Security Treaty Organization or CSTO) pledging the parties to provide military assistance in case of aggression against any one of them. Kazakhstan is also a member of the Shanghai Cooperation Organization (SCO), composed of Russia, China, and the Central Asian states (except Turkmenistan), which aims to combat terrorism and facilitate trade ties. In 1994, Kazakhstan joined NATO’s Partnership for Peace (PFP) and regularly takes part in PFP exercises, but states that it does not aim to join the alliance.

A new military doctrine adopted in 2011 emphasizes internal threats to security, including terrorism and separatism; and intra-regional threats to security, including border and water supply disputes and political instability. The doctrine considers external threats such as terrorism emanating from Afghanistan as potent but slightly lesser threats. The doctrine appears to eschew security reliance on the CSTO or SCO. It calls for modernizing the armed forces and eventually creating volunteer armed forces. Such plans may necessitate increasing funding for defense beyond the current 1% of GDP.³⁵

Reforms include the transition to a brigade-based organizational and staff structure, the creation of the Shokan Ualikhanov Cadet Corps school for noncommissioned officers, and other elements of a hierarchy of military educational institutions. In mid-2009, efforts were announced to boost declining salaries and other social support for troops. Defense Minister Adilbek Dzhaksybekov

³³ *Central Eurasia: Daily Report*, Open Source Center, April 5, 2011, Doc. No. CEP-950102.

³⁴ *The Military Balance*, International Institute of Strategic Studies, March 7, 2012.

³⁵ Roger McDermott, “Kazakhstan’s 2011 Military Doctrine and Regional Security Beyond 2014,” *CACI Analyst*, June 13, 2012.

reported that he had completed reforming the high commands of the ground forces, air force, and navy in 2009 as part of the goal of creating a “small, mobile, truly combat-capable army.” A new concept for military procurement calls for modernizing defense industries; purchasing foreign weaponry; seeking foreign technical assistance for upgrading existing equipment; and focusing more on command, control, and communications technologies. The Spassk Combat Training and Combat Use Center was opened in 2010 to train junior officers and to train all male civilians of draft age military skills as part of a mobilization reserve.³⁶ The Zhanaozen violence may have spurred military procurement of added airlift capabilities and redeployment of some troops to southwestern Kazakhstan.

After the Soviet breakup, Kazakhstan was on paper a major nuclear weapons power (in reality Russia controlled these weapons). All bombers and their air-launched cruise missiles were removed to Russia by late February 1994. On April 21, 1995, the last of about 1,040 nuclear warheads had been removed from the SS-18 missiles and transferred to Russia, and Kazakhstan announced that it was nuclear weapons-free. U.S. Comprehensive Threat Reduction (CTR) assistance was used for these efforts, and for subsequent control and elimination of nuclear materials and former chemical and biological warfare facilities. The U.S. Nuclear Risk Reduction Center works with Kazakhstan to facilitate verification and compliance with arms control and security agreements to enhance peace and prevent the proliferation of WMD. Among recent cooperation, ground was broken in March 2010 on a Central Laboratory to help secure Kazakhstan’s collection of especially dangerous pathogens. Under the objective of combating weapons of mass destruction (which includes CTR and agency funding), U.S. assistance to Kazakhstan was over \$1.0 billion from FY1992 through FY2010, which was about one-half of all U.S. assistance to the country.

President Obama met on April 11, 2010, with Kazakh President Nursultan Nazarbayev on the sidelines of the Nuclear Security Summit in Washington, DC. A joint statement reported that they “pledged to intensify bilateral cooperation to promote nuclear safety and nonproliferation, regional stability in Central Asia, economic prosperity, and universal values.” President Obama encouraged Kazakhstan to fully implement its 2009-2012 National Human Rights Action Plan. President Nazarbayev agreed to facilitate U.S. military air flights along a new trans-polar route that transits Kazakhstan to Afghanistan, and President Obama praised Kazakh assistance to Afghanistan.³⁷ In March 2012, President Obama met with President Nazarbayev at the nuclear security summit in Seoul, South Korea, where President Obama hailed Kazakhstan’s efforts to secure nuclear materials inherited from the former Soviet Union.³⁸

³⁶ CEDR, September 23, 2010, Doc. No. CEP-677004; June 4, 2010, Doc. No. CEP-37008; May 4, 2012, Doc. No. CEP-358004.

³⁷ The White House, Office of the Press Secretary, *Joint Statement on the meeting between President Obama and Kazakhstan President Nazarbayev* April 11, 2010.

³⁸ The White House, Office of the Press Secretary, *Remarks by President Obama and President Nursultan Nazarbayev of the Republic of Kazakhstan Before Bilateral Meeting*, March 26, 2012; *Joint Statement of the Presidents of the Republic of Kazakhstan, the Russian Federation, and the United States of America Regarding the Trilateral Cooperation at the Former Semipalatinsk Test Site*, March 26, 2012.

U.S. Policy

According to the Obama Administration's *Congressional Budget Justification for Foreign Operations*, the U.S. "strategic aim in Kazakhstan is to ensure and maintain the development of the country as a stable, secure, democratic, and prosperous partner." The Administration avers that Kazakhstan has made significant progress—with U.S. support—over the period since it gained independence in late 1991 to reach these goals. For FY2013, U.S. government aid aims to strengthen Kazakhstan as a "partner ... that can play a greater role in promoting regional stability and economic integration."³⁹

During President Nazarbayev's 1994 U.S. visit, he and then-President Clinton signed a Charter on Democratic Partnership, which recognized Kazakhstan's commitments to the rule of law, respect for human rights, and economic reform. During his December 2001 and September 2006 visits, Nazarbayev repeated these pledges in joint statements with then-President Bush. The Obama Administration launched annual bilateral consultations (ABC) on economic and political issues with Kazakhstan, with the first meeting taking place in Washington, D.C. in March 2010, the second in Astana (Kazakhstan's capital) in late March 2011, and the third in Washington, D.C. in February 2012. At this meeting, the United States reportedly agreed to work with Kazakhstan to attract U.S. companies and universities to establish a presence at the Innovative Technologies Park near Almaty. The State Department also announced that it was elevating relations with Kazakhstan to the level of a strategic partnership dialogue by transforming the ABC into a Strategic Partnership Commission. President Obama met with President Nazarbayev at nuclear security summits in April 2010 and March 2012 (see above). Also signaling the Obama Administration's interest in Kazakhstan, a Consulate General was opened in Almaty (the former capital and the business center)—the first such post in Central Asia—and the first consul general arrived in August 2010.

In congressional testimony in July 2012, Assistant Secretary Blake highlighted growing U.S.-Kazakh trade relations, Kazakhstan's assistance to stabilization efforts in Afghanistan, and its global role in combating nuclear proliferation. At the same time, he stressed that the United States would continue support the Kazakh government's further efforts to democratize and respect human rights. He reiterated U.S. concerns about the Kazakh government's use of deadly force in quelling unrest in Zhanaozen in late 2012 (see above) and about allegations that suspects had been tortured.⁴⁰

Cumulative U.S. aid budgeted for Kazakhstan in fiscal years 1992 through 2010 was \$2.05 billion (all-agency funding), with Kazakhstan ranking fifth in aid among the twelve Soviet successor states. A large part of this U.S. aid has supported Comprehensive Threat Reduction (CTR) programs to prevent the proliferation of weapons of mass destruction. Budgeted aid for FY2011 was \$17.6 million and estimated aid is \$18.8 million for FY2012. Requested aid for FY2013 is \$14.9 million (these latter amounts include foreign assistance listed in the *Congressional Budget Justification for Foreign Operations*, and exclude Defense and Energy Department funds). The Administration request for FY2013 emphasizes peace and security funding (although the amount

³⁹ U.S. Department of State. *Congressional Budget Justification for Foreign Operations, FY2013*, April 3, 2011.

⁴⁰ U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on Europe and Eurasia, Hearing: U.S. Engagement in Central Asia, *Testimony by Robert Blake, Assistant Secretary, Bureau of Central and South Asian Affairs*, July 24, 2012.

requested is reduced from FY2012 funding), including foreign military financing (FMF), International Military Education and Training (IMET), anti-terrorism training, and training and equipment to enhance border controls. The second priority is joint work with Kazakhstan on economic development, including support for WTO accession and facilitating U.S.-Kazakh business contacts and exchanges. The third priority is funding for democratization, including for visits by U.S. expert speakers.

U.S. defense cooperation has included military exercises and FMF, IMET, and other assistance. In July 2012, U.S. Secretary of the Navy Ray Mabus visited Kazakhstan and met with Defense Minister Zhaksybekev. The two reportedly discussed the accomplishments of the 2008-2012 defense cooperation plan in the areas of training and equipment for the peacekeeping brigade, special forces training, technical assistance, and military education, and worked on drafting a new five-year plan.

Among congressional actions, Omnibus Appropriations for FY2003 (P.L. 108-7) forbade assistance to the government of Kazakhstan unless the Secretary of State determined and reported that Kazakhstan had significantly improved its human rights record during the preceding six-month period. The Secretary could, however, waive this prohibition on national security grounds. This language has been continued in yearly appropriations acts. In FY2005 and thereafter, the Secretary of State (or the designee) has reported to Congress that Kazakhstan has failed to significantly improve its human rights record, but that aid restrictions have been waived on national security grounds.

Counter-Terrorism Support

With regard to Iraq, Kazakhstan's then-Foreign Minister Kasymzhomart Tokayev on March 28, 2003, voiced general support for disarming Iraq. Tokayev later explained that Kazakhstan had decided to support the coalition because it feared that Saddam Hussein was building weapons of mass destruction. Reportedly responding to a U.S. appeal, the Kazakh legislature in May 2003 approved sending military engineers to Iraq. The 27 troops trained Iraqis in de-mining and water purification. Kazakh troops withdrew from Iraq in late 2008.

With regard to Afghanistan, President Nazarbayev warned in June 2001 that Taliban actions in Afghanistan increasingly threatened regional security, and after September 11 he offered overflight rights and the use of airbases to the U.S.-led coalition, but did not offer troops. Kazakhstan also facilitated the transshipment of supplies to U.S. bases in Uzbekistan and Kyrgyzstan. A U.S.-Kazakh memorandum of understanding was signed in July 2002 that permitted U.S. military aircraft to use Kazakhstan's Almaty airport for emergency military landings. In September 2003, a five-year military cooperation agreement was signed to combat terrorism, develop peacekeeping forces, bolster air defense capabilities, and enhance security in the Caspian Sea. In February 2008, the accord was extended to 2012. After receiving Kazakhstan's permission, in early 2009 NATO countries began rail shipments of nonlethal supplies to support the operations of the International Security Assistance Force (ISAF) in Afghanistan. A U.S.-Kazakh accord on over-flight rights for military equipment and personnel was brokered in April 2010. According to one source, U.S. military purchases of local goods and transit fees paid to regional states amount to several hundred million dollars annually.⁴¹

⁴¹ Deirdre Tynan, "Central Asia: Who's the Big Winner in the NDN Sweepstakes?" *Eurasianet*, February 7, 2012; U.S. Department of Commerce. U.S. Commercial Service. *Kazakhstan: Northern Distribution Network*, April 23, 2010. (continued...)

In October 2010, Kazakhstan announced that it would detail a few officers to ISAF headquarters, and the Kazakh legislature in May 2011 approved the deployment of four officers for “noncombat” duties. Just after the approval, the Taliban allegedly warned that the deployment would be regarded as “disloyal” and damaging to Kazakh-Taliban relations.⁴² Just before the Majlis approved the deployment, a suicide bombing took place in the city of Aktobe outside a security forces building, reportedly injuring two security personnel, and after the approval a car bomb detonated in Astana, similarly outside a security forces building, killing two people in the car. No one took immediate responsibility for the bombings, and it was unclear if they were linked to the Majlis action. The Kazakh Senate (upper legislative chamber) then rejected the bill approved by the lower chamber, apparently reflecting a policy change by the government. The Senate explained its action as a response to widespread public opposition to sending military personnel to Afghanistan.

In early June 2012, NATO Secretary-General Anders Fogh Rasmussen announced that Kazakhstan, Kyrgyzstan, and Uzbekistan had agreed to allow the reverse transit of cargoes out of Afghanistan. At the “Istanbul Process” conference held in Kabul in mid-June to discuss support for post-2014 Afghanistan, Kazakhstan pledged to assist in disaster management, counter-narcotics, business, and educational confidence building measures, including to increase the number of Afghan students receiving university and vocational education in Kazakhstan.

Kazakhstan reportedly is advocating that the use of its Caspian sea port at Aktau be increased as a component of the NDN. Reportedly, the port already has been used to transport thousands of containers bound for Afghanistan.

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Section 801 of the National Defense Authorization Act for FY2010 (P.L. 111-84) provides temporary authority to limit competition to, or provide a preference for, products and services that are from countries along the Northern Distribution Network in support of operations in Afghanistan when it is determined that it is in the national security interest of the United States. Other goals include bolstering the economies of the Central Asian states and regional integration.

⁴² Open Source Center, *South Asia: Daily Report*, May 21, 2011, Doc. No. SAP-950023.