

How Kazakhstan Can Continue Its Success Story

By [Peter Fraser](#)

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Kazakhstan's parliamentary elections on Sunday mark the start of political renewal in a country that has experienced two decades of strong presidential rule by one man, President Nursultan Nazarbayev.

The election is expected to introduce at least one and possibly two opposition parties to the lower house of parliament that will break the 100 percent monopoly of the ruling Nur-Otan party. This does not mean that Kazakhstan is about to become a Western-style, multiparty democracy. The degree of opposition in the new parliament will be low since the leading opposition party, Ak Zhol, is moderate and generally supportive of the government.

Nevertheless, there are strong grounds to believe that the elections represent the start of a carefully controlled process by Nazarbayev to develop a new political model for taking the country forward based on the gradual creation of political competition. According to Yermukhamet Yertysbayev, his political adviser, Nazarbayev, 71, has no intention

of leaving the political scene anytime soon. Yertysbayev expects him to stand for re-election in 2016.

It is clear that the current model of super-presidential rule has served its purpose. It is fair to say, however, that without it, Kazakhstan would not have consolidated its statehood so rapidly. This is a country that did not seek independence. In fact, Nazarbayev lobbied hard to preserve the Soviet Union on a new basis because he feared the consequences of its economic breakdown. His analysis was correct: Newly independent Kazakhstan was rattled by the full force of the disintegration of the Soviet economy as gross domestic product plunged 40 percent in the early 1990s.

After independence, Nazarbayev's policies succeeded in stabilizing a highly precarious situation. He made rapid economic development the engine for the country's transformation. Using his own "power vertical" to uphold presidential authority strengthened by the country's rich raw materials base, he created economic and political stability for Kazakhstan. Foreign investment played a key role as did an intelligent and cleverly conducted foreign policy balancing among Russia, China and the West. A major success has been the preservation of harmony among the country's multi-ethnic population speaking dozens of different languages and practicing various religions.

The pace of economic reform has been rapid. Over the past 20 years, oil production has quadrupled and GDP per capita has increased by a factor of 16, standing at more than \$11,000. Average salaries and pensions are higher than in all neighboring countries, including Russia. According to the latest World Bank's "Ease of Doing Business Survey," Kazakhstan is ranked 47th out of 183 countries. This is a significant achievement testifying to the government's efforts to develop an attractive business environment. The country has also invested significantly in education, sending large numbers of young people to study at top universities around the world as part of a strategy to develop a new managerial class.

This is not to say that there are not serious problems to be addressed. Kazakhstan is still vulnerable to oil price fluctuations and needs to diversify its economy. Corruption levels are high and, if unchecked, will impair growth prospects. The December tragedy in Zhanaozen, in which at least 15 protesting oil workers died as a result of violent disturbances when the police used lethal force, is an indication that industrial relations can still be a serious problem despite economic success.

The Zhanaozen events came as a shock to the authorities and the population at large who have grown used to the political and economic stability of recent years. They evoked still powerful memories of the violent demonstrations of 1986 in Almaty, Kazakhstan's capital and main city at the time, in response to Moscow's replacement of the long-time leader of the Kazakh Soviet Republic with an official who had previously never lived there.

Nazarbayev clearly understands the dangers of excessive dependence on raw material exports and has tasked the government with implementing an ambitious "Accelerated Industrial-Innovative Development Program" to stimulate diversification through support for new industries and businesses.

Given the "economy-first" approach, the pace of political reform has been much slower. Twenty years after independence, power structures have changed very little. Kazakhstan's

leadership is well aware of the lessons of political reform bequeathed from former Soviet leader Mikhail Gorbachev whose reform agenda aimed at modernizing the Soviet Union rapidly and irreversibly undermined its stability. At the same time, however, the government is also conscious of the dangers of political stasis, but its leadership rules out an Arab Spring scenario in Kazakhstan. The country's leaders are watching closely for the first signs of a legitimacy crisis facing Russia's leaders, despite a decade of strong economic improvement in the country.

Kazakhstan projects itself as a reliable global player. It chaired the Organization for Security and Cooperation in Europe in 2010 and in 2011 took on the chairmanship of the Organization of the Islamic Conference, recently renamed the Organization for Islamic Cooperation. As a result of its determination to play a leading role, it receives high levels of scrutiny from its Western partners. The West should encourage Kazakhstan to live up to its promises and maintain the momentum of economic and political reform, but, at the same time, Western countries must not lose sight of how much Kazakhstan has achieved so far. Twenty years is a short time in history, and the country has defied the many gloomy predictions from the early 1990s about its ability to stand on its own two feet and be a viable independent state in its borders inherited from the Soviet Union.

Kazakhstan has the possibility to develop very successfully over the coming decades based on its relatively small, well-educated population and its abundant natural resources. To achieve that potential, it must develop a sustainable political system that creates competition of ideas and forces its leaders to be accountable.

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