



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 as its 2010 chairman.

According to the Obama, 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 2008 was \$1.67 billion (FREEDOM Support Act and agency funds), with Kazakhstan ranking fifth in aid among the twelve 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 FY2009 was \$22.4 million, estimated aid for FY2010 was \$18.9 million, and requested aid for FY2011 is \$18.3 million (FREEDOM Support Act and other foreign aid, excluding Defense and Energy Department funds). The Administration request for FY2011 emphasizes aid for peace and security (\$7.2 million, including funding for Foreign Military Financing and International Military Education and Training, and Non-Proliferation, Anti-terrorism, Demining, and Related Programs), health (\$4.6 million), and democratization (\$4.2 million). 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.

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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.

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, and requiring a court order in case of detention or arrest. Seemingly non-reformist 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 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

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

Kazakhstan: Basic Facts

Area and Population: Land area is 1,049,200 sq. mi.; about four times the size of Texas. The population is 15,399,437 million (*The World Factbook*, mid-2010 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: \$181.9 billion; per capita GDP is about \$11,800 (*The World Factbook*, 2009 est., purchasing power parity).

Political Leaders: *President:* Nursultan Nazarbayev; *Chair of the Majilis:* Oral Mukhamedzhanov; *Chair of the Senate:* Kasymzhomart Tokayev; *Prime Minister:* Karim Masimov; *Foreign Minister:* Kanat Saudabayev; *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.

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 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

A bill approved by the legislature in May 2010 proclaimed Nazarbayev the "Leader of the Nation" ("El Basy"), providing him with a political role if he retired from the presidency. The bill also provided the President and his family with lifetime immunity from prosecution. Nazarbayev refused to sign the bill 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 bill, so under a law implementing the constitution,³ it went into effect in mid-June 2010. He explained that he did not veto the bill because he was certain the legislature would bow to the wishes of the people and over-ride a veto. In July 2010, he vowed to remain president, if his health permitted, in order to fulfill his economic goals for 2030 (see below). According to one poll in mid-2010, Nazarbayev enjoyed an approval rating of 89%—attributed to the country's stability—and 73% approved of the new law proclaiming him Leader of the Nation.⁴

Human Rights

In its *Country Reports on Human Rights Practices for 2009*, the U.S. State Department did not report whether or not the Kazakh government's human rights record had improved during the year, but did identify ongoing problems and progress. Police at times beat and abused detainees, often to obtain confessions. Manfred Nowak, the U.N. Special Rapporteur on Torture, visited several prisons and detention facilities in mid-2009. He concluded that "the use of torture and ill-treatment certainly goes beyond isolated instances," and that he "received many credible allegations of beatings."⁵ The Prosecutor General's Office acknowledged that some police officers used torture. The government provided some human rights and investigative skills training aimed at lessening instances of torture and other abuse. The executive branch limited judicial independence, including the authority of prosecutors to suspend court decisions. Human rights activists alleged that such principles as the presumption of innocence and due process were violated, particularly in politically motivated trials. Some jury trials for aggravated murder cases were conducted. Local and international human rights NGOs asserted that the prison sentence imposed on Yevgeniy Zhovtis was political persecution. Corruption was widespread in the judiciary, central and local governments, and the education system.

² OSCE. ODIHR. *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.

⁴ Joanna Lillis, "Nazarbayev Adored as Kazakhs Eye Kyrgyz Strife with Suspicion," *Eurasianet*, August 17, 2010.

⁵ U.N. General Assembly. Human Rights Council. Thirteenth Session. Agenda Item 3. *Report of the Special Rapporteur on Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, Manfred Nowak*, December 16, 2009.

There were nearly 3,000 media outlets. The government reported that about one-fifth were government-owned, but many others received government subsidies. The majority of broadcast media that the government did not own were believed to be controlled by members or supporters of the president's family. The government used laws, licensing regulations, criminal charges, and harassment to control the media and limit freedom of expression. The law prohibited insulting the president or otherwise providing information about his health, finances, or private life. Increasing numbers of libel suits filed by officials contributed to the suspension of media outlets and self-censorship. There were significant restrictions on freedom of assembly. Most applications for demonstrations were turned down, and police used force to disrupt unsanctioned gatherings, public meetings, and demonstrations on the grounds that they were national security threats. Local and regional officials attempted on occasion to limit or control the practice of religion, especially by religious groups the government deemed "nontraditional." Human trafficking remained a problem. The government adopted a new plan to combat trafficking in 2010-11. Corruption contributed to trafficking, and some police officials were prosecuted. There was no evidence of a widespread pattern of official complicity with trafficking.⁶ In July 2010, the NGO Human Rights Watch alleged that tobacco picking by children in Kazakhstan was a serious abuse.⁷

Kazakhstan lobbied extensively for holding the presidency of the OSCE, and the 15th Ministerial Meeting of the OSCE in 2007 decided that Kazakhstan would hold the OSCE presidency in 2010 to give the country time to implement democratic and human rights reforms. Then-Foreign Minister Marat Tazhin pledged at the meeting that suggestions made by ODIHR for changes to media, electoral, and political party laws would be submitted for consideration by the Kazakh legislature by the end of 2008. He stated that amendments to the media law would include reducing criminal penalties for libel by the media, setting up "media self-regulation mechanisms" to address libel issues, and easing the registration process for media. He also promised that in chairing the OSCE, Kazakhstan would ensure that ODIHR's mandate is preserved. He argued that Kazakhstan's chairmanship would be "a powerful catalyst of the reform process" in Kazakhstan.⁸ 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 envisages Kazakhstan's integration into Europe in the areas of energy, transport, technology transfers, education, culture, and democratization.

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 an 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.⁹ 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. In July 2009, controversial amendments to the media law were approved that restricted access to the Internet, barred media reporting that

⁶ U.S. Department of State. *Country Reports on Human Rights Practices for 2009*, March 11, 2010.

⁷ "Hellish Work": *Exploitation of Migrant Tobacco Workers in Kazakhstan*, Human Rights Watch, July 14, 2010.

⁸ OSCE. 15th Ministerial Council Meeting. *Address of Marat Tazhin, Minister of Foreign Affairs of the Republic of Kazakhstan*, November 29, 2007.

⁹ Human Rights Watch. *An Atmosphere of Quiet Repression: Freedom of Religion, Assembly and Expression in Kazakhstan*, December 2008.

“interfere[s] with election campaigns,” and barred foreign broadcasts from “complicat[ing] or support[ing] the nomination or election” of candidates or parties.¹⁰

Kazakhstan assumed the chairmanship of the Organization for Security and Cooperation in Europe (OSCE) on January 1, 2010. It has followed an ambitious and varied agenda with some emphasis on issues of concern to Kazakhstan, Central Asia, and Russia, including bolstering nuclear disarmament; holding a Conference on Tolerance and Non-Discrimination in June 2010 in Astana; establishing cooperation between the OSCE and the International Fund for Salvation of the Aral Sea (members are the five Central Asian states); continuing the “Corfu Process” dialogue on the future of European security (including discussion of Russia’s draft European Security Treaty); backing the entry into force of Conventional Armed Forces in Europe Treaty; appointing a Special Representative of the OSCE Chairman to promote dialogue on protracted conflicts in the former Soviet Union; strengthening Afghanistan’s borders with Central Asia; supporting better governance, cross-border trade, and law enforcement in Afghanistan; working to harmonize Russian, CSTO, SCO, and NATO efforts in Afghanistan; and strengthening counter-narcotics efforts in Afghanistan and Central Asia. Most of these initiatives have been carried out or are underway.

In September 2010, the NGO Committee to Protect Journalists stated that “Kazakhstan is failing to meet its human rights and press freedom commitments, not only as the leader of the OSCE but as member state.... In a year that has done damage to the OSCE’s reputation as a defender of human rights, it is not too late for the organization and its chair to change course by publicly confronting Kazakhstan’s record of repression at the December summit [see below] and undertaking measurable, meaningful reforms.” The NGO called for Kazakhstan to free Zhovtsis and imprisoned journalist Ramazan Yesergepov, fulfill its pledge to decriminalize libel, lift restrictions on Internet freedom, and bring attackers against journalists to justice. Kazakh officials rejected the NGO’s assessment, stating that there is freedom of the press in Kazakhstan and that as chairman-in-office it is hosting meetings on human rights, including a planned conference on media freedom, tolerance, and human trafficking in November 2010.¹¹ There also has been some criticism of Kazakhstan’s performance as OSCE chairman regarding the April 2010 coup and the June 2010 ethnic violence in Kyrgyzstan, with critics complaining that Kazakhstan closed its borders to trade and to those fleeing the fighting. Others state that Kazakhstan announced \$10 million in aid to Kyrgyzstan and supported the sending of OSCE police monitors to Kyrgyzstan.

At an informal OSCE foreign ministerial meeting in July 2010, an agreement was reached to hold an OSCE heads of state and government summit, the first since the Istanbul summit in 1999. Kazakhstan Secretary of State and Foreign Minister Kanat Saudabayev stated that the summit, scheduled for December 1-2, would include discussion of a new model for the global financial system, ethnic and religious tolerance, conflict resolution (with a focus on Kyrgyzstan and Afghanistan), and arms control.

¹⁰ Human Rights Watch. *Human Rights in Kazakhstan: Seven Months before the OSCE Chairmanship*, Human Rights Watch Memorandum, May 20, 2009.

¹¹ Nina Ognianova, *Special Report: Disdaining Press Freedom, Kazakhstan Undermines OSCE*, Committee to Protect Journalists, September 14, 2010; Joanna Lillis, “Kazakhstan: Media Watchdog Raps Astana’s Rights Record,” *Eurasianet*, September 15, 2010.

Economic Developments

Kazakhstan is the most economically developed of the former Soviet Central Asian republics. Up to one-third of GDP is generated by the oil and gas sector. Kazakhstan is the sixth largest producer of wheat in the world and a major exporter. 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 fifty developed countries within ten years. He urged revamping tax and budgetary policies and developing export-oriented manufacturing to reduce over-dependence on the energy sector as the engine of GDP growth. At the beginning of 2010, President Nazarbayev launched a five-year plan for industrial innovation in line with his goals for 2030.

In 2008, tightening credit contributed to the collapse of the 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 non-performing loans and large foreign debt payments, to support 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 percent against the U.S. dollar in February 2009. According to the Economist Intelligence Unit (EIU), GDP expanded by only 1.2% in 2009, the slowest pace of growth since 1998, and the budget deficit widened to 3.2% of GDP. The deficit would have been larger, but higher oil prices later in the year, cutbacks in government expenditures, and a budgetary infusion of \$7.4 billion from the oil fund, helped reduce the deficit.

According to data from the Kazakh Statistical Committee, GDP expanded 8% during the first half of 2010, assisted by rising world oil and gas prices and a rebound in foreign demand for other minerals. The EIU expects the trade balance to remain in surplus in 2010-2011. The EIU projects that inflation is expected to fall to about 6.9% in 2010, from 7.3% in 2009. Rising oil prices and an infusion of \$4.9 billion from the oil fund in 2010 are expected to limit the budget deficit to 3.1% of GDP, despite a rise in social expenditures in the budget. Rising oil prices caused the assets of the oil fund to rise to \$27 billion by mid-2010, even after \$4.9 billion was transferred to the state budget. Although the Kazakh government announced large crop losses in some areas of Kazakhstan in July 2010 because of drought, the EIU does not expect the losses to greatly impact GDP, since agriculture accounts for only about 3% of GDP. The EIU also suggests that since Kazakhstan reportedly has large amounts of grain in storage from last year, its exports may not be greatly reduced and domestic prices may not greatly increase. However, the crop failures may contribute to economic hardship for the over one-fourth of the population that is engaged in the agricultural sector.¹²

Energy

The U.S. Energy Department (DOE) reported in November 2009 that Kazakhstan possessed 30 billion barrels of proven oil reserves (comparable to Qatar). DOE also reported estimates of 85

¹² *Kazakhstan: Country Report*, Economic Intelligence Unit, September 2010. See also International Monetary Fund. *Republic of Kazakhstan: 2010 Article IV Consultation—Staff Report*, IMF Country Report No. 10/241, July 2010.

trillion cubic feet (tcf) of proven gas reserves (comparable to the European Union countries). Kazakhstan's oil exports currently are about 1.3 million barrels per day (bpd). Kazakhstan is increasingly producing more gas than it consumes, but since it reinjects some of its gas into the fields, it still must import a small amount of gas. Until recently U.S. foreign direct investment (FDI) played a dominant role in the development of Kazakhstani oil and gas resources, amounting to about \$29 billion in Kazakhstan (over one-third of all FDI in the country) from 1993-2009.¹³ According to some reports, China provided about \$13 billion in investments and loans to Kazakhstan's energy sector in 2009, eclipsing 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.

Russia seeks to maintain maximum influence over Kazakhstan's energy resources by providing the primary pipeline export routes and by becoming involved in production. Russian shareholders have a controlling interest, at least 47%, in the Caspian pipeline consortium (CPC), which built a 980-mile oil pipeline from Kazakhstan to Russia's Black Sea port of Novorossiysk that carried 693,000 bpd of oil in 2009. Kazakhstan also currently transports over 100,000 bpd by rail and barge to Baku. Kazakhstan agreed with Azerbaijan in 2006 that it will boost these shipments to help fill an oil pipeline from Azerbaijan to Turkey, which will reduce Kazakhstan's dependence on routes through Russia. This dependence also has been lessened somewhat by construction of a 597-mile oil pipeline from Atasu in central Kazakhstan to the Xinjiang region of China. Kazakhstan began delivering oil through the pipeline in May 2006. Initial capacity is 200,000 bpd. At Atasu, it links to another pipeline from the town of Kumkol, also in central Kazakhstan. On Kazakhstan's Caspian Sea border, China has finished construction of an oil pipeline from the port city of Atyrau eastward to the town of Kenkiyak. The last section of the route from the Caspian Sea to China, a link between the towns of Kerkiyak and Kumkol, was completed in October 2009.

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 one million ethnic Kazakhs in China, and 300,000 ethnic 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 (Belarus, however, has been embroiled in economic and political disputes with Russia).

Kazakhstan still relies heavily on Russia for military training and equipment, but has expanded defense cooperation with other states. About 49,000 Kazakh troops serve in the ground force, air

¹³ U.S. Department of State. *Robert O. Blake, Jr., Assistant Secretary, Bureau of South and Central Asian Affairs: Remarks Before the Washington International Business Council*, February 24, 2010.

force, and navy. There are about 9,000 border guards, about 20,000 Internal Security (police) troops, and 2,500 presidential and government guards.¹⁴ In 1999, Kazakhstan reaffirmed a CIS Collective Security Treaty (CST) 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 March 2007 calls for eventually creating volunteer armed forces. Reforms include the transition to a brigade-based organizational and staff structure, the creation of the Shokan Ualikhanov Cadet Corps school for non-commissioned 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 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 civilians to form a mobilization reserve.¹⁵

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. Cumulative U.S. CTR assistance to Kazakhstan was about \$341 million from FY1992 through FY2008, which was over 40% of all U.S. assistance to the country.

U.S. Policy

According to the Obama Administration's *Congressional Budget Justification for Foreign Operations*, "the United States' strategic aim in Kazakhstan is to help the country develop into a stable, secure, democratic, and prosperous partner that maintains freedom of action on the international stage, embraces free market competition and rule of law, and is a respected regional leader. Over the past 18 years, Kazakhstan has made significant progress toward these goals, and U.S. assistance has played a significant supporting role."¹⁶

¹⁴ *The Military Balance*, International Institute of Strategic Studies, February 3, 2010.

¹⁵ *CEDR*, September 23, 2010, Doc. No. CEP-677004; June 4, 2010, Doc. No. CEP-37008.

¹⁶ U.S. Department of State. *Congressional Budget Justification for Foreign Operations, FY2011*, March 2010.

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 with Kazakhstan, with the first meeting taking place in Washington, D.C., in March 2010. In April 2010, President Nazarbayev met with President Obama at a U.S. nuclear security summit. In a joint statement, the two leaders pledged to strengthen the strategic partnership, including by continuing "close cooperation ... and success in reducing nuclear threats in Kazakhstan and around the world," and by enhancing cooperation in nuclear energy and other high technology areas. President Obama expressed appreciation for Kazakhstan's humanitarian and economic assistance to Afghanistan and Kazakhstan's agreement to permit U.S. cargo flights across Kazakhstan, and the two leaders discussed other ways "to enhance Kazakhstan's critical role in the Northern Distribution Network." President Obama also pledged to "continue to support the Kazakhstan Government's efforts to liberalize its media and democratize its political system, including through legal reform."¹⁷

Cumulative U.S. aid budgeted for Kazakhstan in fiscal years 1992 through 2008 was \$1.67 billion (FREEDOM Support Act and agency funds), with Kazakhstan ranking fifth in aid among the twelve 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 FY2009 was \$22.4 million, estimated aid for FY2010 was \$18.9 million, and requested aid for FY2011 is \$18.3 million (FREEDOM Support Act and other foreign aid, excluding Defense and Energy Department funds). The Administration request for FY2011 emphasizes aid for peace and security (\$7.2 million, including funding for Foreign Military Financing and International Military Education and Training, and Non-Proliferation, Anti-terrorism, Demining, and Related Programs), health (\$4.6 million), and democratization (\$4.2 million). Although the Administration stresses "expanded security cooperation," the request for stabilization operations is reduced.

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. The Secretary reported in FY2003 and FY2004 that Kazakhstan had made such progress, eliciting some criticism of these findings from Congress. 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

In June 2001, Nazarbayev had warned 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

¹⁷ The White House. Office of the Press Secretary. *Joint Statement on the meeting between President Obama and Kazakhstan President Nazarbayev*, April 11, 2010.

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. In April 2008, Kazakhstan agreed in principle that it would facilitate rail shipments of nonlethal supplies to support the operations of NATO's International Security Assistance Force (ISAF) in Afghanistan. The Russia-Georgia conflict interrupted progress in gaining Russian agreement for transit. Days after Russia indicated that it would permit the land transit of U.S. coalition supplies to Afghanistan, the Kazakh government announced in February 2009 that it also would permit such transit. A pilot shipment of goods from Latvia crossed Russia, Kazakhstan, and Uzbekistan to Afghanistan in March 2009. A U.S.-Kazakh accord on overflight rights for military equipment and personnel was brokered in April 2010. According to General David Petraeus, Commander, U.S. Central Command, the United States has purchased over \$62 million of lumber, cement, bottled water, and other Kazakh products to ship to Afghanistan.¹⁸

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 WMD. 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. They pulled out of Iraq in late 2008. Kazakhstan has not yet committed troops to support ISAF.

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 the banned Hizb ut-Tahrir group. In April 2007, sixteen 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. There are some indications that some Kazakh youth increasingly are participating in terrorist actions in Russia's North Caucasus area.

¹⁸ U.S. Embassy Astana. *General David H. Petraeus, Commander, U.S. Central Command and Richard E. Hoagland, U.S. Ambassador to Kazakhstan: Media Roundtable*, April 5, 2010; U.S. Department of Commerce. U.S. Commercial Service. *Kazakhstan: Northern Distribution Network*, April 23, 2010. 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.

Figure I. Map of Kazakhstan



Source: Map Resources. Adapted by CRS.

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