

# POLITICAL DEVELOPMENT IN KAZAKHSTAN



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## **Table of Contents**

The Importance of Political Stability	p. 3
Ernst and Young's 2014 Attractiveness Survey	p. 4
Kazakhstan's Constitution: A Guarantor of Stability	p. 5
The Opposition	p. 7
Looking to the Future: Kazakhstan 2050	p. 9
About Kazakhstan's UNSC Campaign	p. 11

## Political Development in Kazakhstan

*“Kazakhstan is becoming these days an increasingly important partner for the EU in the region, not only due to trade and investment, but more importantly as a stable country with a proven track-record of harmony and tolerance”*

- José Manuel Barroso, President of the European Commission, 2<sup>nd</sup> June 2013.

### The Importance of Political Stability

Kazakhstan is considered one of the three or four most stable countries in the vast Eurasian area.<sup>1</sup> The World Bank consistently ranked Kazakhstan among the top 40% of countries in the world that were considered the most politically stable and free of violence.<sup>2</sup> Since gaining independence in 1991 Kazakhstan has enjoyed two decades of peace and stability.

Political stability is important for several reasons: First and foremost, political instability has been shown to have a uniformly negative impact on economic growth and these two variables are inversely related.<sup>3</sup> Political instability deters investments, triggers capital flight, and creates uncertainty regarding future policies.

Second, and equally related, economic growth is positively correlated with democratization and political reforms. Conceived as such, political stability may be an engine for democratic reforms, as attested to, for instance, by South Korea’s impressive development in recent decades.

Third, political stability in transitioning states is essential to promote a society built on trust. Ethnic, religious, and other groups would be constantly on guard in the absence of a long-term strategic civic and secular direction. The backlash of the Arab Spring is indicative of the danger of rapid political shifts and the chronic distrust between societal groups that follows in its wake.

Fourthly, political stability helps when parrying the geopolitical pressures that many countries in the Muslim world, the post-Soviet space, and elsewhere are subject to.

Political stability, then, is the *sine qua non* for economic and political development. Kazakhstan’s journey since independence is illustrative of its prime importance. Since 1991, Kazakhstan’s GDP has increased more than 16-fold and economic growth between 1999 and 2007 averaged an impressive 10%.<sup>4</sup> Foreign investments have fuelled this rapid economic growth. Kazakhstan has attracted more than \$190

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<sup>1</sup><http://ffp.statesindex.org/rankings-2014>

<sup>2</sup><http://info.worldbank.org/governance/wgi/index.aspx#countryReports>

<sup>3</sup><http://www.oecd.org/dev/pgd/46923664.pdf>

<sup>4</sup><http://www.kazembassy.fi/en/press-information/speeches-statements/195-president-nazarbayev-delivers-speech-at-university-of-cambridge.html>

billion in gross foreign direct investments over the past 23 years and it leads the CIS countries in terms of FDI attracted per capita.<sup>5</sup>

This rapid economic development, in turn, has propelled political reform. As noted by Daniel Witt, Vice Chairman of the Eurasia Foundation: “[President] Nazarbayev has led Kazakhstan through difficult times and into an era of prosperity and growth. He has demonstrated that he values his U.S. and Western alliances and is committed to achieving democratic governance.”<sup>6</sup> In addition, political stability has enabled Kazakhstan to maintain strong and expanding strategic partnerships with Russia, the USA, China, European powers, the EU and many others. These partnerships, which extend in all directions, have strengthened Kazakhstan’s sovereignty and generated a steady stream of foreign investments from these countries.

All of this forms part of a coherent whole centring on political stability that has worked to promote economic development and good governance. Kazakhstan’s political stability has not come automatically but builds on more than two decades of state-building. Kazakhstan’s Constitution is the bedrock of this political stability and it has been strictly observed and fine-tuned with amendments since its enactment in 1995.

This paper reviews the political system in place in Kazakhstan, the Constitution and its separation of powers, and the role of the parliamentary opposition. It concludes by summarising the Kazakhstan 2050 Strategy and its vision of Kazakhstan’s political system in coming decades. The paper begins, however, with a brief account of the importance of political stability in Kazakhstan for foreign investors. Investor confidence should serve as testimony to Kazakhstan’s success and why its leadership has placed such importance on political stability.

### **Ernst and Young’s 2014 Attractiveness Survey**

The international audit firm Ernst and Young produces an annual Attractiveness Survey on investment climates worldwide. The survey is based on World Bank reports and a poll of international business leaders.<sup>7</sup> In the 2014 Survey, presented in June, investor confidence in Kazakhstan was “at an all-time high” with stability cited to be among Kazakhstan’s most attractive features.<sup>8</sup>

As in previous surveys, most respondents ranked Kazakhstan as having the second most attractive investment climate among CIS countries after Russia even if many respondents already established in Kazakhstan ranked it first. The high level of economic, political and social stability and Kazakhstan’s competitive corporate tax rate were the primary reasons mentioned for its attractiveness. Thus, roughly 80% of surveyed respondents cited macroeconomic stability and Kazakhstan’s “stable political and social environment” as attractive. It is noteworthy that almost half, 47%,

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<sup>5</sup><http://www.astanatimes.com/2014/05/nazarbayev-announces-plans-new-major-incentives-foreign-investors/>

<sup>6</sup>[http://www.huffingtonpost.com/daniel-witt/kazakhstans-presidential-\\_b\\_847612.html](http://www.huffingtonpost.com/daniel-witt/kazakhstans-presidential-_b_847612.html)

<sup>7</sup><http://www.astanatimes.com/2013/07/kazakhstans-economic-and-social-stability-key-factors-in-investment-attractiveness/>

<sup>8</sup><http://www.ey.com/KZ/en/Issues/Business-environment/EY-Kazakhstan-attractiveness-survey->

believed Kazakhstan will become increasingly attractive over the next three years, surpassing already high levels of investor confidence.<sup>9</sup>

Other factors impacting on the positive assessment of Kazakhstan were its religious and ethnic harmony, its prominent role in international affairs and chairmanship of international organisations, and its efforts in the area of nuclear non-proliferation. The main challenge facing Kazakhstan's government today is, in Ernst and Young's assessment, not so much to address remaining problems in its investment climate but to make investors aware of Kazakhstan's possibilities.<sup>10</sup> The Constitution provides the pillars of Kazakhstan's progress and political stability and a brief review of it is in place.

### **Kazakhstan's Constitution: An Anchor of Stability**

The Constitution of Kazakhstan was approved in a national referendum in August 1995. The Constitution proclaims Kazakhstan a democratic and secular state whose highest values are the individual and his or her life, rights and freedoms. With the benefit of hindsight, one may pinpoint political stability, interethnic harmony, and economic growth as the main components of Kazakhstan's progress over the past two decades. However, all of these are enshrined in the Constitution and have guided every step of Kazakhstan's state-building. Thus, it is stated in Article 1 that "the fundamental principles of the activity of the Republic are public concord and political stability [and] economic development for the benefit of all the nation."<sup>11</sup> Likewise, the embryo of Kazakhstan's "multi-vector" policy can be found in the Constitution's provision that Kazakhstan shall pursue a policy of "cooperation and good-neighbourly relations between states, their equality and non-interference in each other's domestic affairs, and peaceful settlement of international disputes."<sup>12</sup>

Interethnic harmony requires protection of minority rights. In conjunction with the adoption of the Constitution in 1995, Kazakhstan established an Assembly of People of Kazakhstan which is a consultative body tasked with ensuring inter-ethnic harmony, an important requirement in a country of more than 130 ethnic groups. The Constitution also applied a very sagacious solution to the language issue. Enshrining Kazakh as the state language, it also guaranteed that the Russian language is officially "used on equal grounds along with the Kazakh language in state institutions and local self-administrative bodies"<sup>13</sup> while also pledging state support for languages of other ethnic groups.

Such guarantees have served to defuse potential grievances and strengthen political stability and inter-ethnic harmony. "Everyone", Article 19 of the Constitution proscribes, "shall have the right to use his native language and culture, to freely choose the language of communication, education, instruction and creative

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<sup>9</sup>[http://www.ey.com/KZ/en/Issues/Business-environment/EY-Kazakhstan-attractiveness-survey-2014#.VDOrSfl\\_uTk](http://www.ey.com/KZ/en/Issues/Business-environment/EY-Kazakhstan-attractiveness-survey-2014#.VDOrSfl_uTk)

<sup>10</sup>[http://www.ey.com/KZ/en/Issues/Business-environment/EY-Kazakhstan-attractiveness-survey-2014#.VDOrSfl\\_uTk](http://www.ey.com/KZ/en/Issues/Business-environment/EY-Kazakhstan-attractiveness-survey-2014#.VDOrSfl_uTk)

<sup>11</sup><http://www.parlam.kz/en/constitution>

<sup>12</sup><http://www.parlam.kz/en/constitution>

<sup>13</sup><http://www.parlam.kz/en/constitution>

activities”.<sup>14</sup> These constitutional principles and the Assembly of the People of Kazakhstan subsequently, in 2010, informed the adoption of a Doctrine of National Unity, which concludes by noting that economic growth, social progress, and democratic development require consolidation and unity of Kazakhstan’s society.<sup>15</sup>

When Kazakhstan gained independence in 1991, it looked to other historically successful constitutions for inspiration, such as those of South Korea, Singapore, and the French Fifth Republic. Assessing the situation, Kazakhstan’s President – like the founding fathers of these three republics – opted for a strong executive power capable of stabilising the political system. President Nazarbayev’s choice of development model is well-supported empirically. The causal arrow between state capacity and economic growth is much stronger than between democracy and growth, which has led distinguished observers such as the scholar/journalist Fareed Zakaria to advocate strong presidential rule as a basis for economic growth in developing states.<sup>16</sup>

The powers of Kazakhstan’s President are significant and resemble those of his French counterpart.<sup>17</sup> The President of the Republic of Kazakhstan is the head of state, its highest official who determines the main directions of the state’s domestic and foreign policy and represents Kazakhstan nationally and internationally. The President appoints the Prime Minister with the consent of parliament, determines the structure of the government as proposed by the Prime Minister, and forms, abolishes and reorganises central executive bodies not included in the Government.<sup>18</sup>

The Government holds the executive power of the Republic of Kazakhstan, heads the system of executive bodies, and supervises their activity. The Government is formed by the President according to the procedure enumerated above. The Government as a whole is responsible before the President and accountable to the Parliament. The Government develops the main directions of the socio-economic policy, provides for the state’s defence capability, and guarantees public order. Moreover, the Government presents the state budget to parliament and reports on its performance, introduces laws into the lower chamber, and ensures the enforcement of laws. The Prime Minister organises and supervises the work of the Government.<sup>19</sup>

Kazakhstan’s Parliament is bicameral and consists of the Senate (upper house) and the Mazhilis (lower house). The Senate is presently composed of 47 members, of whom 15 are prominent public figures appointed by the president. The Mazhilis, the main legislative body, consists of 107 deputies. 98 deputies are elected on the basis of proportional party lists and the remaining nine are selected by the Assembly of the People of Kazakhstan to ensure representation of the country’s ethnic groups in Parliament.<sup>20</sup> Amendments and additions to the Constitution, introduction of constitutional laws, and approval of the state budget are conducted at joint sessions of the Chambers. Parliament adopts laws and discusses the state budget among

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<sup>14</sup>[http://www.interfax.kz/?lang=eng&int\\_id=expert\\_opinions&news\\_id=7469](http://www.interfax.kz/?lang=eng&int_id=expert_opinions&news_id=7469)

<sup>15</sup><http://kazakhstanun.org/press-releases/the-doctrine-of-national-unity-of-kazakhstan.html>

<sup>16</sup>Fareed Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad* (New York: W. W. Norton 2003).

<sup>17</sup><http://www.assemblee-nationale.fr/english/index.asp>

<sup>18</sup><http://www.parlam.kz/en/constitution>

<sup>19</sup><http://www.parlam.kz/en/constitution>

<sup>20</sup><http://www.kazakhembus.com/page/parliament-of-republic-of-kazakhstan>

other shared powers through separate sessions of the Chambers and through consecutive readings first in the Mazhilis and then in the Senate.<sup>21</sup>

Kazakhstan's legal system and judiciary is based on the Continental (Roman-German) legal family. Kazakhstan has successfully undertaken several reforms over the past two decades to modernise and align the judicial system with the best international practices. For example, a moratorium has been imposed on the death penalty with the ambition to abolish it completely, and a system of judicial custody has been introduced.<sup>22</sup>

The judicial system is administered through local and oblast (regional) courts, a national-level Supreme Court. Local level courts serve as courts of the first instance, the verdicts of which could be appealed to the oblast-level and, if necessary, the Supreme Court.<sup>23</sup> When polled by Transparency International Kazakhstan, 74% of Kazakh citizens in 2012 expressed a high level of trust in the work of the Supreme Court.<sup>24</sup> These findings are corroborated in a recent survey conducted by the Legal Policy Research Center, undertaken with the support of the Embassy of the Netherlands, UNDP, and the Supreme Court. Over 90% of surveyed lawyers and participants in court hearings positively assessed professional training and qualification of judges, 85% said court proceedings are objective and unbiased, almost 83% expressed trust in the fairness of courts, and 82% of those polled had trust in judges.<sup>25</sup>

## **The Opposition**

Although the Nur Otan People's Democratic Party is dominant, oppositional parties have contested every election in Kazakhstan and are essential to prevent stasis in the political system. Ten political parties are presently registered with the Ministry of Justice, of which eight submitted candidate lists for the 2012 parliamentary elections (Nur Otan, the Party of Patriots of Kazakhstan (PPK), the Democratic Party of Kazakhstan Ak Zhol, the United Social Democratic Party, the Communist People's Party of Kazakhstan (CPPK), the Kazakhstan Social Democratic Party Auyl, the Democratic Party Adilet, and Rukhaniyat).<sup>26</sup>

Political parties must obtain at least 7% of votes cast to gain seats in parliament. To prevent a one-party parliament, the election law was amended in 2009 to guarantee at least two parties in parliament if only one party passes the threshold. Three parties passed the threshold in the 2012 parliamentary elections – Nur Otan, which received 80.99% of votes cast, Ak Zhol (7.47%), and the CPKK (7.19%). AkZhol and CPKK presently form Kazakhstan's parliamentary opposition.<sup>27</sup>

In early January 2014, deputies from the Ak Zhol party sent a draft law "On Parliamentary Opposition" to the government for consideration. The law defines

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<sup>21</sup><http://www.parlam.kz/en/constitution>

<sup>22</sup><http://www.parlam.kz/en/constitution>

<sup>23</sup><http://www.kazakhembus.com/page/kazakhstan-democracy>

<sup>24</sup><http://www.transparencykazakhstan.org/content/352.html>

<sup>25</sup>[http://lprc.kz/ru/index.php?option=com\\_content&task=view&id=219](http://lprc.kz/ru/index.php?option=com_content&task=view&id=219)

<sup>26</sup><http://www.osce.org/odihr/elections/89401>

<sup>27</sup><http://www.osce.org/odihr/elections/89401>



Parliamentary Opposition as “political parties that have groups in the Mazhilis of the Parliament and are openly opposing the policy of the parliamentary majority and the current government.” The draft law also defines the rights of the parliamentary opposition, including the nomination of its deputies to the positions of deputy chairman of the Mazhilis, two committee chairmen, deputy ministers of social and economic issues and others. The draft law specifies the opposition’s right to initiate parliamentary hearings and investigations, “guaranteed speech” during plenary sessions of the Mazhilis and joint sessions of parliament, and equal coverage with the ruling party in media outlets. Moreover, the bill proposes to provide the parliamentary opposition with the right to make alternative draft laws of the same laws that are sent from government and to consolidate funding of parliamentary opposition parties.<sup>28</sup>

In November 2007, Kazakhstan set up an advisory and consulting body in the Mazhilis, the Public Chamber, which aims to facilitate dialogue among Kazakhstan’s political forces, including oppositional ones. The Public Chamber reviews draft laws and develops recommendations and proposals. The body consists of 30 members, including lawyers, recognised public figures, NGO and media representatives, prominent opposition leaders, businessmen, and scientists.<sup>29</sup>

In 2013, the country’s Ministry of Foreign Affairs responded to civil society representatives and established a dialogue platform on humanitarian dimension with a goal to discuss and promote democratic developments in the country. In the two years of its work, government and NGO representatives, with the participation of the UN, the OSCE and the EU, have developed more than 150 recommendations, of which 40 have already been agreed to and are being implemented, while others are being discussed further<sup>30</sup>.

Democratic governance is a work in progress in Kazakhstan but it bears noting that as early as in 2004, a little more than a decade after Independence, the OSCE stated that “the registration of parties and candidates was completed efficiently and without serious incident” and that “twelve parties contested the 2004 elections, among them opposition parties”.<sup>31</sup> Kazakhstan has also improved election legislation and performance considerably since then, as recognised by the OSCE.<sup>32</sup>

That the Nur Otan party remains preponderant is not surprising since the ruling party and the government have made noteworthy accomplishments over the past two decades and voters presumably consider Nur Otan a safer bet than an untried and untested party. A similar situation applies to Singapore where the People’s Action Party gained more than 60% of the popular vote in the 2011 parliamentary elections and has held uninterrupted power since 1959.<sup>33</sup> Historically, several European countries have been dominated by one party, among them for instance Sweden’s Social Democrats which gained between 40% and 50% of the vote in each parliamentary election from the early 1932 to 1988.

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<sup>28</sup><http://akzhol.kz/en/news/show/444/3/6>

<sup>29</sup><http://www.kazakhembus.com/page/kazakhstan%E2%80%99s-political-reforms>

<sup>30</sup><http://www.astanatimes.com/2014/12/kazakh-government-civil-society-discuss-new-bill-ngos/>

<sup>31</sup><http://www.osce.org/odihr/elections/37422>

<sup>32</sup><http://www.osce.org/odihr/elections/89401>

<sup>33</sup><http://uk.reuters.com/article/2011/05/07/uk-singapore-election-idUKTRE74618Z20110507>



In any event, the strength of Nur Otan has provided political stability through the 2000s and provided for efficient government. Investors cite stability and predictability of government policy as major reasons for Kazakhstan's attractive investment climate. This, in turn, has spurred economic growth and major improvements in standard of living. This, unsurprisingly, resonates with Kazakh citizens which cast their ballots for Nur Otan. As noted by the late Peter Fraser, Chairman of the British Kazakh Society and member of the House of Lords: "Public opinion polls continue to put Nazarbayev's popularity in the stratosphere. This is hardly surprising given that Nazarbayev has firmly established his ethnically diverse country as an island of stability and relative prosperity in a region otherwise known for impoverished, failing states and the spectre of ethnic conflict".<sup>34</sup>

### **Looking to the Future: Kazakhstan 2050**

The Kazakhstan 2050 Strategy, which was adopted in 2012, elaborates on how political stability will be preserved over the next decades and how state governance could become more effective, accountable, and democratic. In short, Kazakhstan's 2050 Strategy is, to quote the Chairman of the Constitutional Council Igor Rogov, "an important long-term policy aimed at the further implementation of the Constitution in an already established state."<sup>35</sup> The Strategy sets out to create a "new type of public management" capable of meeting new tasks of serving society and strengthening the state. For example, a State audit concept and a multi-level anti-crisis system are being introduced which both build on the experiences of advanced countries.<sup>36</sup>

The Strategy envisions a decentralization of power to the regions, greater division of responsibilities, and strengthened local self-governance building on the subsidiarity principle. A local self-governance development concept has been approved, aimed to improve management quality at the rural level, and rural akims (mayors) are, since 2013, elected not appointed. Parliamentary powers will be further strengthened through greater checks and balances and the national legal system modernized.<sup>37</sup>

Methods of selection and professional training of civil servants will also be improved. For example, a New Public Service Law has been signed aimed at countering corruption and increasing the transparency of public servants selections.<sup>38</sup> To preserve stability and public safety, Kazakhstan is introducing a "zero tolerance" principle towards corruption-related offences. Law enforcement bodies and special agencies will be reformed to reflect this. Measures have already been undertaken over the past three years, resulting in the dismissal of as many as 12,500 law enforcement personnel that were not up to the task.<sup>39</sup> In July 2014, President Nazarbayev signed a new Criminal Code which toughened punishments for

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<sup>34</sup><http://www.themoscowtimes.com/opinion/article/kazakhstans-path-toward-democracy/430918.html>

<sup>35</sup><http://www.astanatimes.com/2013/09/constitution-serves-as-basis-of-kazakhstans-development-strategy/>

<sup>36</sup><http://www.kazakhembus.com/document/address-by-kazakhstan-president-nursultan-nazarbayev-strategy-kazakhstan-2050>

<sup>37</sup><http://www.kazakhembus.com/document/address-by-kazakhstan-president-nursultan-nazarbayev-strategy-kazakhstan-2050>

<sup>38</sup><http://www.kazakhembus.com/document/address-by-kazakhstan-president-nursultan-nazarbayev-strategy-kazakhstan-2050>

<sup>39</sup><http://www.kazakhembus.com/document/address-by-kazakhstan-president-nursultan-nazarbayev-strategy-kazakhstan-2050>

corruption, a life time ban on the right to hold certain positions if convicted, and enhanced penalties for bribery.<sup>40</sup>

These measures, along with several others will take Kazakhstan a long way towards retaining political stability in the decades to come, which is why foreign investors look with optimism at the country's future. In the modern world there is arguably no better barometer of a nation's success in state-building than investor confidence. In 2013, Kazakhstan joined the club of the 50 most competitive countries in World Economic Forum's rankings, just behind Italy.<sup>41</sup> Kazakhstan's Constitution and the government's consistent work in upholding it has provided an essential precondition for this development and will continue to serve the country well up to 2050.

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<sup>41</sup><http://reports.weforum.org/global-competitiveness-report-2014-2015/rankings/>

## ABOUT

### **Kazakhstan's Bid to Secure a Non-Permanent Seat on the United Nations Security Council for 2017/18**

[www.kazakhstanunsc.com](http://www.kazakhstanunsc.com)

In September 2013, Kazakhstan announced its bid to secure a seat as a non-permanent member of the United Nations Security Council in the years 2017/18.

As a regional leader and global partner in matters of energy security, and a valuable contributor to international peacekeeping missions, Kazakhstan wishes to bring its unique experience and expertise to bear on some of the pressing challenges currently facing the UNSC.

Its bid is based on four central pillars: [food security](#), [water security](#), [energy security](#) and [nuclear security](#).

[KazakhstanUNSC.com](http://KazakhstanUNSC.com), its publications, and its occasional newsletters and bulletins aim to set out, in clear and concise terms, the main policy priorities of Kazakhstan's UNSC bid. The multilingual website also supplies details of political, economic and social developments inside Kazakhstan and about its international foreign policy initiatives.

Kazakhstan has the experience, political will and resources to make a valuable contribution to the global challenges faced by the UNSC. It is fully engaged in its commitment to assume such responsibilities on the Security Council.

Home to more than 130 different ethnic groups, Kazakhstan is nothing less than a microcosm of the United Nations. In the spirit of a committed and principled partner in the family of nations, the Republic of Kazakhstan has announced its bid to become a non-permanent member of the UN Security Council in the years 2017/18.

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