The Impact of the Global Financial Crisis on Political Dynamics in Central Asia

GREGORY GLEASON

***Editor's Note**—The following article was written in 1998, before Nursultan Nazarbayev was reelected president of Kazakhstan on 10 January 1999, winning 79.78 percent of the vote. We are including it in this issue, however, because it provides insight into current political and economic developments in Kazakhstan.*

The financial crises that swept across Asia and Russia in 1998 are reshaping the leadership politics of the former communist countries. In Russia, the financial crisis has marginalized President Boris Yeltsin and brought to the political forefront a previously disenfranchised coalition of traditionalists. Ukraine's political leadership is leaning in the direction of Europe. The leaders of the countries of the Caucasus region are tying their political fortunes to their connections with multinational firms.

Among the countries of Central Asia, however, the financial crisis has had a different impact depending on how closely the countries were linked to Russia's markets. Leaders in Turkmenistan and Uzbekistan have been struggling for years to disengage their countries from Russian markets and Russian political influence through various autarkic economic policies. Through a policy of "permanent positive neutrality" intended to maintain as much distance as possible from Russia, Turkmenistan avoided any direct impact from the fall of the ruble. Uzbekistan achieved the same result by maintaining tight currency controls and a fixed exchange rate for its overvalued som. Russia's financial disarray has encouraged Turkmenistan and Uzbekistan to distance themselves further from northern markets to avoid an economic downdraft like that in Southeast Asia. Tajikistan remains dependent on Russia for its regional security objectives, but its tiny economy is based largely on barter and foreign assistance from donor organizations. The ruble's decline has not yet had a visible effect there.

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Kazakhstan is the Central Asian country with the closest economic and cultural ties to Russia. These ties are not based only on policy choices but reflect deeply embedded structural features of Kazakhstan's contemporary reality. For instance, Kazakhstan's markets are closely linked to Russia, which accounted for 34 percent of Kazakhstan exports in 1997 and 46 percent of its imports.[1] Kazakhstan's population is bimodal; its largest non-native minority population consists of Russians and other Slavic peoples. It shares a long and virtually unpoliceable border with Russia, and unlike some of its southern neighbors, does not regard Russia with suspicion or enmity. Kazakhstan's President Nursultan Nazarbayev is a strong proponent of close economic ties with Russia and, indeed, is the leading proponent of pan-Eurasian economic integration.

For the moment, however, Kazakhstan too has succeeded in avoiding immediate financial shocks from Russia's financial collapse. The Kazakhstan currency, *tenge*, declined in value less than 5 percent between August and November 1998, a period in which the ruble dropped more than 50 percent. Kazakhstan's exports to Russia are falling precipitously. For a brief period in September, the Kazakhstan Central Bank constricted currency transactions, delaying interbank payments and forcing many small currency exchange kiosks to close. But the Kazakhstan Central Bank did not default on payments, and there were no calamitous runs by depositors precipitating bank closings. Still, concern in Kazakhstan regarding the long-term consequences of the Russia crisis is running very high. Russia is widely regarded as a bellwether: The economic conditions that prevail there can be expected, before too long, to visit Kazakhstan.

The wave of public anxiety and uncertainty caused by Russia's difficulties has pushed to the top of the political agenda a difficult structural problem of the post-communist transition: that of political succession in the new era. The current political leaders of the Central Asian countries had hoped to postpone facing that problem. The lessons of the "Asian flu" are not lost on Central Asia. Indonesia's financial crisis brought down a president; Russia's crisis brought down a government, immobilized a president, and may yet displace him. Could the spreading financial disarray have similar effects in Central Asia?

The Meaning of Political Succession

Although all of the countries of Central Asia have constitutional provisions for electoral processes and the orderly succession of leaders, none of the countries has witnessed a truly fair competition for political authority. Seven years after the demise of the USSR, former Communist Party secretaries remain in power in Kazakhstan, Turkmenistan, and Uzbekistan. Tajikistan's president at independence, the former party first secretary Rakhmon Nabiyev, died under mysterious circumstances and was replaced in 1994 in a Potemkin-style election by Imomali Rakhmonov, a former regional Communist Party official. Only small and politically insignificant Kyrgyzstan can truly claim to have a popularly elected president who is not a former communist official.[2] But even in Kyrgyzstan, serious questions have been raised regarding the fairness of the election procedures.[3] Presidents in Uzbekistan and Turkmenistan have resisted democratic competition in the past.[4] Neither Islam Karimov nor Saparmurad Niyazov is likely to permit any real competition for political authority by means of democratic elections in the foreseeable future. Political succession in these countries is likely to be determined outside the free democratic process in ways that do not differ significantly from previous communist practices. As a rule, leaders in communist societies remain in the office until they die or are deposed.

The concept that dominates the political systems in all of the Central Asian countries is the authority of the leader in what is called a "presidential" form of government. The Kazakhstan constitution of 1995, more than the constitutions of the other Central Asian states, was designed to increase the prerogatives of the president. Modeled on the French constitution under General de Gaulle, the Kazakhstan constitution (like the French one) is called "presidential" because it puts great emphasis on the both the dignified and the efficient aspects of the presidency in the governance of society. The president, acting as head of state, is supposed to represent the unity of the national community, speaking with one voice, acting with one will. As guardian of the constitution, the president is the arbiter between the parliament, the cabinet, and the courts. In this system, the role of the president differs markedly from that of the head of state in a polyarchic consensus democracy[5] or in a Westminster-style majoritarian democracy.[6]

Central Asia's citizens might have expected greater observance of international standards of democratic practice during the postcommunist transition. The end of communism was supposed to lead to the "end of history" and to the global predominance of universally accepted institutions of good government. All of the Central Asian leaders promised to develop secular democracies based on market economies. Some still maintain that position.[7]

In Central Asian political circles today the case is often made that democracy is the art of the possible, not of the ideal. According to this view, rapid democratization risks political instability and social disarray, and avoiding disorder and risk is more important than emancipation. In fairness to the proponents of this "go slow" approach, it is important to recall that the international politics of the immediate postcommunist world—namely, the legacies of communist paternalistic policies, economic depression, and the cultural traditions of Central Asia—created a situation that can hardly be described as conducive to rapid civil development. In all five Central Asian states, the initial postcommunist presidential and parliamentary elections took place in a context of great political and economic uncertainty. In times of uncertainty, people tend to take fewer risks and to assess conservatively both the prospects and the need for major structural changes. In all the Central Asian countries the parliaments, the legal infrastructure, the laws, and the electoral process itself were new and untested. Only the executive branches were established and functioning. Nevertheless, many citizens voted, knowing that however the elections were conducted the outcomes would not be determined by gendarmes.

In 1999, the situation is different. All the countries in the region have firmly established constitutional orders with sophisticated legal and institutional frameworks in place. The USSR has passed into history without a major civil war. There has been no major attempt to resuscitate communism or to change interstate borders. No Central Asian state has tried to assert itself as the rightful heir of a unified "Turkestan." To the great credit of the political leaders and the citizens of the Central Asian states, the transition to independence in the form of separate countries has been successful. Whether or not fears of postcommunist societal collapse in Central Asia were well founded in 1991–92, there is no longer a rationale in 1999 for postponing civil development in Central Asia.

The 1999 Presidential Election as a Test Case

Now, with the decision by the Kazakhstan parliament to call for a presidential election in January 1999, Kazakhstan will be the most important test case of civil development in Central Asia. Kazakhstan is the regional leader in efforts to develop a market-based economy and a popularly supported political system. By every measure of progress toward these goals, Kazakhstan has surpassed its Central Asian neighbors and in many respects has also surpassed Russia.

On 8 October 1998, the Kazakhstan parliament passed a resolution moving the date of the next presidential election from December 2000 to 10 January 1999. Just the previous day the parliament had approved amendments to the Kazakhstan constitution lifting the requirement that presidential condidates be under age sixty-five and allowing more than two terms in office.[8] The parliament's actions freed Nursultan Nazarbayev to run in the January 1999 election. He announced his candidacy on 20 October 1998, passed a Kazakh language examination, and provided a certificate of good mental health, satisfying the main conditions for candidacy in the election.[9]

The announcement of the early election led to complaints from opposition figures that they had not been given adequate notice to prepare for a national presidential campaign. The announcement also gave rise to speculation that Nazarbayev was counting on a popular mandate that would virtually assure lifelong tenure in office. Nazarbayev's front-running opponent, former prime minister Akezhan Kazhegeldin, began campaigning ambitiously against great obstacles. Nazarbayev was widely favored to win, whether or not the election was free and fair.

For Kazakhstan's political future the stakes are high. Kazakhstan is potentially one of the richest countries in the region, perhaps in the world, if it succeeds in negotiating access to world markets for its oil, gas, and mineral resources. Moreover, Kazakhstan's forthcoming elections will establish the first important precedent of postcommunist succession in Central Asia. It will be the first election in the region in which there is a real possibility that "the government can be changed by elections [rather than the elections' being] changed by the government."[10]

The Politics of Reform in Kazakhstan

Kazakhstan's population of roughly 15.6 million makes it a small country by international standards, but its large geographic area—about four times the size of the American state of Texas—is the world's ninth-largest. Kazakhstan is situated at the core of the Eurasian land mass. It is landlocked and has long dry-land borders with its immediate neighbors that are difficult to monitor. It includes broad plains, high mountains near China, mineral-rich regions in the east, and rich reserves of oil in the west near the Caspian Sea. It is bordered in the north by the taigas of southern Siberia, in the south by the Aral Sea and the deserts of Central Asia. It is rich in gas, and minerals such as gold, iron ore, coal, copper, chrome, and zinc. Massive Soviet-era mining and mineral processing complexes are located at various points around the country.

As part of the legacy of Soviet-style centralized economic planning, Kazakhstan inherited a physical infrastructure designed to serve the Soviet economy by providing primary commodities, particularly energy and minerals, to industrial markets in the north, mainly in Russia's Ural and central Siberian industrial regions. Kazakhstan's industrial sector was tightly connected to those regions of Russia because its primary suppliers and consumers were located there. Kazakhstan's rail and road transportation systems were designed to connect its primary commodity industries with northern manufacturing markets.

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With its primarily commodity-based industries, sparse population, and a legacy of economic specialization under Soviet centralized planning, Kazakhstan must expand trade relations beyond its immediate neighbors and participate in the world economy. It must adopt the best practices in industry, technology, and governance to succeed in its development goals.

Many leaders of developing countries appreciate the importance of adopting international standards for economic functioning but disdain best practices in governance. These leaders want prosperity but not debate or political competition, which they regard as promoting disorder rather than consensus. However, the evidence is strong that in this period of globalization, modern governance is just as important for prosperity as modern economic management. Development strategies that emphasize the purely technical aspects of economic modernization while retarding civil development may be successful in short-term technology transfer and sectoral promotion but are not likely to produce well-rounded, technologically sophisticated change.

Since the Soviet Union unraveled in 1991 Kazakhstan has established a comparatively good record in the broad range of policies and practices relating to civil development. Its protection of civil and human rights is far from ideal, and it has failed to establish all of the preconditions of civil development; but it compares favorably with its neighbors in these areas.[11] Kazakhstan has established the fundamental institutions of civil development: a constitution that recognizes a separation of powers, an electoral process, a professional judiciary, a deliberative parliament, a free press, and freedoms of speech, assembly, and religion. It has established a reasonably stable legal and regulatory structure for commerce and the protection of economic rights, having developed a broad regulatory framework for a market-oriented economy. It has adopted a sound civil code, which provides a framework for commercial transactions and property rights, and a sound tax code, which provides at least the foundation of a modern system of public revenue. It has liberalized prices and eliminated state subsidies to industry. The government successfully divested itself of ownership of factories, farms, and municipal facilities. It has created a modern banking system, a securities exchange system, bankruptcy legislation, and a new system of private ownership of public utilities.

In 1996, the Kazakhstan government commenced a substantial redesign of the country's public sector. Responding to the need to create a more effective but less capacious public sector, Kazakhstan followed the advice of major multilateral assistance organizations by undertaking politically unpopular austerity measures such as reducing the size of the government's administrative agencies.

In macroeconomic theory an unnecessarily large public sector is generally regarded as disadvantageous for two reasons: the cost of supporting a large administrative staff and the fact that public sector borrowing tends to crowd out private sector borrowing, thereby inhibiting private sector economic development. Other consequences of an oversized public sector include excessive government regulation and a tendency toward rent seeking on the part of petty officials. In 1996, the world's major donor organization, the World Bank, provided the Kazakhstan government with an analysis of the functioning of its public sector. The report concluded that Kazakhstan could no longer afford to postpone government reorganization. As summarized in a public document published later by the bank, the report recommended that the government take steps to reduce administrative structures, consolidate social sector facilities, and adopt new personnel and budgetary systems.[12] Subsequently, Kazakhstan undertook a comprehensive reform of its public sector. It established a new fiscal management framework, with a modern system for managing public expenditures and external debt and a new system of revenue collection. It commenced the process of balancing the public and private sectors with a series of major reductions in the number of public employees.

These are substantial strides forward. Yet, rather than benefit from this progress, Kazakhstan appears to be paying a high price for its rapid progress in the transition. Its macroeconomic and political reforms have created anxiety in its southern neighbors, whose governments continue to regulate prices, subsidize industry, and value currencies arbitrarily. Kazakhstan's abandonment of subsidies for Soviet-era industries has permitted a steep industrial decline, throwing hundreds of thousands of Kazakhstan citizens out of work. Privatization has led to charges that government officials have sold out to large multinational corporations. Efforts to court a few large multinational enterprises, particularly in the gas, oil, and minerals sectors, have led to a widespread perception of growing corruption and cronyism. The rapid transition to the fiscal revenue basis of a democratic society has led to a massive overhang of unpaid social and pension benefits.

The socioeconomic consequences of the transition are visible: high unemployment; deteriorating or nonexistent social services; unpaid salaries, social security and pensions, unheated apartments; and unavoidable confrontations with dishonest or corrupt local officials. These are everyday features of life. Many industrial municipalities of remote Kazakhstan that just a few years ago were company towns, such as Tekeli, Zhanatas, and Kentau, have become ghost towns; the factories have closed and normal life cannot be supported. Strikes, worker protests, and citizen protests are commonplace.

Turmoil in Russia

The rising standard of living in Russia, particularly in the large cities, seemed in 1997 to indicate that the most painful part of the post-Soviet transition was over. When turmoil engulfed Asia's financial markets in mid-1997, investment in short-term securities and other highly liquid assets quickly moved to less risky markets, and the Russian market was big enough and well enough protected by the planned intervention of donor organizations to appear safe. At first Russia benefited from the capital moving out of Asia, but its government was incapable of maintaining fiscal discipline and unwilling to be pressured in that direction by the donor community. Fiscal discipline would require unpopular measures to reduce the growing deficit or to increase revenue collection. The government chose to postpone the day of reckoning by further borrowing to finance public expenditures.

Meanwhile, the government relied on foreign assistance to stabilize the ruble. As it continued to borrow, yields on short-term treasury bills became exceptionally high, reaching as much as 40 percent per annum. This attracted foreign investment but raised the cost of capital. The high cost of capital reflected declining confidence in Russia's ability to make good on its obligations and raised suspicion among bond rating agencies.

In fall 1997, the Russian Duma, prey to the politics of the moment and anticipating a shortfall in revenue, postponed adoption of the 1998 budget. The Yeltsin government introduced tax legislation designed to improve the revenue equation, but the government's tax package was again rejected by the Duma. Concerned that this situation could force the government into irresponsible fiscal policies, the International Monetary Fund acted at the end of October 1997 to postpone a scheduled $700 million loan payment to Russia pending the adoption of reliable mechanisms of public finance. In response, Prime Minister Viktor Chernomyrdin promised to introduce a new package of tax compliance measures before the end of the year.

But the new measures were not adopted either. Gradually, international investors began to look for the exits. As the situation deteriorated, Yeltsin removed Chernomyrdin and installed a new set of government administrators under the leadership of the young and inexperienced Sergei Kiriyenko as prime minister. Kiriyenko's government was reformist in approach but incapable of implementing the fiscal discipline necessary to reduce spending, improve revenue collection, and reestablish confidence in the stability of the ruble. Moreover, the financial markets began moving contrary the Kiriyenko government's plans. As investors exchanged rubles for more stable currencies, a glut of rubles developed and their value fell. Russia's central bank was forced to sell dollars and other currencies in an effort to increase the ruble's scarcity and thereby increase its value. The central bank drained its hard currency reserves, spending as much as $1 billion per week in a vain effort to prop up the ruble. On 17 August 1998, the government announced a moratorium on payment of sovereign debt. The ensuing fiscal catastrophe provoked fear in financial and political capitals around the world. Previously considered by many investors "too big to fail," the Russian government had borrowed far beyond its capacity.

Kazakhstan was spared any direct negative impact of the Russian crisis because its securities and bond markets had failed to attract much highly liquid "portfolio" investment. To avoid the dangers of the longer-term effects of the Russian crisis, Nazarbayev dismissed the heroic solutions championed by some Asian governments and by Russia's communists; he insisted that Kazakhstan would not establish tight currency controls and would not abandon the goal of establishing a market-based economy. Arguing that a retreat to the command-style macroeconomic policies of the Soviet period would only set back the clock, Nazarbayev pledged "to continue the promising advances toward an independent, open and free market economy."[13]

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All of the Central Asian states have been struggling with the economic slowdown caused by the disintegration of the commercial structures of the Soviet period. But the collapse of Russia's financial market delineated a clear break between the Soviet past and Central Asia's future. Unable to exert its economic, military, or even moral influence in Central Asia, Russia is being forced by its financial crisis to disengage from the region. Central Asian leaders anticipate a significantly different political landscape as they enter the twenty-first century.

Kazakhstan's 1999 Elections

Kazakhstan's difficult economic situation and the collapse of the Russian banking and financial sectors will determine the economic context and the issues of Kazakhstan's 1999 elections, but the outcome depends most of all on two leading figures: Nursultan Nazarbayev and his former prime minister, Akezhan Kazhegeldin.

Nazarbayev's closest aide and ally only a few years ago, Kazhegelin has become his most trenchant critic. Nazarbayev appointed him in October 1994 to lead the government's ambitious "anti-crisis" liberalization program. Kazhegeldin immediately established himself as an articulate and determined leader of pro–market reform efforts. His first action was to take the unpopular but crucial measure of price liberalization. In his first months of office, he presided over the elimination of subsidies and the rapid acceleration of the country's privatization program. He led Kazakhstan through the most difficult phases of market reform and steered the government through the constitutional reform of 1995.

By 1997, Kazhegeldin found himself in competition with other government officials for influence over the president. Rumors circulated early in the year that Kazhegeldin was losing influence relative to other popular and dynamic leaders such as Grigory Marchenko, then head of the National Securities Commission and widely regarded as the rising political star. Kazhegeldin was repeatedly called to deny rumors that he would run for the presidency in the 2000 election, a sure source of antagonism for any elected official in Kazhegeldin's position. Kazakhstan's investigative press and tabloids such as *Karavan* fueled rumors of political ambitions, double-dealing, and influence peddling in the Kazakhstan government.

In an interview in the Moscow-based *Komsomolskaya Pravda*, published on 10 September 1997, Kazhegeldin revealed that he had worked for the KGB during the Soviet era and had been involved in financial machinations during the closing days of the USSR. Soon after, an influential parliament deputy, Zamanbek Nurkadilov, accused Kazhegeldin of misusing his position as prime minister to amass a personal fortune. On 10 October 1997, Nazarbayev announced that he had accepted Kazhegeldin's resignation as prime minister for reasons of health. Kazhegeldin soon recovered from his respiratory condition, however, returning to his post as president of the Union of Entrepreneurs and Industrialists and interacting regularly and visibly with the multinational corporations with which he had worked closely as prime minister.

The political competition assumed a new character in the summer of 1998. The fiscal crisis in Russia, the inability of the Kazakhstan government to make good on its assurances to pay pension payments and maintain employment, the deterioration of the physical infrastructure, and public dissatisfaction with the expensive transfer of the capitol to Astana contributed to a sense of rising political urgency.[14] In June 1998, Kazhegeldin announced that the Union of Entrepreneurs and Industrialists, a professional organization that he had helped to form and organize, would be reconsitituted as a political party. In the ensuing months, the Kazhegeldin campaign faced harassment and threats. In August, Kazhegeldin's press secretary, Amirjan Kosanov, was beaten. One of Kazhegeldin's aides, Mikhail Vasilenko, was arrested and detained without charges.

Meanwhile, other opposition parties advanced candidates. Serikbolsyn Abdildin announced his intention to run as the candidate of the Communist Party of Kazakhstan. Baltash Tursunbayev, former Kostenai oblast akim and Kazakhstan's ambassador to Turkey, announced his intention to run for the presidency when he was in Moscow. On 23 October 1998, however, Tursunbayev was appointed deputy prime minister and withdrew from the presidential elections. Smaller and less influential parties began to increase their campaigning.

A pattern of events in fall 1998 suggested that there were coordinated efforts to intimidate the political opposition. On 26 September, an explosion occurred in the Almaty editorial offices of *XXI-Vek*, a pro-Kazhegeldin tabloid. The newspaper's editor, Bigeldy Gabdullin, later complained in the press that the police had cordoned off the premises and refused him entry, thereby effectively closing the newspaper. In what appeared to be a crackdown on political activity, the leaders of several of Kazakhstan's opposition parties and movements were taken into custody on 15 October. Petr Svoik, former parliamentarian and a candidate of the Azamat, was detained without charges. Irina Savostina of the Pokoleniye movement was arrested. Mels Eleusizov of the Green Party, political activist Dos Koshim, and others were accused of taking part in the meetings and mass gatherings of an unregistered group, the Fair Elections Movement. Radio Free Europe/Radio Liberty later reported that Svoik had been hospitalized with a heart attack on 20 October.

On 13 October 1998, the local press reported that two shots were fired toward Kazhegeldin at a riding stable near Almaty. The Kazakhstan authorities claimed that the incident was a publicity stunt rather than an assassination attempt. Alnur Musayev, the head of Borlau, the Kazakhstan National Security Committee, claimed that Kazhegeldin was being investigated for purchases made in Belgium by his wife, Natalia, amounting to more than $4.5 million. On 20 October, an Almaty court found Kazhegeldin guilty in absentia for participating in "mass gatherings and sessions of an unregistered organization," a charge that, if upheld on appeal, would disqualify him for candidacy in the January election.

After the Elections

The United Nations lists 187 officially recognized member states. All of these are politically independent, but not all are as "developed" in the sense of having adopted principles and practices to ensure durable institutions of self-governance. A key element in the transition from an administered society to a society based on the rule of law is the establishment of mechanisms of corporate governance that provide for a specified, transparent, orderly, and legitimate succession of political authority. In a globalized world of rapid and influential change, societies must be capable of adapting to new challenges and external pressures. It is often observed that the real virtue of the electoral process is not that it necessarily selects the best mechanisms to deal with change or the best policies to confront the future, but that it minimizes the danger that a society will respond to change by avoiding social adaptation until crisis makes change inevitable. The transition from mere political independence to genuine civil development hinges to a large extent on a society's ability to provide for political succession.

NOTES

1. *Kazakstan Economic Trends* (Brussels: European Commission, Deutsches Institut fur Wirtschaftsforschung, May 1998), 146, 150. Also see International Monetary Fund, *Direction of Trade Statistics*: *1997 Yearbook* (Washington, D.C.: IMF, 1998), 275.

2. Nursultan Nazarbayev (born in 1940), president of Kazakhstan, was the first secretary of the Kazakhstan Communist Party organization. Islam Karimov (born in 1938), president of Uzbekistan, was first secretary of the Uzbekistan Communist Party organization. Saparmurad Niyazov (born in 1940), president of Turkmenistan, was first secretary of the Turkmenistan republic communist party organization. Imomali Rakhmonov, president of Tajikistan, is a former regional communist official. Among the Central Asian pres-

idents, only the president of Kyrgyzstan, Askar Akayev (born in 1944), did not belong to the former party nomenklatura, although he too was a member of the party-approved scientific-intellectual elite.

3. See "The Democratic Experiment Goes Awry," in *Central Asian States,* Gregory Gleason (Boulder: Westview Press, 1997), 98–100.

4. C (pseudonym), "One Man Rule in Uzbekistan: A Perspective from within the Regime," *Demokratizatsiya* 1: 4 (1993): 44–55.

5. The most widely used definition of a consensus system is Robert Dahl's description of polyarchy as characterized by seven attributes: (*1*) elected officials, (*2*) free and fair elections, (*3*) inclusive suffrage, (*4*) the right to run for office, (*5*) freedom of expression, (*6*) alternative information, and (*7*) associational autonomy. Robert Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989), 221.

6. Arend Lijphart, *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-one Countries* (New Haven: Yale University Press, 1984).

7. Nazarbayev's rhetorical commitment to democracy and a market-oriented economy has remained virtually constant through the seven years of his rule. Compare the ideals expressed in his speeches collected in *Five Years of Independence* (Almaty: Kazakstan, 1996) or his program for the future in *Kazakhstan-2030: Prosperity, Security, and Ever Growing Welfare of all the Kazakhstanis* (Almaty: Ylim, 1997) with Islam Karimov's justification of authoritarianism in his *Uzbekistan on the Threshold of the Twenty-first Century* (New York: St. Martin's Press, 1998).

8. At the same time the parliament extended the president's term from five to seven years. It also extended the terms of parliamentary deputies in the lower house from four to five years and in the upper house from five to six years.

9. Potential candidates had to register on or before 10 November to be nominated. To qualify for the ballot, candidates then had to collect at least 161,000 signatures and pay a registration fee of 2.5 million tenge (roughly $30,000) from their own funds, in addition to presenting a mental health certificate and passing a Kazakh language test.

10. Bernard Lewis, "A Historical Overview," *Journal of Democracy* 7: 2 (1996): 53.

11. The U.S. Department of State is instructed by Congress annually to prepare a report on the observance of international standards for human rights in all the major countries of the world. The opening lines of the 1997 human rights reports on the Central Asian countries suggest the overall character of the appraisal. Kazakhstan—The Constitution of Kazakhstan concentrates power in the presidency. President Nursultan Nazarbayev is the dominant political figure. Kyrgyzstan—The Kyrgyz Republic became an independent state in 1991. Although the 1993 Constitution defines the form of government as a democratic republic with substantial civil rights for its citizens, the president, Askar Akayev, dominates the government. Tajikistan—Tajikistan remains in the hands of a largely authoritarian government, although it has established some nominally democratic structures. Turkmenistan—Turkmenistan, a one-party state dominated by its president and his closest advisers, made little progress in moving from a Soviet-era authoritarian style of government to a democratic system. Uzbekistan—Uzbekistan is an authoritarian state with limited civil rights. See *U.S. Department of State Report on Human Rights Practices for 1997*, released by the Bureau of Democracy, Human Rights, and Labor, 30 January 1998.

12. World Bank, *Kazakhstan: Transition of the State* (Washington, D.C.: World Bank, 1997).

13. Nursultan Nazarbayev, "Address of the President of the Republic of Kazakhstan to the People of Kazakhstan: On the Situation in the Country and Major Directions of Domestic and Foreign Policy: Democratization, Economic and Political Reform for the New Century" (30 September 1998), *Panorama*, 2 October 1998, 1.

14. The city of Alma-Ata was the capital of the Kazakh Soviet Socialist Republic. When Kazakhstan became an independent state in December 1991, Alma-Ata became the first capital of the Republic of Kazakhstan. The spelling of the city's name was changed to Almaty in 1993 to bring it more closely into line with the pronunciation in the Kazakh

language. A presidential decree of 15 September 1995 transferred the capital to the city of Akmola, meaning "white hill" in the Kazakh language, and most of the important government offices and agencies were moved to Akmola in 1997. However, some Russian speakers with a rudimentary knowledge of the Kazakh language interpreted Akmola to mean "white grave. Therefore, in May 1998, the name of the city was changed by an act of the president to "Astana," meaning “capital” in the Kazakh language.