Political Transition on the Great Steppe: The Case of Kazakhstan

Morena Skalamera Groce

On 19 March 2019, Kazakh president Nursultan Nazarbayev stepped down after three decades in power. Presidential elections were hastily called for 9 June 2019, a year ahead of schedule. Frustration with the slow pace of economic and social reform had sparked some protests in the months preceding Nazarbayev's resignation,[2] and then-acting head of state Kassym-Jomart Tokayev appeared to acknowledge the public's disenchantment in his address announcing the election, saying that it would help speed up reform, 'remove uncertainty over the country's political future … and resolve the socio-economic development issues'.[3] The subsequent transition was carefully managed to bolster stability and continuity. Nazarbayev remained in charge of the ruling Nur Otan party and the powerful Security Council, and has assumed the title of 'Leader of the Nation' for life, affording him extensive powers in defining Kazakhstan's domestic and foreign policy. As Tokayev, the country's new president, stated in his inauguration speech, 'the final word on domestic and foreign policy will rest with [Nazarbayev]; this is determined by law – he was and remains the Leader of the Nation' **[These words do not seem to appear in the source given in the endnote]**.[4] In a further move to control the succession process, and possibly even to stage-manage a dynastic succession, Nazarbayev appointed his eldest daughter, Dariga, as speaker of the Senate and therefore next in line for the presidency.[5]

Among the secular authoritarian regimes of Central Asia, Kazakhstan is the wealthiest and most endowed with natural resources. By 2017, the country had amassed $147 billion in foreign direct investment – one-third as much as Russia, whose economy is nine times the size. Gross domestic

output per capita exceeds 90% of Russia's, up from less than 30% when the Soviet Union broke up.[7] The country is rich in petroleum and natural gas, as well as uranium, coal, gold, aluminium and silver.

Conventional wisdom dictates that state control over revenues from valuable commodities like these undermines the development of an autonomous civil society and gives rulers the means to co-opt potential opponents.[8] While these rents generate a trade surplus, they do not contribute to the modernisation of the national economy. Instead, elites' asymmetrical access to commodity rents perpetuates the existence of neo-patrimonial regimes and, ultimately, plays a key role in explaining the stability of quasi-traditional elite networks. Yet Kazakhstan remains a puzzling case. Since 2014, the country has suffered a period of collapsing oil prices, bringing economic development almost to a halt. Despite this, the current regime remains largely unchallenged.

It is received wisdom as well that autocratic or dictatorial regimes need to offer plenty of economic opportunities to their power base in order to maintain legitimacy and a tight grip over their heavily controlled, statist economies.[12] Resource-rich **[ok?]** regimes stay in power when they are able to keep their cronies happy by paying them well, and to co-opt any opposition.[13] In Russia, for example, Daniel Treisman found that Boris Yeltsin's and Vladimir Putin's approval ratings in the 1990s and 2000s closely tracked the country's economic growth rates.[14] In Kazakhstan, the overall performance of the economy is closely linked to fluctuations in the price of petroleum, and most of the country's wealth hinges on oil rents. This being the case, the 2014 oil-price slump and subsequent recession should have posed a significant challenge to the incumbent regime. It did not. Indeed, the system became even more consolidated at the top.

In a comparative study of post-Soviet patrimonial regimes published in 2014, Henry Hale challenged the conventional wisdom by demonstrating that exogenous shocks, rather than bringing about significant changes in the politico-economic order, can actually sustain a regime's patrimonial core.[18] He convincingly argued that the world is full of very poor countries with long-lived leaders, suggesting that the key is not the absolute value of the pay-offs provided by the regime, but rather the relative value of what a

patron can credibly promise to provide, and the continuing expectation that he will be in a position to carry on distributing these pay-offs. Thus, diminished resource rates are not a strong predictor of meaningful regime change, even in periods of presidential succession.

While Kazakhstan is richer and enjoys a relatively more enlightened authoritarian regime than its Central Asian neighbours, Nazarbayev has successfully constructed a pyramid of patron–client ties based in a presidency that largely dominates national politics, keeping alternative patrons weak and their own pyramids localised. This explains why, to quote Tokayev, Nazarbayev 'will have special, one might say priority, importance in developing and making strategic decisions', even after having left the presidency.[21] Hale would argue that, for authoritarianism to function effectively, the regime needs a *formal* vehicle through which to exercise power and implement orders, such as a pragmatic ruling party, a reliable military or a presidential constitution.[22] This account stresses vertical power relations among actors in a patronal system. However, this article supports an alternative patron–client model, one that identifies a more horizontal pathway to regime consolidation **[ok?]**.

The case of Kazakhstan suggests that informal elite networks are likely to emerge as a major source of regime consolidation when a secular authoritarian state is confronted with significant political or economic uncertainty. Such conditions are often present at moments of change, such as the departure of a long-serving leader **[ok?]**. In such periods, the networks surrounding the leader begin to mobilise their followers in a quiet struggle over succession, while at the same time working to maintain stability by preventing challengers from consolidating their own power. This process is especially important in cases of less repressive authoritarian regimes, where some open protest is allowed. In such cases, informal networks are critical means of spreading the autocrat's message and recruiting followers**,** mobilising as many people as possible to fight for the government's cause. Indeed, informal networks of activists are likely to become the primary vehicle by which the incumbent networks' ideas are spread. In this way, civil-society actors are co-opted well before they are able to bring about substantive institutional reform.

Failing reforms, entrenched interests and personalised relationships

Although factors such as a leader's departure or an economic recession can generate tremendous centrifugal pressures even in highly autocratic, personalistic regimes, it is clear that they are no guarantee of revolutionary change. Nor do institutional reforms necessarily increase the likelihood of regime change: variations in institutions toward a more hybrid regime sometimes have the effect of giving powerful elites both the incentive and the capacity to block threats to their tenure and to the systems they constructed, while at the same time avoiding more open political struggles for succession. Yet there has been only limited study of the effects of elites' interest in maintaining stability and continuity instead of pushing for revolutionary change and an open struggle for power in the circumstance of autocratic political succession. Existing studies are also silent about whether and to what extent an autocrat's own demand for economic reform can be severely circumscribed or compromised due to a failure to recognise that most decisions are made by deeply entrenched elites at the top **[ok?]**.

In March 2017, the Kazakh parliament passed a constitutional reform aimed at seriously reducing the president's powers, redistributing leverage and democratising the political system as a whole. Another reform package, known as 'hundred steps in the right direction', is intended to forge a dynamic private sector to deliver jobs to a growing legion of unemployed youths otherwise susceptible to radicalisation. The package aims to improve the courts, the civil service and e-government. Fiscal reforms including tax increases and cuts to spending and energy subsidies are intended to gradually erode Kazakhstan's patrimonial welfare state.[29] Yet these sweeping reform packages have been largely ineffective. The wealth gap is worsening, particularly after several rounds of currency devaluation and inflation wiped out the savings of the middle class.[30] The slow implementation of the reforms is provoking increasing public frustration and small-scale protests. Institutional reforms are distrusted because they are subject to manipulation and arbitrary constraints imposed by the elite, which fears the outcome of unfettered competition. Meanwhile, the cost of participating in any genuine opposition is usually very high.

The relative weakening of state authority in Kazakhstan is not likely to result in democratisation and may even serve to reverse such modest democratisation as has been achieved **[ok?]**. With the progressive weakening of the core, the autocrat's modernisation dictums may no longer fully affect the behaviour of oligarchic interest groups, which will quietly resist changes that undermine the social and economic basis of their own power. Meanwhile, illiberal institutions lack the incentive to integrate alternative interests and views. Thus, the major stumbling block for Kazakhstan's efforts at promoting economic liberalisation and a gradual political opening is the presence of elite groups formed mostly on the basis of personalised solidarity. A 'rally-round-the-leader' approach among impoverished but 'first-entrant' elites – including the *stavlenniki*, hand-picked by the departing leader to act as 'safeguards' – allows them to tailor the design of new institutions to their own advantage, even if that means sacrificing revolutionary change for the sake of stability.[31]

Kazakhstan lacks developed 'parties of power' and a strong military apparatus. Collective behaviour is usually organised around personal ties rather than abstract principles such as ideological belief, party allegiance, economic class or ethnic background.[32] Thus, powerful actors use informal channels to secure access to the power resources of the state and keep potential challengers at bay.[33] At the same time, they seek to transcend the narrow, exclusivist networks that exist within particular clans, tribes, regions or ethnic groups, and thereby to avoid becoming identified with exclusivist identity groups. President Nazarbayev was careful to keep those appointed to positions of power in the regions, including the regional heads (*akims*), under central control, while simultaneously trying to minimise ties of solidarity among relatives, close friends and other in-groups within the country's complicated clan networks.

Collective-action theory holds that members of various (and potentially competing) sub-networks must agree not only that the time has come to switch their allegiance to a new patron but also who that person will be.[41] Individual clients are unlikely to try to challenge the leadership of the patron by themselves. In cases where people expect a president and his entourage to remain powerful (and in a position to wield carrots and sticks),

this expectation serves to maintain that power. A decision among elites to stick with existing power structures can also be explained through a logic of 'path dependence'.[43] **[Please provide a brief explanation of this term.]** An extreme example of this would be the efforts of Soviet leader Leonid Brezhnev's inner circle to keep him in power even after his death.[44] **[This is pretty funny but has to be qualified. I (Editor, Allin) was around at the time. You mean, presumably, they kept his death a secret for a while. Please recast.]** Thus, the self-preserving rules of the game can prevent change even in the presence of shocks such as a leader's departure or the disruption of lucrative oil rents.

Although Eurasia is changing in ways that favour China, Russia continues to wield significant influence in Central Asia, providing the region's most crucial security-related public goods and dominating its military architecture.[56] Moreover, Russia shares a political, historical and cultural affinity with the region that its rivals lack.[57] Russian continues to be widely spoken in Central Asia and is the region's uncontested lingua franca, while Russian TV and radio remain popular. Used thoughtfully, these built-in advantages will ensure Russia's strong position in Eurasia for decades to come. Russia's propaganda machine does not seem shy about using these assets to undermine potential opponents for Central Asian influence. Russia views its linguistic, cultural and military links as an instrument to shore up its influence against the challenges posed by Chinese growth and Western influence.

After the 2017 terror attacks in St Petersburg, the Kremlin warned Central Asian leaders that the system that supported migrants' remittances from Russia might be substantially revised if the Central Asian regimes did not continue to work closely with Russia's security apparatus.[58] According to the Russian Federal Migration Service, 10–16% of Central Asia's active labour force works in Russia.[59] At the same time, a more assertive Russia has taken a share of responsibility for the reorganisation of the region's massive bureaucracies and security apparatuses (the successors of the Soviet KGB), providing Moscow with another means of wielding disproportionate power.[60]

* * *

Nazarbayev's savvy in turning Kazakhstan into a multinational, politically pluralistic republic with a market-oriented economy raises questions about how competent his successor will be in defining and advancing the country's interests. There are several potential threats to Kazakhstan's stability, including any political and economic uncertainty, the possibility of fragmentation along regional or clan-determined lines, the threat of radical Islam, and the dilemmas inherent in managing the country's precarious position between a prospering China and a newly re-assertive Russia.[70] Any polarisation **[This is not the right word. Do you mean 'unrest'? 'Radicalisation'?]** of the country's large ethnic-Russian minority could trigger a more interventionist approach in Moscow.[71] The new regime faces the challenges of strengthening national identities, building more effective political institutions and coping with sluggish economic growth. While there is no immediate threat to US interests from developments in Central Asia, it is possible that, in a system marked by personalised rule, Nazarbayev's successor may not have the experience, *savoir faire* or charisma necessary to ensure continued stability and prosperity.

New regimes in Kazakhstan and elsewhere might seek to change existing political practices. The US could capitalise on this by positioning itself as a generator of new ideas. US policies should, however, set modest goals. Previous Western expectations of a big leap toward democratisation in Central Asia were premature. Ethnic tensions persist in the region, which has no prior experience with democracy, and many of Central Asia's emerging young, Western-educated leaders are attracted to the statist capitalism that has brought relative stability to Russia and tremendous prosperity to China.[72] The mere formality of Nazarbayev's relinquishment of power, the persistent clout of his loyalist apparatchiks, and the public's low expectations for genuine change in the near future mean that the new regime is unlikely to make radical changes.

Demographic trends may work in the West's favour, however. According to 2018 estimates, the median age in Kazakhstan is 30 years for men and 32 years for women, with nearly half of Kazakhstan's population born during Nazarbayev's reign.[73] Since the early 2000s, young Kazakhs have enjoyed political stability and relative material affluence, developing a

strong consumerist culture.[74] Even with growing government restrictions on media, religion and formal public expression, they have been raised in a comparatively free country. The new generation of Central Asian elites, in contrast to the old guard, might gradually become more open to political liberalisation, and might consider democratisation as an appealing, albeit distant, goal. Their political programmes might be influenced by several factors, not the least of which is the status of their countries' relations with the United States, a country which many of the younger elite have either travelled to or studied in thanks to a spate of post-Soviet exchange and professional-development programmes, such as the well-funded and expansive Bolashak Programme.[75] Additionally, the replacement of Russian by English as the predominant second language among Kazakhs was a long-standing policy goal for Nazarbayev, and has been adopted by many of the younger ministers in his cabinet. American overtures might be better received by young people who have been exposed to the official trilingualism introduced into the national curriculum by Nazarbayev's Kazakhstan-2030 programme.[76]

Among Kazakhstan's long-term challenges are the need to address continued reliance on energy exports and mineral wealth, the problem of capital deficiency and the strength of informal networks in deciding how business operates in the sectors which generate large revenue streams, particularly oil, gas and minerals. With a more vigorous trade and investment policy, the US could help local governments implement the much-needed reforms. In the face of slow but inexorable generational change, younger elites might respond to concrete offers of advice on how to remedy the ills of corruption, the weak rule of law, and the toxic interweaving of the political and business elite by embracing better governance and working to address economic stagnation through development initiatives. Helping Central Asian countries build strong state administrations would allow them to pursue more effectively a balanced, multi-vector foreign policy in an attempt to maximise their own independence in a geopolitically fraught region, a development that would favour American interests.

[Please provide a 1–2 line author bio.]

1 Notes

2 'Dozens of Mothers Protest in Kazakhstan Demanding Government Support', Radio Free Europe/Radio Liberty, 8 February 2019, at:https://www.rferl.org/a/dozens-of-mothers-protest-in-kazakhstan-demanding-government-support/29759290.html.

3 Nastassia Astrasheuskaya, 'Kazakhstan to Hold Snap Presidential Elections', *Financial Times*, 9 April 2019, https://www.ft.com/content/7752ec1c-5a9c-11e9-9dde-7aedca0a081a.

4 'Speech by the President of the Republic of Kazakhstan Kassym-Jomart Tokayev at the Joint Session of the Chambers of Parliament', 20 March 2019, http://www.akorda.kz/en/speeches/internal_political_affairs/in_speeches_and_addresses/speech-by-the-president-of-the-republic-of-kazakhstan-kassym-jomart-tokayev-at-the-joint-session-of-the-chambers-of-parliament.

5 See 'Kazakhstan has Entered the Post-Nazarbayev Transition', *Financial Times*, 24 March 2019, https://www.ft.com/content/851b3c54-4bfc-11e9-bbc9-6917dce3dc62; and Nastassia Astrasheuskaya, 'Nazarbayev's Daughter Becomes Kazakh Heir Apparent', *Financial Times*, 20 March 2019, https://www.ft.com/content/beeb26dc-4af9-11e9-8b7f-d49067e0f50d.

7 'Kazakhstan has Entered the Post-Nazarbayev Transition'.

8 See Steven Levitsky and Lucan Way, 'Elections Without Democracy: The Rise of Competitive Authoritarianism', *Journal of Democracy*, vol. 13, no. 2, April 2002, pp. 51–66.

12 See, for instance, Michael Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton, NJ: Princeton University Press, 2013); and Hazem Beblawi and Giacomo Luciani (eds), *The Rentier State: Essays in the Political Economy of Arab Countries* (New York: Croom Helm, 1987).

13 For a detailed analysis of these dynamics see Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism* (New York: Cambridge University Press, 2010). See also M. Steven Fish, *Democracy Derailed in Russia* (New York: Cambridge University Press, 2005).

14 Daniel S. Treisman, 'Presidential Popularity in a Hybrid Regime: Russia Under Yeltsin and Putin', *American Journal of Political Science*, vol. 55, no. 3, July 2011, pp. 590–609.

18 Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (New York: Cambridge University Press, 2014).

21 'After 30 Years, Kazakhstan Gets a New Ruler. Sort Of', *New York Times*, 22 March 2019, https://www.nytimes.com/2019/03/22/opinion/sunday/kazakhstan-president-nazarbayev-resignation.html.

22 Henry E. Hale, 'Formal Constitutions in Informal Politics: Institutions and Democratization in Post-Soviet Eurasia', *World Politics*, vol. 63, no. 4, October 2011, pp. 581–617. See also Dirk Vandewalle, *Libya Since Independence: Oil and State-building* (Ithaca, NY: Cornell University Press, 1998), pp. 155–61.

[29] Additional reforms are meant to cut through red tape, streamline customs, and improve the electrical grid and transportation. Additionally, the English-law-based Astana International Financial Center – complete with a stock exchange, a court and an arbitration tribunal – has been launched with the intent of becoming the region's financial and economic hub. The centre is co-owned by the Shanghai Stock Exchange and closely connected to the Dubai Financial Center. See, for instance, 'Steppe Change: Kazakhstan: The Crossroads of the New Silk Road', *The Economist*, 1 July 2017, https://www.economist.com/asia/2017/07/01/kazakhstan-the-crossroads-of-the-new-silk-road.

[30] Paul Stronsky, 'What's Behind Nazarbayev's Surprise Resignation "Ruse" in Kazakhstan?', *World Politics Review*, 8 March 2019.

[31] Joel S. Hellman, 'Winners Take All: The Politics of Partial Reform in Postcommunist Transitions', *World Politics*, vol. 50, no. 2, January 1998, pp. 203–34.

[32] See Kathleen Collins, *The Logic of Clan Politics in Central Asia: Its Impact on Regime Transformation* (Cambridge: Cambridge University Press, 2006).

[33] See Vladimir Gel'man, 'The Technocratic Traps of Post-Soviet Reforms', PONARS Eurasia Policy Memo No. 504, February 2018.

[41] See Mancur Olson, 'The Logic of Collective Action in Soviet-type Societies', *Journal of Soviet Nationalities*, vol. 1, Summer 1990.

[43] For a detailed explication of the logic of path dependence see Douglass C. North, *Institutions, Institutional Change and Economic Performance* (New York: Cambridge University Press, 1990).

[44] See Meghan O. Sullivan, *Windfall: How the New Energy Abundance Upends Global Politics and Strengthens America's Power* (New York: Simon & Schuster, 2017), p. 190.

[56] See Morena Skalamera, 'Russia's Lasting Influence in Central Asia', *Survival*, vol. 59, no. 6, December 2017–January 2018, pp. 123–42.

[57] See Roy Allison, 'Strategic Reassertion in Russia's Central Asia Policy', *International Affairs*, vol. 80, no. 2, March 2004, pp. 277–93.

[58] See David Filipov, 'Russia's Aggressive Response to the St. Petersburg Subway Bombing is Raising Questions', *Washington Post*, 7 May 2017; and Edward Lemon, 'Russia Sees IS as Reason to Boost Control in Central Asia', Eurasianet, 11 November 2014, https://eurasianet.org/s/russia-sees-is-as-reason-to-boost-control-in-central-asia.

[59] 'В Россию едет всё больше мигрантов из стран ЦА' **[Could you please supply a transliteration?]** [More and more migrants from Central Asia go to Russia], Centre 1, 10 July 2017, https://centre1.com/world/v-rossiyu-edet-vsyo-bolshe-migrantov-iz-stran-tsa/.

[60] See Skalamera, 'Russia's Lasting Influence in Central Asia'.

[70] On the threat of radical Islam see Erlan Karin, 'Central Asia: Facing Radical Islam', IFRI, Russia/NIS Center, White Paper, February 2017, pp. 13–14.

[71] See Farchy, 'Central Asia: After the Strongmen'.

[72] See Junisbai, 'What Makes "Ardent Democrats" in Kazakhstan and Kyrgyzstan?'.

[73] See the CIA's World Factbook entry on Kazakhstan at https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html.

[74] See Marlene Laruelle's (ed.), *The Nazarbayev Generation: Youth in Kazakhstan* (Lanham, MD: Lexington Books, 2019).

[75] Adele Del Sordi, 'Sponsoring Student Mobility for Development and Authoritarian Stability: Kazakhstan's Bolashak programme', *Globalizations*, vol. 15, no. 2, 2018, pp. 215–31.

[76] See 'Trekh'iazychie kak propusk v bol'shoi mir' **[possible to supply English translation?]**, Nur KZ, 15 September 2017, https://www.nur.kz/1618075-trekhyazychie-kak-propusk-v-bolshoy-mir.html.