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NOTE ~ The views expressed in this essay are the author's and do not represent the views of Nazarbayev University.

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EXECUTIVE SUMMARY

This essay examines Kazakhstan's latest economic modernization campaign, highlights its shortcomings, and proposes how the West could assist the country's ruling elite in carrying out reforms to complement the modernization process.

MAIN ARGUMENT

Kazakhstan seeks to undergo economic modernization, but its proposed reforms face a number of obstacles. Although Kazakhstan is the most developed and stable country in Central Asia, it remains to be seen whether the ruling elite will usher in an era of sustained economic development complemented by political reforms. The country stands to lose much if this effort fails. Over the course of the past generation, Kazakhstan has never made political liberalization a priority. Yet political reforms are seemingly necessary to realize its stated goals of establishing the rule of law, a service-oriented economy, and a professionalized bureaucracy. Kazakhstan stands at a crossroads due to a worsening of great-power relations and a seeming reluctance among the local ruling elite to embrace reformist measures.

POLICY IMPLICATIONS

- Kazakhstan aspires to transform its economy into a powerhouse by adhering to a detailed strategy over the course of the next generation. However, the success of the country's economic modernization campaign will in large part depend on the extent to which political liberalization, especially the dispersion of elite controls over the political system and the institutionalization of power, is embraced by the government.
- Given that Kazakhstan lacks a democratic history, has yet to experience a peaceful transfer of power, and cannot afford to upset relations with Russia and China, Astana will need to tread carefully should it decide to pursue an agenda of political liberalization.
- Western states, acting in an advisory capacity, could assist Kazakhstan with carrying out reforms designed to disperse and institutionalize political power by arguing on behalf of blending certain political development models.
- Despite Western actions, however, the fate of Kazakhstan's reformist drive is largely predicated on whether local powerbrokers believe in the need for meaningful political reform.

In Central Asia, democracy is virtually nonexistent. Generally, elections are a foregone conclusion, civil society is restricted, parliaments serve as rubber stamps, and secret police forces (or former branches of the KGB with updated acronyms) neutralize the opposition. Regional states are all nondemocratic to one degree or another, and history and geography matter a great deal in terms of explaining why democracy is so lacking. The five newly independent countries of Central Asia are all former Soviet Socialist Republics. This is important because deceased long-term leaders like Islam Karimov and Saparmurat Niyazov were originally groomed to rule as Communist Party bosses, maintaining order in their respective socialist mini-states, rather than as legitimately elected politicians representing the majority will of voters. When the Soviet Union disintegrated, strongmen took over most of the Central Asian states, fashioned mechanisms to ensure their rule indefinitely, and began enriching themselves once they figured out how to assert control over economic resources.¹

Central Asia is also sandwiched between Russia, China, Iran, and Afghanistan, none of which (save for Afghanistan since 2001, to some degree) have strived to make their politics more pluralistic in nature. Furthermore, Western interests in Central Asia tend to focus on national security concerns and commercial interests, while influential regional linkages with Russia and China serve to buttress the existing authoritarian regimes.² It thus stands to reason that democracy is not well-suited to flourish within any of the Central Asian republics.

Kazakhstan, the most developed and stable country in Central Asia, has expressed interest in restructuring its economy under the banner of its Kazakhstan 2050 strategy. In adhering to a plan of action known as the 100 Concrete Steps, which is supposedly designed to propel the country into modernity, Kazakhstan seeks to part ways with its oil dependency, bloated bureaucracy, and dubious legal practices.³ In short, the country aims to make a great leap forward. But can Kazakhstan land such a big jump? This essay posits that the absence of an agenda for political liberalization (emphasizing the dispersion of elite controls over the political system and the

¹ Martha Brill Olcott, *Central Asia's Second Chance* (Washington, D.C.: Carnegie Endowment for International Peace, 2005), 8, 13.

² In regard to these linkages, see Steven Levitsky and Lucan A. Way, "The Rise of Competitive Authoritarianism," *Journal of Democracy* 13, no. 2 (2002): 60.

³ For an overview of this plan, see "Strategy 2050," Strategy2050.kz News Agency ~ <https://strategy2050.kz/en>; and "The 100 Concrete Steps Set Out by President Nursultan Nazarbayev to Implement the Five Institutional Reforms," Strategy2050.kz News Agency, May 20, 2015 ~ https://strategy2050.kz/en/page/message_text2014.

institutionalization of power) hinders Kazakhstan's modernization prospects. Unless the government embraces political liberalization to complement its economic reforms, the country is more likely to fall short of realizing its stated objectives than to see restructuring through to the end.

This essay is organized into the following sections:

- ≈ pp. 124–27 compare Kazakhstan with other Central Asian states and discuss its recent political and economic developments.
- ≈ pp. 127–30 examine the government's proposed economic and political reforms under the Kazakhstan 2050 strategy.
- ≈ pp. 130–35 argue that political liberalization is needed to complement economic reforms in order for the government's modernization agenda to be successful and then recommend options for Western countries to assist Kazakhstan with this process.
- ≈ pp. 135–36 summarize the essay's main findings.

AUTOCRACY LITE

The Central Asian republics are not all alike. Tajikistan endured a civil war during the 1990s. In Kyrgyzstan, two presidents were forcefully overthrown within the span of just five years and ethnic violence has occasionally flared in the south. The brand of authoritarianism practiced in Turkmenistan and Uzbekistan is extremely repressive, and these systems do not appear to have softened to any great extent despite undergoing transitions in 2006–7 and 2016, respectively (though Uzbek president Shavkat Mirziyoyev's governing style appears to be less autocratic than his predecessor's).⁴

By comparison, Kazakhstan towers above its neighbors both economically and politically. A country of approximately 18 million people, Kazakhstan is ruled by an authoritarian government that has been led by only one head of state since independence. President Nursultan Nazarbayev's name and picture are visible in a variety of places across the country, and he is honored with two national holidays a year. December 1 is known as the Day of the First President of the Republic of Kazakhstan, whereas July 6 (Capital Day)

⁴ For a discussion on Turkmenistan's political transition in 2006–7, see Charles J. Sullivan, "Halk, Watan, Berdymukhammedov! Political Transition and Regime Continuity in Turkmenistan," *REGION: Regional Studies of Russia, Eastern Europe, and Central Asia* 5, no. 1 (2016): 35–51. For a discussion on Uzbekistan's recent (and very minor) political liberalization under President Shavkat Mirziyoyev, see Andrew E. Kramer, "Once Closed and Repressive, Uzbekistan Is Opening Up," *New York Times*, October 25, 2017 ≈ <https://www.nytimes.com/2017/10/25/world/asia/uzbekistan-politics.html>.

marks Nazarbayev's birthday. Astana's international airport was even recently renamed after the president.

Yet Kazakhstan is not merely some tinpot dictatorship.⁵ Its brand of authoritarianism is not nearly as repressive as other post-Soviet political systems. In Kazakhstan, Facebook, YouTube, Google, and Twitter are readily available, and virtual private networks are not blocked. Citizens from a variety of Western countries are also not required to obtain a visa prior to traveling to Kazakhstan. Aside from a few high-profile political deaths shrouded in mystery during the mid-2000s, along with the infamous crackdown in the city of Zhanaozen in December 2011 (which involved oil workers clashing with police), overt state repression is not very common. Since the events in Zhanaozen, the government has actually issued concessions to workers on several occasions to alleviate labor disputes.⁶ At a glance, it is seemingly now predisposed to shy away from the use of brute force. For example, in response to the mass protests in 2016 against the anticipated privatization of agricultural plots, the Kazakhstani leadership signaled a hasty retreat by issuing a five-year moratorium on the policy's enactment.⁷ The prominent fear among many at the time was that China would acquire control over much of the country's land through corrupt, nontransparent business dealings. The protests against land privatization thus arguably called into question not simply the wisdom of the Kazakhstani government but the legitimacy of the Nazarbayev regime.

Yet the government made a surreptitious effort to avoid a repeat of the violent Zhanaozen crackdown. On the day in which protests against the land privatization initiative were scheduled to take place in Astana, the capital city's main streets and public squares were kept mostly empty. Traffic was not completely blocked and stores were open, but a coercive state presence was palpable. Meanwhile, internet connections to social media fizzled for the day. In this instance, the Kazakhstani government did not lash out against the people; instead, it deflated public ire by instituting a policy freeze and restricting any citizen mobilization efforts to voice dissent against the regime.

Nazarbayev promises ordinary citizens stability and prosperity, and to an extent, he has followed through on his word. Of course, one could quibble with this assessment, given that the economy has yet to recover from the

⁵ Charles J. Sullivan, "State-Building in the Steppe: Challenges to Kazakhstan's Modernizing Aspirations," *Strategic Analysis* 41, no. 3 (2017): 275.

⁶ Eric McGlinchey, "Violent Extremism and Insurgency in Kazakhstan: A Risk Assessment," USAID, August 14, 2013, 6–7.

⁷ "In Rare Climdbown, Kazakh Leader Delays Land Reform for 5 Years," Voice of America, August 18, 2016 ~ <https://www.voanews.com/a/rare-climdbown-kasakh-leader-delays-land-reforms-five-years/3471001.html>.

devaluation of the tenge in 2014–15.⁸ Moreover, the level of socioeconomic inequality is glaring. In comparison with the rest of the country, Astana is a boomtown in a bubble. But even the capital is not immune: locals regularly joke about how the financial divide within Astana can literally be seen as one drives across the Ishim River. Yet Nazarbayev has been able to ensure domestic tranquility and avoid much public criticism because Kazakhstan is rich in natural resources, no genuine opposition exists, and the leadership dispenses patronage to keep domestic actors content. Hence, by utilizing state resources to his own advantage, portraying himself as a political centrist, sparingly utilizing coercion, and setting the tone for all political discussions, Nazarbayev essentially rules as a “soft authoritarian.”⁹

Kazakhstan also has no real enemies. This is because the government has artfully crafted a friendly foreign policy referred to as “multivectorism.” It seeks to maintain productive relations with all other states and strategically balance the competing interests of the great powers.¹⁰ To a degree, Kazakhstan has fared well in terms of balancing such interests by agreeing to denuclearization, diversifying its oil and gas export routes, and enhancing its own status on the international stage. For instance, last summer Astana splendidly hosted Expo 2017. On the surface, Nazarbayev thus appears to play the part of a master chess player, skillfully mapping out his country’s every move.

In truth, however, the 77-year-old leader is not growing any younger, and Russia’s aggressive behavior toward other neighboring states (most notably, Ukraine) forces Kazakhstan to walk a fine line. From Astana’s perspective, it is best not to publicly voice displeasure with Moscow’s actions. Kazakhstan and Russia are military allies and close economic partners, so any dispute not directly involving Kazakhstan would potentially fray relations with Moscow if Astana were to interject itself in a situation involving Russia. A considerable ethnic Russian population also resides in the north of Kazakhstan, which leaves the country susceptible to geopolitical pressure. Because multivectorism endorses the status quo with neighboring great powers like Russia and China, this doctrine reinforces Kazakhstan’s cautious nature whenever interstate

⁸ For a discussion on the current financial crisis in Kazakhstan, see Sullivan, “State-Building in the Steppe,” 274.

⁹ Edward Schatz, “The Soft-Authoritarian Tool Kit: Agenda-Setting Power in Kazakhstan and Kyrgyzstan,” *Comparative Politics* 41, no. 2 (2009): 208–13.

¹⁰ On multivectorism, see Sullivan, “State-Building in the Steppe,” 274, 281; Michael Clarke, “Kazakhstan’s Multi-vector Foreign Policy: Diminishing Returns in an Era of Great Power ‘Pivots?’” *Asian Forum*, April 9, 2015 ~ <http://www.theasianforum.org/kazakhstans-multi-vector-foreign-policy-diminishing-returns-in-an-era-of-great-power-pivots>; and “Foreign Policy Overview,” Embassy of the Republic of Kazakhstan to the United States ~ <https://www.kazakhembus.com/content/foreign-policy-overview-2>.

disputes arise. That said, in the interest of restructuring to stimulate economic development, “modernization” has become the new buzz word in Astana.

KAZAKHSTAN 2050: MORE TALK THAN ACTION

According to its latest development plan, Kazakhstan strives to enter into the top 30 of the world’s most developed economies by the year 2050. To achieve this goal, the government aims to carry out the 100 Concrete Steps plan. This program calls for the professionalization of the state bureaucracy, the reduction of the country’s oil dependency, the establishment of the rule of law, and the building of a more accountable system of government, all the while steadfastly preserving social harmony.¹¹ Yet despite this talk, the plan is primarily focused on the economy, and the emphasis on political reform is minimal. The word “democracy,” for example, does not appear within any of the one hundred steps, despite the fact that the fifth section calls for “establishing an accountable state.” In furtherance of this aim, Kazakhstan’s developmental program calls for a few modest changes to the governing structure. Nowhere in the plan, however, is the dispersion or institutionalization of power highlighted. Instead, it calls for the creation of a more “open government” in which statistics and proclamations are made available to citizens, as well as for the “development of local governance” and “strengthening [of] the role of public councils under state agencies and Akims.”¹² This should not come as a shock, for one of the hundred steps declares the need to create a “results-oriented state governance system with standardized and minimal procedures for monitoring, assessment and control.”¹³ Read closely, this amounts to an admission that the government has no such system in place.

The logic concerning how to survive in Kazakhstani politics is straightforward: support whatever the president orders, herald all of his initiatives as successful, and tell the people that a democracy is being built but that it will take a very long time to get right. In the meantime, contrast Kazakhstan’s so-called democratic progress with the misfortunes plaguing its neighbors and stress the need for gradualism and caution. Proposing drastic reforms, after all, implies that something is wrong with the system. In this vein, local politicians, bureaucrats, and academics all speak about the need for change, but this is only because Nazarbayev has already chimed in on the

¹¹ Sullivan, “State-Building in the Steppe,” 274.

¹² “The 100 Concrete Steps Set Out by President Nursultan Nazarbayev.”

¹³ Ibid.

issue in favor of reform. As such, it is difficult to obtain an accurate picture of the extent to which the ruling elite believe that reforms are necessary or wise. While everyone now speaks of modernization, no one seems to comprehend or explain what this entails in practice. Civil society is mostly “cooperative” in nature.¹⁴ Government ministries and local NGOs regularly host “scientific-practical conferences,” often at the Nazarbayev Center or upscale hotels in Astana. In these meetings, presentations lack analytical substance, speakers do not criticize government policies, and Q&A sessions are not designed so that the audience engages in a dialogue with presenters. Rather, these largely choreographed events give up-and-coming locals on the fringes of power the opportunity to heap praise on the regime. In essence, Kazakhstani politics focus on the musings of a boss who has been in power for almost three decades and still will not let go of the stately reins. Today, political power remains concentrated within the Ak Orda (which translates as “white house” in Kazakh), while the president’s ruling political party Nur Otan (“light of the fatherland”) dominates the parliament.

For the past generation, political reform has never been a government priority. Instead, Nazarbayev has constructed a highly personalist system. As the “leader of the nation,” he cannot be persecuted for any malfeasance while in office or during retirement. He also retains the ability to influence policymaking even after he gives up the presidency. In an attempt to mask this power grab, Nazarbayev originally rejected this proposal, but it became law in 2010 because he never “officially vetoed” it.¹⁵ While proposing some modest alterations to the law allegedly to enhance the powers of the Kazakhstani parliament, Nazarbayev has managed to exempt himself from presidential term limits. Future heads of state, though, will supposedly be permitted to serve for only two consecutive terms.¹⁶ Nazarbayev has also taken advantage of the system to run for re-election when he holds the obvious political advantage. The most recent presidential election in 2015 was timed to ensure his continued mandate and dampen the potential for political turmoil in the face of a mounting financial crisis. Several months after Nazarbayev’s electoral victory, the tenge (which had already suffered a major devaluation in February 2014) experienced another huge loss when the Kazakhstani government, in

¹⁴ Charles E. Ziegler, “Civil Society, Political Stability, and State Power in Central Asia: Cooperation and Contestation,” *Democratization* 17, no. 5 (2010): 795–825.

¹⁵ Raushan Nurshayeva, “Kazakh President Declared Leader of the Nation,” Reuters, June 15, 2010 ≈ <https://www.reuters.com/article/us-kazakhstan-president/kazakh-president-declared-leader-of-the-nation-idUSTRE65E0WP20100615>.

¹⁶ Ilan Greenberg, “Kazakhstan: President Ends Term Limit for Himself,” *New York Times*, May 23, 2007 ≈ <http://www.nytimes.com/2007/05/23/world/asia/23briefs-president.html>.

an effort to counter a series of forces hindering the economy, decided to let the currency float freely on the foreign exchange market.¹⁷

The driving force behind Kazakhstan's reformist initiative is thus largely economic, and this agenda has gathered momentum as a result of the financial difficulties plaguing the country. Bearing this in mind, one could argue that Kazakhstan intends to follow a Chinese- or Singaporean-style reformist course (with a heavy emphasis on developing a competitive capitalist economy while preserving an authoritarian government). There is, however, a flaw in this line of thinking. Some of the proposed reforms in the hundred steps are commendable. In regard to creating a professional bureaucracy, the plan is calling for the introduction of "comprehensive performance reviews" for all civil servants, "salary increases" to incentivize workers, the establishment of a "centralized selection process for new entrants" to the civil service "to prevent corruption," and a "mandatory probation period for new entrants." On the rule of law, the government has committed to establishing "stricter qualification requirements [for] judicial posts," enhancing the use of "jury service in trials," and creating "separate judicial proceedings" for investment-related legal disputes. In terms of the economy, the government aspires to adopt new construction standards; attract foreign investment to develop its tourism, infrastructure, energy, aviation, and meat and dairy sectors; build the Astana International Financial Centre, which will be grounded in "English law principles" and rely on a "judicial corps consisting of foreign experts"; and revamp the educational system by transitioning toward "the self-management of universities" and "the use of the English language...to increase competitiveness."¹⁸ Yet, although these proposals bear the hallmark of change, they are designed to rearrange the lower levels of government. The steps do not stress that power should be dispersed or institutionalized at the top levels.

How can the rule of law, a more diversified economy, and a professionalized bureaucracy arise if the government remains resistant to change and policymaking continues to take place out of sight? The dispersion and institutionalization of political power is normally welcome in

¹⁷ Jack Farchy, "Currency Devaluation Places Kazakhstan Central Bank under Pressure," *Financial Times*, September 15, 2015. See also Tatyana Kuzmina, "Kazakhstan National Bank Explains Tenge Depreciation and Equilibrium Rate," *Tengri News*, December 28, 2015 ~ <https://en.tengrinews.kz/finance/Kazakhstan-National-Bank-explains-tenge-depreciation-and-263120>. For a discussion on Kazakhstan's 2015 presidential election results, see Andrew Roth, "Kazakhstan's President Is Re-elected by Almost Every Voter," *New York Times*, April 27, 2015 ~ <https://www.nytimes.com/2015/04/28/world/asia/nursultan-a-nazarbayev-kazakhstan-re-elected.html>.

¹⁸ "The 100 Concrete Steps Set Out by President Nursultan Nazarbayev."

a democracy, but in an autocracy it can be construed as precarious to the leadership. The Kazakhstani government is instead prioritizing the creation of a more efficient merit-based bureaucracy to carry out its orders. To be certain, far-reaching reforms such as the holding of competitive elections, establishment of fixed term limits for official posts, and empowerment of civil society would introduce a degree of uncertainty into Kazakhstan's political system. But changes at the top would also serve as force multipliers for the lower levels and champion productivity through the strengthening of property rights, which in turn would boost the confidence of foreign investors within various sectors of the economy. Foreign investment is crucial to the success of the 100 Concrete Steps. Although Kazakhstan may enter into the top 30 economies within the span of the next 30-plus years, a lack of foreign investment will seriously curtail its economic potential. The government thus needs to realize that to construct a diversified (i.e., non-petroleum-based) economy that is grounded in sound legal principles, guided by a competent and independent bureaucratic corps, and attractive to investors, it needs to disperse and institutionalize power. As long as patronage and corrupt practices dictate how power flows, and institutions remain inherently weak, it will be difficult to realize such goals.¹⁹

In summary, Kazakhstan lacks a plan for political reform, and this is problematic because political liberalization is arguably necessary for economic modernization to succeed. Assuming that the ruling elite seek to fulfill the 100 Concrete Steps, political and economic reforms should thus be instituted in a complementary manner.²⁰

KAZAKHSTAN'S BALANCING ACT

Any political liberalization agenda for Kazakhstan must take into account three broader geopolitical issues. First, Russia and China must not perceive the dispersion and institutionalization of power in Kazakhstan as a major threat. Otherwise any political reforms will be short-lived. Although Kazakhstan is a sovereign state, the fact of the matter is that great powers can often violate international law without suffering grievous consequences. In the case of Kazakhstan, geopolitical realities (particularly in the wake of Ukraine's

¹⁹ Transparency International's 2016 Corruption Perceptions Index ranked Kazakhstan 131 out of 176 countries, tied with Russia, Iran, Nepal, and Ukraine with a score of 29. See "Corruption Perceptions Index 2016," Transparency International, January 25, 2017 ~ https://www.transparency.org/news/feature/corruption_perceptions_index_2016.

²⁰ Sullivan, "State-Building in the Steppe," 280.

Euromaidan revolution and Russia's annexation of Crimea), coupled with Astana's sparse ties to the West, make it clear that any attempt to liberalize the political system will not get very far if neighboring nondemocratic great powers anticipate any dangerous or far-reaching implications. Second, it is important in the leadership's view that political liberalization not spiral too far. For opponents of political reform will seize on any opportunity to discredit the process should the ruling elite lose control while attempting to change the system. Third, in light of these circumstances, Kazakhstan must blaze its own trail. What types of models, then, should Western states promote in the hopes of encouraging Kazakhstan to embrace political liberalization?

It is important for the West to understand what Kazakhstan intends to achieve by undergoing modernization. Based on Kazakhstan's interpretation of this concept, Western states can then explore whether it is possible to assist the government in undergoing political liberalization. According to Nazarbayev's 2017 presidential address, the modernization process has unfolded in several stages, commencing with the building of a stable state structure in the wake of the Soviet collapse. The shift from a planned to a market economy was followed by the relocation of the capital from Almaty to Astana in 1997 and marked by Kazakhstan's entry into the top 50 of the "most competitive economies" in the world in 2013.²¹ Kazakhstan's so-called third modernization consists of implementing the 100 Concrete Steps in the spirit of realizing the goal of the Kazakhstan 2050 strategy. Nazarbayev has also stated that reforms "aimed at protecting private property, the rule of law and equality before the law" should be instituted alongside a societal-based effort "to identify and eliminate the causes of corruption."²² Based on his words though, political liberalization does not appear to factor much into Kazakhstan's third modernization.

Recently, the Kazakhstani government has transformed the Kazakh alphabet from Cyrillic to a Latin base, presumably in the hopes of lessening Russia's sociocultural influence over time, and instituted a series of constitutional reforms supposedly designed to empower the parliament at the expense of the president.²³ Given that Kazakhstan's leaders tend to focus on

²¹ Nursultan Nazarbayev, "Third Modernization of Kazakhstan: Global Competitiveness" (presidential address, Astana, January 31, 2017)  <https://www.kazakhembus.com/content/2017-presidential-address-third-modernization-kazakhstan-global-competitiveness>.

²² Ibid.

²³ Andrew Higgins, "Kazakhstan Cheers New Alphabet, Except for All Those Apostrophes," *New York Times*, January 15, 2018  <https://www.nytimes.com/2018/01/15/world/asia/kazakhstan-alphabet-nursultan-nazarbayev.html>; and "Kazakhstan Parliament Passes Reforms Reducing Presidential Powers," Reuters, March 6, 2017  <https://www.reuters.com/article/us-kazakhstan-constitution/kazakhstan-parliament-passes-reforms-reducing-presidential-powers-idUSKBN16D0CY>.

short-term benefits (as do most authoritarians), it would be wise for Western governments to collectively stress how gradual political liberalization could complement the third modernization. For some time, Western states' prevailing interests in Kazakhstan have centered on gaining access to nonrenewable resources and combating radical Islamist terrorism. Going forward, the West should more strenuously emphasize the need for meaningful political reforms. In doing so, Western leaders should not worry about rupturing relations with Astana. Most of all, Kazakhstan fears abandonment, particularly in the form of a U.S. and EU pivot to the Asia-Pacific region. Going forward, the West could advise Kazakhstan to blend two leading approaches to political development: the modernization and developmental state models.

Modernization theory contends that advancements realized in urbanization, technology, education, commerce, and other areas will gradually increase the size of the middle class and improve the prospects for a change in sociopolitical values. To accommodate such changes, the government can become more open and inclusive so as to ensure continued stability and growth.²⁴ By contrast, the developmental state model, which was implemented in Japan and elsewhere in Asia during the latter half of the twentieth century, is primarily geared toward ensuring that the state orchestrates economic growth, and it calls for alliances between politicians and business leaders in setting policies to spearhead development.²⁵ Unfortunately, Kazakhstan is not well-suited for either the modernization or developmental state model. The country lacks a democratic past to draw on, relies heavily on oil revenue to fuel its economy, and has yet to initiate a power transfer from one head of state to the next. Furthermore, the bureaucracy lacks professionalism, the middle class is small, corruption is prevalent in all walks of life, and neither Russia nor China seeks to transform Kazakhstan into an economic powerhouse like the United States did with Japan during the post–World War II era. In short, it is unlikely that Kazakhstan will come to resemble Singapore or the United Arab Emirates in the future.

Nonetheless, in taking these factors into consideration, the West could aid Kazakhstan in blending the two models and forging a suitable path for the country. Drawing on the developmental state model, it would be wise for

²⁴ Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (1959): 69–105; and Ronald Inglehart and Christian Welzel, "How Development Leads to Democracy," *Foreign Affairs*, March/April 2009, 33–48.

²⁵ Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–1975* (Stanford: Stanford University Press, 1982); and Ziya Öniş, "Review: The Logic of the Developmental State," *Comparative Politics* 24, no. 1 (1991): 109–26.

a small group to continue to serve as the dominant force within Kazakhstani politics (in the interest of keeping Russia and China at ease and overseeing the loosening of elite controls over the political system). But it would be best to entrust power to a party with some governing experience rather than a single person. In Kazakhstan, only Nur Otan fits this bill.²⁶ Historically, certain countries undergoing economic modernization have fared well on account of the guidance of political parties that were able to channel increased levels of citizen participation into politics. Yet parties must anticipate and adapt to societal changes in order to retain their overall effectiveness.²⁷

Kazakhstan should also embrace certain aspects of the modernization model by introducing its citizens to Western educational practices, experimenting with new technologies, and encouraging urban migration around the country. In addition, to increase the chances of success for the modernization campaign, Nur Otan should advise the government to relax media controls, solicit honest and constructive advice from local NGOs on proposed policies, and take a firm stance against corruption. Doing so could help attract young, Western-oriented Kazakhstanis with advanced critical and analytical skills to pursue a career in politics. It would also be beneficial to permit factions to arise within Nur Otan, given that modernization will foster a multiplicity of interests as ordinary citizens become more involved in politics.²⁸ In the future, Nur Otan may splinter into two or more competing parties on account of the proliferation of varied societal interests. In the short term, this sounds politically risky from an authoritarian's perspective. Yet the splitting apart of the dominant party in the years to come would promote democratic goals in the long run by enhancing the likelihood that a more pluralistic political system comes into existence. In this sense, those political actors who shepherd Kazakhstan's modernization campaign along need to understand that although they sit atop the helm of authority now, they will gradually need to be bounded by institutions as society grows more complex.²⁹

Taken together, the West could advise Kazakhstan to gradually move away from personality-based rule by developing competitive political parties, empowering local civil-society groups, and endorsing the entry of talented

²⁶ Sullivan, "State-Building in the Steppe," 276–77.

²⁷ Samuel P. Huntington, "Political Development and Political Decay," *World Politics* 17, no. 3 (1965): 386–430; and Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

²⁸ Charles J. Sullivan, "The Stakes in the Steppe: Contemporary Challenges in Kazakhstan," in "Sourcebook of the International Scientific-Practical Conference '25th Anniversary of Independence of Kazakhstan: Prosperous Country, Successful State,'" 2016, 38–39.

²⁹ Sullivan, "State-Building in the Steppe," 280.

young Kazakhstanis into the power structure. This could all be done under the banner of blending certain aspects of the two aforementioned models of political development.

Granted, it will be difficult to modernize the economy during a prolonged financial crisis. The United States and the European Union are not likely to suspend sanctions against Russia for annexing Crimea, and the price of oil is not on the verge of a major comeback. Moreover, as long as Nazarbayev retains near-total political control, it is doubtful that Nur Otan will find the leadership needed to initiate the dismantling of the personalist system. If Kazakhstan does not pursue a political liberalization agenda, then its modernization campaign will likely fall flat. In this scenario, Kazakhstan's ruling elite will still undoubtedly herald the 100 Concrete Steps as a success or draw up yet another development plan. A great deal of political capital has been invested in this endeavor, so it must succeed. But the West can separate political talk from action, and Western interests in Kazakhstani affairs will then likely dissipate. Overall, such a development would be most unfortunate for Kazakhstan for two reasons. First, since multivectorism is predicated on the country's perpetual balancing of competing great-power interests, sustained Western interest is crucial to the policy's long-term durability. In other words, if the West withdraws, then Astana will have to constantly fend off domination by Russia and China. Second, although China seeks to invest heavily in Central Asia's future via the Belt and Road Initiative, Beijing lacks the finances to realize all of its proposed infrastructure projects.³⁰ As long as Washington harbors deep suspicions about China's regional intentions, the United States is not likely to contribute much.³¹ Kazakhstan desperately needs foreign investment, and Western money will not flow if investors sense that the modernization campaign lacks substance.

As such, Kazakhstan finds itself at a crossroads. Modernization has been declared the way forward, but this route arguably necessitates dispersing and institutionalizing power to enhance the prospects for diversifying the economy, courting foreign (and specifically Western) investment, and keeping the West interested in regional developments. Conversely, failing to disperse and institutionalize power could cause the modernization campaign to stall and trigger a further downgrading of Western interests in Central Asia. In summary, a quick glance at Kazakhstan's plan for a third modernization reveals that Astana is not infatuated with the idea of restructuring its political system.

³⁰ Christopher Balding, "Can China Afford Its Belt and Road?" Bloomberg, May 16, 2017.

³¹ Gal Luft, "China's Infrastructure Play," *Foreign Affairs*, September/October 2016, 70–75.

But it is highly doubtful that Kazakhstan can construct a dynamic and diversified economy if political liberalization measures are ignored. The most important point for Western states is that they do not have much to lose by calling for the government to undergo political liberalization, especially if they are calling for reforms that complement the economic modernization process. Kazakhstan could reap great economic benefits from the West if political reforms are instituted.

CONCLUSION

By failing to prioritize political reform for a generation, Kazakhstan's rulers seemingly do not know how or do not wish to disperse and institutionalize power within their system of governance. As previously stated, it is important for the country (in its quest to fulfill the 100 Concrete Steps plan and realize the objectives laid out in the Kazakhstan 2050 strategy) to professionalize its bureaucracy, revamp its legal system, and build a more diverse economy. In the hopes of hitting these targets, the government could carry out reforms designed to lessen the concentration of political power held by the Ak Orda and encourage civil society to become more proactive in terms of analyzing and critiquing policies.³² However, reforms along these lines may be construed as dangerous by some because they create winners and losers and alter the status quo. Kazakhstan's powerbrokers may thus prefer to talk endlessly about the need for reforms but do nothing of substance that would actually tip the domestic balance of power toward change. Should this prove to be the case, a caretaker can be expected to replace Nazarbayev as the next head of state.

If Kazakhstan merely wishes to project a veneer of reform by applying cosmetic changes to its system of governance, then there is no reason for Western states to become more involved in its affairs at this time. To be certain, they will maintain economic and political ties with the country and continue to cooperate on addressing regional security threats. But that will be the extent of their engagement if Astana does not commit to revising the inner workings of its political system. However, if Kazakhstan genuinely seeks to reform (presumably by combining elements from the modernization and developmental state models), then Western governments could assist by advising Astana on finding suitable ways to disperse power, enhance political accountability, strengthen governing institutions, and improve

³² Sullivan, "State-Building in the Steppe," 280.

communication with citizens. Reforms need not be introduced rapidly, but delaying tactics and excuses should cease. In particular, the West should pay close attention if Astana shows that it is willing to hold relatively competitive elections, establish fixed term limits for official posts, empower local civil-society groups, and encourage young, Western-oriented Kazakhstanis to enter into the existing power structure in the near future.

Central Asia holds significant economic potential, as evidenced by Russian, Chinese, and U.S. attempts to develop competing regional initiatives. The political potential of regional states, however, is lacking. Soviet-era legacies, coupled with contemporary geopolitical pressures, continue to shape how political power is exercised and contested across the region today. Kazakhstan could set the stage for an era of economic dynamism in Central Asia by restructuring its political system. Yet before any reforms can be undertaken, the country's elite need a plan of action regarding how to go about modernizing their system of governance, while the West needs to figure out whether Kazakhstan is serious about changing its brand of politics. ♦