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President Nazarbayev develops prospects for OIC and SCO

This year Kazakhstan is chairing two international organizations: the Shanghai Cooperation Organization (SCO) and the Organization of the Islamic Conference (OIC). Like Kazakhstan's OSCE presidency last year, this is being used as an opportunity to boost the country's profile and visibility and that of its leader President Nazarbayev. Once again he has proposed a series of regional and global initiatives, highlighting Kazakhstan's Asian and Islamic identities on this occasion, hence the quotations from the Koran and references to Allah in his speeches at the OIC events, which understandably was not the case in the context of OSCE meetings. His address at the SCO summit was more neutral, stressing the "three evils" of separatism, extremism and terrorism and the supreme value of sovereignty.

On 15 June President Nazarbayev addressed the tenth anniversary summit of the SCO. At this high profile event, Nazarbayev summarized the successes of the organization, stating that it had turned into a "unique institute of international relations" and calling on members to move forward by addressing new challenges. The SCO, he said, should combat global narcosyndicates. He noted that the production of Afghan heroin has increased tenfold in the last decade and that the source of the problem lies outside Afghanistan, although he did not specify where. He proposed that the SCO states ask the UN and the International Criminal Court in The Hague to launch an international investigation with the aim of bringing to justice all the organizations and persons who participate in this crime against humanity.

In addition to terrorism, religious extremism, separatism and drug trafficking, Nazarbayev also pinpointed a fifth security challenge, the destructive power of Internet

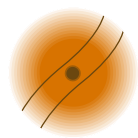
used by evil forces. SCO member states should put up strong defences forthwith, using the cyber security experience of the United States, Russia and China. He proposed introducing new terms such as "electronic border" and "electronic sovereignty" into international law.

Another idea put forward by Nazarbayev was the creation of a conference for the settlement of territorial and regional conflicts that would take preventive measures in potential hot spots in SCO's zone of responsibility. While acknowledging that SCO had failed to address two acute political conflicts in Kyrgyzstan, he seemed to suggest that the creation of this institution would help improve SCO's credibility as a security organization.

To strengthen economic cooperation, President Nazarbayev suggested developing a unified SCO transport and energy space through the creation of a Eurasian system of pipelines and electricity grids, and by improving the road infrastructure. Two further economic cooperation proposals were introduced: the establishment of an SCO Development Fund to finance joint projects and the creation of the Water-Food Committee at the level of heads of national agencies to address the water and food security challenges. Finally, Nazarbayev used this opportunity to promote one of his favourite initiatives: the creation of a supranational currency that would solve the deficiencies of world currency financial architecture.

At the meeting of OIC foreign affairs ministers on 28 June in Astana, President Nazarbayev tabled another set of ideas. First, he proposed establishing a club consisting of the Islamic world's top ten economies to foster an integrated approach to promoting economic cooperation and development, an Islamic analogue of G8 (ten because ten out of 57 OIC states produce 80 per cent of the Muslim world's GDP). The second initiative is the creation of an Islamic version of FAO to

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regulate food assistance in the OIC framework. He suggested placing the headquarters of this organization in Kazakhstan, a country that is actively developing its food export potential.

His third proposal addresses the need to move the Islamic world from a natural resource based economy to one focused on technological advancement. The idea is to adopt the OIC Plan of Action for developing investment and technology cooperation in the energy sphere and the International Centre of Innovations. His fourth proposal is to open a special fund for small and medium enterprises under the Islamic Development Bank, and his fifth to call an international conference on Islamic banking in Almaty. All these initiatives are meant to improve the economic and social wellbeing of the Islamic world and bring it to an age of new glory.

Oil workers strike in western Kazakhstan

While President Nazarbayev was busy launching proposals to improve international security and economy, developments on the home front show that domestic policies are also in need of recalibration. Massive strikes by disgruntled oil industry workers flared up in western Kazakhstan.

On 9 May a number of oil workers from KarazhanbasMunai (KBM), a Kazakh-Chinese joint venture, started protests to demand a pay increase and the lifting of restrictions on the activities of independent trade unions. By mid-May they were joined by hundreds of their colleagues. The KBM management filed a legal action and on 20 May a court ruled that the protest was illegal. On 24 May Natalya Sokolova, a trade union activist, was sentenced to eight days in jail for participating in the workers' protest actions. On the day she was supposed to be released, she was accused of "inciting social discord" and kept in detention.

On 11 May, workers of the Ersai Caspian Contractor company, part-owned by Italy's ENI, began striking for better pay and conditions, for the right to be

represented by an independent union and for wages to be on a par with those of foreign employees doing the same jobs. On 20 May they launched a hunger strike as a result of which 42 people were hospitalized with health problems.

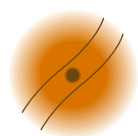
On 25 May the strike movement spread to OzenMunaiGaz operated by national oil company KazMunaiGaz Exploration Production (KMG EP). Oil workers and truck drivers were demanding the revision of the collective contract and changes to the previous pay scale (the new one introduced this year resulted in considerable cuts in the wages). One complaint was that the salary increase that was gained by oil workers during last year's strike had been completely absorbed by skyrocketing inflation.

The scale and length of the strikes -still ongoing at the beginning of July- are unusual for Kazakhstan in this first decade of the 21st century. According to Kazmunaigaz (KMG) EP, 13 per cent of the 9,000-strong workforce were not showing up for their shifts at OMG, whereas at KBM up to 63 per cent of personnel were working on a rotational basis. This indicates growing discontent among workers of oil-producing western Kazakhstan, the region that is bringing wealth to the country, but where the living conditions are harsh and barely improving.

The general response of the state has been suppression. Local officials are threatening workers with the consequences of participating in illegal actions. The company in turn has fired 267 workers at OMG and 160 at KBM for not showing up for work. Such policies can only fuel people's wrath further and encourage them to reorganize. In the best-case scenario, this will create bottom-up pressure on the political system of Kazakhstan towards liberalization and democratization.

Sending troops to Afghanistan

On 9 June, the Senate refused to ratify the agreement between Kazakhstan and NATO concerning the participation of Kazakhstani military personnel in



the anti-terrorist coalition in Afghanistan. During the session deputy defence minister Aset Kurmangaliyev tried to convince the senators that the agreement is fully legal, risk-free and good for everybody: it is a response to the call for assistance made by the Afghan interim government to the UN; Kazakhstani soldiers will work only at the headquarters of the International Security Assistance Force (ISAF) and the very fact of Kazakhstan's participation in such operations is only beneficial for the country. However, deputies remained firm in their conviction that such participation is unnecessary and even damaging to Kazakhstan's security. Thus, Senator Mukhtar Altynbayev, former defence minister, noted that "Kazakhstan already makes a big contribution to international security by offering the world more and more new programmes and it helps Afghanistan by providing humanitarian and other assistance". Other senators referred to the bad experience of the Soviet Union in Afghanistan and to negative public opinion about sending Kazakhstani soldiers to join ISAF.

Such firm opposition to a government decision is highly unusual for the Kazakhstani parliament, which has no opposition representatives in it and can be considered rubberstamp. It is likely that there has been a change of mind at the highest decision making level, possibly caused by fear of the negative effects of the country's participation in this operation. Some events might have been related to this reconsideration. On 17 May there was an explosion in the western oil city of Aktobe. Twenty-five-year-old Rakhimzhan Makatov rushed into the building of the Kazakhstani secret services (KNB) and blew himself up, injuring two others. The attack had all the appearances of an extremist suicide bombing, the first of its kind in Kazakhstan. However, investigators offered a different explanation saying that Makatov was a criminal who had blown himself up "with the aim of avoiding responsibility" for alleged crimes. On 21 May the Taliban released an Internet statement, in which they urged the

government of Kazakhstan to reconsider its "wrong policy" of agreeing to send a contingent of four specialists to NATO's headquarters in Afghanistan and warned of "negative consequences." It was perhaps concluded then that the benefit of joining the coalition would be outweighed by possible repercussions.

Both speeches are available on President Nazarbayev's website (www.akorda.kz).

This idea is not entirely new and can be referred to the SCO Energy Club initiative first officially proposed by Russian President Putin in 2006 and previously aired by the Uzbek side.

The proposals were earlier introduced by President Nazarbayev at the 7th World Islamic Economic Forum organized in Astana on 7-9 June.

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