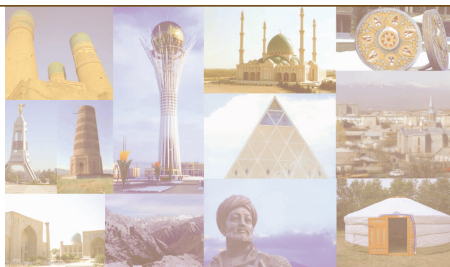


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## The EU criticizes Kazakhstan's new Internet law

On 10 July President Nazarbayev signed the new Law on Information and Communications Networks, making it effective beginning of August. The draft had been heavily criticized both by the local independent journalist community, human rights activists, the political opposition and international organizations, including the OSCE. It was attacked for considerably limiting freedom of Internet and media in general by equating forums, blogs, chats and other Internet resources with traditional media, by limiting access to foreign press and by imposing new limitations on traditional media by expanding the grounds for suspension of publication or distribution. Although in the course of parliamentary deliberations the draft was modified, the core of it remains the same.

After the law was passed by Parliament in April, hope remained that the President in a benevolent gesture would not sign it. These hopes were dashed. Immediately the OSCE Centre in Astana issued a spot report. On 16 July the EU made a statement expressing its great regret about the signature of the law by President Nazarbayev. According to the statement, the legislation is "in violation of the Kazakhstan's OSCE commitments to foster access to the Internet and to ensure that it remains an open and public forum for freedom of opinion and expression" and "in direct contravention of the pledge made by Minister Tazhin to the Madrid Ministerial Council on 29 November 2007, to take the recommendations of the OSCE and its institutions into account when implementing its program of democratic reforms."<sup>1</sup>

Such negative reaction was predictable since throughout the year the EU had continuously voiced

its concerns. What made the Kazakh authorities adopt this unpopular law on the eve of the country's chairmanship of OSCE? The following reasons might have been behind this decision. Firstly, general fear of the power of Internet in mobilizing protest and instigating unrest as demonstrated in such different places as Moldova and Iran. The ongoing economic crisis is increasing the possibility of public discontent and protest action. The government is aware of this and determined to take preventive measures no matter how much damage they do to the country's international reputation.

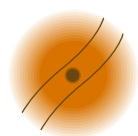
Secondly, the amount of "kompromat", insider information about the fallacies of the regime, has been on the rise. One of the main sources of information is the former son-in-law of the President (also former Kazakh Ambassador to OSCE) Rakhat Aliyev, currently in exile in Vienna. The authorities covertly filtered the websites available in Kazakhstan. The new law makes it possible to do so openly.

The constrictive nature of the new Internet law is in line with the overall increasing pressure on independent media. Major independent newspapers are on the verge of being closed down on various pretexts (one is being sued by the bank that the government nationalized for "ruining the reputation of the bank"; another has to pay \$200,000 to a parliamentary deputy who sued the newspaper for "libel"<sup>2</sup>). There is a serious risk that Kazakhstan will embark on its OSCE chairmanship with purged and suppressed media.<sup>3</sup>

## The government believes the economic crisis is over

The last month of summer was marked by a sudden spate of optimistic statements by the government about the improving economic situation in the country. Thus,

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during the Cabinet meeting on 18 August, Prime Minister Karim Massimov announced that negative scenarios put forward by leading analysts at the beginning of the year did not prove accurate and that the economy, after hitting the bottom in the first quarter of the year, has started to grow<sup>4</sup>. Minister of Economy and Budget Planning Bahyt Sultanov explained this positive trend by referring to a battery of anti-crisis measures that had been implemented by the government and the growing prices of export commodities. Kazakhstan is expected to finish the year with positive GDP growth.

Experts are more cautious in their assessments of the situation. The highly optimistic statements of the government can be driven by political motives and demonstrate wishful thinking rather than a thorough analysis of the prospects of Kazakhstan's economy. Only three provinces (oblasts) of the country have shown insignificant improvements in the first half of the year, while 13 others continue to experience the fall in industrial output. The mining sector experienced 1.8% growth, and other sectors of the economy including such key areas as processing, production and distribution of electricity and construction are contracting<sup>5</sup>. Experts refer to the critical condition of the financial sector (two major banks - Bank Turan-Alem and Alliance Bank - announced default on payments, others are struggling to stay afloat). There are also predictions of an impending non-payment crisis and growth in bad debts in the fall. It remains to be seen whether government optimists or non-government pessimists prove to be right.

### **Interethnic riots in Xinjiang and their impact on Kazakhstan**

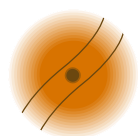
In early July, the Xinjiang-Uighur Autonomous Region, the vast province of China bordering on Kazakhstan, Kyrgyzstan and Tajikistan, was shaken by a series of inter-ethnic clashes between the Uighur and Chinese Han communities. The riots were sudden and the level of violence unprecedented.

According to Chinese official sources, during the week of riots in Urumqi (the capital of Xinjiang) 197 people died and more than 1,000 were wounded.<sup>6</sup> Uighur sources claim more victims on the Uighur side. Thousands of Uighurs were arrested and threatened with severe punishment.

The Ministry of Foreign Affairs (MFA) organized the safe return of Kazakhstani citizens from Xinjiang. However, there was no official response to the events. Interestingly, the official statements for 2009 posted on the website of the MFA address the situation in Gaza and in Thailand, both of which are much more remote and irrelevant in terms of Kazakhstan's security and politics. This shows how important it is for Astana to maintain good relations with Beijing, even at the expense of other interests and considerations (such as Turkic solidarity).

On the domestic front, the government took measures to keep in check the anger and discontent of the local Uighur community (a sizable 300,000 population). Uighur associations were allowed to hold a rally to protest against the crackdown of the Chinese authorities. More than 5,000 people gathered in the city of Almaty on 19 July. They demanded an independent international investigation of the events. The organizers of the rally were worried about the possibility of provocations and did their best to cooperate with the authorities to avoid any outburst of violence.

The July riots in Xinjiang have important implications for Kazakhstan. Any destabilization in Xinjiang would affect Kazakhstan in multiple ways. Firstly, it can cause spillovers of insecurity along the 1,500-km Kazakhstan-China border. Kazakhstan already finds itself in a tight spot in dealing with political refugees from China and torn between the obligations it undertook by signing international conventions and its determination to enjoy good relations with China. There are fears that separatist movements will use Kazakhstan as a base for their activities.



Secondly, this would cause a decrease in trade and human traffic. Xinjiang is a very important trade partner. Its share in China-Kazakhstan trade in 2006 was 75% and in the first quarter of 2009, 65%.<sup>7</sup> Kazakhstan receives manufacturing, construction materials, household electronic appliances, fruits and vegetables from XUAR and in return supplies it with natural resources: oil, ferrous and non-ferrous metals. Small traders whose survival depends on the import of cheap Chinese products would be particularly affected.

Thirdly, continuing inter-ethnic tensions in Xinjiang can have a negative influence on the domestic political situation in Kazakhstan. They can provoke anti-Uighur sentiments or anti-Chinese sentiments. Kazakhstan prides itself on being the champion of interethnic peace and harmony and intends to make its experience in this area the main theme of the humanitarian basket during its chairmanship of the OSCE. However, pressures on Kazakhstan's model might grow in the near future.

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<sup>1</sup> EU Statement on Internet legislation in Kazakhstan. OSCE Permanent Council No.769, Vienna, 16 July 2009.

<sup>2</sup> Respublika and Taszhargan newspapers.

<sup>3</sup> The Ministry of Foreign Affairs of Kazakhstan made an announcement that the new Internet law does not pose any threat to the country's OSCE chairmanship (Panorama No.27, 17 July 2009).

<sup>4</sup> According to the Ministry of Economy and Budget Planning, in June 2009 the economy grew 1.4% against June last year.

<sup>5</sup> "Zelenye rostki kazakhstanskogo krizisa", Vox Populi, No.12 (16), 15-31 July 2009.

<sup>6</sup> Xinhua News, 05.08.2009 ([http://news.xinhuanet.com/english/2009-08/05/content\\_11832178.htm](http://news.xinhuanet.com/english/2009-08/05/content_11832178.htm)).

<sup>7</sup> "Kazakhstan i XUAR: skovany odnoi tsepyu", Vox Populi, No.12, 15-31 July 2009.

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