

# KAZAKHSTAN: A FEUDAL FIEF?

Interview with Viktor Khrapunov.

*This interview was conducted by Galia Ackerman.*

Translation of [Le Kazakhstan: un fief feodal? Entretien avec Viktor Khrapounov.](#)

**Viktor Khrapunov** – Kazakh politician. Former mayor of Almaty (1997-2004), Minister of Energy (1995-1997), Governor of the Eastern Province (2004-2007) and Minister of Emergency Situations (2007).

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*Kazakhstan plays a leading role in Central Asia and in the entire post-Soviet region. This gigantic country (it occupies the 9th place worldwide in terms of surface area) has only 16 million inhabitants. However, it possesses immense riches in hydrocarbons and non-ferrous metals<sup>(1)</sup>, a developed mining and processing industry, remarkable agriculture. The country, which became independent after the collapse of the USSR in 1991, has been ruled by the same man for over twenty years: Nursultan Nazarbayev, former secretary of the Kazakh Communist Party (1989-1991), elected president for the first time in 1990, who has established an authoritarian regime that incessantly become harsher throughout the years.*

*Political personalities who aspired to an important political role have been systematically sacked and expelled (such as former prime minister Akezhan Kazhegeldin, in office between 1994 and 1997), or they have been executed undoubtedly by the secret services, such as Altynbek Sarsenbayev, former secretary of the Security Council, joined the opposition<sup>(2)</sup>, or Zamanbek Nurkadilov, former deputy and minister, one of the first people to denounce many crimes and abuses of the administration and the president himself<sup>(3)</sup>.*

*According to several international NGOs, such as Freedom House or Journalists without Borders, Kazakhstan is one of the worst rated countries in terms of freedom of the press<sup>(4)</sup>. The only independent television network, "K+", can only be watched through the Internet or using special, very expensive antennas. The authorities systematically block opposition's websites and legislation regarding the operation of media is especially repressive. At any rate, over half the population in Kazakhstan do not have access to the Internet and the great majority of those that do, do not have a broadband connection.*

*Despite the colossal riches that hide beneath the surface of the country, the population of Kazakhstan does not do well. 40% of households have incomes of less than 400 dollars a month. Half of these unfortunate families make less than 200 dollars a month. In this country, where over half of all everyday products used are imported and where, due to corruption, it is necessary to pay for services which are supposed to be free, such as medical care and education for children, such incomes are a synonym of poverty.*

*However, the president's lifestyle and that of the people around him could be classed as royal. According to several sources, the clan's assets rise to 30 billion dollars<sup>(5)</sup>. Nazarbayev's son-in-law, Timur Kulibayev, bought prince Andrei's family property in Berkshire in 2007, for 15 million pounds. His wife Dinara (daughter of the Head of State), whose assets has been estimated by Forbes at 2.1 billion dollars, bought a residence located on the waterfront of Geneva in 2009, for the amount of 74.7 million Swiss Francs, a historical record for the real estate industry in Geneva.*

*How did Kazakhstan's premier and his close ones accumulate such great fortunes? How did a country that, in the 90s, seemed to be on the road towards democracy turn into a dictatorship? How was the opposition ousted from the political arena? Viktor Khrapunov, a former high-ranking Kazakhstani official gives us his answers in this exclusive interview.*

*Born in 1948, Mr. Khrapunov had a brilliant career in industry and administration during the Soviet era. After Kazakhstan's independence in 1991, he quickly became part of the highest circles in the country. He was mayor of Almaty (the biggest city in the country), Minister of Mines and Energy, Governor of the Eastern Region, Minister of Emergency Situations, and belonged to the top level of the national nomenklatura. In that position, he was able to observe the gradual transformation of his country from the inside. Forced into exile since late 2007 and persecuted by the authorities in his country for "fraud", like so many other Kazakh members of the opposition<sup>(6)</sup>, Victor Khrapunov paints a striking picture of a country handed over to its leader's appetite and thirst for absolute power.*

**Galia Ackerman – As deputy of the Supreme Soviet at the end of the Soviet era, you had a front row seat in the rise to power of Nursultan Nazarbayev, the current president of Kazakhstan. Can you explain to us how former communist apparatchik became the uncontested master of the country?**

**Viktor Khrapunov** – Nazarbayev's rise to power was absolutely drastic. In 1997, at the age of 37, he was Secretary of the Communist Party cell set up inside the metallurgical complex of the city of Karaganda – the Karmetkombinat, the second most important complex of the Soviet Socialist Republic of Kazakhstan after the one in Magnitogorsk. At the time, he didn't have any chances to get a quick promotion. But a unique opportunity was presented to him. An influential journalist, Mikhail Poltoranin (who would also have a great career, as he ended up becoming Minister of the Press in Russia<sup>(7)</sup>), wrote an article that was extremely critical of the dysfunction and low profitability of the Karmetkombinat. In particular, he bemoaned the obsolete nature of the equipment and the fact that the factory was supplied with minerals from Krivoi Rog, in the Ukraine, thousand of kilometers away. Poltoranin didn't want to sign his name to this article as he feared it would spark Brezhnev's anger. But the regional directorate of the party wanted the situation of the Karmetkombinat to evolve. For this reason, it had the article appear. Poltoranin was then offered to have the article signed in Nazarbayev's name since, at his level, he didn't really risk too much. Nazarbayev agreed and the article was published in Pravda. Unexpectedly, Brezhnev had a very positive reaction: after reading the newspaper, he called the first secretary of the Communist Party of Kazakhstan, Dinmukhamed Konayev, and advised him to give a promotion to the author, such an intelligent and competent young man! Konayev immediately promoted Nazarbayev to the position of Second Secretary of the Communist Party of the Karaganda region, and another promotion quickly followed. In 1984, Nazarbayev became Secretary of the Central Committee of the Communist Party of Kazakhstan, in charge of industrial and agricultural affairs. And, quite logically, in 1984, he was named Prime Minister of Kazakhstan, under Andropov.

**G.A. – He didn't want to settle for that position...**

**V.K.** – Indeed. When Mikhail Gorbachev rose to supreme power in 1985, he quickly decided to get rid of Konayev. Like a local Brezhnev, he had occupied his position for 22 years but enjoyed great authority in the republic. Then, in the best Soviet tradition, he advised Nazarbayev to subject Konayev to public criticism so that he could be dismissed from his duties at the 16<sup>th</sup> Congress of the Communist Party of Kazakhstan in 1986. Nazarbayev obeyed. Without hesitation, he delivered a devastating speech in front of Congress against the person he owed his entire career to. At first, his strategy failed: despite Nazarbayev's diatribe, the apparatchiks faithful to Konayev voted in favor of his reelection. A few months later, under pressure from Moscow, Konayev was forced to resign. Nazarbayev hoped to inherit the position. But he'd been deceived: in December 1986, Gorbachev decided to appoint a high-ranking Russian, Gennady Kolbin, to the leadership of Kazakhstan, which, incidentally, resulted in the first riots of the perestroika. Student youth demanded to have a First Secretary of local origin instead of an emissary from Moscow.

**G.A. – How did Nazarbayev react?**

**V.K.** – He maneuvered his pawns behind the scenes. For several years, he pressured Gorbachev to transfer Kolbin elsewhere. I heard this from Mikhail Gorbachev himself. Ultimately, Gorbachev appointed Kolbin to a different position. And then, in 1990, came the 17<sup>th</sup> Congress of the Communist Party of Kazakhstan. We had to elect our new leader (at the time, I was a member of the Central Committee). Nazarbayev, with his undeniable charisma, captured the spotlight the times and he decidedly pronounced himself in favor of democratic reform. By then he had already been First Deputy Prime Minister for six years and he knew all the aspects of the republic's economy. So, he was elected First Secretary of the Communist Party of Kazakhstan. A year later, like in nearly all the republics, the office of President of the Republic was introduced in Kazakhstan and the person appointed was to be elected by the Parliament of Kazakhstan. Of course, naturally, Nazarbayev was elected to this office.

**G.A. – What happened after the breakup of the USSR?**

**V.K.** – The independence of Kazakhstan was proclaimed on December 16, 1991. After that, a new president had to be elected. Only this time it would be with universal suffrage. Nazarbayev embodied the hopes of many people, especially the young. He multiplied his thundering speeches against Soviet leadership and against the gerontocracy that prevailed within the party leadership; he denounced stagnation and the single-party system, he promised quick democratic developments, and so on. Riding on top of this democratic wave, he was elected president of an independent Kazakhstan.

**G.A. – How did he begin to reinforce his personal power?**

**V.K.** – His first initiative in this sense was quite simple: he had the Constitution of the Republic of Kazakhstan, which had been adopted in 1993, modified. The first amendments were added in 1995 through a referendum. The original constitution stipulated that the president couldn't serve more than two terms. This article was repealed. At the same time, Nazarbayev appointed people from his close circle to key positions in the country so he ended up controlling

Courts have lost their independence, as all judges are dependent upon the president. There no longer is a Constitutional Court. It's been replaced by a Constitutional Council, led by a president and two vice-presidents. And, obviously, it's the Head of State who appoints all three. What's more: the president also chooses the Prime Minister, with the approval of Parliament, not to forget all the ministers, all the governors, and all the mayors who are appointed through presidential decrees!

**G.A. – Do all these measures date from the constitutional amendments of 1995?**

**V.K. –** In the years that followed, the constitution was modified again several times in a way that was favorable to Nazarbayev's interests, but these amendments were less radical than those of 1995. For instance, when the age of the president was approaching 65, the article that stipulated that the Head of State couldn't be over the age of 65 when elected or reelected was eliminated. Since Nazarbayev feared competition from young people, the minimum age of candidates to the office of president was raised from 35 to 40.

Basically, the constitution was rewritten every time the perennial nature of Nazarbayev's power appeared to be threatened. This is how the "Law on the first president and Leader of the nation" was adopted in 2010. Nazarbayev assumed the lifelong title of "Leader of the nation", following the example of Ayatollah Khamenei in Iran and Muammar Gaddafi in Libya. At the same time, to complete the circle and to avoid any undesirable developments, a law was adopted, according to which the next president wouldn't be able to serve more than two terms while, as I said before, the number of terms of the first president, Nazarbayev, that is, is unlimited. Furthermore, his status as Leader of the nation guarantees that he'll be the one actually exercising power until the end of his days.

**G.A. – You described a perfectly locked-down system. But, this being the case, why did Nazarbayev decide to hold an anticipated presidential election in April 2011?**

**V.K. –** The election was expected in late 2012 or early 2013. Until that time, the opposition would've been able to prepare itself and name a worthy, credible candidate, capable of mobilizing the population<sup>(8)</sup>. This is why the Republican Party of the University of Eastern Kazakhstan, Nurlan Temirbekov, who has always fulfilled "delicate" missions (I know him personally), publicly proposed holding a referendum to extend the presidential term until 2020, without elections. The law on that referendum was approved by Parliament but, at that very moment, the Arab Spring started in Northern Africa and then in the Middle East. Washington warned Kazakhstan that holding such a referendum would be a regression from democracy. Nazarbayev immediately backtracked: he didn't sign the law on the referendum and submitted it before the Constitutional Court, which declared that such a referendum would "harm voters' rights". The President then addressed members of Parliament. He explained to them that holding the referendum would've caused a negative reaction among the international community. This is why the only thing he could promise them was to hold anticipated presidential elections. Naturally, this was just a trick to catch the opposition off guard. The law on the anticipated elections was adopted, voting took place in April 2011, and Nazarbayev (surprise, surprise!) obtained close to 95.5% of the votes in the first round. Of course, formally, there were three other candidates up for election but they were puppets, tame as sheep. One of them, Mels Eleusizov, went as far as to publicly admit that he'd vote for Nazarbayev<sup>(9)</sup>.

**G.A. – But, seeing that 90% of citizens voted for Nazarbayev, he's actually quite popular! Or were the results grossly manipulated?**

**V.K. –** I can affirm with certainty that those figures are very far from the real results. According to independent observers who were able to express their opinions on the K+ television network and other opposition media, the people didn't vote for Nazarbayev as unanimously as they usually would have during the communist era<sup>(10)</sup>.

**G.A. – You were mayor of Almaty between 1997 and 2004 so you're quite familiar with the different election methods currently used in Kazakhstan. Other than stuffing ballot boxes, what are, in your opinion, the techniques used by the government to ensure the desired results?**

**V.K. –** In Almaty, I managed the situation as follows: each circumscription had someone in charge, who named people in charge of each building. These emissaries personally knew each person living there and they knew very well what each of them needed: we offered foodstuffs to some, we helped others solve this or that administrative problem. People were grateful, they went to vote, and they generally gave their votes to the candidates currently in power. People were also aware of what people were convinced adversaries of Nazarbayev and we didn't even try to pressure them. They were a small minority anyway. But I believe that the situation has largely become worse since 2004: the authoritative trends of the government are irritating a growing number of citizens. Therefore, the regime must resort to a great deal of falsifying in order to obtain those "beautiful" results.

**G.A. – Let's now go over the economy. In the West, we know little about how privatizations happened**

**V.K.** – Today, it's common to affirm that, after the dissolution of the USSR, the entire economy of Kazakhstan went a deep crisis: companies and agriculture no longer functioned, store displays were empty, etc. However, supported by my extensive experience as a statesman, I'm able to affirm that the leadership of the country voluntarily took measures that sought to devalue industrial and agricultural assets in Kazakhstan so they could be taken over at little cost.

**G.A.** – Could you give us some examples of what you're saying?

**V.K.** – Certainly. There was a large industrial complex called Zhezkazgantsvetmet, which means "precious metals Zhezkazgan". This complex produced excellent-quality copper and its production was in great demand. Why management proved unable to continue to honor existing contracts and look for new ones, to sell its production to ensure the good operation of the company? Another company, Balkhashmed, "copper of Balkhash", which operated well during the Soviet era, brutally stopped production. The managers were fired and some were even sent to prison. There, as well, you also wonder why. Such examples are many. Certainly, privatization of these two groups (and a few others) were unavoidable, since it was necessary to find money to finance running of the country. The problem that repeated, was that sale prices for all these industrial jewels were set as low as possible.

This all happened in the early 1990s. Nazarbayev still held the image of a democratic, charismatic leader. At the time he had very close ties with Roh Tae-woo, president of South Korea. He regularly cited the South Korean miracle as an example. Seemingly, this country's model would be really good for us. So then, a Chinese man of South Korean origin, Dr. Chan Young Bang, became Nazarbayev's economic advisor, responsible for drafting the processes for privatization. The project announced by the president was wonderful: each citizen would obtain his or her part of the national riches of the country, according to the principle of social justice. Dr. Bang invented "PIKs": privatization and investment bonds. In conformity with the principles of social justice, each citizen of Kazakhstan would, as a function of his or her "contribution to the country's economy" (a notion that took into account seniority and other evaluation criteria), be supposed to obtain a bond granting him or her the right to become the owner of a part of an industrial or agricultural company. These bonds were distributed among the population. To keep them from falling on the wrong hands, the Head of State ordered the creation of special investment funds. These bodies collected PIKs, promising their owners that they would make them bear fruit. There was also competition among investment funds to gather the greatest number of PIKs possible. People in Kazakhstan believed that they were really going to make money. And then, all of a sudden, the managers of these funds began to experience legal difficulties. Some of them went to prison for "abuse of power". And, finally, all these entities were closed. And then we never heard of "socially just privatization" again. No one could own his or her part: it was all "shared" between the president and his entourage. Thus, the creation of egalitarian starting conditions during the transition towards a market economy was compromised from the beginning.

**G.A.** – What happened to PIKs? Did they simply disappear?

**V.K.** – Precisely. I owned some PIKs myself but I didn't get anything, not even the smallest share in any company whatsoever, not even the smallest section of a pipeline, not even a single cent. Once the PIKs vanished, a new chapter began. We could classify this phase as "family privatization". The president's family decided to take over Kazakhstan's non-ferrous metallurgy (which included jewels such as Zhezkazgantsvetmet, the Balkhashmed lead and zinc combine and even the Ust-Kamenogorsk titanium and magnesium combine) but also the Ermakov ferrous alloy plant (second in the world after a South African factory), metallurgy plants, the Karmetkombinat, and others as well. They also set their sights on the petroleum and gas industry. The president did everything he could so his close ones could gain control of these enormous riches.

**G.A.** – What did he do exactly?

**V.K.** – Nazarbayev had one of his wife's parents, Syzdyk Abishev<sup>(11)</sup>, a high-ranking financier, in his entourage who created a company, Kazakhintorg (Foreign Trade of Kazakhstan), with subsidiaries in Germany and other European countries. Through these subsidiaries, he began to sell the production of large industrial complexes abroad. He would buy it at low prices from the companies (who lacked competent managers to do things around the world themselves) and resold it in the West at international market prices. The difference went into the pockets of the president and his family. This is how the starting capital that allowed Nazarbayev's entourage to eventually buy practically all the industrial assets in the country was accumulated.

**G.A.** – So, you affirm that it was members of the president's entourage who bought the jewels of the industrial assets in Kazakhstan...

**V.K.** – It was the president himself, his family, or people he trusted. I'll demonstrate it with a concrete example. The ferrous metal industry was a very developed sector in Kazakhstan during the Soviet era. The Ust-Kamenogorsk ferrous metal combine was the leader in the field in the USSR. Zinc, gold, and copper from this combine were internationally recognized as references at the London stock exchange. To take over this industry (this combine, but also the n

ferrous metal industry), the president sold it all for pittance, using Abishev and other front men as intermediaries. Glencore, a raw material brokerage and trading company based in Switzerland<sup>(12)</sup>.

**G.A.** – What was the interest of the president in this?

**V.K.** – Certainly, he sold all these companies to Glencore at very low prices, but he reserved parts for himself “commissions” or “shares”.

**G.A.** – Is the president allowed to hold shares in such companies?

**V.K.** – Not legally but through front men. This is a well established technique. I attended a meeting between Glencore representatives and the Head of State in 2005. At the time, I was governor of Eastern Kazakhstan. Nazarbayev loved to go there to rest and take rejuvenating baths. The president of Glencore arrived and they discussed their relationship down to the smallest detail.

**G.A.** – Those jewels you mentioned, Zhezkazgantsvetmet and Balkhashmed, were they also sold to Glencore?

**V.K.** – No, for a simple reason: you don't put all your eggs in the same basket. The President created a company, Kazakhmys, and named someone he trusted, Vladimir Kim, who had previously worked for the Almaty executive, its head<sup>(13)</sup>. Kazakhmys took over Zhezkazgantsvetmet and Balkhashmed at the moment they were privatized. Thus these industrial giants became the *de facto* property of the family.

What's more. Another company then appeared in the Kazakhstan market: Japan Chrome. They wanted to acquire companies in the non-ferrous metal industry. Its representative appeared at the foreign investors' forum and even spoke on national television. This was a guy that looked Japanese and spoke Japanese. But, when the Ambassador of Japan publicly declared that that company didn't exist in his country, there was a scandal and we never heard anything about Japan Chrome again. Following this fiasco, the President resorted to the Eurasian Industrial Association, which took over the Yermak ferrous alloy factory, the Yermak power plant, as well as the “Vostochny” and “Bogatyr” coal mines which produced 18 million tons of coal per year.

**G.A.** – What is that Association?

**V.K.** – It's a group of businessmen. Let's say they are Kazakh oligarchs who share their assets and profits with the president. Most importantly, they are Patokh Chodiev, Alijan Ibragimov, and Alexander Mashkevitch<sup>(14)</sup>. The organizational structure is simple. The assets of companies with great industrial potential get depreciated and they are subsequently privatized so that they fall under the control of the president's family.

**G.A.** – You also mentioned the petroleum and gas industry...

**V.K.** – The same process applies. This is how the company KazMunayGas, which took over the entire petroleum and gas industry, was created. It was the President's son-in-law, Timur Kulibayev, who was really in command<sup>(15)</sup>. Then you mustn't forget about iron and steel. The jewel of this industry, the Karmetkombinat, was sold to Mittal but it's common knowledge that the President owns a sizeable part of its assets through front men.

**G.A.** – You were Minister of Energy between 1995 and 1997. How were privatizations managed in this industry?

**V.K.** – I already mentioned that the power plant in Yermak (the city has since been renamed and is now called Aktay) which has a capacity of 2.7 megawatts, was “sold” to the Eurasian Corporation (ENRS). The Karaganda-1 plant was ceded to Kazakhmys, and the Karaganda-2 plant, with a capacity of 400 megawatts, to Mittal. In all three cases, they were discounted privatizations but, in other cases, plants were simply “allocated” to a certain company. For instance, the Bukhtarma hydroelectric plant, on the Irtys river, was transferred to the company Kazzink (“Kazakhstan Zinc”) to provide this company with cheap power. The Zhezkazgan hydroelectric plant was offered to Kazakhmys. The Dzhazgan plant, one of the best hydroelectric plants in the USSR with a capacity of 1.2 million kilowatts, fell into the hands of Timur Kulibayev, via “Samruk-Kazina”<sup>(16)</sup>. Finally, ownership of the Ekibastuz power plant was transferred to the American company AES by order of the President.

**G.A.** – How can a State company be “awarded” or “given” without privatizing it?

**V.K.** – If it's all done among people who agree, it's quite easy! Let's talk about the Ekibastuz plant. In my position as Minister of Energy, I was present during an interview between the President and the CEO of the American company

only do one thing: I signed an investment program for 750 million dollars. This was the amount that AES was supposed to invest in the development of the plant. I believed that those five million dollars were just a down payment and the American company would modify the plant at their own cost so it could continue to serve the economy of Kazakhstan effectively. According to the latest information I have, the people close to the president have purchased the plant AES for two billion dollars<sup>(17)</sup>.

#### **G.A. – Why did the family do such a thing?**

**V.K.** – Good question. I wonder whether the payment of such an enormous sum to an American company that promised five million to buy the plant was a way for Nazarbayev to reestablish his reputation in the United States after the Kazakhgate scandal. In addition to this, this investment allowed the President to launder two billion dollars he had received through dubious means.

#### **G.A. – Tell us about Kazakhgate...**

**V.K.** – That scandal erupted in 1999 when I was mayor of Almaty. President Nazarbayev found out that his former Prime Minister, Akezhan Kazhegeldin (who had been in office from 1994 to 1997 and forced to leave the country after his resignation), was trying to organize an international campaign against him. He became furious and ordered security services to find compromising information about Kazhegeldin. The head of the KNB (the FSB of Kazakhstan) contacted Swiss legal authorities to ask them to find all of Kazhegeldin's accounts held in Swiss banks. However, since Kazhegeldin had been Prime Minister, Swiss authorities screened all Kazakhs' accounts in general! This is how Nazarbayev's accounts were discovered, containing 84 million Swiss francs<sup>(18)</sup>. Bernard Bertossa, General Prosecutor of Geneva, seized his accounts and started a judicial investigation.

In this investigation, a secret Swiss account belonging to American banker James Giffen (an expert on business in the country, nicknamed "Mr. Kazakhstan") was also discovered. After becoming an advisor to Nazarbayev and earning a trust, he obtained a Kazakh diplomatic passport while remaining an American citizen. In 2003, American authorities accused Giffen of having sent bribes to Nazarbayev and other high-ranking officials in Kazakhstan in exchange for contracts signed by American companies, including Chevron. This entire story, which went on for several years, called "Kazakhgate". In 2006, the names of the President, those of his daughter Dinara and her husband, Serik Kulibayev, as well as that of Imangali Tasmagambetov (Prime Minister and later Mayor of Almaty) could still be found on the Interpol lists. Theoretically, they ran the risk of being arrested if they travelled abroad.

However, in 2007, Giffen was only sentenced by US authorities to pay a symbolic fine, as his attorneys pointed out the fact that he was a CIA informant and that he sent regular reports about Kazakhstan to the Agency. This means that for several years, President Nazarbayev had been advised by an American spy who made him act in the best interests of the CIA and the United States in general! Naturally, this episode didn't improve Nazarbayev's reputation.

Finally, Kazakhgate sank into oblivion, thanks to the efforts of a powerful Bulgarian-American lobbyist, Alex Mirtchev, who organized campaigns in the international press to clean up the image of the Kazakh dictator. His services had been paid for by the three oligarchs at the Eurasian Corporation (ENRC), who didn't dare to defy the "boss", since all their future in Kazakhstan depends on Nazarbayev's. I believe that the regime becoming harsher (and, specifically, the strengthening of media control) is related to Kazakhgate: the President didn't want the population to become aware of this great scandal.

#### **G.A. – What happened to Nazarbayev's accounts frozen in Switzerland?**

**V.K.** – This is a story that speaks volumes about the regime's practices. According to Rakhat Aliyev<sup>(19)</sup>, another of Nazarbayev's sons-in-law, Mirtchev, proposed a method that could satisfy Swiss authorities: the frozen money would be used to finance computer equipment for schools in Kazakhstan. But, this too, was a fraudulent method to allow Nazarbayev to get back his funds through a shell corporation based in Singapore. Rakhat Aliyev explains it in detail in his book *Godfather by alliance*.

#### **G.A. – Let's get back to privatizations. How was the question of ownership resolved?**

**V.K.** – Some years after independence was declared, Nazarbayev ordered all kolkhozes to be liquidated. This seems absurd since these kolkhozes weren't owned by the government but by agricultural cooperatives that worked well. The catch was that they occupied the best lands in Kazakhstan. To get their hands on these lands, they carried out the following scheme: 1) liquidate the kolkhozes; 2) grant parcels to each member of the kolkhoz; 3) buy the parcels at low prices (since individual farmers couldn't survive without the technical means that kolkhozes possessed) and take over the land. Then, instead of kolkhozes and to replace them, a giant Agricultural Corporation was created.

**G.A. – Kazhegeldin, Rakhat Aliyev, you yourself... Why does the President end up falling out with people in his entourage so often?**

**V.K. –** From the moment he arrived at the head of the country, Nazarbayev set an objective for himself: to remain in power for life. He implemented this objective by relying on people who, once their function had been fulfilled or if they committed the indiscretion of expressing criticism, even if it's benign, are eliminated from his entourage, or simply eliminated, period.

**G.A. – Are you talking about physical eliminations?**

**V.K. –** Yes. I'll cite the two most shocking and troubling examples. In March 2004, Zamanbek Nurkadilov, former Mayor of Almaty and Minister of Emergency Situations, published an open letter to Nazarbayev, where he denounced abusive privatizations done to benefit the president's family (particularly those that affected public municipal land). In November 2005, he was found dead in his home. He had taken two bullets to the chest and one to the head. The official version concluded it was a suicide.

A second example: Altynbek Sarsenbayev, former Minister of the Media, who organized the privatization of public television (and the buildings it occupied) in benefit of Nazarbayev's daughter Dariga, and who had been one of the leading ideologists at the president's service, turned into trouble because he knew too much. He was gradually demoted and ended up joining the opposition, becoming President of democratic party Ak Jol. In late 2004, he set about denouncing the discounted real estate privatization of buildings and lands belonging to public television (Dariga had paid 50 dollars per square meter in downtown Almaty, a price between ten and twenty times lower than those that were commonly at the time), as well as the electoral fraud implemented during the legislative elections of September 2004. Naturally he resigned and, after his party split up, he created an unregistered party, "The real Ak Jol". In February 2006, a special KNB unit stopped the car where Sarsenbayev was travelling with his driver and bodyguard. They were taken into custody and shot at point blank range.

Though executions remain rare, cases of imprisonment for people who become undesirable and troublesome are much more common. The conditions of detention and interrogation are so violent that the unfortunate people who are subjected to them generally come out broken. The Minister of the Economy, Jassykbek Kulikeev, a very competent man, had a lot of sane ideas. He was first transferred to the management of railroads in Kazakhstan and then accused of corruption (a fabricated case from beginning to end). He was thrown into a KNB dungeon and, even though he was finally cleared, he left prison feeling completely demoralized and having lost any desire to take part in politics. Several other ministers and high-ranking officials have known the same fate. Some of them have committed suicide while in prison.

**G.A. – Now let's talk about Nazarbayev's foreign policy. How can you explain the popularity the Kazakh president enjoys among many leaders the world over? He's well regarded in Russia, where he's considered pivotal in the future Eurasian Union<sup>(20)</sup>, but also at the Shanghai Organization<sup>(21)</sup> and, at the same time, no longer isolated in the West, like he was at the time of Kazakhgate<sup>(22)</sup>. Is this tolerance towards a dictatorial regime simply due to the natural riches of Kazakhstan? Or do foreign leaders woo Nazarbayev because, in their eyes, he embodies an island of stability in this highly strategic region?**

**V.K. –** I believe that your first explanation is the main reason. People can't get access to the natural riches of Kazakhstan without gaining Nazarbayev's sympathy. Remember the way that many countries welcomed Muammar Gadhafi in the period right before the Libyan revolution? Because of Libyan petroleum riches, he was considered a partner for many years. He was even allowed to set up tents in front of government buildings in the countries he visited, namely the United States and France.

The personality of Nazarbayev also plays an important role. He's a prudent, cunning, and charismatic politician. Everyone remembers the Belavezha accords signed by the leaders of Russia, the Ukraine, and Belorussia in 1991 to ratify the end of the USSR. Yeltsin, Kravchuk, and Shushkevich had invited Nazarbayev, who was already the leader of Kazakhstan, to join them. Nazarbayev promised to go but, instead of attending the meeting in Belorussia, he landed in Moscow, where he informed Gorbachev of the complot. This episode speaks volumes about his calculating character devoid of any scruples. Certainly, he can make mistakes, like in this specific case: he should've bet on Yeltsin instead of Gorbachev. But Nazarbayev knows how to make U-turns remarkably well and always finds an outcome that is favorable to him.

**G.A. – Such as?**

**V.K. –** Let's look at the recent tragedy that took place in the city of Zhanaozen. In December 2011, the special forces of Kazakhstan, probably backed by Nazarbayev, opened fire against striking workers of the petroleum and gas industry.

this outburst of violence very firmly, in addition to NGOs such as Human Rights Watch. The President then set c  
increase his prestige by setting up a diversion maneuver. During the nuclear security summit held in South Kor  
March 2012, he proposed the creation of an international nuclear fuel bank in Kazakhstan. The advertised obje  
was to avoid that countries like Iran perform uranium enrichment themselves and to give all countries in the v  
access to enriched uranium for civilian purposes. For the time being, this potentially dangerous proposal for the pe  
of Kazakhstan, due to the risks of stocking an enormous amount of fissile materials, is just an empty promise...  
allowed Nazarbayev to get praise from Barack Obama and Dmitry Medvedev at the same time!

On this occasion, the official Kazakh press re-launched a completely surreal idea: to award the Nobel Peace Pri  
Nazarbayev. His first nomination for this prestigious award dates from 2008 and it had come from two Ame  
congressmen. It was withdrawn by another American congressman in 2011. Still, it was supposed to s  
Nazarbayev's merits on the topic of disarmament. One may wonder what montage could be hiding behind t  
unreasonable proposals. Kazakhstan's image on the international arena is still one of a country that bec  
independent after centuries of Russian domination and whose leader, despite certain human rights violations here  
there, advocates nuclear disarmament, the creation of a denuclearized zone in the Middle East, and other  
initiatives in the field of nuclear security.

#### **G.A. – Aren't these compliments justified, at least in part?**

**V.K.** – On the topic of disarmament, the main achievement attributed to Nazarbayev is the closure of the nu  
experimentation center and its industrial park in Semey (formerly Semipalatinsk) in 1991. This site had had a te  
impact on the health of the population of Kazakhstan. But the truth is that its closure didn't take place at the Presid  
initiative but following a powerful political movement, "Nevada-Semey", created at the initiative of the great Kazakh  
Olzhas Suleimenov. However, the Head of State took all the merit. In 2012, UN General Secretary Ban Ki-moon vi  
the former nuclear testing site and commended President Nazarbayev's "visionary decision, a true declaratio  
independence".

To this day, Nazarbayev continues to be regularly congratulated on making the decision to denuclearize Kazakh  
twenty years ago. But he didn't have a choice! After the dissolution of the USSR, four former Soviet repu  
possessed nuclear weapons: Russia, the Ukraine, Belarus, and Kazakhstan. Russia was recognized by the UN a  
only legal heir of all Soviet obligations. It thus ensued that the other three countries couldn't keep nuclear wea  
deployed on their soil without becoming pariahs to the international community. Nazarbayev didn't have any ch  
Any president would've made the same "decision" in his shoes.

To go back to my opinion of Nazarbayev's foreign policy, I would say he's playing a complex game. He himself at  
that he's conducting a "multi-vector" policy. In private, he brags about being Vladimir Putin's mentor. It's true th  
maintains excellent relations with Russia, but also with China, with the United States (once Kazakhgate was bu  
with the Islamic world... In short, he's friends with everyone he can benefit from!

#### **G.A. – You describe a country where the President's family carves out the largest portion for themse where people only get crumbs from the manna coming from the exploitation of natural riches, where peop power resort to political assassinations... However, you worked closely with this regime. May I ask you wh**

**V.K.** – When Nazarbayev arrived at the presidency of the country, I had already been active as a very high-  
politician and administrator for several years. With Nazarbayev's rise to power, I continued to serve my country, al  
close to the people. Every position I held during my career made me indispensable to the population and I got a  
level of satisfaction from the reforms and innovations that I was able to to promote. I never got involved in  
wrongdoings of the Nazarbayev clan. On the contrary, I always kept a distance. However, when, with time, Nazarb  
adopted increasingly violent methods to repress an opposition that had begun to take shape and my wife &  
understood that we couldn't stay in Kazakhstan for much longer.

At the time, I already held extensive knowledge about the "Nazarbayev system" and, of course, I still do today. Si  
refused to take part in the shenanigans proposed by the President's entourage several times, I knew I was in da  
This is what drove me to leave and openly join the opposition to the regime.

#### **G.A. – What's the solution? Is there hope for Kazakhstan to become a democracy? Is a sort of "Arab Spri foreseeable?**

**V.K.** – This regime is a malignant tumor within the body of the nation, with numerous metastases: the members c  
Nazarbayev family. The current government only satisfies a tight circle of the governing elite. This is a country whe  
conversations by telephone, Internet, and other means of communication are under the control of the secret serv  
The future of citizens including that of high-ranking officials is very uncertain as none of them know wha



information about him or about members of his family. The Leader is always right, and those that doubt him are c to order by the KNB and the law. This situation will undoubtedly end in the emergence of a protesting electorate. For moment, protest movements are still weak: as soon as their leaders make a move, they find themselves in the pi of the KNB, where they know how to break all resistance... But the number of dissatisfied people is increasing an soon reach a critical mass. Sooner or later, a social explosion is unavoidable, such as the example of Zhanaozer other recent strikes<sup>(24)</sup> have shown.

#### **G.A. – One last question: what role do you intend to play in the future?**

**V.K.** – I would like to work for a democratic Kazakhstan, clear of all corruption. This is what I'm doing while in exile I hope to have the chance to return to my country soon so I may pursue this task. I'm conscious of the difficulti have to overcome but I firmly believe that my homeland will end up getting rid of this unfair regime and take its rig place among nations.

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(1) Kazakhstan owns 3.3% of worldwide hydrocarbon reserves. Its petroleum reserves are estimated at a minimum 4.8 billion tons and its gas reserves at a minimum of over 3 trillion cubic meters. When it comes to non-ferrous met copper reserves are estimated at 37 million tons (5.5% of worldwide reserves); zinc reserves at 25.7 million tons (9 of worldwide); lead reserves at 11.7 million tons (10.1% of worldwide reserves), etc. In total, Kazakhstan has depos of over 25 different non-ferrous metals.

(2) Sarsenbayev was assassinated on February 13, 2006, along with his driver and bodyguard. The oppo immediately accused the government and the KNB (State Security Committee of Kazakhstan) of perpetrating crime. Two weeks later, the head of Kazakhstan's Senate apparatus, Yerzhan Utembayev, admitted that he had orc the assassination and that it had been perpetrated by KNB officers. President Nazarbayev publicly stated Utembayev (sentenced to twenty years in prison) had committed this crime to "defend his honor".

(3) Nurkadilov was found in his home on November 12, 2005. He had been killed by three bullets: two in the hear one in the head. Official sources talked about a "suicide".

(4) According to Freedom House, in 2011, Kazakhstan shared the 175th place (out of 197 countries surveyed) Ethiopia and Gambia. According to the list established by Reporters Without Borders in 2010, Kazakhstan was o 162nd place out of 178 countries surveyed.

(5) Regarding the Nazarbayev clan's wealth, sources are abundant, in both the Western and Russian press. Refi for example, the [kompromat.ru](http://kompromat.ru) site, which cites several. See also Sergei Guriev and Andrei Rachinsky, "The Evol of Personal Wealth in the Former Soviet Union and Central and Eastern Europe". United Nations University – [Institute for Development Economics](http://www.un.org/News/Press/docs/2006/10/20061011.uu.devel.1.doc.htm) Research, October 2006.

(6) Viktor Khrapunov was accused in absentia by Kazakh authorities of "abuse of public assets" and "organizator criminal group", which he allegedly formed with other members of his family. For comparison, in 2000, former F Minister of Kazakhstan Akezhan Kazhegeldin was accused of abuse of power, abuse of public goods, extortior misappropriation of public funds, illegal possession of weapons, and tax fraud. In 2002, the European Parlia issued him a "Passport for Freedom", which European members of Parliament grant to opposition militants persec for political reasons.

(7) Kazakh journalist. He moved to Moscow in 1986 and had a brilliant career next to Boris Yeltsin. Between 1990 1992, he was Minister of the Press and Information in Russia, then president of the Special Commission fo Declassification of Secret Documents of the Soviet Communist Party.

(8) There are almost twenty parties in Kazakhstan, including some that are not even registered and, therefore, d legally exist. Currently, only three parties are represented in Parliament, including President Nazarbayev's "Nur ( party, which obtained over 80.7% of the votes in the legislative elections of January 2012. According to OSCE, t elections were not democratic.

(9) See <http://newskaz.ru/politics/20110403/1289526>

(10) According to the "Society of Young Professionals of Kazakhstan", the percentage of voters was artificially inf through ballot-box stuffing, which reached up to 47% in certain polling plk See: [http://www.kyips.kz/page/rezultaty\\_nablyudeniya](http://www.kyips.kz/page/rezultaty_nablyudeniya).

(12) See, for example, [Ken Silverstein's publication](#) in *Foreign Policy*, May-June 2012. See also [Nurakhmet Kenzhan's May 2011 article](#) at the opposition information website *Respublika*.

(13) President and majority shareholder of the Kazakhmys corporation, which mines and processes non-ferrous precious metals. According to *Forbes* magazine, his personal fortune in 2012 was estimated at 3.5 billion dollars.

(14) Patokh Chodiev is a Kazakh oligarch living in Belgium. In 2012, *Forbes* estimated his fortune at 2.8 billion dollars and Alexandre Mashkevitch's, who lives in Israel, reached 3.7 billion dollars in 2011. As partners since 1992, they are among the five principal shareholders of Eurasian Natural Resources Corporation (ENRC), a group of great importance in the raw material mining and transformation industry, based in London. The other two principal shareholders are the Kazakhmys corporation and a section of the Ministry of Finances of Kazakhstan.

(15) According to *Forbes*, Timur Kulibayev, president of the Kazenergy association of companies in the petroleum and gas industries, and his wife Dinara, Nazarbayev's daughter, have 1.258 billion dollars each. Until recently, Kulibayev was vice-president of the "Samruk-Kazyna" foundation, which belongs to the government and manages 53% of the industry in Kazakhstan, including KazMunayGas, Temir Zholy, the Kazakh railroad company, Kazatomprom, a nuclear holding company, etc.

(16) Currently, this plant is practically halted.

(17) In 2008, AES, which had heavily invested in modernizing the plant, was forced to resell it to Kazakhmys, under pressure from Kulibayev, who wished to take it over (according to Wikileaks, see [Mukhamedzhan Adilov's publication](#) on the Respublika website). Currently, this plant belongs to "Samruk-Kazyna" and Kazakhmys in 50-50 parts.

(18) This money, kept in Genovese bank Pictet & Cie., represents a part of the amount obtained by President Nazarbayev and his entourage from American petroleum companies, in exchange for being granted different privileges and licenses in Kazakhstan. In total, just in Switzerland, it amounted to hundreds of millions of dollars of "dirty money" deposited into accounts belonging to Nazarbayev and his close ones. See the summary at <http://filb.ru/infoprint/9583.html>.

(19) Politician, businessman, and diplomat, ex-husband to Nazarbayev's eldest daughter, Dariga (who subsequently married Timur Kulibayev). He joined the opposition to president Aliyev in 2007 and was accused of kidnapping several people and even assassinating a Kazakh journalist in Lebanon. He was sentenced in absentia to twenty years in prison. His book, *The Godfather-in-law*, published simultaneously in English, German, and Russian in 2009, tells his story and provides an overview of Kazakhstan's autocratic system, including criminal activities by members of the President's entourage. It is largely based on recordings of conversations in his position as head of national security and the president's personal safety between 1999 and 2002. This book is banned in Kazakhstan but it can be accessed through the Internet, in Russian. See <http://oberhofen.narod.ru/read.html>.

(20) Confederation project with a unified political, economic, military, customs, and cultural area based on the union of Russia, Kazakhstan, and Belarus. At this time, these three countries have created a customs union and a common economic area. Other agreements are expected in 2013.

(21) This is a regional international organization founded in 2001 by the leaders of China, Russia, Kazakhstan, Tajikistan, Kirgizstan, and Uzbekistan. This organization seeks to reinforce security within the territories of member countries and combat terrorism, extremism, separatism, and drug trafficking. Several countries hold the status of observers: Mongolia, Iran, Pakistan, India, Afghanistan, as well as countries such as Sri Lanka, Turkey, and Belarus which hold the status of "dialogue partners".

(22) For instance, he made a working visit to France in September 2011, during which he was received by President Nicolas Sarkozy.

(23) 37 activists were judged for organizing the strike ("inciting social hatred"). 13 of them were given unsuspended prison sentences (their terms consisted of between three and seven years) even though, during the trial, they said that their "confessions" had been obtained through torture. No police officers were judged or even demoted for the use of firearms.

(24) For instance, the strike of over 3,000 workers at the Arcelor Mittal Termirtau metallurgic combine in June 2012