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In this issue:

Hastings Calls For Fair Vote, Hopes Kazakhstan Will Chair OSCE

OSCE Observation Mission Eyes Campaign, Report Due Soon

Parliament Ratifies UN Civil and Political Rights Covenant

U.S. Strategy in Central Asia: Balancing Security, Energy, Regional Economic Cooperation and Democratic Reforms

World Bank Says More and Better Jobs Needed to Sustain Growth and Poverty Reduction in Eastern Europe, FSU

Small Businesses Get Major Boost, 200,000 New Jobs Created

Kazakhstan Shows First Fruits of National Innovation Strategy

“Kazakh Crash Courses” Offered by University of Arizona

See page 5 for “Say It in Kazakh”

Hastings Calls For Fair Vote, Hopes Kazakhstan Will Chair OSCE

U.S. Representative Alcee Hastings (D-FL), President of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE), visited Astana this week in support of Kazakhstan’s commitment to holding a free and fair presidential election on December 4 and expressing hope that Kazakhstan will succeed in its bid for OSCE chairmanship in 2009.

Hastings spoke to reporters after his meeting with President Nursultan Nazarbayev, saying Kazakhstan’s intention and readiness to chair the OSCE are “very important”. He also met with speakers of the Senate and Majilis, Nurtai Abykaev and Ural Mukhamedzhanov, as well as Onalsyn Zhumabekov, Chairman of the Central Election Commission.

In a meeting with Mukhamedzhanov, Hastings said it is important Kazakhstan moves toward democracy gradually. Just as a building is built floor by floor, the understanding of the need for democracy grows step by step, he said.

The Florida Democrat also visited a polling station in Astana where he examined an electronic voting system and said: “You electronic system allows voters to check how their vote was accounted for.” He said it was better than the electronic voting system in the United States, adding “I wish we introduced something like that as well.” The electronic voting system, called *Sailau* (Election), will be available to voters in 15 percent of constituencies. There, voters will have a choice between a traditional paper ballot and an electronic vote.

OSCE Mission Eyes Campaign, Report Due Soon

As presidential candidates plunged ahead with rallies, meetings with voters, door to door canvassing and general politicking on October 25, observers from the election observation mission from the Organization for Security and Cooperation in Europe (OSCE) have been closely monitoring the campaign. They are due to issue their first preliminary report by the end of this week.



A Kazakh caftan (coat) of late 19th - early 20th century exhibited at the Textile Museum in Washington, DC.

See announcement on page 56.

Ambassador Audrey Glover, head of the OSCE mission said their monitoring of the election process will be neutral and free from bias, and their conclusions will be based only on verifiable facts. Speaking to Prosecutor General Rashid Tusupbekov, she noted Kazakhstan's election process will not be compared to elections elsewhere but will be judged for its compliance with OSCE standards.

At that meeting on October 31, Tusupbekov informed Glover of petitions the Prosecutor General's Office received so far claiming violations of election legislation by campaigns. He said his office received 49 such petitions against the campaign of Yerassyl Abylkassymov, 3,594 petitions against the campaign of Alikhan Baimenov, seven petitions against the campaign of Nursultan Nazarbayev, and 8,874 petitions against the campaign of Zharmakhan Tuyakbai. Seventy-seven petitions were filed against government authorities, or 0.5 percent of the total, Tusupbekov said. He added his office is taking measures to rectify the violations if and when they are uncovered.

Following the meeting, the two officials agreed to exchange information about the uncovered violations of election legislation in a full and timely fashion.

Last week, Dr. Karim Massimov, Assistant to Kazakhstan's President, said on a Washington visit the OSCE assessment of the election "will be very important" for Kazakhstan's future.

Parliament Ratifies UN Civil and Political Rights Covenant

Kazakhstan's Senate ratified the country's accession to the UN International Covenant for Civil and Political Rights on November 3, sending the measure to the President for signature.

The Senate ratified the covenant without any reservations. Kazakhstan signed the covenant which is a part of the International Bill of Human Rights, on December 2, 2003, joining 162 countries.

Rapil Zhoshybayev, Kazakhstan's Deputy Foreign Minister earlier explained the covenant's ratification will be a "significant event, speeding up the improvement in domestic legislation and bringing it up to international standards." Ratification will be a "major factor" in Kazakhstan's quest for chairmanship-in-office of the OSCE in 2009, he noted.

U.S. Strategy in Central Asia: Balancing Security, Energy, Regional Economic Cooperation and Democratic Reforms

Daniel Fried, Assistant Secretary of State for Europe and Eurasia, said U.S. strategy in Central Asia calls for balancing security, energy and regional economic cooperation, and freedom through reform.

Testifying at an October 27 hearing of the Middle East and Central Asia subcommittee of the House International Relations Committee, Fried said: "We pursue all three sets of our strategic interests in tandem, because failure in any one area will undermine the chance of success in another."

Fried's testimony outlined U.S. strategy for relations with the five countries of Central Asia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

He said, "We are therefore supporting political and economic reform, rule of law, good governance, respect for human rights, religious freedom and tolerance, free and open markets, development of small businesses, energy investment, and cooperation in the fight against terror and weapons of mass destruction, all at the same time." (See [related article](#).)

For fiscal year 2005, the State Department budgeted \$240 million in assistance to Central Asia, Fried said. The assistance focused on "building and strengthening civil society, promoting democratic and economic reform, and combating criminal activities and terrorism," he explained. "We are also directing assistance toward promoting regional security – through counterproliferation, counterterrorism and counternarcotics cooperation. This is money well-spent."

Discussing each Central Asian republic individually, he said Kazakhstan is a "potential regional leader." The presidential election scheduled for December 4 "gives an opportunity to demonstrate whether it is becoming one of the region's leaders in democracy," Fried explained.

“Our vision is of a reforming and prosperous Kazakhstan, leading a new corridor of reform in Central Asia by spearheading energy, trade and investment in Kyrgyzstan, Tajikistan and other neighboring countries,” he said. (See [related article](#).)

Fried’s [prepared testimony](#) before the subcommittee is available at the State Department Web site. In September, he visited Kazakhstan holding talks with President Nazarbayev and Foreign Minister Kassymzhomart Tokaev. That trip set the stage for a visit by U.S. Secretary of State Condoleezza Rice two weeks later.

World Bank Says More and Better Jobs Needed to Sustain Growth and Poverty Reduction in Eastern Europe and FSU

A new World Bank report says most transition countries in Eastern Europe and the former Soviet Union lack job opportunities, and employment can only be spurred if policies are enacted to boost enterprises and improve the investment climate. The report was released on Tuesday November 1.

Titled *Enhancing Job Opportunities in Eastern Europe and the Former Soviet Union*, the report analyzes labor markets in 27 transitional countries since the fall of communism some 15 years ago. It answers three key questions: How has economic transformation affected the labor market? How far have countries progressed and what are the constraints to creating more and better jobs? Which policies can help promote job creation?

Arup Banerji supervised the report and is sector manager in the Human Development Economics Department of the World Bank’s Europe and Central Asia Region. He said “despite the region’s economic success in moving from central planning to a free market, one key area has seen lackluster results, is the creation of productive jobs. Unless the employment outlook improves, the substantial poverty reduction in the region since 1998 could come to a halt, which would undermine political support for reform.”

Stefano Scarpetta, the report’s co-author and an economist with the Bank noted, “In the Commonwealth of Independent States countries (CIS), the jobs problem lies more in the quality of jobs which are less productive and don’t pay as much.”

The report urges countries to improve their investment climates to stimulate firms to invest and create productive jobs. It also calls for steps to lower the cost of labor mobility by developing housing and mortgage markets as well as improving access to lifelong learning opportunities.

Tapping a survey of over 4,000 business owners and managers, the authors analyzed the factors which encourage or discourage firms from investing and hiring. Economic and policy uncertainty, corruption, high taxes, and inefficient courts are seen as key factors in stifling entrepreneurial activity.

The report provides specific recommendations for different subregions within Eastern Europe and FSU. It says “in middle income CIS countries (such as Kazakhstan, Russia, and Ukraine), joblessness is lower but under-employment is high as many people work in low productivity jobs. Reducing administrative barriers is a top priority, as is deregulating labor relations and focusing on enforcement of key labor standards. Also, if unemployment schemes and other programs could be developed to help laid off workers, fewer people would feel compelled to hang on to dead-end jobs for survival.”

Unemployment in Kazakhstan has been dropping in recent years as the economy continues to grow at rates approaching 10 percent annually. It stands at around 8 percent today. The Government has a special program to combat unemployment and poverty as well as pursuing other policies to promote job creation in the private sector.

Scarpetta said “since it’s the young, small, private firms creating the jobs, governments need to push for business-friendly reforms. Jobs programs and policies to retrain workers or help the unemployed will not be enough to solve the underlying problem.”

Small Businesses Get Major Boost, 200,000 New Jobs Created

The Government will ramp up its support for small and medium sized enterprises (SMEs) in an effort to help them develop and create new jobs.

President Nazarbayev, speaking at the Congress of Entrepreneurs of Kazakhstan on October 28 in Astana said within the next three years government sponsored loans for SMEs will reach approximately 95 billion tenge (US\$1=135 tenge), which will help create more than 200,000 new jobs.

The Government channels these loans through a Fund for the Support of Small Businesses. Its role in supporting SMEs seems to be supplementary, however, compared to the role of private banks. During the first seven months of 2005, private banks provided loans to SMEs worth 400 billion tenge.

In addition, the role of microcredit organizations is also growing. This year there are 350 such organizations, and the loans they have provided amount to 9.6 billion tenge.

According to statistics there are approximately a half million small and medium sized businesses in Kazakhstan employing a total of almost one million people. Overall, private enterprises in Kazakhstan employ almost 5 million people, more than 77 percent of total employment.

In his remarks, the President also said the government provided SMEs investment preferences worth US\$5 billion and continues to look for ways to improve relevant taxation and regulation. Among the proposed measures are changes in the Tax Code and the continued reduction of the number of activities requiring licensing, as well the introduction of a “one-stop shopping” centers. Such centers, where citizens and business people are able to get all the required documents at one place are to be opened in Astana and Almaty in November, followed by similar centers across the nation. Another important development is large companies spinning off of auxiliary businesses into separate smaller entities. The Government is about to divest up to 1,000 companies in such manner from several large national companies.

Finally, private property rights will have stronger protection through transparency legislation and a fair judicial system. “Business people must be confident that business in Kazakhstan is both secure and offers good prospects which is why measures are needed to create maximum transparency in legislation for small and medium sized businesses,” the President stressed.

Kazakhstan Shows First Fruits of National Innovation Strategy

Kazakhstan offered the first fruits of its national innovation strategy at an exhibition, *Industrial and Innovative Kazakhstan*, in Astana on November 1 and 2.

The exhibition boasted more than 100 exhibits of projects launched under the strategy, ready-made products and plans for the future in industries such as machinery building, clothing manufacturing and the growing aerospace industry. Specific projects included producing modernized powerful motors at an AgroMashHolding plant, spinning high quality cotton yarn in Shymkent, and the production of pipes and fittings from modern materials of increased durability in Aktobe. Dozens of projects in various industries will become building blocks of future clusters in areas where the Government believes Kazakhstan can be the most competitive on world markets.

President Nazarbayev visited the exhibition, saying: “This is a great work for the future and prosperity of our country. We are creating an alternative economy and don’t want to depend on raw materials. This means jobs and this creates an opportunity for tripling the economy in ten years.”

The Strategy for Industrial and Innovation Development (SIID), as it is formally known, is being implemented from 2003 through 2015. The first stage requiring the creation of so called institutions of development, such as Kazakhstan’s Development Bank and Kazakhstan’s Innovation Fund, is completed. The next two stages will be the most productive as these institutions of development have already provided assistance for 233 ongoing projects worth US\$1.5 billion. They are expected to create 12,500 new jobs.

More than 100 new projects have been approved for financing with an investment of US\$2 billion. This includes 67 projects in the private sector worth US\$1.193 billion, aiming to produce Skoda cars, KAMAZ trucks, large and small passenger buses, agricultural combines and tractors, and the launching of a Kazakh communication satellite.

Also speaking at the exhibition, Prime Minister Danial Akhmetov said Kazakhstan ranked 61st in the world's competitiveness ranking according to the World Economic Forum, "outstripping all CIS countries". The innovation strategy should move Kazakhstan higher in the ratings.

“Kazakh Crash Courses” Offered by University of Arizona

The University of Arizona Critical Languages Program has announced the availability of two new titles in its Critical Languages Series, *Intermediate Kazakh* and *Advanced Kazakh*, which will give people seeking to learn Kazakh a much needed tool.

Alexander Dunkel, Director of the Critical Languages Program, said "Learning another nation's language is a good way to know them better and build bridges between peoples. We hope our new titles will help build those bridges of friendship."

The new products can be used by independent learners of Kazakh or by students in a traditional classroom setting. These two new titles are in DVD-ROM format and require a computer running Windows 2000 or XP, equipped with speakers and a microphone. They were developed using Critical Languages Program's MaxAuthor authoring system. The courseware contains videoclips, native speaker audio recordings, several types of interactive exercises, and is equivalent to a one year college course.

The titles are distributed by the University of Arizona Press, at 1-800-426-3797, and are also available through www.amazon.com. For more information about the Critical Languages Series and their beginning Kazakh level CD-ROM please visit <http://clp.arizona.edu/cls>.

The University of Arizona is located in Tucson which has had a sister city relationship with Almaty for 15 years. That relationship has been continuously growing and expanding into areas such as education and culture. For example, the Center for English as a Second Language at the University of Arizona recently announced that 14 college-level students are arriving in Tucson on November 4 to study English in preparation for continued education at the University. Another example is a delegation from Tucson to participate in an American Indian jewelry exhibition in Almaty.

Things to Watch:

- Venus Express, Europe's first mission to Earth's sister planet, has been given the all clear and a new launch date, after the satellite was grounded because of contamination from the launcher. The craft will now lift off from the Baikonur Cosmodrome in Kazakhstan on November 9. It was originally set to launch on October 26.
- *Silk & Leather: Splendid Attire of 19th-Century Central Asia, An Exhibition in Honor of Caroline McCoy-Jones*, has opened at the Textile Museum in Washington, DC, located at 2320 S Street, NW. The exhibition features different types of garments and accessories worn by the ruling class and urban and nomadic elites of the region which today encompasses Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan and part of Kazakhstan. It will run through February 26, 2006. For more information, please call (202) 667 0441 or visit www.textilemuseum.org.

Say It in Kazakh:

At the bank:

I would like to open an account. --- Men zhanadan bank shoty ashkim keledi.

Would you like checking or savings? --- Syz agymdagy nemese saktauly shot ashqyniz keledi ma?

What is the exchange rate today? --- Bugunge aiyrbastau bagasy neshe?

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Contact person: Roman Vassilenko
1401 16th Street NW, Washington DC 20036
Tel.: 202 232 5488 ext. 104, Fax: 202 232 5845