

By Adil Jalilov

Visitors to Kazakhstan often are astonished by the abundance of luxury cars and magnificent houses in the country. Kazakhstanis, however, are not surprised that an official earning a monthly salary of 36,192 tenge (US\$300) to 48,256 tenge (US\$400) owns a new Porsche, or that his unemployed wife vacations in Monte-Carlo, or that his student-daughter wastes 120,640 tenge (US\$1,000) in clubs every night.

Traffic cop, custom official, judge, financial police — these are all prestigious positions in Kazakhstan. Their prestige, however, is not rooted in the respect shown to them by their fellow citizens, nor in the potential benefit they might have for their country. They are sought-after jobs because of the corruption income that accompanies them. In recent years, school director, university chair, administration leader, as well as government officials who distribute land, issue business licenses and award construction permits have been added to the list of these “well paying” jobs.

Practically the entire state service system in Kazakhstan promotes bribery. Long queues, bureaucracy, the need for numerous signatures and stamps, references, short deadlines, grumpy staff and the absence of explanatory information all breed graft. According to data from Kazakhstan’s Agency for Civil Service, the scope of corruption threatens national security and arouses popular distrust of the government.

Citizens wasted US\$1.3 billion on bribery last year, according to data from the Sange Center Kazakhstan. Corruption was greatest at the customs service, with bribes amounting to US\$140 million, followed by the judiciary, which received US\$106 million in bribes. In 2006 alone, small business spent US\$1.3 billion to US\$2 billion on corruption.

Research shows 72 percent of companies and 62 percent of citizens resort to unlawful ways to settle their questions. In fact, 55 percent of road police and 46 percent of customs officials questioned by the Sange Center admitted they take part in corruption. Sanitation workers, university academics and even kindergarten teachers are all part of this culture of bribes.

For example, in order to send a child to kindergarten, tradition necessitates a payment of “kindness” to the director, to ensure the child receives good care. A gift to the tutor also has become the norm.

Kazakhstan, rich with oil and minerals but otherwise poor, is suffering from the so-called “resource curse.” A trend also seen in West Africa and the Middle East, the presence of concentrated resources in an undeveloped economy has brought inflation, rapid demographic shifts, weak local manufacturing and stagnant income growth. The influx of wealth created by the extraction of raw materials — oil, gas, metals, uranium and other resources — fuels the corruption situation by amplifying inequalities.

Other factors are at play as well. Corruption researcher Andrey Chebotarev blames Kazakhstan’s corruption, in part, on the expansion of public services provided by the state.

One of the most basic components of the corruption in Kazakhstan is tribalism, a kind of clan-system shaped over the centuries. According to this system, there are three juses — the senior jus (southerners), the middle jus (in the north and the east) and the junior jus (in the west). These compatriot relationships come with entrenched loyalties that can enable corruption.

Senate Deputy Beksultan Tutkushev, a member of the Social-Cultural Development Committee, said he believes that corruption is omnipresent and not particularly different in Kazakhstan than elsewhere. However, he noted, people are beginning to fear being held criminally responsible for taking bribes. According to Tutkushev, the main tool the Kazakhstan government has to fight corruption is legislation. However, this tool has not yet been used effectively, as the law often is ignored.

However, anti-corruption structures are being created in Kazakhstan. One is the President’s Commission on Corruption Issues. The chairman of the Agency to Prevent Economic and Corruption Crimes, Sarybay Kalmurzaev, reported at a meeting of the President’s Commission that the number of disclosed corruption crimes has been growing each year. In 2005 there were 1,505 cases, in 2006 there were roughly 2000 cases. During the first half-year of 2007, reported corruption cases numbered 1,275, which is a 17 percent increase compared to this period last year. Experts who are aware of the real situation in Kazakhstan, however, say the statistics grossly underrepresent the problem. They say that if all such crimes were reported, the real figure would be 100 times bigger.

Anton Morozov, chief of the president’s Kazakhstan Strategic Investigation Institute, said corruption stems from the prohibitions and restrictions that are necessary for any

country's development. It arises, however, when citizens resort to bribes to escape these restrictions. For now, Morozov said, the fight against corruption in Kazakhstan is limited to reforming different governmental programs. However, he noted, corruption is a complex problem and, therefore, requires a complex approach.

“As long as the civil society itself is not involved in this problem, there will be no shifts for the better,” Morozov said. “All declared statistics show just a little part of the real problem. To stop corruption effectively, special conditions must be created: conduct a revision of the legislation of all state structures, starting from the central agencies going to the smallest ones.”

There has been some progress. During the summer of 2007 the government passed several amendments to the anti-corruption law. However, the added measures were more punitive than preventive. The amendments provide for the seizure of income and property obtained illegally and allow the government to hold foreign individuals and organizations accountable for corruption.

The amendment concerning foreign organizations was passed following several recent scandals in the oil industry, including accusations that the U.S. company Baker Hughes bribed officials to win a development contract for the Karachaganak oil and gas field in western Kazakhstan.

But this increased government scrutiny may not be benign. The increased oversight of international organizations, conducted under the guise of anti-corruption, may be in fact related to so-called “color” revolutions that took place in Kyrgyz Republic, Georgia and Ukraine. These revolutions were allegedly sponsored by foreign-supported NGOs. The possibility of a similar revolution is often threatened in Kazakhstan.

In 2005 the General Prosecutor's Office launched an investigation into the 33 largest NGOs. The list included 28 NGOs with either head offices based in the United States or financial backing coming from U.S. resources. Among them were the American Red Cross, American Association of Lawyers, Electrical System Fund, State University of Maryland, Peace Corps, Pragma Corporation and IWPR.

The Kazakh International Bureau for Human Rights and Compliance with Law and the Fund of Liberty of Speech Protection were also investigated. The Prosecutors Office requested that the NGOs submit founding charters and registration statements, financial information, information

about grantors and projects, guidance materials and handbooks, and information about workshop participants, according to Evgeniy Jovtis, director of the Kazakh International Bureau for Human Rights and Compliance with Law.

Eduard Poletaev, editor-in-chief of the magazine Mir Eurasia, said he thinks corruption is not an absolute evil. "During the first years of the independence, corruption was a lubricator against the background of small salaries and the absence of perspective, and only bribes were able to drive the advancement of the state." But now, Poletaev said, the state has gained the strength it needs and must make an effort to stop corruption, however difficult that may seem.