

OFFSHORE CENTRAL ASIA: SWITZERLAND AS A SITE FOR POLITICAL STRUGGLES BETWEEN KAZAKH ELITES

BY EDWARD LEMON AND DAMIAN ROSSET

Central Asian politics increasingly takes place offshore. Kazakhstan's recent encroachments into Swiss politics exemplify this trend. Regime-linked individuals have hired lobbyists put pressure on Swiss lawmakers to extradite exiled critics. In the following article, Damian Rosset and Edward Lemon examine Kazakh offshore politics and argue that such attempts to distort the course of justice matter.

Observers are increasingly challenging the commonly-held view that Central Asia is an “isolated” region in the world’s political and economic systems. Far from being cut off from the global economy, Central Asia remains interconnected with it through transnational offshore linkages involving Western judicial and financial institutions.¹ Similarly, the absence of space for political competition in the Central Asian republics does not imply that political struggles do not exist. Rather, as Heathershaw and Cooley put it: “If politics is not taking place onshore it moves offshore.”²

In this article, we examine the projection of Central Asian politics abroad through the case of Kazakh political interventions in Switzerland. Kazakh politicians have managed – via lobbyists – to have their interests put on the agenda of the Swiss parliament. Over the years, Swiss political and judicial institutions have been lobbied and ultimately instrumentalised by Kazakhstan’s elites. This case illustrates the potential for Kazakhstan’s “public relations diplomacy” to shape the contours of political relations and the need to envision Central Asian politics beyond its geographical limits.

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The latest scandal to rock Swiss politics exemplifies this trend. In May 2015, former speaker of the Swiss House of Representatives’ Foreign Affairs Committee Christa Markwalder from the Free Democratic Party was forced to apologize publicly for filing parliamentary questions in 2013³ that were prepared by a lobbyist from the PR company Burson-Marsteller. The text had been edited by Azat Peruashev, leader of Kazakhstan's pro-business, government-friendly Ak Zhol party, on behalf of whom the lobbyist was working. Markwalder also provided the lobbyist with confidential Parliamentary Committee documents that ended up in Peruashev’s hands.⁴

Neither Peruashev nor the Kazakh government received any direct benefits or other tangible outcomes from the June 2013 interpellation. Yet, the Markwalder story has made the headlines



Geneva hosts the politics that don't take place in Astana

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of major daily newspapers in Switzerland for several weeks. Three factors explain the media's strong interest. First, Christa Markwalder was generally considered to be a talented politician with good chances to be elected chairwoman of the lower chamber of the parliament after the October 2015 elections. Second, the role of lobbies in Swiss politics has traditionally been the source of heated debate. Third, the Markwalder case is only the last of a series of news stories on the dubious activities of Kazakhstan in Switzerland.

Earlier this year, opposition website Kazaword revealed other instances of Kazakh politics being played out in Switzerland. In January 2015, Thomas Borer, a former Swiss ambassador in Berlin, was exposed for lobbying for the Kazakh regime. He admitted working as a consultant for Kazakhstan's Ministry of Justice, supporting the ministry in tax fraud cases

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related to Switzerland. His main task is to lobby for the extradition of Viktor Khrapunov, a former mayor of Almaty and minister of emergency measures who fell into disgrace with the regime and fled to Switzerland in 2008.⁵

In June 2014, the Federal Office of Justice refused to extradite Khrapunov on the basis that Astana had failed to fulfil the necessary guarantees in terms of human rights.⁶ In his emails to his Kazakh employers, Borer reportedly proposed that they lobby the Office of the Federal General Attorney and a Deputy Director of the Office of Justice to secure the extradition. He also prepared a parliamentary interpellation submitted by Swiss People's Party's MP Christian Miesch in September 2014.⁷ In his request, Miesch called Khrapunov “a clan leader suspected of having made off with hundreds of millions of francs of public funds in Kazakhstan and have them transferred abroad.”⁸

But trying to win over public opinion and lobby for political influence may not be the only type of activity Kazakhstan has used in Switzerland. Other files made public by Kazaword revealed a failed attempt to abduct Viktor Khrapunov and bring him back to Kazakhstan in 2013.⁹

Khrapunov himself is no stranger to the power of public opinion. It turned out that his spokesperson, Marc Comina, was instrumental in publicising the Markwalder scandal and ensuring extensive media coverage. Comina claimed that he had helped the journalists of the *Neue Zürcher Zeitung* process the relevant documents.¹⁰ To complicate matters further, Khrapunov's lawyer Christian Lüscher is not only a member of the same political party as Christa Markwalder but also a fellow member of parliament.¹¹

“KAZAKH DISSIDENTS HAVE BEEN LOOKING FOR SAFETY IN NUMBERS” Kazakh dissidents have also been looking for safety in numbers. Viktor Khrapunov and his wife Leila have managed to create an alliance with another former Kazakh minister-turned-opponent, Mukhtar Ablyazov. Their son Ilyas married Ablyazov's daughter. Ablyazov is currently detained in France waiting to be extradited to Kazakhstan.¹²

In 2012, Ablyazov told Swiss newspaper *Le Temps* that he had provided the Office of the Federal General Attorney with the documents that led to open an investigation on Timur Kulibayev – President Nazarbayev's son-in-law – for alleged money laundering in 2010.¹³ Indeed, not only disgraced members of Kazakhstan political elites have chosen to live on the shores of Lake Geneva: the daughter of the president herself has resided in Geneva since 2010. Her arrival caused a stir as local media were captivated by the new owner of a 74 millions Swiss frank (\$65 million in 2010) villa.¹⁴

Just miles away from the president's daughter lives Lira Baiseitova, a journalist and political dissident. Baiseitova fled after her family faced deadly retaliation for an article exposing the offshore accounts held by members of the Nazarbayev family in Switzerland.¹⁵ Swiss media regularly rely on Baiseitova to judge the players of the Kazakh political game; we thus come full circle with a Kazakh commented on fellow Kazakh.

Switzerland has become a field for political struggles and judicial battles between Kazakh elites; Swiss institutions are merely tools in this fight. The presence of many important Kazakh political actors on Swiss territory makes it a prominent stage for Central Asian offshore politics. A range of local lobbyists, advisors, and lawyers are complicit in this misuse of Swiss institutions.

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Switzerland represents a small wing of Kazakhstan's lobbying efforts. Astana retains lobbyists in Washington, Brussels, London and elsewhere. In 2009, Kazakhstan's government hired a Washington lobbying firm, Policy Impact Communications, for a one-year, \$1.5 million contract. PIC was tasked with trying to prevent a change to the U.S. law that requires countries to make progress on human rights in order to receive aid.¹⁶ In Brussels, Kazakhstan pushes for closer ties to the EU through the Eurasian Council on Foreign Affairs, described in a recent report as a “front for the Kazakh foreign ministry which finances it.”¹⁷

Kazakhstan has also engaged in a branding campaign, hiring PR specialists to present the country to the world. The Kazakh ‘brand’ centers on being a bridge between east and west,

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multi-ethnic harmony, economic growth and peaceful relations. CNN adverts tell people to invest in Kazakhstan and glossy inserts in USA Today extoll the achievements of the country. These campaigns have achieved some success in its ambition in gaining greater prestige for the country. In 2010 it became the first Central Asian country to chair the Organization for Security and Cooperation in Europe. One year later it hosted the Asian Winter Games, and it is one of two candidates to host the 2022 winter olympics.

The most publicised hired-hand is former British prime minister Tony Blair. The Kazakh government pays his consultancy firm, Tony Blair Associates, a reported £7 million per year for advice. Following the massacre of 14 unarmed protestors at Zhanaozen in December 2011, Blair wrote a speech for president Nazarbayev to deliver in Cambridge a few months following the shooting in which he downplayed the regime’s complicity in the atrocity.¹⁸ Kazakhstan has also employed American experts to out a positive spin on developments. In 2008 Kazakhstan's Washington DC lobbying firm APCO Worldwide paid \$52,300 for Johns Hopkins University to produce three positive reports on the country.¹⁹

In presenting the country as democratic, developed and peaceful, Kazakhstan benefits from most Europeans’ lack of knowledge about the Central Asian state. Through this “PR diplomacy,” Astana tries to boost its legitimacy abroad and advance the regime’s agenda by countering potential critics.²⁰

Kazakhstan’s encroachment into Swiss politics matters for a number of reasons. For the Swiss public, it is concerning that Kazakh lobbyists are allowed to push their agenda, and exert influence on the country’s foreign policy and its stance towards political refugees. However, instead of keeping a distance from Kazakhstan’s authoritarian regime, lawmakers appear quite naïve, if not complacent, with Astana’s demands.

Yet, the Kazakh public is arguably a greater victim of Switzerland’s offshore status. When Kazakhstan’s elites leave the country, they take millions in their baggage while public spending remains stymied. Money transfers to Switzerland – legal or not – amount hundreds of millions dollars. Much needed taxable income is shipped abroad, whilst the regime explains away dwindling spending with the falling price of oil. In January, the government slashed the budget by 25% linking the move to crude prices.

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For students of Central Asia, the Swiss case illustrates those looking to understand regional politics can only do so by taking the offshore dimension into account. Rather than being pawns in a ‘New Great Game,’ Central Asian regimes are becoming adept players in the global system. If Western politicians and institutions underestimate their abilities, they may become pawns in the struggles of Central Asian elites.

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