December
2013

REPORT

ASSESSMENT OF POLITICAL RISKS FOR FOREIGN INVESTORS IN CENTRAL ASIAN COUNTRIES:

COMPARATIVE ANALYSIS

MINCHENKO
CONSULTING

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Methodology and main characteristics of the report

In order to analyse the political risks for international investors in Central Asia for this survey, we have used previously published reports and related working papers, in particular expert questionnaires and a series of expert interviews, conducted as part of a range of country[1] research projects of Minchenko Consulting Communications holding and its research division, – the International Institute for Political Expertise (IIPE). The report is also partially based upon the results and findings of a number of projects that featured one of co-authors of this report: project of the CSTO Analytical Association and MGIMO Analytical centre on the studies of political risks for Central Asian countries in relation to the ISAF troops withdrawal from Afghanistan in 2014[2], project of the Russian council on international affairs on the analysis of foreign aid to Central Asian countries[3]. During the work on this comparative research, we have also organised consultations with leading experts on political risk analysis in Central Asia, in particular, in the Moscow State Institute for International Relations of Russian Ministry of Foreign Affairs (MGIMO). The final analysis used data from international[4] and Russian ratings[5], as well as international (UN bodies) and the national statistics of Central Asian countries on the volume and structure of investments in the region.

Prior to our expert assessment, we would like to point out that in general political risks in Central Asia are viewed as very high by the Western expert community[6], falling short only to recognized "failed states", countries with political regimes not recognizing private property, certain unstable African countries etc. The problem with this approach is that such global reports compare Central Asian countries with the most attractive low-risk states such as developed Western countries or Southeast Asian “tigers”. The global span of such an approach to assessing political risks levels out differences between individual countries of Central Asia and loses the nuances inherent to the region’s specificity. Furthermore, such a global analysis is uninformative from the viewpoint of both foreign investors who want to invest money in this very region but pick a country or an investment target and from the viewpoint of respective states, since it is evident that automatic copying of Western or East Asian positive experience is difficult in Central Asian countries. In this regard we would like to note that **the proposed report is unique, since it became the first experience in the world of comparative analysis of political risks pertinent to investing specifically in the Central Asian region.**

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[1] Report on Turkmenistan's investment potential (http://minchenko.ru/analitika/analitika_19.html), report on political and economic risks of Gurbanguly Berdymukhammedov's second presidential term (http://minchenko.ru/analitika/analitika_23.html), report on Uzbekistan’s investment potential (http://minchenko.ru/analitika/analitika_35.html).

[2] . See Collective Security Treaty Organisation and Eurasian security. Public report of the CSTO Analytical Association (A.A. Kazantsev is a co-author). - Moscow: CSTO Analytical Association, 2013; Kazantsev A.A. Scenarios and trends of the evolution of the situation in Central Asian region of CSTO collective security after 2014. IMI MGIMO (U) of Russian MFA, Analytical centre. - Moscow : MGIMO -University, 2013. (Analytical reports; Issue 2 (37), July 2013).

[3] See Sergeev V.M., Kazantsev A.A., Bartenev V.I. Contribution to the development of Central Asian states as Russia's “soft power” instrument / - Moscow: RCIA, 2013.

[4] In particular, The Corruption Perceptions Index, Doing business, The Failed States Index, Index of Economic Freedom, Freedom House Rating.

[5] In particular, the materials of “MGIMO political atlas of contemporary times”.

[6] See for instance the global political risk map: http://maplecroft.com/portfolio/new-analysis/2013/01/09/maplecrofts-political-risk-atlas-2013-forecasts-global-risk-hotspots/.

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Relevance of the research

Paradoxically, despite the extremely low position of Central Asian countries in various international ratings, the accumulation of foreign direct investment (FDI) in Central Asia experienced a stable growth throughout 2010-2012. In many respects this is explained by the region's rich natural resources endowment and low labour costs. In this context, **Kazakhstan is an unchallenged regional investment leader. According to the UN data, it attracted three times more foreign investment than all other countries of the region altogether.** Turkmenistan's performance of this index is 5 times less that of Kazakhstan, despite Turkmenistan's second rank. Uzbekistan's third place was earned with accumulated investment of 13 times less than that of Kazakhstan. Moreover the UN assessment of FDI in Kazakhstan is considered conservative, since it is lower than data provided by the country's authorities.

United Nation Conference on Trade and Development[7] (UNCTAD) data on FDI[8]

US$ million	**2010**	**2011**	**2012**
Kazakhstan*	82,647.84	95,426.48	106,920.4
Turkmenistan	13,441.02	16,840.02	19,999.02
Kyrgyzstan	1,697.615	2,413.367	2,757.761
Uzbekistan	5,357.5	6,760.5	7,854.5
Tajikistan	1,016.363	992.566	1,282.486

**-about 20-25% of Kazakhstani foreign investment is made by the funds of Kazakhstani businessmen that were previously transferred abroad and were later repatriated under the jurisdiction of the Netherlands and certain off-shores (in general, this is similar to the situation in a number of other post-Soviet states).*

Therefore, **one can consider a sufficient interest of foreign investors toward the region even notwithstanding serious problems noted in low rankings of Central Asian countries in international ratings.** In the perception of both authoritative experts and international investors attending to their opinion, the most important related indices are:

- corruption levels;
- potential risk of emerging "failed states" that do not control their territory;
- extent of freedom in "rules of the game" for international investors.

In the models used by international experts, the problem of corruption is frequently related with the issue of democratization, since the absence of democracy leads to spreading obscurity in the work of state bodies for voters and for civil society. Often the absence of democracy and the division of powers renders public bodies de facto unaccountable to the judicial power - which is particularly typical for the post-Soviet countries.

According to the Corruption perception index by Transparency International, none of the region's countries fares well. All the republics are placed at the end of the list, often lower even than countries of sub-Saharan Africa. International experts perceive Turkmenistan and Uzbekistan particularly negatively, describing them as some of the world's most corrupt states. Even Kazakhstan is demonstrating a somewhat negative trend, despite being one of the leaders not only in Central Asia but also the whole of the CIS in terms of low corruption.

The Freedom House rating does not consider any of the region's countries genuinely democratic, though it is Kazakhstan that has improved in this rating over the past year. However,

[7] Source: http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx?sRF_ActivePath=p,5&sRF_Expanded=,p,5.
[8] All numbers are in $ million.

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nuances matter for intraregional comparisons. Kyrgyzstan and Kazakhstan are described as partly free, while Uzbekistan is considered not free, and Tajikistan and Turkmenistan were excluded from the rating scope in 2013.

Country	The Corruption Perceptions Index		Freedom House rating	
	2012	2013	2012	2013
Kazakhstan	133/174	140/177	Not Free	Partly Free
Kyrgyzstan	154/174	150/177	Partly Free	Partly Free
Tajikistan	157/174	154/177	Not Free	-
Turkmenistan	170/174	168/177	Not Free	-
Uzbekistan	170/174	168/177	Not Free	Not Free

In international ratings of statehood Kyrgyzstan and Tajikistan are traditional outsiders, Uzbekistan also ranks low. The Russian Statehood Rating (by MGIMO), on the contrary, considers Uzbekistan and Turkmenistan to be strong states. Meanwhile, Kyrgyzstan receives such a low rating that, according to this assessment, it is at the brink of becoming a "failed state". The reason for this mismatch lies in variances in the definition of the term "strong state" between Russian and Western experts (the latter tend to view more authoritarian regimes inherently more unstable).

The table below displays countries' standings in statehood ratings. The higher a country is placed in a western rating, the worse off it is, since it approaches a failed state status – the 1st place is occupied by Somalia. The Russian index, on the contrary, sums up negative points, therefore, the lower is the final standing among all 192 countries of the sample, the more concerning is the statehood situation.

Country	The Failed States Index[9]		Statehood index "MGIMO Political atlas"
	2012	2013	
Kazakhstan	107	109/178	111/192
Kyrgyzstan	41	48/178	191/192
Tajikistan	46	51/178	172/192
Turkmenistan	81	81/178	87/192
Uzbekistan	39	44/178	94/192

Doing Business rating[10] highlights Kazakhstan's unchallenged regional leadership. Kyrgyzstan also looks advantageously as compared to other countries of the region. Turkmenistan does not appear at all.

[9] http://ffp.statesindex.org/rankings-2013-sortable.
[10] http://www.doingbusiness.org/rankings.

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Country	Doing business	
	2012	2013
Kazakhstan	47/183	49/185
Kyrgyzstan	70/183	70/185
Tajikistan	147/183	141/185
Turkmenistan	-	-
Uzbekistan	166/183	154/185

Another authoritative indicator, the Index of Economic Freedom[11] by the Heritage Foundation, shows similar results.

Country	Index of Economic Freedom	
	2012	2013
Kazakhstan	65/179	68/177
Kyrgyzstan	88/179	89/177
Tajikistan	129/179	131/177
Turkmenistan	168/179	169/177
Uzbekistan	164/179	162/177

Going beyond the limits of strictly quantitative ranks, it is necessary to note that what makes this survey particularly topical is an entire series of scandalous conflicts between the authorities of Central Asian countries and strategic foreign investors (most pertinent cases are analyzed in the end of the paper). Of all Central Asian countries, Kazakhstan is the only one to distance itself from large international scandals: the conflicts were either solved in an arbitration court (Karachaganak), or through negotiations (Kashagan), or simply were not well known outside Kazakhstan (the confiscation of Tristan Oil belonging to Moldovan billionaire Anatol Stati, and other cases). Often such scandals are due to change in relationship between states. The most striking example is the squeezing of Turkish businessmen out of Uzbekistan in 1996-2000[12]. Another specific type of risk is related to intra-elite and even person-specific issues. For instance, after the divorce of Gulnara Karimova, the daughter of the president of Uzbekistan, all the factories of her ex-spouse Mansur Maqsudi were confiscated.

We would like to outline the following basic reasons for conflict with strategic investors:

1. Revision of prior agreements unfavorable for the given country (as a rule, made in 1990s);
2. Change of power inside the supreme authority that reached agreement;
3. The desire of national authorities to receive a larger amount of financial income, both officially and unofficially;
4. A dispute between an investor and its patron in the ruling elite;
5. External pressure from parties who required to remove an investor from the country;

[11] http://www.heritage.org/index/.
[12] http://www.centrasia.ru/newsA.php?st=1336893360.

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6. National policy vis-à-vis foreign investors – for instance, Uzbekistan has developed a regular situation whereby 3-4 years after investor's entry in the country the authorities attempt to expel the investor in order to get hold of a nearly finished project;
7. Conflicts with crime lords controlling a specific territory – a story typical for Kyrgyzstan. As a rule, the central government cannot help the investor.

Conflicts with strategic investors usually do not happen if:

1. The strategic investor is a state enterprise;
2. The investor's home government is able to put pressure on the Central Asian country in question, protecting its investors (this is the case of China, United States, partially Turkey). Unfortunately, Russia does not always use all available resources to protect its companies;
3. The Central Asian country is significantly reliant on the investor's country – trade turnover, loans, shipments of vital goods, investments and assets, military support etc.;
4. Production operations are too sophisticated to be re-run by local or other foreign companies.

Often the pressure aims not at total capture of all assets, but rather at acquiring a share or at augmenting payments.

Main reasons for high investment risks

1. **Two types of internal risks.** Central Asia demonstrates two key types of domestic political risks for foreign investors. **One of them is related to the presence of authoritarian regimes and non-public policy exposed both to rampant corruption and unexpected increase of influence of individual clans or groups on the leader.** In this case there are high chances of constant revision of the rules of the game in the interests of individual factions inside ruling elites. This type of investment risk is characteristic for Turkmenistan and Uzbekistan, according to both the experts we polled and authoritative international and Russian indexes. According to many polled experts, it is the telecom industry that is the most flagrant example of investment vulnerability in both countries (problems faced by Mobile TeleSystems in Uzbekistan and by its subsidiary MTS Barash Communications Technologies in Turkmenistan). To a smaller extent this type of risk is found in contemporary Tajikistan (investments by "RUSAL" provide a solid example).

The second risk is linked to the presence of fragile states on the brink of becoming "failed states". In this situation, a formally democratic system becomes quasi-democratic due to the weakness of power institutions and is one of the key factors impeding foreign investments. The instability of institutional environment, frequently and deliberately exacerbated by rival political forces, is an even greater hindrance to successful foreign investments than corrupt authoritarian regimes, according to numerous experts. In the immediate aftermath of the dissolution of the USSR this was displayed in Tajikistan where the democratization of a Soviet regime induced a civil war. Kyrgyzstan is currently in a particularly critical state in terms of stability of political institutions and "rules of the game". Since 2010, (unlike the rule of K. Bakiyev whose son Maxim was involved in the process of property redistribution) the main conflicts in Kyrgyzstan have had a local scale, i.e. they would be provoked by local clan groups

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and later politicized. The central government mostly plays the role of mediator. This risk is best exemplified by the problems encountered by Canadian Centerra Gold that holds a stake in Kumtor gold deposit;

2. **The "2014 factor" (withdrawal of American troops from Afghanistan and, as a result, a hike in regional tensions).** The negative impact of the aforementioned domestic political risks for foreign investments is enhanced by the 2014 factor, which, according to the majority of experts, may take a particularly heavy toll on Kyrgyzstan and Tajikistan – countries with pronounced domestic political risk of the second type ("failed state"). In both countries, the instability in Afghanistan related to terrorist operations and the drug trade may even further aggravate domestic instability linked to fragile statehood. Incidentally, it is also Kyrgyzstan and Tajikistan, according to the majority of expert assessments, that rely to a large extent on foreign aid and investment, particularly in terms of countering the "2014 factor";

3. **The level of development of business infrastructure.** A serious dilapidation of the infrastructure established in the Soviet era and the need for its maintenance or replacement negatively affect investment attractiveness;

4. **Inter-country conflicts** may also strongly affect investors – for instance, a transport or energy blockade by Uzbekistan of Tajikistan (still a plausible threat), or of Kyrgyzstan (a lower probability threat) may cause enormous losses to foreign investors;

5. **"The New Great Game".** The situation in Central Asia is additionally complicated by a specific geopolitical risk related to the so-called "New Great Game", i.e. the rivalry between great powers (China, Russia, the United States, EU countries etc.) over influence in Central Asia. According to many experts, such competition allows a corrupt part of the regional elites to arbitrarily expropriate assets from investors. In this situation, the availability of alternative sources of foreign aid and investment may be instrumentalised by the multi-vector policies of a number of Central Asian countries and used to blackmail extra-regional states that may be approached for protection by foreign investors who have fallen victim to mistreatment. Therefore **in order to establish an efficient investment environment in the region, an optimal strategy for both business investors and states providing aid to Central Asian countries could be a concert of positions between all key players in regards to contributing to the rule of law and institutional stability. Such a policy would bring about political stability, economic development and a better implementation of international integration projects in the region.** Otherwise, the post-2014 Afghan factor may wield a powerful negative influence on the region which would be detrimental to the interests of all the stakeholders favoring a stabilization of the situation in Greater Central Asia.

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Minchenko Consulting country risk ratings

During this research project, we have devised **an original rating by «Minchenko Consulting»** to obtain a more nuanced comparative analysis of intraregional specificity. In order to create a rating of political risk incremental for investing in Central Asia, **we have singled out and assessed by experts (on a 10-point scale) 5 key macro-factors[13]:**

1. Internal risks of regime sustainability. For instance, when a regime changes, all agreements it made with strategic investors are revised, whilst when a "failed state" emerges, absolutely nothing guarantees property rights;
2. External risks of regime sustainability – a regime may face an imposition of all possible sanctions, as well as a trade and transport blockade, or the risk of war;
3. The risks of development of leading industry or industries of national economy are related not only to the fluctuation in the global economy (for export-oriented industries), but also to the overall state of the economy (for domestically-oriented industries), as well as to political problems (for instance, the impossibility of full-scale exploitation of hydro-power resources for Tajikistan);
4. The extent to which the legislation is investor-friendly, i.e. liberal. For instance, it includes decision-making speed, the efforts necessary for obtaining authorizations and the amount of official fees payable;
5. Transparency and stability of rules of the game for investors. This factor concerns informal rules of the game (bribes, extortions, confiscations) and the sustainability of formal rules.

Internal risks for regime stability,
with 10 standing for maximal risk (emergence of a failed state)

Country	Risk assessment
Kazakhstan	**3**
Turkmenistan	4
Uzbekistan	7
Tajikistan	8
Kyrgyzstan	9

As ratings demonstrate, **Kazakhstan is the most stable country in terms of internal risks.** According to a number of experts, the stability of Kazakhstan's political regime is due to **a certain balance attained between various intra-elite groups, mostly distinguished by age** (old leaders also known as "agashki", technocrats in their 40s and young "Bolashakers"). In this respect, Kazakhstan has made the most progress among Central Asian states on the track of political modernization by drifting away from the traditional structure of tribal (as in

[13] We deliberately do not include such permanent factors for Central Asian and all post-Soviet countries as clan and pressure group influence on national politics in the analysis perimeter, since it is high in all countries without exception and an attempt at its comparative quantitative analysis does not contribute anything to the final findings of this report.

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Turkmenistan) or regional (as in Uzbekistan and Tajikistan) power balance. However internal risks are present even in Kazakhstan. Paradoxically, they are related to the presence of a strong and efficient leader who created modern Kazakhstan. President Nazarbayev does not have evident successors of similar scale. After his departure from office (he was born in 1940) a political crisis is highly probable due to a power struggle, however according to the majority of experts the probability of bloodshed accompanying this struggle is extremely low[14].

In addition, **Kazakhstan has seen certain new risks arise**: the activities of the Islamist underground, unrest among workers (Zhanaozen). Kazakhstan is also located on the northern route of Afghan drug traffic, which induces a development of organized crime. Alongside Russia, Kazakhstan is the largest recipient of migrant workers from other Central Asian states, therefore, certain risks (for instance, Islamic extremism) may be easily transplanted onto its territory. It is worth noting that Kazakhstan's relatively low internal risks are a result of not only initial favorable circumstances, but also a product of savvy policy by Nazarbayev, since he eliminated the premises for interethnic conflicts between Russians and Kazakhs (as a reminder, he came to power after interethnic clashes in Almaty).

Other political risks in Kazakhstan include:

- rise in social discontent and riots. They are often heated by local authorities through controlled NGOs (often environmentalist), in order to increase social payments from investors;
- increase in differences between regional and national elites over the power struggle for control of illegal and legal financial flows. While working with one of these parties, an investor may come under pressure from another one;
- high number of unemployed population, which makes for a potentially propitious soil for extremism.

Turkmenistan is also sufficiently resilient to internal political risks after the consolidation of power by G. Berdymukhammedov, who unlike many other presidents of the region is fairly young (born in 1957). The consolidation of his power is underpinned by:

- availability of high income from hydrocarbons, which increased thanks to export route diversification of natural gas (construction of China-bound gas pipeline);
- traditional absence of cultural environment prone to the rise of Islamism in Turkmenistan;
- almost entire elimination or expulsion of old elites during Saparmurat Niyazov's (Turkmenbashi) rule;
- partial liberalization which removed the most odious displays of extreme authoritarianism of the Turkmenbashi era;
- the region's most socially passive population;
- active promotion of Teke from Akhal by Berdymukhammedov (who comes from this tribe) as a power base for support of his political regime.

Uzbekistan draws special attention from the experts. **Over the past months, Uzbekistan saw the outbreak of a severe political crisis within its elites.** It is related to the expectations of power succession from the country's permanent and undoubtedly strong leader – president I.

14 http://oilandglory.foreignpolicy.com/posts/2011/04/03/the_arab_spring_the_kazakh_case#sthash.FDWA3z7w.dpbs.

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Karimov (born in 1938). Recently, the public conflict between the president's daughter G. Karimova and head of Uzbekistan's state security bodies R. Inoyatov aggravated existing problems by creating outcomes that are unpredictable for experts. Three main theories have developed over the initial roots of the crisis: elite groups are actively preparing for partitioning the legacy of 75 year-old president; emotional fit of I. Karimov who learnt of his daughter's scandalous activities abroad; this crisis is artificial, created by the president and his daughter in order to reveal "unreliable players"[15].

In addition, Uzbekistan houses other serious risks:

- Islamic extremism (activities of the Islamic Movement of Uzbekistan, the Islamic Movement of Turkestan and other groups);
- Differences between regional clans in the absence of undisputed leadership of one of them, which may particularly aggravate in the case of a strong leader's departure from office;
- Presence of severe problems related to overpopulation, especially in the Fergana valley, which exposed to the threat of religious extremism;
- Water shortages, especially in Karakalpakstan etc.

In Tajikistan, President E. Rakhmon managed to partially stabilize the situation in the aftermath of civil war. Stability was achieved via the concentration of power leverages in the hands of the Kulyab clan and later in the hands of the president and his closest relatives and confidantes. The concentration of power was facilitated by the president's young age (he was born in 1952) and his large family, which allowed for establishment of a family control over the country. So far the central government has been managing to exercise a coercive control over the entire territory.

Nevertheless, Tajikistan has severe domestic problems:

- harsh economic conditions (up to 50% of national GDP is made by the remittances of migrant workers from Russia, which places Tajikistan first globally in terms of remittances' share in GDP);
- high share of transit drug trade in the economy leads to a surge in organized crime and corruption;
- clashes between regional clans, inherited from civil war times, are periodically manifested in armed skirmishes (for instance, Gorny Badakhshan in 2012), etc.

Furthermore, external risks (see below) considerably enhance the internal ones. **The only factor stabilizing Tajikistan, besides aid from external players, most notably Russia and China, is the threat looming from Uzbekistan and a strong fear of recurring civil war among the people and its elites, which prevents everyone from extreme actions directed at each other.**

As for Kyrgyzstan, the fore-going international and Russian ratings demonstrate a consensus of experts on the perception of manifest weakness of its statehood at the brink of becoming a "failed state". The Kyrgyz state has been particularly loosened as a result of two consecutive revolutions (in 2005 and 2010).

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15 http://www.foreignpolicy.com/articles/2013/11/14/keeping_up_with_the_karimovs_gulnara_uzbekistan_googoosha#sthash.r3t1APWo.dpbs.

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Additional risks include:

- Divide between the country's North and South with a persisting standoff between elites and weak central government's control over the South (especially, the city of Osh);
- Inter-ethnic tensions between the Kyrgyz and the Uzbeks, displayed in the Osh conflict during the last revolution;
- Difficult economic situation (the country is another global leader in remittances from migrant workers as GDP share);
- Weakness of law enforcement bodies;
- Extremely strong influence of local criminals;
- A significant social base for the growth of corruption and organized crime (smuggling and re-export of Chinese goods as well as transit drug trade play a major role in the economy) etc.

Kyrgyzstan's internal risks are strongly enhanced by the external ones – similarly with Tajikistan.

External risks for regime political stability, with 10 standing for maximal risk

Country	Risk assessment
Kazakhstan	**3**
Turkmenistan	5
Uzbekistan	6
Kyrgyzstan	7
Tajikistan	9

Major external risks common for all countries (given in order of preference outlined by experts):

- Complicated situation in neighboring Afghanistan, exacerbated by the presence of Central Asian Islamist extremists based in this country and transit drug trade on the "northern route";
- Intra-regional conflicts, for instance, over water issues;
- Clashes between great powers fighting for regional influence ("New Great Game").

Nevertheless, all those risks are expressed differently in specific countries.

For Kazakhstan, the aforementioned risks are mitigated by the following factors:

- the country is located far from Afghanistan, while the issue of Islamic extremism is less acute than in other Central Asian countries;
- Kazakhstan enjoys the security guarantees given by Russia within the CSTO and by several other great powers in return for a renunciation of nuclear weapons;
- efficient multi-vector strategy allows for balancing between great powers, avoiding conflicts with them.

The factor of CSTO guarantees is also valid for Tajikistan and Kyrgyzstan, while the factor of multi-vector foreign policy is valid in all countries of the region. Kazakhstan's case, however, is the only one where a multi-vector diplomacy would lead to equally stable relations with all great powers. In addition, Kazakhstan's openness to external investors and integration projects on all fronts, as well as its natural riches, evoke an interest toward this country from all

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great powers interested in maintaining friendly relations. Kazakhstan's external risks are exacerbated by large amounts of migrants from neighbor countries and the nation's location on the routes of cross-border drug traffic.

In the case of Turkmenistan, external risks are mitigated by its official neutrality, the experience of reaching agreements even with the Talibs, and the interests of all great powers in exploiting its vast reserves of natural gas. It often makes even Western countries forget the issue of human rights violation. The downsides include the proximity with Afghanistan and Iran which is fraught with the export of potential conflicts in these countries, and certain territorial disputes and differences with Azerbaijan and Uzbekistan.

In the case of Uzbekistan, there is a high potential of internal risks (in particular, Islamic extremism) being enhanced by external ones (proximity with Afghanistan). In addition, there are disputes, including territorial ones with upstream countries (especially Tajikistan) and a possibility of entanglement in inter-ethnic tensions with neighbor Kyrgyzstan. These risks are mitigated by a strong army (compared to its neighbors), vast human resources and its strategic location in the region's centre. External risks for Uzbekistan could be even higher but I. Karimov's regime became a key partner on the ISAF troop withdrawal and cargo transit from Afghanistan and thus benefited from America's acquiescence. Nevertheless, the public opinion of Western countries will gradually push Washington and Brussels to a tougher stance even toward the Uzbek regime[16].

Country-specific external risks of Kyrgyzstan include:

- Indirect influence of the conflict in Afghanistan and the possibility of another invasion of extremist groups (similar to the 1999 Batken war);
- Tensions with Uzbekistan;
- The country's geopolitical division into two parts with weak mutual links;
- The highest reliance in the region on foreign aid provided by great powers competing for influence.

External risks are paramount for Tajikistan. For instance, the 1990s already demonstrated that clashes on the Afghan territory tend to be easily transferred onto the Tajik land. Even now hostilities with Talibs are taking place in the Afghan province of Badakhshan, neighbouring its namesake Tajik territory that is very troublesome in terms of maintaining central government's control. The situation can only worsen following the ISAF troops withdrawal from Afghanistan in 2014. In addition, Tajikistan is facing an unfolding fierce conflict with neighboring Uzbekistan – above all, due to the construction of the Rogun hydropower plant. In this conflict Tajikistan is extremely vulnerable. In both cases consequences fatal for the political regime can only be mitigated by Russian military presence and military assistance.

Risks of a key driver industry or several industries of national economy, with 10 standing for maximal risk/minimal potential

16 http://www.foreignpolicy.com/articles/2013/11/14/keeping_up_with_the_karimovs_gulnara_uzbekistan_googoosha#sthash.r3t1APWo.dpbs.

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All five economies preserve a prominently commodity-oriented nature, or even an agrarian one, in the case of absence of prospective export raw materials. Industrialization attempts in Uzbekistan, Kazakhstan and Turkmenistan have not yet brought about a significant change in the economic structure. Therefore, the report actually assesses the resource endowment of a country - and/or its ability to use the resource in the current situation. For instance, Tajikistan and, to a lesser extent, Kyrgyzstan, have at their disposal considerable hydro-power resources. Nevertheless, due to a conflict with Uzbekistan and other downstream countries, the ability to use these resources is strictly limited, especially in Tajikistan. The countries well-endowed in hydrocarbons have a distinctly leading industry of national economy. Others have several such industries due to low mineral endowment (the risk is assessed aggregately with regards to all industries).

Country	Industry	Risk assessment
Kazakhstan	Oil production, Metals and mining[17]	**2**
Turkmenistan	Gas production	4
Uzbekistan	Metals and mining, cotton agriculture, natural gas production	6
Kyrgyzstan	Metals and mining, hydropower, tourism	9
Tajikistan	Hydropower, cotton agriculture, metals and mining	10

In general, it is worth noting **a clear gap between two countries well-endowed in exportable natural resources (Kazakhstan and Turkmenistan) and three other countries boasting a scarcer resource base.** For instance, in Uzbekistan even the natural gas mentioned above as a basic resource is produced in quantities insufficient for both exports and own consumption. Tajikistan exports electricity directly (to Afghanistan) and indirectly (through aluminium smelting). Yet it is not sufficient to cover even the basic daily needs of the population. Kyrgyzstan receives sizeable export income only from its metals and mining industry, whilst almost lacking export surpluses of electricity (remittances from migrant workers and transit trade being the main sources of income). The above three countries also lack own petroleum products imported from Russia, Kazakhstan and Turkmenistan.

Investor-friendliness of the legislation,
with 10 standing for minimal friendliness

Country	Risk assessment
Kazakhstan	**3**
Kyrgyzstan	6
Tajikistan	8
Turkmenistan	9
Uzbekistan	9

[17] 4, if assessed separately from the oil industry.

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Kazakhstan is considered a traditional leader in terms of proximity to international standards of legislation attractive for foreign investors. This economic policy resonates well with multi-vector foreign policy and fostering international integration in all possible directions. Such policy brings about a more predictable situation for investors. Besides, Kazakhstan restarted tenders on its mineral deposits which significantly augments its investment attractiveness.

Kyrgyzstan's formal legislation is relatively liberal vis-à-vis investors, whilst its stance on international integration is the most liberal in the region (for instance, Kyrgyzstan is a long-time member of the WTO). Nevertheless, it has a long-standing tradition of disrespect for assumed international obligations. Thus, we note that in the context of unstable political institutions and weak statehood, when formally accepted international obligations are not respected, membership in international organizations per se does not enhance the protection of business.

Tajikistan occupies a medium position due to a notable interest in foreign investment after its civil war. Turkmenistan and Uzbekistan regulate their investor relations exclusively in a "manual mode". At the same time they have an isolationist attitude in terms of participating in international integration structures, thus avoiding international obligations curtailing the authority of central government. In case of Turkmenistan, such position is principally due to its neutrality and drive to benefit profitably from natural gas reserves. Tashkent, in its turn, implements its isolationist strategy by a consistent entry and exit to and from international structures depending on context (for instance, Eurasec and CSTO).

Our ratings correlate well with the earlier quoted Doing Business rating and economic freedom rating by the Heritage Foundation, which differentiates Kazakhstan's stable advance from other countries of the region and its unchallenged regional leadership in liberalization of economic legislation. Incidentally, the latter fact is noticeable when comparing Kazakhstan not only with other post-Soviet Central Asian states but also with those of the CIS.

Transparency and stability of the rules of the game for investors (i.e. the first instance stands for formal legislation, the second one – for actual implementation practice), with 10 standing for minimal degree of transparency

Country	Risk assessment
Kazakhstan	**4**
Kyrgyzstan	8
Tajikistan	8
Uzbekistan	9
Turkmenistan	10

In comparison to international standards, all countries of the region allow themselves extremely investor-unfriendly actions that may sometimes be viewed as unexpected nationalization, and sometimes as raiding in the interests of politically influential persons or clans. We examine the most typical cases below.

Of all Central Asian countries only Kazakhstan is avoiding large international scandals. This observation is however qualified by instances of certain pressure put on large foreign investors, for example, during a revision of agreements in the crucial Kazakh oil industry. Nevertheless, since the matter concerned a voluntary revision of prior arrangements in the negotiation process (such practice having a precedent of earlier implementation by

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numerous oil-producing states), this situation did not appear as blatant as in other countries of the region.

Short list of certain conflicts

In Turkmenistan, the following companies have encountered various difficulties in relations with the authorities:

- Construction companies (all from Turkey): Ickale Insaat Limited Sirketi, Mutluhane Insaat and Kilic Insaat Ithalat Ihracat Sanayi ve Ticaret Anonim Sirketi;
- Energy company Lotus Energy Gap Insaat (Turkey);
- Oil and gas company Bridas (Argentina);
- Itochu (Japan);
- Italian Eni;
- Chemical company ETIF s.r.o (Czech Republic);
- Engineering communications company Interbudmontazh (Ukraine);
- Oil & gas companies Unocal and Delta Oil (United States);
- Telecom and mobile operator MTS (Russia).

In Uzbekistan:

- JV Coca-Cola Bottlers Toshkent Ltd;
- British gold miner Oxus Gold;
- Wimm-Bill-Dann (Russia) owned by PepsiCo;
- Israeli metals company Metal-Tech;
- Turkish company Ilkay;
- Indian textile company Spentex Industries;
- Telecom and mobile operator MTS (Russia).

In Tajikistan:

- Supermarket chain «ORIMA»[18];
- Vitana and other medium-sized construction companies from Iran[19];
- Proletar mining and refining facility (Russian investment)[20].

In Kyrgyzstan:

- Russian company Eventis Telecom (transfer of MegaCom telecom company under the control of the Bakiyev family);
- From last year's autumn Kazakhstani company VISOR Holding has been suing the Kyrgyz government: it has suffered an expropriation of stake in a gold deposit Jerui;
- Russian company A.Z. International, involved in a deposit exploration suffered an attack and even damaged property[21];

[18] This business had a $500 thousand investment from the European Bank and a $5 million loan from the Asian Development Bank. In 2008 Maruf Orifov, the director general of a Tajik-Dutch JV M&P owning the Orima supermarket chain, was sentenced to 8.5 years in prison.

[19] http://www.centrasia.ru/newsA.php?st=1310028420

[20] http://maxala.org/tajikistan/2718-rossiyskiy-investor-zayavlyaet-o-reyderskom-zahvate-svoego-biznesa-v-tadzhikistane.html#.UqxlrRdW2E

[21] http://www.ng.ru/dipkurer/2013-06-17/11_barymta.html

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- Chinese company Kaidi.

Kazakhstan boasts the most benign situation in terms of foreign investment. Yet one noteworthy example of conflict was the state pressure on strategic foreign investors during the revision of agreements in the oil industry (Kashagan, Karachaganak etc). One recent case that drew expert attention was the difficulties faced by the Askom group that belongs to a Moldovan businessman Anatol Stati[22].

Below we are reviewing in detail **the largest cases of conflicts with investors in Central Asian countries.**

Tajikistan vs RUSAL. In 2005, Rusal accused Tajik Aluminium Company Talco (Talco) (100% owned by the government of Tajikistan) of violating several barter agreements – as a result, Rusal evaluates its losses at $260 million. In April 2007, the Tajik government broke its agreement with Rusal on finishing the construction of key strategic Rogun hydropower plant. The parties could not reach agreement on the deal's terms and conditions, as contradictions affected both the technical aspects (height and capacity) and other details (in return for investments into hydropower plant, Rusal was asking for control over the aluminium smelter). The Tajik government created a joint-stock company Rogun GES, gaining capital via a coercive fundraising from the population. Evidently, gathered funds were insufficient for finishing a construction project of such enormous scale.

Several-year litigation on counter-claims did not end until October 2013. The International Commercial Arbitration Court in Switzerland ruled in Rusal's favor and ordered Talco to pay O. Deripaska's companies $274.3 million[23]. However the possibility of collecting this amount is very limited due to a grave economic situation in Tajikistan: the charges make 10.4% of the nation's 2013 annual budget and 4% of its 2012 GDP.

Uzbekistan vs MTS. Since June 2012, MTS 100% subsidiary and the largest Uzbek mobile operator Uzdunrobita started facing serious issues. As a result of simultaneous unscheduled inspections organized by more than ten state authorities, the Prosecutor's General office sanctioned a seizure of documents, estate inventory, arrests and interrogations of the company employees. During inspections and investigation, the overall claim amount from tax authorities and regulators reached $1 billion which corresponded to MTS investments in Uzbekistan. In late August 2012, the Prosecutor's General office authorized seizure of Uzdunrobita's property, while in September of the same year the Tashkent city criminal court sentenced four Uzdunrobita employees to fines and corrective labour. The court also ruled to expropriate all corporate property in the state's favor in order to compensate the damages allegedly caused by the company's managers. Once the last monies were withdrawn from the company's accounts, in January 2013 the operator was obliged to file for bankruptcy. In April, the Economic court of Tashkent declared Uzdunrobita bankrupt having opened liquidation proceedings for a year.

As a result – MTS lost operational control over its subsidiary, while the commission on liquidation ordered to tender Uzdunrobita's assets on an auction with starting price of $288 million. At the climax of the conflict, Russian Foreign Minister Sergey Lavrov held talks with

[22] http://www.respublika-kaz.info/news/sluhi/29873; http://www.respublika-kaz.info/news/sluhi/28856/; http://www.respublika-kaz.info/news/politics/26900/.

[23] http://www.vedomosti.ru/companies/news/17551131/uc-rusal-vyigral-tyazhbu-s-tadzhikskim-talko-v-shvejcarskom.

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his Uzbek colleague Abdulaziz Kamilov, which led to the release and return to Moscow of Uzdunrobita's acting head, Russian citizen Radik Dautov. In August and September 2012, several U.S. Congressmen threatened the Uzbek authorities with a deterioration of bilateral ties and urged to attend to the MTS position, having reminded that MTS shares are listed on NYSE and held by American investors, including government-related funds. Russian investigation bodies and regulators also intervened: in September 2013 Russian Ministry of Interior has initiated criminal proceedings in relation to MTS expulsion from the Uzbek telecom market, while the Federal Anti-Monopoly Service initiated an anti-monopoly investigation concerning two Uzbek operators in May 2013. Following 2012, MTS wrote off more than $1 billion of its net profit on its Uzbek assets, which constitutes virtually the entire value of its investment. MTS lawsuit against Uzbekistan was filed at the International Centre for Settlement of Investment Disputes in November 2012. It is necessary to note that chronologically MTS troubles in Uzbekistan coincided with another cooling in relations between Moscow and Tashkent and a suspension of Uzbekistan's membership in the CSTO. The personal interests of Gulnara Karimova, the daughter of Uzbek president, also played an important role in the MTS case.

Turkmenistan vs MTS. A similar story has already happened to MTS earlier in Turkmenistan. On 15 December 2010, the Turkmen ministry of communications cancelled the license of Turkmen mobile operator BCTI (100% subsidiary of MTS). All customers of the Russian company (2.4 million people) had their lines cut off. The company was obliged to evacuate all Russian nationals it employed from the country. The former MTS president Mikhail Shamolin evaluated the company's losses at $422 million following the suspension of its operations in Turkmenistan and taking into account missed profit over five years. MTS also filed a lawsuit in the Arbitration Court of Turkmenistan and International Arbitration Court of the International Chamber of Commerce.

On 2 May 2012, the chairman of Sistema's Board V. Yevtushenkov announced that Mobile TeleSystems were planning to return to Turkmenistan. The declaration was made following a meeting between V. Yevtushenkov and G. Berdymukhammedov. In July, MTS and a state-owned company Turkmentelekom signed an agreement, according to which MTS-Turkmenistan will be liable to monthly payments of 30% from its net profit. On 1 October 2012 MTS-Turkmenistan started signing in new mobile customers.

Kyrgyzstan vs Centerra Gold. A political battle is currently unfolding over the exploitation of Kumtor gold deposits. Parliamentary factions are demanding the government break the 2003 contract on the deposit's development signed with Canadian Centerra Gold. President Almazbek Atambayev is opposing this motion. However the absolute majority of Kyrgyzs MPs (84 – for and only 2 against) voted to refuse the signing of the agreement reached between the Kyrgyz government and Centerra Gold. Therefore, in Kyrgyzstan we are observing a foreign investor being hostage to the standoff between legislative and executive branches of power, rather than a clash between the government and investor strictly speaking, as in the aforementioned cases.

The Parliament decided to unilaterally renounce to all agreements on Kumtor, should the government fail to obtain a 67% stake in its JV with Centerra (presently the JV is a 50/50 one). The complexity of the Government's position is in facing not only traditional opponents such as nationalistic "southern" parties ("Ata-Zhurt") but a number of individual factions seeking political dividends from the conflict escalation and united against the strengthening of executive power.

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The scale of the problem is paramount for the nation's economy. Kumtor provides 5.5% of Kyrgyzstan's GDP, 50% of its industrial output and a third of total export**.** The Canadian company developing the mine has invested $1.6 billion for almost 20 years (from 1993 to 2012), the relative figures are also significant, since in 2012 only Canada accounted for 22% of all foreign investment in Kyrgyzstan. In order to maintain the mine running in the event of its nationalization, the country will have to spend one quarter of its budget (about $1.4 million a day). The central government understands this problem well and has demonstrated balanced conduct throughout the negotiation. International consultants of the highest level have been hired for the talks – PriceWaterhouseCoopers, lawyers from DLA Pipers and the environmental consultancy AMEC.

The matter became fully that of political conjuncture. A populist motto of profit reallocation in favor of ordinary Kyrgyz enables many parties to count on electoral success among the grass roots. There is minimal chance they will let go of this motto, especially in 2014 – before the elections. In a certain sense, the Kyrgyz economy became hostage to the unstable political system of the country that provokes parliamentary parties to populist gestures implying obvious economic disadvantages.

Some of the polled experts suggested introducing a separate sixth category – **Development of business infrastructure**, with 10 for the minimal level of development. The rationale for such introduction is the following: in case of its absence, foreign investors are politically pressured to make infrastructure payments. However, the international practice of **political risk** evaluation usually does not include this type of risk because it falls under other risk categories. Thus we consider this category auxiliary and do not include it in our point summary.

Country	Risk assessment
Kazakhstan	**5**
Kyrgyzstan	9
Tajikistan	9
Uzbekistan	6
Turkmenistan	**5**

The level of infrastructure (railroads and motorways, pipelines, electricity, airports, water supply etc.) development is extremely uneven throughout the countries of the region. Kyrgyzstan and Tajikistan have issues with railways: either they are non-existent, or their span is insufficient. Same countries face problems with electric power, fuel, gas supplies and the quality of motorways. Uzbekistan suffers challenges with fuel (most petroleum products are imported), natural gas supplies to domestic market, and electricity supplies. Resource-richer countries have the most developed infrastructure: Kazakhstan and, to a lesser extent, Turkmenistan – they dispose of both all types of infrastructure and the possibilities of its exploitation, although not without difficulties. Nevertheless, the region's infrastructure is either dilapidated or becoming obsolete, hence provisions for its maintenance or repairs that may be included in terms and conditions of contracts for foreign investors.

In Central Asia, **risks for investors often vary depending on the country of investor's origin. In particular, Central Asian governments are usually wary to challenge the interests**

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of Chinese investors, since they realise the latter have backing from the strong state which is ready to protect its business. Compared to China, the capabilities of all other commercial players are significantly limited. The business originating from the United States, France, United Kingdom and Italy is well-protected, being able to count of the support from respective governments and international arbitration courts. Investments made by smaller European states have a weaker support.

Russian business is trying to combine using its informal network in the region, very cautious support from official Moscow in certain cases and international arbitration. However, all these measures do not work in fierce conflicts. **Moscow has at its disposal strong leverages in terms of introducing sanctions against Central Asian regimes that it provides with considerable aid (Kyrgyzstan, Tajikistan) and with opportunities for migrant work (Tajikistan, Kyrgyzstan, Uzbekistan). However, it has never recurred to them nor threatened to do so.**

A whole range of players, especially Turkish companies and those of several Muslim countries, are attempting to build regional networks based on elements of ethno-cultural (Turks in four Turkic countries and Iranians in Tajikistan) or cultural-religious solidarities and supported by their home governments.

Companies from South Korea and Israel are attempting to use diasporal networks (respectively, Koreans and Jews, as well as the contacts of Jewish repatriates from former USSR). Such a strategy also yields certain positive results.

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Final rating
of political risks for investors in Central Asian countries
(in ascending order of political risks)

1st place. Kazakhstan (15 points)

Of all Central Asian countries Kazakhstan has the lowest risks. It is an unrivaled regional leader by all indicators. Astana may further improve the situation through a more transparent administrative system and a more predictable law enforcement practice.

2nd place. Turkmenistan (32 points)

On the upside, Turkmenistan has relatively low internal and external risks as well as significant natural resources. On the downside, its legislation's investor-friendliness is low, whilst its law enforcement is obscure and unstable. Ashgabad could considerably improve its position in these regards. The resolution of Afghan problems (unlikely at this stage) and apparent trend toward the settlement of Iranian nuclear crisis may partially offset external risks.

3rd place. Uzbekistan (36 points)

This country is characterized by a medium level of external and internal risks, and medium extent of resource endowment. Its legislation is significantly non-liberal, which is aggravated by poor transparency and arbitrariness of the law enforcement practice. Tashkent could significantly improve its position by working on those aspects and by reducing internal risks, most notably those related to potential power shift. The resolution of Afghan problems (unlikely at this stage) may significantly reduce external risks.

4th place. Kyrgyzstan (40 points)

Kyrgyzstan is distinguished by a very high level of internal and external risks, as well as modest resource endowment. Its landlocked transport location and poor level of infrastructure development also contribute negatively. Its advantage is a relatively high level of legislative investor-friendliness, albeit neutralized by unstable "rules of the game". Bishkek's position could be improved through a domestic political stabilization and a more stable implementation of "rules of the game". In particular, resolving the Kumtor issue may considerably improve the investors' attitude toward the country. External risks can be considerably mitigated only in case of the resolution of Afghan issues.

5th place. Tajikistan (42 points)

The country is characterized by an extremely high level of internal and external risks, landlocked transport location; poor level of business infrastructure development. Its low resource endowment is in many ways conditioned by the conflict with Uzbekistan over water resources, i.e. by political risks. The economic legislation is not liberal, whilst its practice of law enforcement is non-transparent and unstable. Dushanbe can significantly improve its internal situation via liberalizing its economic legislation, enhancing transparency of its administration and stability of law enforcement practice, as well as by reducing internal risks. An eventual resolution of water disputes with Uzbekistan (unlikely at this stage) could considerably boost the country's resource potential, making hydro power attractive for foreign investors. Another low-probability event which may strongly offset external risks is the resolution of Afghan issues. In

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general, " … all major investment projects in Tajikistan are made by the region's geopolitical players: China, Russia, Iran. And even those prefer either lending to Tajikistan or purchasing a stake in companies over direct investments, thus avoiding direct risks... As for Western countries… they virtually do not invest in Tajikistan due to high geopolitical and practical risks"[24].

Practical recommendations on improving the situation in the region

Kazakhstan's example of creating an environment favorable for foreign investors can be considered an unequivocally positive experience for other Central Asian states.

1. **Kazakhstan is a regional leader in attracted investments, which is due to both its liberal domestic economic policy and foreign policy seeking mutually beneficial balances for all external stakeholders in Central Asia.** It may be viewed as benchmark for all region's countries that wish to optimize their foreign investment policy. Besides vast resources of natural resources (especially oil, uranium, metals), the reasons for this success, according to the majority of experts, lie in liberal (for this region) legislation and sufficiently effective (once again, in the regional scale) governance system. However, Astana's strategy has also a foreign-policy dimension, according to a number of international relations scholars. Kazakhstan has an efficient multi-vector policy, balancing between the interests of great powers linked with key commercial investors. Unlike many other countries of the region, multi-vector orientation in the Kazakh foreign policy is a means to reconcile the interests of external players influential in the region, by finding intersecting points between them rather than taking advantage of their conflicts. In this regard, liberal rules of the game for investors constitute a natural extension of this multi-vector foreign policy. For the sake of Kazakhstan's own development, such rules allow creating an effective system of balance of interests between major foreign commercial investors inside the country to the same extent as multi-vector foreign policy allows for creation of a system of balance of interests between major external players (Russia, China, EU countries, United States and others.).
2. **Kazakhstan's membership in the Customs Union and its leading role in the foundation of the Eurasian economic union in the long-term serve as a key tool for creating an even more favorable environment for the growth of foreign investment.** Within Astana's policy, the development of Eurasian integration is an integral part of its policy of openness to global markets (in particular, Kazakhstan is envisaging an almost simultaneous launch of the Eurasian economic union and accession to the WTO). In the long run, the development of Eurasian integration will help Kazakhstan not only in interacting with post-Soviet investors, but also in terms of fostering cooperation with European investors, since the Customs Union will share a common border with the EU. This policy harmonizes in the long term with Russia's plans (declared in its foreign policy doctrine approved by President V. Putin) on establishing a "Greater Europe" united by common norms and diverse "common spaces", including the economic space. Despite persisting short-term differences (concerning, however, Eastern Partnership rather than Central Asia), corresponding long-term plans find their support at the height of the EU political circles. On the other hand, the process of Eurasian integration, inter alia thanks to Kazakhstan's membership, will be open for cooperation with dynamically developing Asia-Pacific region.

[24] http://news.tj/ru/news/tadzhikistan-riskuet-poteryat-investorov.

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Special thanks to the following persons for their consultations during the preparation of the report:

Stanislav Naumov, president of the Russian Public Relations Association (RPRA);

Marat Shibutov, expert of the Border Cooperation Association in Kazakhstan;

Arkady Dubnov, expert in Central Asian affairs;

Alexey Vlasov, head of the Center for Post-Soviet area Studies in Moscow State University.

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2012

- The system of presidential elections: Russian and foreign experience;
- French presidential elections: analysis of political technologies;
- U.S. presidential elections: analysis of political technologies;
- Presidential elections in Turkmenistan and Gurbanguly Berdymukhammedov's second term: political and economic risks;
- Investment Opportunities in Turkmenistan: Political Risk Analysis;
- "Greater Government and the Politburo 2.0".

2011

- Post-crisis situation in mono-cities: problems and solutions;
- Governors political survival rating in the Russian Federation (jointly with the fund "Petersburg politics");

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- * IIPE experts take part in work for preparing anti-corruption laws and federal law on lobbyism regulation in the Russian Federation.

2010

- 5 years of appointed governors in Russia;
- Governors political survival rating in Russia (jointly with the fund "Petersburg politics");
- Presidential elections in Poland. Main candidates and tactics;
- Pre-election situation in the Kyrgyz Republic;
- The future of the "South Stream" project;
- The index of political influence of the heads of 100 largest cities in Russia (jointly with the fund "Petersburg politics");
- Moldova's parliamentary elections. Analytical review;
- IIPE experts take part in the preparatory work on anti-corruption laws and federal law on lobbyism regulation in Russian Federation.

2009

- Geopolitical lobbying and NATO expansion to the East European parliament elections: monitoring;
- Monitoring of Moldova's parliamentary elections;
- US and Russia's images on the eve of relations 'reset' (2009);
- Algorithms for resolution of problems faced by Russian monocities (2009);
- External factor of the Ukrainian presidential elections-2010 (2009);
- Russia's recognition of Abkhazia's and South Ossetia's independence: one year after;
- Monitoring of the lobbying struggle over the federal law on Foundations of state regulations of trade in the Russian Federation;
- Economic situation in Belarus and vectors of geopolitical lobbying in the president Lukashenko's team;
- Lobbying in Russia and pressure groups: main changes after the year of work in Putin and Medvedev's tandem?
- The dynamics of images for candidates running for Ukraine's presidency;
- New architecture of European security and prospects of the OSCE work under the Kazakh chairmanship.

2008

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- South Ossetian conflict: geopolitical and image consequences for Russia (2008).

2007

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- United Economic Space Project lobbying. Pressure groups and lobbying technologies in Russia, Ukraine, Belarus and Kazakhstan: comparative analysis (2006-2007);
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