PREFACE

The transition to a market economy means the gradual reorganisation of the entire economic structure and social relations. Kazakhstan, the largest Central Asian Republic, started this process with the advantage of having large natural, mineral and fuel resources. Oil and natural gas among them holds higher promise because it has attracted interests from one and all. So much so that this attention is being compared with 'The Great Game' of 19th Century between Russia and Britain. However, politics apart, challenges are many. Weak institutional & legal structure, infrastructural bottlenecks, environmental hazards, outside pressures (or influences) and dependence on Russia are some of more pressing issues. Add to that, there are question marks on exact resource potential in oil and natural gas.

Therefore, there is a need to study the hydrocarbon energy sector of Kazakhstan, on which its prospect of economic development rests largely.

A basic difficulty to study the economies of Former Soviet Union has been the lack of reliable and relevant data. Fortunately, in energy sector, due to keen interests of western countries and leading corporates, substantial research and information collection have been conducted during the last decade. Still, so far, sharp disagreement prevails even in terms of basic information like hydrocarbon potential and investment budget.

As a result, historical-analytical and descriptive methods have been used as the principle tools of the research. The study is based on the analysis of both primary and secondary materials. Empirical and statistical evidences are used frequently for the purpose of objective analysis. Care has been
taken to avoid unsubstantiated information. Time series data and percentage analysis are the major statistical tools used in this thesis.

Entire thesis is divided into five chapters. First two chapters are devoted to describe Kazakhstan’s geo-economic position in Central Asia and development of its hydrocarbon energy sector till recent times.

The third chapter discusses the global interests in region and Kazakhstan for controlling oil and gas resources and related export infrastructure. Developments taken so far are analysed in light of future prospects.

The fourth chapter focuses on Kazakhstan’s responses to utilise the potential of resources in the politico-economic sphere. Strategies and directions followed are analysed with reference to impact on socio-economic issues.

The final chapter summarises the analysis made in first four chapters and suggests necessary alterations in existing approach.

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I dedicate this effort of mine to my ‘Parents’ for sharing my dream.

(Manish Saurav)