CHAPTER - 6

CONCLUSION
The collapse of the Soviet Union resulted in the establishment of five new independent Central Asian Republics. This situation had the potential of causing instability and unrest in the region and along the Chinese borderland. Though Kazakhstan’s economic performance and development since its independence make it a regional leader and a top reformer, its Index of Economic Freedom track record suggests room for improvement.

The geopolitical importance of Kazakhstan is recognised by the presence of vast amount of oil and natural gas resources. But the country being landlocked, these energy resources need to be carried to refineries and to outride markets. The erstwhile Soviets Union constructed the largest integrated pipeline network in the region. After the dissolution of the former Soviet Union, new competing national interests have produced tensions over these energy resources and transmission corridors.

The geopolitical linkages between Kazakhstan and China have an economic angle too. During the time when ancient Silk Road was existed, the whole region of present day Central Asia and the Chinese province of Xinjiang was economically and culturally interlinked with each other. During the Soviet period, interaction between Soviet Central Asia and China was restricted, and there existed informed trade between the two regions. But, after the independence gained by the Central Asian states, new trading land ports were established on both sides of the border. The greater momentum of economic ties between the two parties also lies in the fact that the present Kazakhstan state is rich in energy resources which can fulfil the energy hunger Chinese counterpart. Kazakhstan and China strive to enhance the complementary nature of their economies by forging strong political and economic linkages. China has successfully built pipeline from Kazakhstan to its Xinjiang area.

The geopolitical and economic objectives of China in Central Asia remain intrinsically linked. Chinese commercial domination over the region, which is predicted to eclipse Russia in only a few years, will also have a cultural impact that remains, for the time being, difficult to assess. Exchange of people, learning of the Chinese language, and
the entrance of Kazakhstan into the sphere of Chinese cultural influence, will grow, thus creating a totally new situation in Central Asia. It is the global geopolitical equilibrium of the region that will change the way Central Asia is perceived as one of the economic appendages of the Peoples’ Republic of China.

Under its multi-vector or multidimensional foreign policy, Astana tries to maintain good and cordial relationships with not just its neighbours but major powers as well as important regional or supra-national actors. As part of this grand strategy Kazakhstan has developed strategic and mutually beneficial bilateral relationships with major powers, including its powerful neighbouring country People’s Republic of China (PRC), and other important major powers and supra-national/regional economic organizations like Commonwealth of Independent States (CIS), Shanghai Cooperation Organization (SCO), Association of South East Asian Nations (ASEAN), European Union (EU), Collective Security Treaty Organization (CSTO), North Atlantic Treaty Organization (NATO) etc.

Kazakhstan has developed political and economic relations with China. Although there exists mutual skepticism among the leaders, they approach each other with careful policies with a focus on developing friendly cooperation. China has adopted an active policy and solved the border issues in its favour. Thus by developing good relations with Kazakhstan, China secured its long border with Kazakhstan. Furthermore, China created the Shanghai Cooperation Organization with the help of Russia and Central Asian Republics of Kazakhstan, Uzbekistan, Kyrgyzstan and Tazikistan. China and Russia enjoy greater influence within the organization, but their differences, and the considerable attention they need to devote to other regions, have prevented the emergence of a genuine duopoly within the organization. The other Central Asian states enjoy substantially less influence within the SCO, appearing most often as objects of SCO policies determined by Beijing and Moscow. On the other hand Kazakhstan presently enjoys a unique position within the SCO. Due to its economic development and other advantages, Kazakhstan occupies an intermediate position between the two great powers and the four other Central Asian states.
China uses SCO as a tool to further its influence in Central Asia. This organization could serve the interests of its member countries. It remains to be seen, if the SCO will act as the guarantor of the balance of regional interests when China achieves absolute domination in the Asian continent. SCO also facilitated the process of negotiations and resolution of boundary problem between Kazakhstan and China.

China appreciates the importance of Kazakhstan in several dimensions and accordingly devises its policy with care. When dealing with Kazakhstan, China also keeps in mind other important factors, such as Russia, the United States, and Islamic fundamentalism. As a result, Kazakhstan is approached from the broader perspective of Central Asia and the states beyond. At the same time, however, China does differentiate between Kazakhstan and Central Asia, giving Sino-Kazakh relations particular attention in its strategic thinking and undertakings. While China deals with all the Central Asian states on the basis of equality, it places special emphasis on Kazakhstan. This corresponds both with Kazakhstan’s importance in the region and it coincides with the national interests of both countries.

China views Kazakhstan as vital to its foreign policy and places special stress on furthering bilateral relations in political, economic and security. In the political realm, China emphasizes on consolidating Kazakhstan’s support for China on Taiwan and reinforcing cooperation in dealing with ethno-religious extremism and separatism in China. In terms of politics, Chinese leaders brought forward a policy of “keeping good-neighborly relations, maintaining safe-border relations and bringing prosperity to neighbors.” This policy seeks to develop a strategically bilateral relationship in the long-term and friendly ties by signing a series of important legal papers; to respect the sovereignty and territorial integrity of the Kazakhstan; to enhance mutual understanding and to propel extensive cooperation through regular meetings and friendly contacts in different levels and fields; to support Central Asian countries in choosing the roads suitable for their own conditions in development; and to deal with international and regional affairs through mutual support. In terms of security, China would like to see
Central Asia keeping the region stable, which is thought to be in accordance with China’s strategic interests. China has pledged to bring security to the Central Asian countries; to ensure peace in the bordering regions; to strengthen cooperation in the field of military security and to strike against the “Three Forces,” which include Uyghur separatists in coalition with Central Asian countries, to provide assistance to these countries; to uphold Central Asia to be a non-nuclear region and drug-free region; and to begin cooperation on multilateral levels after enhancing bilateral cooperation between China and Kazakhstan.

In security matters, China’s orientation is to oppose the three forces of separatism, extremism, and terrorism. While specific aspects of Chinese policy in these three areas will be adapted to changing international circumstances. The security policy of China towards Kazakhstan is based on respect for the independence of those countries. China and Kazakhstan consider terrorism, separatism and extremism as severe threats to global security and stability, and will expand bilateral and multilateral cooperation to campaign against these threats. The two sides, within the bilateral agreed framework, continue to effectively strike against terrorism in all forms and terrorist groups and terrorists recognized by the United Nations, including the “East Turkistan Independence Movement” that poses a direct threat to regional security and stability.

In economic relations, China has developed a strategic conception of energy cooperation with Kazakhstan. China’s fast growing economic and energy needs makes Kazakhstan an ideal partner for China which has emerged as a natural partner for trade as the economies of both the Kazakhstan and China are complementary in nature. Since 1991, petroleum and other hydrocarbon products have been the mainstay in China-Kazakhstan trade relations. Both countries have been actively involved in developing energy sector in the region. Both countries are busy in discovering new economic fields in order to strengthen their economic relationship. Good communication is the backbone of healthy trade and economic relations. Kazakhstan and China have been combinedly trying to develop various transport and communication routes like railways, airways and telecommunication system.
Though trade and economic relations between Kazakhstan and China have been improving rapidly since 1991, the two countries have been confronting several hurdles in their way. The Soviet economic legacies are still haunting the pace of bilateral economic cooperation. Despite several preventive measures, the border and cross-border trade are dominating their bilateral trade relations. Inspite of various difficulties, the prospects of Kazakh-China relations are bright. Given the geographical proximity, complementary nature of their products and historical linkages between these two nations, their relations are expected to grow.

It must be noted that over the years from 1992 to 2009, the highest trading volume was between China and Kazakhstan, which represented from 80 to 86 percent of all Chinese-Central Asian trade. This growing economic cooperation has had a social impact on the development of a Central Asian business Diaspora based in Xinjiang. China also demonstrates its capacity to use locally rampant corruption and internal weaknesses of Kazakhstan in its own interests. From the earliest years of independence, smuggling to China, especially the export of metals and the import of consumer goods, has proved to be a very profitable venture for Kazakhstan officials. However this economic relationship is still at an early stage of development and for this reason, there is some randomness in commercial processes and relationships.

In their mutual relationship, the ethnic factor plays an important role. The relations between China and Kazakhstan are also based on the basis of ethnic concerns. Both Central Asian states and China pay greater attention to minimize ethnic conflict in their respective states. Both are worried about the development of Islamic movements, which are becoming more powerful in Afghanistan and Tajikistan. The participation of Uighur’s in separatist movement in Xinjiang has led China to take effective steps to suppress them and cooperate with the Central Asian governments. Shanghai Five and since 2001, SCO has been a serious initiative in this regard. Both China and CARs have concluded that they have a common interest in combating Islamic fundamentalism and separatism.
China’s Xinjiang region has been a buffer zone between China and Central Asia. The instability of the region is geared up with the help of the Central Asian fundamentalist and extremist groups. Drug trafficking and arms smuggling also make China’s Uyghurs region vulnerable and since these activities are linked to international terrorist organizations. To counter these threats, China actively participates in the Shanghai Cooperation organization (SCO) in order to keep Kazakhstan engaged with China in a friendly and cooperative framework. Ethno-religious separatism is the most important threat perception for both China and Central Asian countries. To eliminate it, both Kazakhstan and China are trying to establish a better relationship which helps in improving the standard of living of their ethnic minorities and thus discourage them to join for separatist movements.

Border disputes have been a long time problem in Sino-Soviet relationship. After the collapse of USSR, China’s border dispute with the former Soviet Union turned into China’s disputes with the four independent states- Kazakhstan, Kyrgyzstan, Russia and Tajikistan. China adopted an active policy in the region mainly due to the pending border issues and its security, and its active policy created the Shanghai-5 in 1996.

Kazakhstan as well as other CIS countries were faced with the necessity of resolving the boundary issues with China. China perused the goal of peaceful settlement of the disputes and problems by building consensus through Shanghai 5 and later through SCO. A number of important documents promoting close and friendly mutual relations between its participants have been signed. Shanghai-5 was a successful confidence building effort. Eventually this organization, which was renamed as SCO is serving as vehicle for enhancing China’s role in resolving its regional security problems. China uses SCO as a tool to further its influence in Central Asia. This organization could serve the interest of its members. It remains to be seen if the SCO will remain the guarantor of the balance of regional interests when China achieves absolute domination in the Asian continent. SCO paved the way for negotiations and resolution boundary problem.
Many external powers wanted to fill the vacuum created by the disintegration of the former USSR. The Islamic states tried to influence the region through their universal belief of Islam and wanted to bring the region into their fold. Powerful external powers are also attracted towards the region in order to keep it under their influence because of geo-strategic, geo-political and geo-economic significance of the region. The regimes in Central Asia are also faced with a dilemma as to which side they should tilt. The external powers came to the region with a basket of offers in order to help the regimes to come out of their problem. However, the Central Asian states started their business with external powers keeping in mind the Russian factor.

Neither Kazakhstan nor China is in favor of rising western influence in their adjacent regions. While China’s policy always supports multipolar world order, Kazakhstan does not wish to be entrapped in the sphere of American hegemony. This is clearly reflected in the increasing cooperation between China and Kazakhstan.

Following the post-September terrorist attack, Russian’s alliance with US-led NATO has been cause of concern for China. However, both China and Russia are concerned over the eastward expansion of NATO and over the US presence in the region. Both have the same view regarding the withdrawal of US army from the region.

For now it can be said that no one state, either a big power or a bordering neighbour or an Islamic one, can have a monopolistic influence in Central Asia. However, as a regional power and a neighboring state with convergence of interests and complementarity of economy, China has an edge in the region over other powers barring Russia, with which it is creating a cooperative framework.

Political and economic cooperation between Kazakhstan and China is, overall, an example of success. The two countries still cooperate mostly in the energy sphere, but both seem committed to encouraging Kazakhstan’s economic diversification. However, Chinese investments may not be enough: a strong political will from the Kazakh side is required to successfully promote diversification, even though this may deprive the
leadership of opportunities for kleptocracy. Also cooperation in the aspect of security with China has economic dimensions, which may even prove to be more important than pure military cooperation: Kazakhstan might in fact be the best ally in Beijing's effort to reduce social unrest in East Turkestan by providing more economic prosperity to that region. In this regard, the promotion of trade in border areas is particularly important. Cooperation, however, has its drawbacks. Depending too much on China may be dangerous for Kazakhstan, if Beijing experiences serious economic downturns. Moreover, the two countries might be close to reaching the limits of their cooperation: Kazakh officials' wariness of China's power, and the local population's fear of Chinese demographic expansion, may prove to be insurmountable obstacles to cooperation efforts. In any case, Kazakhstan's problems are unlikely to be solved exclusively by closer ties with China. Diversification, not just in the economic sphere, but also in the choice of political partners, will remain Kazakhstan's priority for the time being.