CHAPTER-1

INTRODUCTION
After the collapse of the former Soviet Union, the Central Asian Republic of Kazakhstan emerged as an independent and sovereign country. Kazakhstan was born by default, as independence of the republic from Soviet Union in 1991 was neither the result of secessionist demands by its leadership, nor any national liberation movement (Cumming 2005:1).

Kazakhstan is situated in the centre of the Eurasian continent and occupies a territory of 2,717,300 square kilometers. In terms of area Kazakhstan is the ninth largest country in the world. Kazakhstan shares with China about 1700 km of common borders, with Kyrgyzstan 980 km, with Turkmenistan 380 km, with Uzbekistan 2300 km and with the Russian Federation 6,477 km. Kazakhstan’s border with China goes along plains; three rivers (Irytyuysh, Emin and Ili) which further enhance the geopolitical importance of Kazakhstan vis-à-vis China. Steppes occupy some 26% of territory of Kazakhstan, whereas the deserts cover 44% of territory or 167,000,000 hectares. Fourteen percent of surface is covered with semi-deserts, while forests occupy just 21,000,000 hectares. The length of Kazakhstan’s part of the Caspian coastline is 2,340 km. (Abishev 2002: 6-7).

The Republic of Kazakhstan, a landlocked country, has a strong presidency. The country is a conglomeration of diverse nationalities with more than 100 ethnic groups living in this Republic. The principal ethnic groups are Kazakh (60%) and Russian (30%). (Ibid: 45) With 16.4 million people (2010 estimate), Kazakhstan has the 62nd largest population in the world, though its population density is less than 6 people per square kilometer (15 per sq. mi.).

For most of its history, nomadic tribes have inhabited the territory of modern-day Kazakhstan. By the 16th century the Kazakhs emerged as a distinct group, divided into three hordes. The Russians began advancing into the Kazakh steppe in the 18th century, and by the mid-19th century all of Kazakhstan was part of the Russian Empire. Following the 1917 Russian Revolution, and subsequent civil war, the territory of Kazakhstan was reorganized several times before becoming the Kazakh Soviet Socialist Republic in 1936, a part of the USSR. During the 20th century, Kazakhstan was the site of major Soviet
projects, including Khrushchev's ‘Virgin Lands’ campaign, the Baikonur Cosmodrome, and the Semipalatinsk "Polygon", the USSR's primary nuclear weapon testing site.

Kazakhstan is ethnically and culturally diverse, in part due to mass deportations of many ethnic groups to the former Soviet Republic during Stalin's rule. Islam is the religion of about three quarters of the population, and Christianity the faith of most of the remainder. The Kazakh language is the state language, while Russian is also officially used as an "equal" language (to Kazakh) in Kazakhstan's institutions.

Table No.1.1

<table>
<thead>
<tr>
<th>State</th>
<th>Population</th>
<th>Area (in million sq. km)</th>
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</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>16004800</td>
<td>2.72</td>
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<tr>
<td>Kyrgyzstan</td>
<td>5362800</td>
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<tr>
<td>Tajikistan</td>
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<tr>
<td>Uzbekistan</td>
<td>29559100</td>
<td>0.45</td>
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</tbody>
</table>


On October 25, 1990, the Supreme Council of the Republic adopted the declaration on state sovereignty of the Kazakh Soviet Socialist Republic. On August 19, 1991, the same day of the abortive attempt of a state coup in Moscow, President Nursultan Nazarbayev addressed the nation and issued the Decree on formation of the Security Council of the Kazakh SSR, the Decree on transition of state-owned enterprises and organizations, for establishing the gold and diamond reserves fund of the Kazakh SSR, and on closing of the Semipalatinsk nuclear test site.
1.1 ECONOMIC, SOCIAL AND POLITICAL DEVELOPMENTS IN KAZAKHSTAN

1.1.1 Major Achievements since Independence

The Kazakhs have been quick to learn from the best practices in the world and adapt to the fast changing environment. This ability has proven crucial in overcoming the hardships of radical transformations, which occurred many times in its history. The latest one was the economic crisis after the collapse of the USSR in 1991. (Chaudhury 2009)

Since the collapse of the Soviet Union, Kazakhstan has been fairly successful among Central Asian States (CAS) in maintaining political stability, harmonious interethnic relations and achieving sustained economic growth. It has made tremendous economic achievements even though current financial crisis has not spared Kazakhstan. Kazakhstan holds the leading economic position in Central Asia, accounting for about 45-55% of the total GDP of the Central Asian region. As per World Bank reports, in the year 2000, about 10 years after gaining independence, the GDP of Kazakhstan was $ 18.3 billion, which was close to the combined GDP of the other four CAS valued at $ 20.3 billion. Similarly, GDP per capita in Kazakhstan was $ 1,180 which was nearly double that in Uzbekistan valued at $ 610 and four times more than that in Kyrgyz Republic and Tajikistan. The preeminent position of Kazakhstan in Central Asia is amply evident with regard to other economic indicators such as the quantum of foreign investment, volume of foreign trade and so on. Kazakhstan has consistently maintained its position as the economic powerhouse of Central Asia. (Gidadhubli 2009)

However, under the impact of global financial crisis, the GDP of Kazakhstan declined in 2009 by 2%, industrial production dropped by 5% and metallurgy sector was down by 15%. Another indicator of economic downswing was the devaluation of Tenge on 12th February 2009 by about 18%, despite the state having spent $ 6 billion to support the currency. The only consolation was that production in the agricultural sector increased by 3.6 %. Moreover the magnitude of decline in the Kazakh economy is
claimed to have been less than that being experienced by Russia and many European countries. (Ibid 2009)

Be that as it may, prior to the global financial crisis, Kazakhstan maintained annual GDP growth rates ranging between 7-10% for several years. During the period 2000 to 2004, as per official sources, annual average GDP growth rate and industrial growth rate were about 10%. GDP per capita had increased from $700 in 1994 to $3000 in 2005 and about $5000 in 2008, more than seven fold in 14 years, which had brought down the poverty rate from 39% in the late 1990’s to 20% in 2008. The country had maintained a low inflation rate at below 8% and the national currency Tenge had appreciated against the dollar. As a result of these achievements, the combined hard currency reserves of the national bank and the national fund of the country went up from $14.49 billion in 2005 to over $20 billion in 2008. For its good performance in economic reforms Kazakhstan got the status of market economy by 2002 and the World Bank and IMF experts stated in 2007 that Kazakhstan had been one of the fastest developing economies in the world. The engine for Kazakhstan’s economic growth has been its abundant oil and gas reserves. Kazakhstan’s GDP was generated from energy and raw material sectors. More than half of unprecedented rise in the price for oil in the international market since 2002 has helped the country to earn much needed petro dollars for the development of the country. For instance, from less than $40 per barrel in 2004, oil price shot up to $149 per barrel in the beginning of 2008. This enriched the country immensely. At the same time decline in oil price below $50 per barrel since the middle of 2008 has hit the financial sector of Kazakhstan.

High economic growth has been achieved through favorable investment climate. In just 20 years after getting independence, Kazakh economy has attracted $80 billion of FDIs, which is about 80% of all foreign investments made in Central Asian economies. According to the World Bank data Kazakhstan is among top 20 investment friendly countries in the world. The domestic investment over the same periods is about $80-90 billion. (World Bank 2009)
The perspective of the economy of Kazakhstan is closely connected with further integration into international economy, utilization of unique reserves of energy and mineral resources, vast possibilities to export industrial and agricultural products, optimum employment of country’s transit potential and also with availability of highly qualified specialists in different spheres. Rich mineral and energy resources also played a crucial role in ensuring Kazakhstan’s economic growth. With sufficient export options, Kazakhstan can become one of the world’s largest oil producers and exporters in the next decade. But Kazakhstan’s strategic aspiration is to become a modern, diversified economy with a high value added and high-tech component, well integrated into the global economy.

The country contains almost a quarter of the world uranium (2\textsuperscript{nd} largest in the world) and ranks 6\textsuperscript{th} in the reserves of gold and 8\textsuperscript{th} in iron ore and coal, 3\textsuperscript{rd} in copper, lead and zinc, 2\textsuperscript{nd} in chromite, phosphate rock, and 1\textsuperscript{st} in the barite tungsten. Kazakhstan stands 7\textsuperscript{th} in terms of oil stockpile and 6\textsuperscript{th} in gas reserves (3 trillion cubic meters). (Chaudhary 2009) With growing environmental concern and global demand for ecologically clean fuel, Kazakhstan, possessing abundant uranium reserves, will play an important role in the development of atomic energy. Kazakhstan aims to realize its potential for enhancing the global energy balance and security.

Kazakhstan is taking active steps to increase the sustainability of its economy. The main goals of the current structural policy are diversification and strengthening of the non-oil sector. A number of development agencies and research centers (Development Institutions) have been established and the Government is looking at establishing techno and science parks to support the diversification of higher-value added industries. The country today is fast moving to a post-industrial, high-tech, English-speaking economy with capabilities in aerospace, biotechnology, IT and peaceful atomic energy under the government-adopted Industrial Innovation Development Strategy. At present there are four operating Special Economic Zones in Kazakhstan: Astana-New City, Aktau Port, the Information Technologies Park, and Ontustyk (South) textile SEZ. To tap the financial potential of Kazakhstan and Central Asia, the Almaty Regional
Financial Center (ARFC) has been recently established. The activities of the Financial Centre are aimed at attracting foreign investment. (Ibid 2009)

Huge infrastructural modernizations create profitable investment opportunities for foreign corporations. A multi-billion project on revival of “The Great Silk Road” has been launched in order to connect, Eastern Europe and Western China by efficient transportation infrastructure running through Kazakhstan. Along with the economic progress, Kazakhstan is also known for its political and social stability, which is the main precondition for flourishing business. Under the post-Soviet democratic transformations, Kazakhstan has become a presidential-parliamentary republic with transfer of significant powers from the President to the legislature.

Kazakhstan has also decided to swiftly carry out major administrative reforms to meet the challenges of the fast changing world. The administration’s objective is to form a highly professional state service and efficient government structures. The main idea is that government officials should be as effective and highly paid as businessmen in the corporate sector, cutting red tape and delivering the government services in a time-bound manner.

Like India, Kazakhstan is a multi-ethnic and multi-religious country. It is home to 130 ethnic groups with various religious outlooks. They live in peace and harmony in the country thanks to the ethnic and religious tolerance prevailing in the society, which has a predominant moderate Muslim population. To further consolidate the Kazakh society, the government has launched a project called trinity of languages, which means that every person in Kazakhstan should be able to speak equally in three languages: Kazakh, Russian and English. Kazakhstan’s policy of promoting tolerance and inter-religious harmony among ethnic and religious groups has been recognized internationally. (Ibid 2009)
1.2 GEOSTRATEGIC AND GEO-ECONOMICS IMPORTANCE OF KAZAKHSTAN FOR CHINA

Kazakhstan being the largest country of Central Asia, has a peculiar geo-strategic situation, with almost all its territory coinciding with Mckinder Heartland theory. This territory was a counter region for both marine geo-strategic realm (with the leadership of United States and its allies NATO and its branches including SEATO and CENTO) and continental geo-strategic realm (with leadership of Soviet Union and its allies in Warsaw Pact). Kazakhstan is located between two great powers - one Asian (China) and one Asian-European (Russia) – and to its south are the Central Asian countries of Uzbekistan, Turkmenistan and Kyrgyzstan. To enter this land-locked country one should pass through the territory of these neighboring countries.

To its north, Kazakhstan shares a 6846-kilometers long border with Russia. It is possible to enter the heart of Russia only via Kazakhstan and thus Russia is against the presence of any foreign and trans-regional power in Kazakhstan. Access to this territory from the east is available by passing through China’s western part (Xinjiang Uighur Region). China’s policy is not to allow any trans-regional power to enter its critical, geopolitically important western region and from there to Central Asian territory.

MAP 1.1

Geostrategic and Geo-Economic Impotence of Kazakhstan

![Map of Kazakhstan](www.bbc.co.uk/maps.htm)
The geopolitical linkages between Kazakhstan and China have an economic angle too. During the time when the ancient Silk Road was in active use, the whole region of present day Kazakhstan and the Chinese province of Xinjiang was economically and culturally interlinked with each other. It was during the period of Soviet rule in Central Asia that interaction between Kazakhstan and China was restricted. During the Soviet period only informal trade existed between the two countries. But, after the independence of Kazakhstan, new land ports for facilitating trade were established on both sides of the border. The greatest momentum of economic ties between the two parties lies in the fact that the present Kazakhstan is rich in energy resources, which can fulfil the demands of the energy hungry China. Also, in the era of globalisation where economic issues matter as much as security issues in deciding the strength of a nation in the world arena, Kazakhstan and China seek to enhance the complementary nature of their economies by forging strong economic linkages.

The geopolitical importance of Kazakhstan is recognised by its vast oil and natural gas resources. In the initial phase after independence, various speculations were made about the amount of the oil and natural gas resources present in Kazakhstan. The energy resources present in Kazakhstan are vast, but the country is landlocked. To transport these energy resources to the refineries and to the market, the erstwhile Soviet Union constructed the largest integrated pipeline network in the world. After the dissolution of the Soviet Union, new competing players particularly China has sought to secure access these energy resources and transmission corridors.

There are considerable hydrocarbon resources in Kazakhstan which important for the great economies and powers of the world. China as the second largest world economic power needs imported energy and in the world market dominant powers such as United States control the international marine trade routes of oil transportation alongside important energy producing region like Middle East, North Africa, West Africa, Latin America and East Asia. Thus, Kazakhstan’s energy resources are available for China without the interference of an outside player as Kazakhstan can supply energy by intercontinental pipeline network from Central Asia and even through Iran. Also
Kazakhstan’s energy resources are constant and useful for China’s developing economy. The inauguration of oil transit pipeline from Kazakhstan to China in early 2005 is significant from this point of view. Besides the energy resources, China is also seeking raw materials, which are abundantly available in Kazakhstan. These show the eco-strategic importance of Kazakhstan. In this regard, the shaping and forming of Shanghai Cooperation Organization (SCO), which has both major energy producers (Russia and Kazakhstan), and consumers (China) as its members.

**1.3 KAZAKHSTAN AND THE NEW GREAT GAME IN CENTRAL ASIA**

In the post-Soviet period, the three key players in the geopolitical space around Central Asia - Russia, China and the United States - achieved a provisional equilibrium. Russia maintained its traditional dominance in its former southern Central Asian provinces. China, as it developed its economic relations with the Central Asian countries, gradually increased its own political influence, while seeking to avoid confrontation with Moscow. The United States, despite its pre-occupation with other areas of greater strategic significance, kept a wary eye on the region. In the context of the “New Great Game”, Kazakhstan has pursued a balanced foreign policy and worked to develop its economy, especially its hydrocarbon industry. While the country's economic outlook is improving, President Nazarbayev maintains strict control over the country's politics. Kazakhstan's international prestige has also been building up. For the first time in its history, Kazakhstan was elected to the United Nations Economic and Social Council (ECOSOC) in November 2006. It gained the support of 187 of 192 UN member states at the General Assembly—significantly more than the required two-thirds vote. In 2010, Organization for Security and Co-operation in Europe was chaired by Kazakhstan.

Kazakhstan is now considered to be the dominant state in Central Asia. The country is a member of many international organizations, including the United Nations, the Euro-Atlantic Partnership Council, the Commonwealth of Independent States, and the Shanghai Cooperation Organization. Kazakhstan is one of six post-Soviet states who have implemented an Individual Partnership Action Plan with NATO.
1.3.1 China as a Major Player

In the political sphere, China has historically maintained active interest in Central Asia. China maintained close contacts with Central Asia through the Silk Route. The initial contacts and relations between Russia and China were very complicated. It was in the second half of the 19th century that Russia annexed the Kazakh steppes. This resulted in Russia and China sharing a border for the second time after hundred and fifty years. The first attempt to establish a border between the two empires was through the treaty of Peking in 1860. According to this treaty the border in Turkistan was based on the existing line of permanent posture pickets which had been established to limit the use of pastures by the nomadic Kazakhs. However, this was still a roughly defined border and a detailed delimitation of this boundary was needed. This delimitation took three decades and finally the treaty of Tarbagatai, signed in December 1893, marked the final resolution of the border issue in the 19th century. (Konuralp 2004: 20)

China’s policy in Kazakhstan is linked to its larger strategic and geo-political interests following the disintegration of the former USSR and gradual Russian withdrawal from the region. There is fear among the Chinese policy makers with regard to the policy of ‘opening up’ of its north western frontier towards the Muslim Republics of Central Asia as it would invite the risk of Islamic fundamentalism and cross-border ethnic separatism which are grave threats to China’s national security. (Mishra 2001:3).

The collapse of USSR, the independence of Muslim Central Asian Republics, the continuing ferment among the Turkic Uygurs in Xinjiang province of China, and the emergence of unipolar world dominated by the US, have been causes of concern for China, which looks for close and friendly ties with its Central Asian neighbours in general and Kazakhstan in particular.

Beijing is keen to play an important role in regional affairs making the best use of its political, economic and military capabilities. The emergence of independent
Kazakhstan provided China an opportunity to re-assert its traditional regional interests. The Chinese policy has been to maintain peace and tranquility along its border in Xinjiang. China has been wary of its minority ethnic group of Uygur Muslims being subjected to any separatist influence. So, Chinese position in Xinjiang depends as much on Beijing’s ability to influence events across its border as it does on controlling events within.

The most important concern of China is the security of its border region in Xinjiang. Many Uyghurs live in Kazakhstan and there is also a substantial Kazakh minority living in China’s Xinjiang province both having their relatives on either side of the border. This situation caused serious disquiet in China especially in 1990s. However, after establishing good relations with neighboring Central Asian countries and establishment of the SCO, China has ensured its security in Xinjiang besides promoting bilateral trade. Chinese policy towards Kazakhstan has thus been governed by both strategic and economic considerations, which have strong linkages with the geo-politics of Xinjiang. Kazakhstan has also attracted huge Chinese investment in oil and gas sectors and other industries. Shanghai-5 was a successful confidence building effort. Eventually this organisation, which was later renamed as SCO (Shanghai Cooperation Organisation) is serving as a vehicle for enhancing China’s role in resolving regional security problems. (Marth 2002:134)

After the collapse of the Soviet Union, Kazakhstan and other CIS countries were faced with the necessity of resolving their boundary issues with China. And for resolving this issue a unique way was chosen, i.e., peaceful settlement of the disputes on the basis of consensus through Shanghai 5 and later through SCO. SCO paved the way for negotiations and resolution of the boundary problem. (Khojaev 2001) A number of important documents promoting close and friendly mutual relations between its participants have been signed. (Adel and Bulat 2002: 23) However, it remains to be seen whether SCO will remain the guarantor of the balance of regional interests when China achieves absolute domination in the Asian continent. The SCO is playing a key role in dealing not only with the regional, political, economic and ecological issues, but it also
provides a strong regional forum for taking common initiatives to combat terrorism, drugs trafficking and separatism.

China’s economic policy is also largely based on its energy security needs and search for a market for its finished goods. Kazakhstan has proven oil reserves of about 2.6 billion tons and proven natural gas reserves of 3 trillion cubic meters. Kazakhstan’s strength emanates from its rich energy and other natural resources; and over the past few years Kazakhstan has witnessed high economic growth due to the boom in oil prices. (Ercilasum 2004:40) At the same time China, which is dependent on oil, imports it to sustain its high economic growth. For China, the economic development and cooperation of Central Asian Republics would help in promoting regional economic stability and prosperity, which in turn would lead to political stability and China needs a stable and peaceful international environment for its flourishing trade. (Liu 1995:20)

China’s engagement in Kazakhstan stems from four basic factors. Firstly, Beijing wants to ensure its access into Kazakhstan’s rich energy sources which is very important to meet its growing energy (particularly oil and gas) needs in the future. According to one estimate China’s domestic oil demand is expected to rise by around 4% annually. (Singh 2000:11-12) Kazakhstan has vast oil and natural gas reserves and at the end of 2008 Kazakhstan’s proven total reserves of petroleum and natural gas were estimated to be 1500 m. metric tons and 3 trillion cubic meter respectively. (The Europa World Year Book 2008) Secondly China wants to subdue the ethno-religious nationalism in its Xinjiang province. Thirdly, it wants to protect its own political and economic interests in Kazakhstan vis-à-vis other external players. Finally, China wants access to the Kazakhstani market to sell its consumer goods.

1.3.2 Kazakhstan’s interests

On its part Kazakhstan also needs Chinese assistance in attaining several objectives: Firstly, it needs Chinese economic assistance and policy guidance for its domestic economic growth. Secondly, Kazakhstan views China as a strong alternative to
Russia to lessen its dependence on the letter. China has been able to help Kazakhstan to exploit and export Kazakhstani energy resources by providing ample investment funds and exporting routes. Thirdly, Kazakhstan also wants to avert any possible ethnic extremism from its complex ethnographic structure, which has some commonality with that of Xinjiang province of China. Finally, Kazakhstan finds a lucrative market in China.

Since the establishment of their diplomatic links, both sides have been exchanging high level visits with each other. Serious attempts are being taken by both the nations to resolve mutual difficulties and elevate the political and economic relations between them. A “Historic Border Accord” was signed between the two nations on 26 April 1994 on the eve of the then Chinese Prime Minister Li Peng’s visit to Kazakhstan. (Zardykhan 2002: 180) On this occasion the two countries agreed to eliminate all transport restrictions between them and affirmed the inviolability of their current borders. (Hunter 1996: 127)

It is important to note here that the Xinjiang province of China plays a major role in Kazakh-China trade and economic relations. It is the only province of China which shares common border with Kazakhstan. In fact, a major part of Kazakhstan’s trade with China is concentrated in the Xinjiang province. For example, Xinjiang’s share in Kazakh-China trade in 1996 was more than 90%. (Raczka 1998:395)

1.4 KAZAKHSTAN’S FOREIGN POLICY

Kazakhstan’s foreign policy was formulated shortly after Kazakhstan gained its independence on December 16, 1991. The first President of the independent Kazakhstan, Nursultan Nazarbayev, indicated that diplomacy’s main objective was to create and maintain favorable conditions for steady development of Kazakhstan based on political and economic reforms. (Chaudhary 2009) The nature of these reforms determines the nation’s foreign policy priorities, together with impartiality, and a desire to be fully involved in both international and regional events.
The primary goals of Kazakhstan’s foreign policy are as follows:

- Protect national interests.
- Provide favorable conditions for political and economic development.
- Develop strategic cooperation with leading countries and regions of the world.
- Improve cooperation with international organizations.
- Strengthen democratic principles within the new world order.
- Contribute to global and regional security and stability while opposing new threats such as, terrorism, drug trafficking, and organized crime.
- Participate in the processes of regional and global economic integration.
- Promote democracy as well as social and human development.
- Protect the environment and sustain development.

**1.4.1 Key Decisions**

The Government made key decisions and adopted policies regarding the military, politics, economics, democratic reforms and a new state governing system. These decisions were essential for easing Kazakhstan’s transition to the world community and helped create a foreign policy in harmony with the global political trend towards liberalization.

One of the most important decisions Kazakhstan made during the last 20 years was to become a non-nuclear state and pursue a policy of nonproliferation. Kazakhstan’s diplomacy was successful in developing positive relations with 140 countries and helping it to become a member of 64 international political and economic organizations. In March 1992, Kazakhstan was accepted into the United Nations Organization and has played an active role in its initiatives for the past 21 years. There have been no conflicts or confrontations between Kazakhstan and other countries to date, thus further underscoring the effectiveness of the nation’s diplomacy.
1.4.2 Global Integration

Kazakhstan has signed more than 1,300 international and intergovernmental contracts and agreements establishing a practical, contractual, and legal framework for relations with other countries. Furthermore, to create conditions required for integration into global and regional processes, Kazakhstan has established active cooperation with the majority of North American, European, and Asian countries as well as their chief regional organizations, including the:

- Organization for Security and Co-operation in Europe (OSCE)
- Economic Cooperation Organization (ECO)
- Organization of the Islamic Conference (OIC)

Participation in regional and global affairs and events is necessary for strengthening Kazakhstan’s independence. The nation is involved in several global transformation processes that highlight the issue of interdependence. Problems that were once considered domestic or regional now have a larger impact on the world, causing globalization to become the dominant factor in world politics. Although interdependence is a factor in areas such as finance, technology, and information technology (IT), the globalization of the economy is gaining influence and importance in society as it affects major political decisions. Foreign policy has become an integral part of Kazakhstan’s state policy. More than 70 diplomatic and consular offices worldwide represent Kazakhstan. In the realm of diplomacy, the Republic has achieved several important milestones:

- Enactment of the Law on Diplomatic Service of the Republic of Kazakhstan
- Establishment of Kazakhstan's foreign policy and international cooperation
- Gaining respect in the international community
- Increasing recognition of the Republic’s foreign policy’s principles within the diplomatic community
1.4.3 Regional Alliances

Kazakhstan continues to develop regional alliances in every corner of the world because of the increasing significance of globalization and economic integration. Many countries recognize their national goals can only be achieved through developing regional cooperation. For this reason, Kazakhstan has undertaken efforts to promote regional economic integration. For example in early 2005, Kazakhstan called on its neighbours to help establish the Central Asian Union based on the following shared characteristics: history, ethnicity, culture and economy. (Chaudhary 2009) Kazakhstan has increased its cooperation with the:

- Commonwealth of Independent States (CIS)
- Eurasian Economic Association
- Central Asian Economic Association
- Shanghai Cooperation Organization

1.4.4 Kazakhstan’s Stance on Current International Issues

Kazakhstan believes that new threats to regional and global peace and stability require collective political will and global effort. Such threats include:

- International terrorism
- Drug trafficking
- Interethnic and religious conflicts
- Humanitarian crises
- Poverty and epidemics
- Illegal migration
- Man-made environmental disasters

During the Soviet era, Kazakhstan was the site of the world’s fourth largest nuclear arsenal of more than 1000 deadly ICBMs. These posed a menacing, if not dangerous, threat to international peace, depending on the leadership and direction of that
country when it became independent in 1991. Fortunately, that leader was Nursultan Nazarbayev who acted decisively to order the dismantling and removal of the country’s entire nuclear weapons system. In 1994, Kazakhstan transferred more than half a ton of weapons-grade uranium to the U.S. In 1995, Kazakhstan removed its last nuclear warhead and, with U.S. assistance, completed the sealing of 181 nuclear test tunnels in May 2000. Kazakhstan has signed the START Treaty (1992), the Nuclear Non-Proliferation Treaty (1993), the Chemical Weapons Convention, and the Comprehensive Test Ban Treaty (2001).

On March, 21, 2009 the Treaty on Nuclear Weapon Free Zone in Central Asia, signed on September, 8, 2006 in Semey, Kazakhstan, went into force. Kazakhstan welcomed the Treaty’s becoming effective, as it believes that it will contribute to global non-proliferation process and promote regional and international security. The new denuclearized zone in Central Asia has a number of unique features. First, one of the zone’s states namely, Kazakhstan, in the past possessed the fourth largest nuclear arsenal. Secondly, for the first time the denuclearized zone is created in Northern hemisphere. Thirdly, this Treaty becomes the first multilateral agreement in security area which brings together all the five Central Asian countries. And finally, for the first time the denuclearized zone has been created in the region which borders upon two nuclear states. The Protocol on negative security assurances is an integral part of the Treaty. Under the Protocol, the nuclear weapon states pledge not to use or threaten to use nuclear weapons against any states member to the Treaty.

On June 18, 2009, over 25,000 locals, Kazakh dignitaries and world media gathered in Semey city to celebrate the 20th anniversary of Kazakhstan's decision to stop nuclear tests at the Semipalatinsk Test Site. The meeting was held in Semey where President Nursultan Nazarbayev addressed an appeal to the international community to back up the peaceful mission of Kazakhstan. In his speech, President Nazarbayev emphasized that refusal to conduct nuclear testing has become possible due to courage and enthusiasm of millions of Kazakhs who put an end to the crimes against lives and health of the whole people of Kazakhstan.
In December 2009, the UN General Assembly unanimously accepted a resolution put forward by Kazakhstan proclaiming August 29, the day when in 1991 President Nursultan Nazarbayev signed a decree on the closure of Semipalatinsk Test Site, as the ‘International Day against Nuclear Tests’. Recognizing the negative impact of nuclear testing on human life and the environment, as well as the importance of ending nuclear tests as one of the key means of achieving a nuclear-weapon-free world, the Resolution sets out to commemorate a significant date in Kazakhstan’s – and, indeed, - the world’s history. The international community has fully appreciated Kazakhstan’s contribution to this nuclear disarmament programme. Paying a visit to Kazakhstan in April 2010 U.N. Secretary General Ban Kim-moon said: “I highly commend the extraordinary leadership of president Nazarbayev of Kazakhstan, who courageously closed this nuclear test site and initiated the nuclear weapon-free zone in Central Asia. That’s a big milestone”.

During the Nuclear Security Summit in Washington, D.C. in April 2010, U.S. President Barack Obama praised President Nazarbayev "as really one of the model leaders in the world on nonproliferation and nuclear-safety issues". Obama and other leaders also took positive view on President Nazarbayev's proposition to establish an International Nuclear Fuel Bank on the Kazakh territory. President Nazarbayev praised the anti-nuclear initiatives and the achievements of the U.S. President in ensuring international security, namely, convocation of the Global Nuclear Security Summit, signing the New START Treaty with Russia, adoption of the new US nuclear posture review which had become a great step towards establishment of the nuclear-free world. The Government of Kazakhstan’s contribution to the nuclear disarmament program demonstrates its commitment to the objectives of global security, establishing Kazakhstan as a critical member of the world community. (Kazakhstan Embassy in China 2010)
1.5 KAZAKHSTAN MULTI-VECTOR FOREIGN POLICY

Kazakhstan’s foreign policy is predictable, consistent and aims to contribute to global peace. Its multi-vector foreign policy stipulates that it will develop friendly relations with all the countries in the world to maintain good relations with the most important external great powers and multinational institutions engaged in the region. (Ibid 2009)

It is worth mentioning that the multi-vector policy chosen by Kazakhstan has gained specific consistency and is working for the benefit of the country, its development and prosperity. Kazakhstan may be rightfully considered one of the largest Eurasian states. The diplomatic service of Kazakhstan has largely contributed to consolidation of the country’s position in the international arena. Nowadays Kazakhstan is a universally acknowledged state that conducts a well-balanced and transparent foreign policy. Kazakhstan’s aspiration to develop full-fledged and mutually beneficial contacts and relations with its partners and constructive and critical stance on some of the global and regional issues inspires respect among the other countries. In the age of globalization it is crucial to enhance the effectiveness of use of the political, legal, foreign, economic and other instruments to protect national sovereignty and economy. Successful solution of these tasks will be closely connected with the development and perfection of its diplomatic service. Currently, owing to stable economic growth Kazakhstan has all the necessary opportunities and resources to strengthen Kazakhstan’s position in the international arena. (Tazhin 2007)

Kazakhstan has stood for peaceful resolutions of conflicts in the world and its vicinity. Back in 1992, the Kazakh President speaking at the UN General Assembly came forward with the proposal to cut 1% of military budgets of nations in the world and dedicate them to solving problems of famine, poverty and epidemics. Kazakhstan chaired the OSCE in 2010 and OIC in 2011. It used both of the chairmanships to build bridges of peace and mutual understanding in the regions and the world. With its large territory and population, vast energy wealth, relative political and ethnic stability, and skillful diplomacy, Kazakhstan has emerged as a leader in efforts to promote regional economic
and political integration in Eurasia. Kazakh officials have sought for over a decade to strengthen ties among the countries of Central Asia and the Caspian Basin region—areas that define Kazakhstan’s “extended neighbourhood.” In addition to their recurring proposals for a Eurasian Union, Kazakh representatives have promoted concrete cooperation regarding a range of specific economic, political, and security areas. Kazakhstan plays a prominent role in Eurasia’s most important international institutions, either as a participant in their decisions or as a partner in their programs:

• The Kazakh government has remained a loyal if frustrated supporter of the Commonwealth of Independent States (CIS), and has been a founding member of the Collective Security Treaty Organization (CSTO);
• Kazakhstan has been advocating the strengthening of Eurasian Economic Community (Eurasec), especially in the areas of water management and standardization of members’ customs and tariff policies;
• The Kazakh government has sought to strengthen the Shanghai Cooperation Organization (SCO) while preventing that institution from becoming overtly anti-American;
• Kazakhstan has developed closer ties with the North Atlantic Treaty Organization (NATO) than any of the other former Soviet republics of Central Asia;
• The European Union (EU) has identified Kazakhstan as a key partner in Central Asia due to its energy resources and Kazakh support for regional integration efforts;
• In 2010, Kazakhstan became the first Eurasian country to assume chairmanship of the Organization for Security and Co-operation in Europe (OSCE). Kazakh officials have pursued several initiatives independent of these institutions to enhance the security of Central Asia and the Caspian region from diverse threats:
• Kazakh officials have worked directly with Russia, the United States, and other countries to eliminate the weapons of mass destruction that Kazakhstan inherited following the disintegration of the Soviet Union;
• Kazakhstan has promoted and signed the Treaty of Semipalatinsk, which established a Central Asian Nuclear-Weapon-Free Zone;
• Astana has joined Moscow, Washington, and other governments in supporting multilateral initiatives aimed at averting nuclear terrorism or illicit trafficking in nuclear materials;
• Kazakhstan has participated in diverse bilateral and multilateral counterterrorist initiatives;
• The Kazakh government has strengthened the country’s armed forces to enhance Astana’s ability to contribute to regional security initiatives and international peacekeeping missions;
• Kazakhstan has been the driving force behind the Conference on Interaction and Confidence-Building in Asia process, which seeks to extend OSCE-like security enhancements throughout Asia. (Ibid 2009)

In line with President Nursultan Nazarbayev’s stated objective of making Kazakhstan a “transcontinental economic bridge” and a “regional locomotive” of economic development, Kazakhstan has promoted closer commercial integration among Eurasian nations at multiple levels, with priority given to:

a) Improving regional transportation, pipeline, and communication networks;
b) Reducing customs and other manmade barriers to trade;
c) Encouraging tourism and other nongovernmental exchanges while strengthening regulations governing labor mobility in Eurasia;
d) Promoting Kazakh private investment in other Eurasian economies, especially through joint ventures. The strong Kazakh support for greater regional integration results in part from a recognition that Kazakhstan would strongly benefit from enhanced ties among Eurasian countries:
e) Kazakhstan and its neighbors would achieve greater room to maneuver among the great powers that are active in the region, reducing the risks of their coming under the control of a great power condominium or becoming overly dependent on any single supplier, customer, investor, or market;
f) Economic, political, and security problems in one Eurasian country could easily adversely affect neighboring countries, either through direct spill-over or by discouraging external investors;
g) Kazakhstan’s ability to realize its potential as a natural crossroads for east-west and north-south commercial linkages depends on reducing manmade political and economic obstacles to the free flow of goods and people among Eurasian nations;

h) The increase in regional prosperity that economists predict would ensue from greater regional integration would help Kazakhstan expand its economic activities into new horizontal and vertical markets. (Ibid 2009)

Kazakhstan’s ability to realize its regional objectives will depend on several factors. Its transition to a post-Nazarbayev generation of political leaders, the effectiveness of Astana’s stewardship of the OSCE, and the state of the Eurasian economies will all play crucial roles in determining Kazakhstan’s success. Also important will be the policies of other countries engaged in Central Asia and the Caspian region - China and Russia and also the United States. (Weitz 2008)

After the collapse of USSR in December 1991 the newly independent states of the region confronted the problem of achieving the twin goals of establishing their national independence while retaining beneficial relations with other former Soviet republics. These countries deepened their ties with China, Europe, and the United States as well as the other major powers active in the region, in order to balance Russia’s continuing preeminence. Another approach has been to promote cooperation among regional states, in a manner independent of, though not in conflict with, the great powers. Kazakhstan has emerged as a natural leader in such endeavors due to the size of its territory, its vast energy wealth, its relative political and ethnic stability, its early and sustained decision to transition from a command to a market-based economy, and its skillful diplomacy. Kazakhstan’s geography has allowed it to exercise decisive influence in two of Eurasia’s most important sub regions—Central Asia and the Caspian Sea. These areas are sometimes referred to as “Greater Central Asia,” but from Astana’s perspective might be termed “Kazakhstan’s extended neighbourhood.” At a minimum, analysts traditionally include Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan in “Central Asia.” This approach may reflect the practice of Soviet ethnographers and political leaders, who divided the region into these five republics during the 1920s. (Luong 2002)
In contrast; the “Caspian Basin region” typically includes Armenia, Azerbaijan, Georgia, Turkmenistan, Kazakhstan, as well as parts of Iran and Russia. The past decade has made it clear that other nearby countries also decisively affect political, economic, and security developments in these regions—notably Afghanistan, Iran, India, Mongolia, Pakistan, and Turkey.

All these countries help shape the international politics of Eurasia. Their independence has made regional relations much more complex than during the original “Great Game” between Russia and Great Britain in the 19th century, when Russia and British could largely ignore or control local actors in their bipolar struggle for mastery of Eurasia. The involvement of so many external actors in the region, with their changing mixture of common and diverging interests, also has complicated the international politics of Eurasia, especially by expanding the local states’ room to maneuver. (Edwards 2003: 83-102) Since after the collapse, USSR the Central Asian countries have found it difficult to cooperate with one another. These states share unresolved disputes over borders, trade, visas, transportation, illegal migration, and natural resources such as water and gas. (Akiner 2005: 39-40) Even so, the poor state of their mutual relations has meant that these countries regularly enjoy closer ties with external actors (through bilateral and multilateral mechanisms) than with each other.

Under President Nursultan Nazarbayev, who has been in office since independence, Kazakhstan has remained committed to a “multi-vector” foreign policy that seeks to maintain good relations with Russia, China, Japan, the United States, and the European Union as well as other countries with important economic, political, or other roles in Eurasia. In 2004, Foreign Minister Kasymzhomart Tokayev justified Kazakhstan’s “balanced and multidimensional policy” as “an objective necessity.” The policy’s application has sometimes annoyed Moscow (regarding Kazakhstan’s Trans-Caspian initiatives) as well as Washington (regarding Astana’s dealings with Tehran). Yet, it is hard to disagree with Tokayev’s explanation that, “Limiting ourselves to certain countries and regions could do serious harm to our national interests” (Alibekov 2004).
As early as in March 1994, Nazarbayev proposed the establishment of a Eurasian Union, but the plan failed to gain support among the other newly independent states that had only just rid themselves of a different (Soviet) type of union and were not eager to try another (Syroezhkin 2001: 213-214). Nazarbayev has subsequently reaffirmed his commitment to a union, launching a new initiative in April 2007 that focused on borders and water management, issues that had long complicated relations among Central Asian states but which they could clearly manage more effectively together than in isolation (Dadabaev 2007).

A union of Central Asian states would represent a logical culmination of Kazakh efforts to strengthen regional autonomy and deepen local integration processes. Although the union would be independent of the CSTO, SCO, and other regional groups, and would exclude Russia, China, and other great powers from membership, the Eurasian grouping would not be directed against these institutions or countries. In fact, Nazarbayev’s union proposal effectively presumes that the great powers would remain sufficiently engaged in regional security issues to balance one another and thereby allow Kazakhstan and other Central Asian countries room to maneuver (Syroezhkin 2001: 233).

Another economic factor, with political implications, inducing Kazakh leaders to promote regional integration is the belief that instability in neighboring countries could easily spill across state borders, either directly through imitative popular protests and refugee flows or indirectly by discouraging international capital markets from investing in the region. Despite recent Kazakh efforts to diversify their economic partners, Kazakhstan’s economy remains heavily dependent on foreign companies for capital and technology. (Katik 2006)

Kazakh and foreign experts argue that greater cooperation is required to resolve these disputes and better exploit the natural resources and pivotal location of Central Asia and the Caspian as natural transit routes for commerce between Europe and Asia. Enhanced collaboration is especially needed, they maintain, to counter transnational terrorist and criminal groups as well as exploit the economic comparative advantages
enjoyed by Kazakhstan and neighboring states. By reducing inter-regional tensions and promoting deeper economic integration, these countries will become more attractive to foreign investors and enhance their collective leverage with external actors. (Sitenko 2008)

Since 2006, Nazarbayev has repeatedly proclaimed the goal of transforming Kazakhstan into one of the world’s 50 most competitive developed countries (Nazarbayev 2008). Kazakh leaders believe that strong regional cooperation—ideally with a degree of integration that would both help harmonize regional economic policies and promote political, security, and other forms of collaboration—is essential for realizing this objective. Above all, it would allow Kazakh businesses to access new markets and exploit superior economies of scale from the resulting increase in labor, capital, and other factors of production. The Kazakh government has also sought to develop extensive security, economic, cultural, and other international links to enhance the country’s autonomy by limiting Kazakhstan’s dependence on any single supplier, customer, investor, or market.

At an October 22, 2007 conference in Washington, D.C., Erlan Idrissov, Ambassador of Kazakhstan to the United States, told the audience that, since independence, Kazakhs had resolved “not to take as a curse” their country’s landlocked status, but instead to “turn it into an opportunity and a benefit” by leading the drive for regional integration. In its foreign policies, Idrissov added, Kazakhstan operates on the principle that “one cannot prosper without being surrounded by prosperous countries (Brookings 2007).”

In 2008, the Kazakh government launched a “Road to Europe” reform program to prepare the country for the economic and political challenges and opportunities the OSCE chairmanship was expected to present. (Embassy of Kazakhstan 2008)

In addition to skillful diplomacy, Kazakhstan’s emergence as the most important driver of regional integration within Central Asia and the Caspian Sea region has been
attributed to the country’s powerful but not overwhelming attributes of state power. Kazakhstan possesses more energy resources than its less endowed neighbors. It also enjoys the region’s most dynamic economy and capital markets. Yet, Kazakhstan lacks the economic and military foundations to aspire for regional hegemony, especially given that its power and influence is dwarfed by that of Russia and China.

Under its multivector 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 we have seen that 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.

1.5.1 Commonwealth of Independent States

The Commonwealth of Independent States (CIS), consisting of all the former Soviet republics except for the Baltic countries, initially represented Kazakhstan’s most important regional institution after the disintegration of USSR. Kazakhstan and eight other members signed a CIS Collective Security Treaty (CST) at their May 15, 1992, summit in Tashkent. According to its provisions, they pledged to refrain from joining other alliances directed against any other CST signatory. The CST signatories also agreed to cooperate to resolve conflicts between members and cooperate in cases of external aggression against them. The Tashkent Treaty helped Russia to legitimize its continued military presence in many CIS members. The CST did not, however, fulfill Kazakhstan’s objective of establishing a system of collective security in the former Soviet Union. (Syroezhkin 2001: 213-214)
The CIS initially played a useful role in facilitating a “civilized divorce” among its members. Compared with the chaos that arose in the former Yugoslavia, another communist-dominated multinational state that had failed to resolve its underlying ethnic divisions, the disintegration of the Soviet Union occurred with little violence, with the notable exception of the Caucasus region. For the most part, the leaders of Kazakhstan and the other newly independent republics accepted the USSR’s administrative boundaries as their new national borders. (Ministry of Foreign Affairs of Kazakhstan 2008) Russian President Vladimir Putin praised the CIS for “clearly helping us to get through the period of putting in place partnership relations between the newly formed young states without any great losses and playing a positive part in containing regional conflicts in the post-Soviet area”. (Putin 2006) It was only in March 2000 that Kazakhstan, Kyrgyzstan, Russia, and Tajikistan finally announced the establishment of the long-discussed CIS antiterrorist center. (Syroezhkin 2001: 226)

President Nazarbayev has been pushing for years for a major restructuring and strengthening of the organization. At the July 2006 informal summit of CIS leaders in Moscow, he offered a comprehensive program for reforming the CIS that proposed concentrating reform efforts in five main areas: migration, transportation, communications, transnational crime, and scientific, educational, and cultural cooperation. (Ministry of Foreign Affairs of Kazakhstan) Nazarbayev also suggested several cost-cutting measures that would have allowed for the more efficient use of the organization’s resources. (Novosti 2006) At the November 2007 meeting of CIS Prime Ministers in Ashgabat, Kazakh Prime Minister Karim Masimov called for the establishment of a common CIS food marketing and pricing policy. The CIS leaders decided to create a group of CIS agricultural ministers to develop a food market development strategy. (CIS 2007)"

1.5.2 Collective Security Treaty Organization

Soon after becoming president, Vladimir Putin launched a sustained campaign to re-channel the CIS by enhancing cooperation among a core group of pro-Russian
governments and reorienting it from a collective defense organization towards one directed against transnational threats such as drug trafficking, arms smuggling, and especially terrorism, a more pressing concern to most of its participating governments. In 2001, the CIS members authorized the formation of a Collective Rapid Deployment Force (CRDF). Although the CRDF was designed primarily to provide for a collective response to terrorist attacks or incursions, it was initially not a standing force. Instead, it consisted of earmarked battalions based in Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. (Antonenko & Pinnick 2003) More importantly, on May 14, 2002, the Presidents of Kazakhstan, Kyrgyzstan, Russia, and Tajikistan (with Armenia and Belarus) agreed to transform the CIS CST into a Collective Security Treaty Organization (CSTO). (Nikolaenko 2002: 186) They established an ad hoc group composed of deputy ministers of defense and other senior government representatives to draft the main regulations for the CSTO, a process completed on November 1, 2002. (Abazov 2005: 236)

The CSTO provides for the mobilization of larger multinational military formations in the event of external aggression. Two such groups presently exist: an East European group (between Russia and Belarus) and a Caucasian group (between Russia and Armenia). Kazakhstan, Kyrgyzstan, Russia, and Tajikistan are currently in the Southern group of forces, which in wartime would come under the command of the standing combined headquarters (CSTO 2006). The governments of Kazakhstan and other CSTO members stress that the organization represents more than just a military bloc, and can meet a range of regional security problems. In June 2005, CSTO members signed agreements to enhance joint military training, including by exchanging students at their military education establishments and by compiling a list of testing sites and target ranges for use during joint exercises. They also created a commission to promote closer ties between their defense industries. Its responsibilities encompass establishing more joint ventures and research and development projects, defining common standards for military equipment, ensuring sufficient production of spare parts and other defense items, and helping implement the “program for military-technical cooperation for 2006-2010. (Putin 2006)”
Kazakhstan has been a very active participant in the CSTO activities. In August 2006, for instance, the CSTO held its largest military exercises of the year in Kazakhstan. Rubezh-2006 (“Frontier-2006”) involved some 2,500 defense personnel besides dozens of armored vehicles, artillery pieces, and warplanes from CSTO member governments Kazakhstan, Kyrgyzstan, Tajikistan, as well as Russia. In addition, involvement with the CSTO imposes some clear constraints on Kazakhstan’s security policies. For example, in October 2005, Russia’s Defense Minister argued that if Kazakhstan or any other CSTO member was considering hosting foreign military bases, “they should take into account the interests of Russia and coordinate this decision with our country. (Mayak 2007: 8)"

1.5.3 Eurasian Economic Community (EEC)

At Nazarbayev’s initiative, some of the former Soviet republics established on October 10, 2000 a Eurasian Economic Community (Eurasec or EEC). Nazarbayev made his proposal after the CIS proved unable to make adequate progress in the pursuit of economic integration and the Customs Union then existing between Kazakhstan, Belarus, Kyrgyzstan, Russia, and Tajikistan seemed equally ineffective. (The economic crisis experienced by Russia and Kazakhstan in the late 1990s led them to levy heavy tariffs on each other’s imports.) Eurasec’s main function is to promote economic and trade ties among countries that formed a unified economic system during the Soviet period by reducing custom tariffs, taxes, duties, and other factors impeding economic exchanges among them. Its stated objectives include creating a free trade zone, a common system of external tariffs, coordinating members’ relations with the World Trade Organization and other international economic organizations, promoting uniform transportation networks and a common energy market, harmonizing national education and legal systems, and advancing members’ social, economic, cultural, and scientific development and cooperation. (Ministry of Foreign Affairs of Kazakhstan 2009)

Kazakhstan has been a leading advocate of strengthening the Eurasec. At the Eurasec summit of August 2006, Nazarbayev said he “was always ready to discuss
questions concerning integration within the EEC framework. (Blagov & Torbakov 2006) A recent Kazakh priority has been to promote cooperative initiatives within Eurasec to assess how to regulate Central Asia’s unevenly distributed water resources and to exploit the region’s potential to generate hydroelectric power.

1.5.4 Shanghai Cooperation Organization (SCO)

Russia’s overwhelming preeminence in the CSTO has led Kazakhstan and other Central Asian governments to cultivate military ties with additional regional security institutions, especially the Shanghai Cooperation Organization (SCO), which is not dominated by a single country like the CIS or CSTO. In the words of an unnamed Central Asian diplomat, “With the Chinese in the room, the Russians can’t resort to their usual tricks”. (Olcott 2005: 198) Despite the possible emergence of a Sino-Russian condominium, this condition presumably reduces fears of external subordination and gives them more room to maneuver. Kazakh leaders cite the contribution of the SCO in preserving the national sovereignty of its members as one of the main reasons they value the organization. (Kazykhanov 2006: 190) Another reason for the SCO’s popularity in Kazakhstan is that it allows Central Asian governments to manage Beijing’s growing presence in their region multilaterally, backstopped by Russia, rather than deal with China directly on a bilateral basis. For example, when Kazakhstan conducted its August 2006 “Tianshan-I” exercise with China, which the Chinese People’s Daily termed a “joint anti-terrorism drill”—though it involved only some 1,000 law enforcement and special forces personnel, including some cavalry units—it did so “within the SCO framework. (People’s Daily 2006) The first phase occurred in eastern Kazakhstan’s Almaty region; the second in China’s Xinjiang Uyghur Autonomous Region, where the other SCO members sent over 100 observers. (Xinhua 2006)

President Nazarbayev attended the SCO’s founding meeting in St. Petersburg in June 2001, along with the representatives of China, Kyrgyzstan, Russia and Tajikistan. At the session, he stated that the new organization “could contribute to security, economic prosperity and closer relationships between our peoples and countries”. (Abazov 2005)
Some Kazakh experts have become attracted to the idea of creating an “energy club” within the SCO. In August 2007, Nazarbayev himself proposed creating a SCO energy agency to maintain an oil-and-gas database as well as another SCO body to manage energy transactions among member countries. (RIA Novosti 2007) Within this framework, oil and gas exporters such as Kazakhstan as well as Iran, Russia, and Uzbekistan would provide reliable energy supplies to China, India, Kyrgyzstan, Pakistan, Mongolia and Tajikistan. (Rakhmatulina 2007) Kazakh security experts and government officials value the contribution the SCO makes to counter regional terrorism, narcotics trafficking, and other illegal transnational activities.

Kazakhstan presently enjoys a unique position within the SCO. China and Russia are the most influential 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. 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. Observers speculate that this consideration probably dampens Astana’s interest in expanding the SCO’s membership further since the entry of India, Iran, or Pakistan would dilute its influence by incorporating another middle power, with a larger population and stronger military than Kazakhstan, into the organization.

1.6 CHINA’S BASIC INTERESTS IN KAZAKHSTAN

The six key elements of China’s interest in the region are:

1) Border security

2) Combating the “East Turkestan” establishment movement.

3) Energy

4) Economic interests
5) Geo-politics

6) The Shanghai Cooperation Organization

The six elements of Chinese interest in Central Asia did not emerge simultaneously but arose sequentially. The priorities of China’s diplomacy have been changing ever since the breakup of the USSR and the formation of independent states in Central Asia in 1991, China has been continuously rethinking its interests and policy in the region. (Zhao2007)

During the first years of independence, China’s main interest in Kazakhstan was border security and stability. Until 1997, China had no other strong strategic interests in the Central Asian state. That focus in the early 1990’s coincided with the rise of the East Turkestan separatist movement in the Xinjiang autonomous region. China’s relations with the Central Asian countries where still in gestation and historical border issues had not been resolved and the independence of Central Asian countries had generated new questions. Economically, China had just established ties with the Central Asian countries and although border trade became more active, this was not the subject of primary interest in Beijing. (Zhao2007)

To put this in quantitative terms, in 1996-97 the annual trade volume between China and the five Central Asian countries was less than 1 billion US dollars. In the energy sector, China had just become a net oil importer, given the weak demand for oil and low prices, China had no strong incentives to tap Central Asian energy. Geo-politically, the United States was not as deeply involved and was not a cause of serious concern in Beijing

Border dispute was another issue. When the USSR dissolved, Sino-Soviet border talks were half completed. In 1989 China and Soviet Union initiated the Sino-Soviet agreement on the Eastern section of the border. However, the two parties had not yet reached agreement on the western section of the border. There is only a 45 kms border between China and Russia in the western section. Far more extensive are the borders between China and the newly independent Central Asian countries. These are more than
1700 kms with Kazakhstan, about 1000 kms with Kyrgyzstan, and about 450 kms with Tajikistan. The four ex-Soviet Republics (Russia, Kazakhstan, Kyrgyzstan and Tajikistan) decided to hold further negotiations with China. In September 1994 the parties reached an agreement on the western section of the Sino-Russian border, where, after Sino-Soviet armed border clashes in 1969, both sides had deployed troops and equipments on a huge scale. With the improvement in bilateral relations, the countries significantly reduced military forces deployed in the border regions but still required an institutional mechanism to guarantee border security. To meet this need on 26th April 1996 China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan signed the treaty of deepening military trust in border regions, which contained the following provisions.

1) Military forces deployed in border regions will not attack each other.

2) No side will conduct military exercises that are targeted against each other.

3) The scale, range and number of military activities scheduled to be conducted within 100 km of the border

4) Each side will invite the other to observe military exercises that involve the use of live ammunition.

5) Dangerous military activity are to be avoided and

6) Friendly communications between military forces and frontier guards in border regions should be promoted.

On the basis of this treaty, in 1997 the parties agreed to reduce the military forces in the border regions;

1) Military forces deployed in border regions were to be reduced to a level compatible with the good neighborly relations and defensive in nature.

2) No side would use, or threaten to use, force against the other or unilaterally seek military superiority

3) The military forces deployed in border regions would not attack the other side.
4) All sides would reduce the number of military personnel including army, air force, air defense forces, and frontier guards, and also reduce the quantity of the main categories of weaponry deployed with 100 kilometers of the border.

5) The upper limit after reduction, as well as the method and time limit for implementation, would be specified at a later date.

6) The parties would exchange pertinent information on military forces in border regions and

7) Implementation of treaty was to be supervised.

These two agreements (the treaty on deepening military trust in border regions and the treaty on reduction of military forces in border regions) are of fundamental significance for the border security of China, Russia, and the Central Asian States. Border security and stability have always been the central focus of China’s diplomacy in Central Asia. Resolution of border issues and border security are prerequisite for China’s goal of a favourable environment.

However, border security has dropped in China’s priority. Since 1997, The 1998 Almaty joint statement of the “Shanghai five” proclaimed, for the first time that the member states (Russia, China, Kyrgyzstan, Kazakhstan and Uzbekistan) would unite to combat terrorism and that none would allow its own territory to be used for activities that harm the sovereignty, security, and social order of another member state. These countries established the SCO on 15 June 2001 and adopted the Shanghai “convention on combating terrorism, separatism and extremism”. This meant not only a redefinition of SCO activities but also a reconsideration of China’s interests in Central Asia. The main motive for this change was the resolution of border issues and creation of an institutional guarantee of border security. Resolution of border and security issues also resulted in qualitative change in the relations between China and the Central Asian countries and made more extensive cooperation possible. (Zhao 2007)
The primary goal of China’s anti-terrorist policy in Central Asia is to counteract the “East Turkestan” movement in Xinjiang – that is, maintain stability in north western China and oppose a separatist division of the country. The northwest region has always been a problem for China’s central governments.

The main secessionist movement in China’s northwest in the twentieth century has endeavored to establish an East Turkestan Republic.

### 1.6.1 Kazakhstan’s Place in Chinese Diplomacy

Kazakhstan is important to China and constitutes one of the key dimensions of its foreign policy. Chinese diplomacy divides relations with the outside world into three basic categories: great powers, neighbouring countries, and developing countries. Relations with great powers mainly seek to resolve issues pertaining to the international structure and strategic balance. Links with surrounding countries concentrate mainly on issues pertinent to China’s immediate environment. Relations with developing countries primarily concern the issues of China’s posture toward the south-north contradictions and its relations with vast number of small and medium size countries. Maintaining international recognition of one China and creating international conditions to resolve the Xinjiang, Tibet and Taiwan issues are strategic goals of China’s diplomacy.

In the realm of Chinese diplomacy, Kazakhstan is medium-sized, and hence does not belong to the category of major powers. Kazakhstan’s ranking corresponds to the Chinese conception of “periphery diplomacy”, one of the principal concepts in its foreign strategy. This concept has three connotations: First, it refers to the neighboring countries that share borders with China. Second, it not only refers to contiguous states but also those that are very close, such as Japan and South Korea. Third, as China’s diplomacy developed, it has extended the concept of periphery still further. This notion refers to peripheral areas that are important for China’s security, economic, and political interests. The concept of a larger periphery has some ambiguity in practice; it can be expanded without limit and include the Middle East and even farther territories. The concept of the
larger periphery is employed mainly at the theoretical level and rarely used in diplomatic practice. There is no corresponding larger periphery policy. (Zhao 2007) The goal of China’s peripheral strategy is to promote friendly relations with all the contiguous or proximate countries that form a stable belt around the country.

The collapse of the Soviet Union reduced the principal security threat to China. Optimistic assessment of China’s role in a multipolar world caused greater concern in Beijing about the emergence of US led unipolarity. Beijing used this as an opportunity to play a new role in regional affairs that would make the best use of its political, economic and military capabilities. The emergence of independent Kazakhstan gave China the opportunity to reassert its traditional regional interests.

From China’s perspective, the disintegration of the Soviet Union accelerated the process of de-linking local and regional conflicts from superpower rivalry. Beijing sees opportunities among the competing interests of contiguous (Iran, Pakistan, India and Russia) and non-contiguous (Turkey and Saudi Arabia) actors in Central Asia. China’s ability to play a new geo-political game in Kazakhstan is based on “comprehensive national strength” political, cultural, social, and economic as well as traditional interests. Geography also favours its active role in Kazakhstan. (Walsh 1993:273-74)

China has keen economic interest in Kazakhstan’s trade and energy resources. Xinjiang is one of the poor provinces of China and has received much attention from the Chinese administration in recent years. Ancient Silk Route passed through Xinjiang for several hundred years. Until recently, development in this area lagged behind the rest of the country and slowed down the booming Chinese economy. Although China has rich oil and gas fields in its territory these are not enough to meet its growing energy needs. Kazakhstan has huge oil resources and other Central Asian states (mainly Turkmenistan and Uzbekistan) have considerable natural gas. China has already bought pumping rights in the oil fields in Kazakhstan and has executed billion-dollar oil and pipeline-project from Central Asia to eastern China.
China has the capacity to link Kazakhstan close to itself through trade as well as politics. The geopolitical situation near western China is delicate, as the Xinjiang province shares a border with half a dozen countries including Afghanistan, Pakistan, India and most of the members of the Shanghai Cooperation Organization. Many of these countries have both internal and external security problems. Since China’s own problems in Xinjiang are ethno-religious and separatist, clear by China is wary of the disturbances involving people of the same religion or ethnic origin as its own Uyghur minority.

For the first time in its history, China is actually leading an international coalition. This leadership can be seen in China’s role as an initiator of the coalition Shanghai Cooperation Organization. Although the Shanghai Cooperation Organizations is only a regional organization, nobody can deny its importance when it comes to playing its role in Central Asia. At the same time China’s active role in the region has its consequences. If China becomes too active in its new role it might cause suspicion among other states and would thus be accused of pushing for hegemony. Since the ex-Soviet states in the region are sensitive to threats to their sovereignty, this kind of development could lead to the collapse of the Shanghai Cooperation Organization, which would jeopardize not only China’s future prospects in the region, but also the peaceful development in Central Asia.

The region is at the intersection of two key Chinese foreign policy priorities. Over the last two decades, China has focused, on the one hand, on “great power diplomacy” and on the other, on “surrounding border diplomacy”. In the first instance, China has worked at improving diplomatic relations with the “great powers”, i.e. the United States, Russia, Japan and the European countries. China, however, also has given priority to relations with surrounding countries, pursued on the basis of good neighbourliness and peaceful coexistence.

Kazakhstan’s primary concern is to sell its natural resources to the world, to improve its economy and to maintain good relations with developed countries. Kazakhstan’s rich energy resources are required by China, which is currently the world's biggest energy consumer. Kazakhstan in turn, assigns great importance to its economic
relations with China, Kazakhstan and China have moved forward by expanding border customs posts from only four in 1992 to eight in 1994. Horgos, the Ala pass, and other posts have been modernized, improving their ability to transfer goods in any season. Japan provided a credit of $74 million to enlarge the handling capacity of the Friendship Station. Technologically advanced telephones have been installed, permitting conversations with any region of the world. Kazakhstan has also been developing container and conservation transport mechanisms. Communication ties have also been improved. (Guangcheng 1998:124)

Similarly, in 1994 the Chinese government began construction of the second phase of the Lan Zhou-Xinjiang Railroad, increasing its transport capacity from 20 to 50 million annual tons, an important step in improving the Eurasian land bridge. The Chinese and Kazakh governments have signed a number of agreements directed at resolving transport issues. In February 1997, President Nazarbaev, while in China, proposed increasing the transfer capacity between Friendship Station and the Ala post, the construction of another transit point, and the establishment of an air corridor over China permitting Kazakh flights to Japan, South Korea and Indonesia. Two years later, when the Kazakh President was again in China, the two sides committed themselves to expand their efforts to reestablish the ancient Silk Route.

At the same time China has established branches of the Chinese Bank and the Chinese Industrial Trade Bank in Almaty in order to resolve payment problems, something that it has done in few CIS countries other than Russia and Kazakhstan. The two countries have also created a bilateral economic and scientific commission, which by 2000 had met five times.

China welcomes participation of Kazakhstan and other Central Asian States in the economic development of northwest China, as Jiang Zemin made plain in July 2000. The Chinese government, he said, was developing a strategy for the exploration of Western China that opens new opportunities for economic cooperation with the Central Asian
States. China welcomes active participation in the construction of highways, railroads, airports oil and gas pipelines, electricity and communication networks.

1.7 REVIEW OF LITERATURE

1.7.1 Economic, Social and Political Development in Kazakhstan

Since the collapse of the Soviet Union, Kazakhstan has been fairly successful among Central Asian States (CAS) in maintaining political stability, harmonious interethnic relations and achieving sustained economic growth. It has made tremendous economic achievements even though current financial crisis has not spared Kazakhstan.

Dipanjan Roy Choudhury in his book, “Contemporary Kazakhstan” (Har-Anand publications, New Delhi 2009) underlined the success story of nation building of Kazakhstan. The book is divided into seven chapters. It deals with Kazakhstan’s evolution into modern nation state, its multi-vector foreign policy, and unique relationship with major powers, role in major global issues and vital role of its President Nursultan Nazarbayev. The writer deals with Kazakhstan’s multi-vector foreign policy and conceptual basis and principles of Kazakhstan’s foreign policy. Its multi-vector foreign policy stipulates that it will develop friendly relations with all the countries in the world. Conclusively the book lights on success story of nation building of Kazakhstan. It deals with Kazakhstan’s evolution into modern nation state, its multi-vector foreign policy, unique relationship with vibrant economy.

1.7.2 Kazakhstan-China Relations (Background)

In the post-Soviet period, the three key players in the geopolitical space around Central Asia - Russia, China and the United States- achieved a provisional equilibrium. Russia maintained its traditional dominance in its former Southern provinces. China, as it developed its economic relations with the Central Asian countries, gradually increased its
own political influence, while seeking to avoid confrontation with Moscow. The United States, despite its pre-occupation with other areas of greater strategic significance, kept a wary eye on region. Despite its interest in the Caspian, Washington initially relegated the region to the periphery of its foreign policy activities. Post-Soviet Central Asia, as before, remained in with the gravitational field of Russia, although China has come to exert substantial influence.

**Konuralp Ercillasum** in his article “China in Central Asia: A Case study of Relationship between China and Kazakhstan (*Contemporary Central Asia*, Vol. 08, 2004)” also states the advantageous position of China due to its closer geographic proximity. In the age of globalization, economy holds the key in any bilateral, trilateral cooperation. Kazakhstan and China’s economy being complementary to each other, both countries have developed their economic linkages.

### 1.7.3 Negotiation and Settlement of Border Dispute and Role of SCO

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.

**Konuralp Ercilasum**’s “China in Central Asia: A Case Study of Relationship between China and Kazakhstan (*Contemporary Central Asia, Vol. 08, 2004*)” refers to the boundary issue as a basis of further improvement in the relations between the neighbouring countries. 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.

**Adel E. Abishev** and **Bulat K. Sultanov** in “Kazakhstan in Focus: Ten Years of Independence (Centre for Foreign Policy and Analysis, Almaty, 2002)” state that Kazakhstan as well as other CIS countries were faced with the necessity of resolving the
boundary issues with China, and China perused the goal of peaceful settlement of the disputed and problems by building consensus through Shanghai 5 and later through SCO. A number of important documents promoting close and friendly mutual relation between its participants have been signed.

**Marth Bill Olcott** in her *Kazakhstan Unfilled Promise* (Carnegie Endowment for International Peace, Washington DC, 2002) states that the 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.

**Ablat Khojaev’s “China’s Central Asian Policy (Central Asia and Caucasus, Vol. 03, 2001)”** refers to China’s use of 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.

**1.7.4 Xinjiang Factor in Kazakhstan-China Relations**

The collapse of soviet Union, independence of Muslim Central Asia republics, the continuing ferment among the Turkic Uygurs in Xinjiang Province of China. The Chinese policy has been to maintain to peace and tranquility along its border in Xinjiang, China has been wary of its minority ethnic group of Uygur Muslims being subjected to any separatist influence. So, Chinese position in Xinjiang depends as much on the Beijing’s ability to influence events across its border as it does on controlling events within.

**S. S. Mishra** in “Chinese Perspective on Central Asia: Threat of Uighur Separatism” (Journal of Peace Studies, Vol. 8, Issue 3, May-Jun. 2001), states that although China’s economic policy in Central Asia is linked to its larger strategic and geopolitical interests after the gradual Russian withdrawal from the region, it is also largely
based on its energy security needs and search for the market for finished goods. Still there exists a fear among the Chinese policy makers with regard to the policy of ‘opening up’ of its north-western frontier towards the Muslim Republic of Central Asia as it invite the risk of Islamic Fundamentalism and cross border ethnic separatism which are grave threats to China’s national securities.

Yasmin Melet in his article “China’s political and economic relations with Kazakhstan and Kyrgyzstan” (Central Asian Survey, vol. 17, No. 2, 1998) states that Xingjiang is lying at the heart of ‘silk route’ between china and Kazakhstan. It is only province of China, which shares common border with Kazakhstan. Therefore Xinjiang region is key factor in Kazakhstan-China relations.

1.7.5 Economic Linkages

Kazakhstan and China have a long history and tradition of economic cooperation. The Silk Road is a historical testimony of traditional economic and cultural exchanges between Kazakhstan and China.

Shireen T. Hunter in her “Central Asia since Independence (Prager Publishers, Washington DC, 1996)” while discussing the relations between Central Asia and its neighbors states that the economies of China and Central Asia are highly complementary and thus the potential for expanded economic and trade relation is quite substantial.

Alia Akataeva in “Kazakhstan-China and Economic Relation (Himalayan and Central Asian Studies, Vol. 10, No. 4, Oct-Dec., 2006)” states that People’s Republic of China is an economic power house with high economic growth rate. Therefore, Kazakhstan is deepening and strengthening bilateral economic cooperation with China.

Qiungjian Liu in “Sino-Central Asian Trade and Economic Relations: Progress, Problems and Prospects in Yongzin Zhang and Rouben Azizian (eds.)” states that for China, economic development and cooperation of Central Asian states would promote
regional economic stability and prosperity which in turn would lead to political stability and China needs a stable and peaceful international environment for its flourishing trade.

1.7.6 Energy Cooperation

Energy in China is a strategic issue. Kazakhstan with its vast reserves of oil and gas, and because of its very low consumption of energy, stands as a producing and exporting country to international markets.

Michael P. Croissant and Buiten Aras in their edited book “Oil and Geopolitics in Caspian Sea Region” state that Kazakhstan’s attempts to find reliable access to the world market and reduce its heavy dependence on the Russian transportation system contributed to its rapprochement with neighboring China.

Znao Huasheng, “China’s Energy Interest in Central Asia (Contemporary Central Asian, Vol. 08, No. 1 and 2, 2004)” states that China’s energy interest is important because of two reasons: China’s increasing domestic energy demands and the changing international situation after September 11.

1.8 SCOPE AND RATIONALE OF THE STUDY

This study seeks to analyze various dimensions of Kazakhstan-China relations from 1991 (i.e. When Central Asia republics became independent) till 2009. Along with geo-economics, geopolitics and geo-cultural factors will be explored in this research work. Emphasis of the study will be to study the Chinese security threat perception, in Central Asia, after the Soviet disintegration and Kazakhstan’s engagement with China in security and economic terms. The period of the present study starts from the independence of Central Asia, after the disintegration of Soviet Union in 1991, up to the current period (2009). However, historical linkages between china and Kazakhstan will also be touched upon in the study.
Due to the presence of vast oil and natural resources, Kazakhstan has become a hot spot of world politics. This region is becoming the ground of rivalry between different regional and global powers. This study will therefore, examine the relations between Kazakhstan and China in the energy sector.

1.9 AIMS AND OBJECTIVES

- To examine the extent and pattern of Kazakhstan- China relations from 1991 up to 2009.
- To examine the process of resolution of border dispute between Kazakhstan and China.
- To analyse the role of regional organizations like SCO in Kazakh-China relations.
- To evaluate the ongoing energy cooperation between Kazakhstan and China.
- To examine Kazakhstan policy towards China’s policies in Xinjiang region.

1.10 HYPOTHESES

- The SCO acts as a catalyst for the enhancement of China-Kazakhstan bilateral relationship.
- China’s energy resources have lured China to become a major player in the region.
- Kazakhstan’s seventeen hundred kilometer long border with China has work to latter’s advantage in strengthening Kazakhstan-China relations.

Central Asia unites the European and Asian continents at a key geographic junction and in this Kazakhstan plays a decisive role. Kazakhstan is not only crucial in Central Asia, it is also a major Eurasian state, spanning the Eurasian continent and possessing the attributes of both a European and an Asian state. Due to Kazakhstan’s strategic location, it is developing friendly relations with and maintaining the mutual trust
of surrounding countries. It hopes to translate its strategically important location into an increasingly significant role in international politics and to become a significant regional power. Thus, the external setting is a vital resource for Kazakhstan as it strives to reach its potential and China is a key source of support for a more prominent Kazakh role in the international arena. (Guangcheng 2002:108)

The collapse of the Soviet Union resulted in establishment of five new independent Republics in Central Asia. This situation had the potential of causing instability and unrest in the region and along the Chinese borderland Kazakhstan has successfully overcome the transition period and started confident stride into a new stage of self development. The government had set the task to consolidate Kazakhstan’s role and authority as a responsible member in regional and international community cooperation. Kazakhstan government gives importance to develop multifaceted relationship in the international arena. Kazakhstan’s economic performance and development since its independence make it a regional leader and a top reformer. 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 China.

After 20 years of independence, Kazakhstan developed its energy source and became the richest country in Central Asia. Careful domestic and international policies also made a positive impact on the stability of this multi-ethnic country. Many external powers seek 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, geopolitical 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.
Kazakhstan being the largest country of Central Asia, has a peculiar geo-strategic situation, this territory was a counter region for both marine geo-strategic realm and continental geo-strategic realm. It is located between two great powers - one Asian (China) and one Asian-European (Russia) – and to its south are the Central Asian countries of Uzbekistan, Turkmenistan and Kyrgyzstan. To enter this land-locked country one should pass through the territory of these neighboring countries. China’s policy in Kazakhstan is linked to its larger strategic and geo-political interests following the disintegration of the former USSR and gradual Russian withdrawal from the region. The Chinese policy makers fear that opening up of its north western frontier towards the Muslim Republics of Central Asia would invite the risk of Islamic fundamentalism and cross-border ethnic separatism which pose grave threats to China’s national security.