

# **Kazakhstan at a Crossroads: Kazakhstan and the world**

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**December 2010**

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## Kazakhstan on the world stage

Kazakhstan's international profile has never been so high. 2010 OSCE Chairmanship has been the highpoint for the country in-terms of diplomatic prestige, and has been supported by a major public relations push where glossy feature articles showcase the transformation of Astana and the great strides taken in recent decades. Despite this series' criticism of Kazakhstan's governance it does not seek to belittle or discard the progress that has been made. What is clear however is that some of the soft focus coverage of Kazakhstan's achievements can obscure the real challenges facing the country, a balance the two previous papers sought to redress.

This third, shorter, paper in our Kazakhstan at a Crossroads project seeks to give a brief overview of how Kazakhstan projects itself to the outside world and how it works with some of the different geopolitical actors competing for influence, given its resource opportunities and strategic position. Throughout this project it has become clear that perhaps the only Kazakhstan cliché used more frequently than the ubiquitous Borat reference is that of a new 'Great Game'. While it is certainly true that there are many competitors for influence in Kazakhstan, it is not merely an area of the map for great powers to carve up as they see fit, but is a relatively skilful actor that has balanced different international interests to serve both the national interest and those of the ruling elite. It is a strategy deployed to varying degrees of success by Kazakhstan's neighbours but none with the same level of skill. This paper concentrates on a few of Kazakhstan's major relationships -with the EU, Russia and China - and how it seeks to manage the competition for access to its natural resources and markets<sup>2</sup>.

## Kazakhstan and Europe

Although a small portion of Kazakhstan's territory lies west of the Ural river in continental Europe, and with a Soviet history that had oriented the country in that direction, Kazakhstan lies beyond the reach of the EU's neighborhood policy and Eastern Partnership, falling instead under its less well developed Central Asia strategy. Nevertheless the EU is Kazakhstan's largest export market with 39.4% of total Kazakhstani exports destined for European markets while EU products made up around 25.5% of overall imports in 2009<sup>3</sup>, in third place behind Russia and China.

The formal end of EU-Kazakhstan relations are based around the 1999 Partnership and Cooperation agreement that has been buttressed by Memoranda of Understandings on Energy in 2003 and Transport in 2006. The EU describes its priorities as being the 'promotion of the ongoing reform process at political, economic, judiciary and social level, infrastructure building, and cooperation in the energy sector'<sup>4</sup>.

The EU's 2007 Central Asia strategy states in glowing terms Kazakhstan has clearly taken the lead in terms of political, economic and social reforms and that its economic weight places it as 'a role model' for the other countries to follow.<sup>5</sup> While it rightly mentions 'several positive developments' in Kazakhstan such as the 2006 ratification of the UN Covenant on Civil and Political rights it does not mention the many problems outlined earlier in this series. Furthermore it implies that Kazakhstan

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<sup>2</sup> For reasons of brevity the paper does not address in any detail US engagement or Central Asian interregional collaboration

<sup>3</sup> European Directorate General Trade [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113406.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113406.pdf) (Accessed 23<sup>rd</sup> December 2010)

<sup>4</sup> European External Action Service, Kazakhstan, [http://www.eeas.europa.eu/kazakhstan/index\\_en.htm](http://www.eeas.europa.eu/kazakhstan/index_en.htm) (Accessed 28th October 2010)

<sup>5</sup> European Community Regional Strategy Paper for Assistance to Central Asia for the period 2007-2013 [http://eeas.europa.eu/central\\_asia/rsp/07\\_13\\_en.pdf](http://eeas.europa.eu/central_asia/rsp/07_13_en.pdf) (accessed 28th October 2010)

(and Kyrgyzstan) are to be considered electoral democracies as it states ‘the countries range along the spectrum of authoritarian regimes to electoral democracies, but are still far from being liberal democracies based on the rule of law and respect for human rights’, having previously noted Kazakhstan as the regions star performer. While Kazakhstan is indeed probably the best of a frankly inspiring bunch (trading some freedom for stability when compared to Kyrgyzstan) describing it as a role model is deeply misplaced in relation to political reform. Implying that Kazakhstan is an ‘electoral democracy’ is a major error, as while it does conduct elections it does not meet several of the conditions set out by Freedom House to qualify for that epithet. It does not have ‘a competitive, multiparty political system’, ‘significant public access of major political parties to the electorate through the media and through generally open political campaigning’ and has certain failings on ballot security and voter fraud.<sup>6</sup> Despite its somewhat rose-tinted overview the strategy contained several important initiatives from drugs to boarder control as well as a host of the EU-Rule of Law initiative Central Asia, lead by France and Germany and the Human Rights dialogue process, that has been welcomed by NGOs but could do with being more in depth and with clearer follow up mechanisms.

The Joint Progress Report on the implementation of the EU Central Asia Strategy in June 2010 made the welcome acknowledgement that Human Rights, Rule of Law and Democracy was one of the four key areas where efforts need to be ‘reinforced’<sup>7</sup>. Its refreshingly frank analysis is that progress has been slow and more needs to be done; however it does not make suggestions beyond deepening the human rights dialogue and rule of law initiative processes.

As for Britain, London has become one of the go-to destinations for Kazakhstanis looking for exile, for an opportunity to learn or to shop alongside well-heeled former compatriots from throughout the former Soviet Union. The UK is the second most popular destination for Kazakhstani students using the successful Bolashak scholarship scheme, and overall number of students studying in Britain topped 1,200 in 2008. As home to many of the extractive industry players competing for contracts in Kazakhstan, the UK has an important bridging role to play to Kazakhstan despite Germany and France being the official leads in the wider region. Furthermore Cathy Ashton’s position coordinating the EU’s approach to the region, despite the change of UK government, gives London a greater stake in the future direction of policy.

### **Reform to the PCA**

Talks are due to get underway in 2011, once the Commission receives signoff from the Council, about upgrading the current PCA into an enhanced agreement. The process aims to update the agreement to reflect Kazakhstan’s improved economic performance, the recent memorandum of understanding on Energy and cooperation in Justice & home affairs. While such an agreement would be seen as important for its symbolic value as a statement about EU confidence in Kazakhstan’s

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<sup>6</sup> Freedom House, Freedom in the World Methodology, [http://www.freedomhouse.org/template.cfm?page=351&ana\\_page=363&year=2010](http://www.freedomhouse.org/template.cfm?page=351&ana_page=363&year=2010) (accessed 28<sup>th</sup> October 2010)

<sup>7</sup> Joint Progress Report by the Council and the European Commission to the European Council on the implementation of the EU Central Asia Strategy <http://register.consilium.europa.eu/pdf/en/10/st11/st11402.en10.pdf> (accessed 28<sup>th</sup> October 2010)

performance and regional role, the EU hopes to make progress on a number of areas including statistics, judicial reform and the Bologna process of higher education cooperation.

This 'enhanced agreement' will not be as comprehensive as the Association Agreements being negotiated with the EU's partners in the South Caucasus and others covered by the European Neighbourhood Policy. While such reticence may be currently justified on grounds of Kazakhstan's human rights and other governance problems (albeit such concerns do not appear to be precluding talks with some other states) it should not be kept off the table for strategic or geographical reasons. The potential 'carrot' of a future EU-Kazakhstan Association agreement needs to be put on the table even though neither party may want or be able to make progress on this in the short to medium term. Even when able to work cohesively at EU level European leverage in Kazakhstan remains limited, particularly as there is not even the most remote possibility of membership being on the table. Nevertheless it should look to use all the tools available to incentivise progress on governance provided it is clearly tied to compliance, something conspicuously absent from the granting of the OSCE Chairmanship and given Kazakhstan's failure to fully comply with the human rights commitments made in Madrid. Therefore where possible, with the impact of the recent customs union and lack of progress towards WTO membership explained later, bi-laterally agreed trade incentives should also be considered as part of a conditional package to encourage reform.

While the original PCA contains in the agreement's general principles a short statement in favour of 'respect for democracy, principles of international law and human rights as defined in particular in the United Nations Charter, the Helsinki Final Act and the Charter of Paris for a New Europe, as well as the principles of market economy...' <sup>8</sup> it doesn't contain any specifically articles relating to human rights, democracy or governance in areas beyond broadly defined economic cooperation (includes environmental and cultural cooperation). Any new agreement must have far more detailed commitments on human rights and be supported by clearing benchmarks and monitoring, so that progress towards the goals can be measured. The negotiation process for the enhanced agreement should be used to extract concessions in these areas before a deal is agreed. In Soviet times the formulation was Kazakhstan *and* Central Asia, providing a historical basis for any future decoupling from the more challenging neighboring regimes that the EU may wish to pursue.

### **Council of Europe**

Kazakhstan's bid for observer status of the Council of Europe was rejected in 2009 on the grounds that it did not meet the organisation's human rights standards, offering instead a Partnership for Democracy that offers engagement and assistance to meet specific commitments prior to be offered full observer status. Given that the COE is primarily a human rights monitoring body the decision to reject is understandable, although the decision to apply suggests a lack of understanding on Kazakhstan's behalf about the nature of the organisation and the commitments required by engagement with it, a criticism that can be applied to its engagement in other international organisations.

### **Kazakhstan and Russia**

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<sup>8</sup> The European Union and the Republic of Kazakhstan Partnership and Cooperation Agreement, 1998, p5, [http://trade.ec.europa.eu/doclib/docs/2004/april/tradoc\\_116738.pdf](http://trade.ec.europa.eu/doclib/docs/2004/april/tradoc_116738.pdf) (accessed October 28<sup>th</sup>)

The early years of Kazakhstan's independence were marked by the clear desire to achieve economic and political autonomy from Moscow, and the relationship weathered some stormy waters. For example the fraught transfer from the rouble to the Tenge in 1993, which took place in the wake of the withdrawal of Soviet era currency and freeing of prices, was triggered by Russian demands that Kazakhstan hand over its gold reserves, even after Kazakhstan had offered extremely high levels of economic cooperation to continue as part of the rouble zone<sup>9</sup>. The fledgling Kazakhstani government was also extremely fearful that Kazakhstan's northern provinces, then with an ethnic Russian majority, might be absorbed into Russia<sup>10</sup>. Indeed the initial Kazakhification of Kazakhstani society that helped fuel emigration led to a sense of grievance amongst Kazakhstan's Russian minority that helped fuel calls in Russia from Russian nationalists including Vladimir Zhirinovskiy, born in Kazakhstan, for its reabsorption into Mother Russia. It is little wonder then that Kazakhstan developed the most sophisticated of all the multi-vector foreign policies adopted in Central Asia. However state-to-state relations weathered this transition and Russia pipeline infrastructure remained a major export route for Kazakhstan's hydrocarbons. Over recent years Russia and Kazakhstan have moved to strengthen their relationship on the more equal basis than in any previous period.

The Russia-Kazakhstan relationship is moderated through a large number of post Soviet institutions and newer multilateral arrangements. Both countries are members of the Soviet successor coordinating body the Commonwealth of Independent States and its partner organisation the Collective Security Treaty Organisation, which acts as a shadow to NATO. Security cooperation has included an anti-terrorist centre in Almaty and joint military exercises. Further Russia-Kazakhstan security cooperation is handled through the Shanghai Cooperation organisation incorporating China as discussed below. Although involving Russia, the SCO is predominantly Chinese-led therefore managing overlapping roles of the SCO and CSTO will be a growing challenge for both Russia and Kazakhstan, where the latter is keen to involve China but prevent partnership becoming overreliance.

### **Eurasian Economic Community, Customs Union and WTO membership**

In the economic sphere collaboration has centered around long-running attempts to create a customs union that would encompass Russia, Kazakhstan and Belarus amongst others. After initial attempts were made in the mid 90s the Eurasian Economic Community (EurAsEC) was formed in 2002, additionally incorporating Kyrgyzstan, Tajikistan and from 2005-2008 Uzbekistan. Breakthrough was finally achieved in July 2010 when Russia, Kazakhstan and Belarus signed into force a unified customs code and confirmed progress towards creating a single economic space by 2010. This move has been seen to have a security dimension as large as an economic impact as it underscores the strengthened cooperation between Astana and Moscow, and placing a check on Beijing's ambitions in the region. The move places a large bump in Kazakhstan's already rocky road towards WTO membership that began back in 1996. Despite public utterances of continued support for WTO membership, behind closed doors scepticism is rife that any progress will now be made in the near future.

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<sup>9</sup> Martha Brill Olcott, Kazakhstan: Unfulfilled Promise? Brookings Institution, Feb 2002, P133

<sup>10</sup> Sally Cummings, in Sally Cummings (ed) Oil, Transition and Security in Central Asia, 2003 Routledge Curzon Advances in Central Asian Studies (9780415310901), p28

## Kazakhstan's Relationship with China with Dr Feng Zhang<sup>11</sup>

Kazakhstan is far from alone in viewing increased Chinese diplomatic and economic engagement with a mix of optimism and trepidation. However the 1,533km<sup>12</sup> land border between the two countries and the population disparity (particularly in terms of density) create some specific opportunities and sensitivities. FPC Research Associate and former China Programme manager Dr Feng Zhang outlines some of the key elements of the relationship below:

Driven by their largely complementary economic and security interests, Kazakhstan's relationship with China developed steadily and smoothly since the country gained independence in 1991. With their formal diplomatic relationship established in January 1992, the two countries have exchanged several high-level visits by their heads of state. A treaty of good neighborliness, friendship and cooperation was signed in 2002. During Chinese president Hu Jintao's visit to Kazakhstan in July 2005, the relationship was elevated to the level of "strategic partnership," indicating the growing importance of Kazakhstan in China's overall diplomatic strategy. Economically, the total volume of bilateral trade between China and Kazakhstan reach almost \$14 billion in 2007, 36 times that of the trade volume in 1992 when the two countries first established diplomatic contact. China is now Kazakhstan's second largest trading partner, accounting for 17 percent of its total trade; meanwhile Kazakhstan has become China's second largest trading partner from the Commonwealth of Independent States (CIS) after Russia.<sup>13</sup> Geo-strategically, China and Kazakhstan are both members of the Shanghai Cooperation Organization (SCO), an institution of growing strategic and economic importance in Central Asia.

This section will analyze the steady development of Sino-Kazakh relationship in the post-Cold War period, focusing in particular on their economic ties driven by energy cooperation and security ties instituted through the SCO. Both Chinese and Kazakh perspectives will be taken into account when analyzing the major determinants of their relationship. Finally, the role of the SCO for both China and Kazakhstan's diplomatic and strategic aims in Central Asia will be briefly discussed.

Sharing a long border of 1,533 kilometers, China and Kazakhstan are each bound to find the other important to external relations in one way or another. As a major country in a strategically important region, Kazakh policy directly affects Central Asian politics. This region is a meeting point for diverse ethnicities and religions, and is a breeding ground for radical Islamism and terrorism. How Kazakhstan deals with these political, religious and security problems is of major concern to China and other Central Asian countries. Since its independence, and especially after 9/11 which initiated American military presence in Central Asia, Kazakhstan has largely followed a policy of "great power balance," seeking to enhance its overall interests in its relationships with Russia, the US, China, and other neighboring countries.

Kazakhstan actively promotes good relationship with China for three main reasons. First, a stable relationship with China is a prerequisite to its own border security. Second, the expanding Chinese economy is a major attraction, and Kazakhstan hopes to promote trade with China and attract

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<sup>12</sup> CIA World Factbook, Land Boundaries <https://www.cia.gov/library/publications/the-world-factbook/fields/2096.html>

<sup>13</sup> Zhang Yangzhi and Zheng Guofu, "An Empirical Research on Sino-Kazakh Economic Cooperation," *The Markets of Russia, Central Asia and East Europe*, 2009, Vol. 1, pp. 20-24.

Chinese investment in its own development. The Kazakh government has prioritised energy as its main economic drive, which has found a ready and enthusiastic reception on the Chinese side now that China has become the second largest oil importer in the world. And third, China's political and economic development provides a somewhat unique developmental model that Kazakhstan could exploit. If China's vicinity and growing power can be a source of concern, its economic success achieved with tight social and economic control makes it an interesting model for leaders previously belonging to the Soviet apparatus. In any case China could prove useful for Kazakhstan's own economic restructuring and reform.

On the Chinese side, relationship with Kazakhstan is important for at least three reasons. First, with border agreements reached with Russia and the other Central Asian republics, China's security environment in the northeast and northwest is at its best condition in two hundred years, providing an essential external environment for its national project of "Developing the West" (*Xibu da kaifa*). Good relations with Kazakhstan might also prove a useful counterpoise against American political and military infiltration into Central Asia. Second, Kazakhstan can also be an important economic partner, especially in energy cooperation. Third, the spread of radical Islamism, pan-Turkic nationalism and terrorism is a major concern for China, especially in light of growing ethnic tensions in China's northwestern Xinjiang province. Kazakhstan has a major role to play in containing these forces, and China is placing Kazakhstan in its international strategy in terms of its importance as a secular force against religious extremism as well as its importance for China's energy supply.<sup>14</sup>

China and Kazakhstan thus have much common interest and little overt competition or conflict. Shortly following Kazakhstan's independence, the two countries indicated a desire to pursue stable relations. A border agreement was signed in 1994 during the then Chinese Premier Li Peng's visit to Kazakhstan, thus effectively removing the biggest obstacle in their relationship. With a joint declaration of Sino-Kazakh strategic partnership signed in 2005, the relationship has entered into a new stage, with both sides recognizing the importance of the other in their respective political and economic development.

The most noteworthy aspect of this relationship is perhaps their energy cooperation. Kazakhstan has significant oil and gas reserves and abundant mineral resources. It currently ranks in the top 10 countries in oil and gas reserves. The oil sector currently accounts for nearly 30 percent of gross domestic product and 57 percent total annual export revenues.<sup>15</sup> China, on the other hand, has surpassed Japan to become the world's second largest oil importer in 2004. Between 2010 and 2020, China will have to rely on the world market for 43-55 percent of its oil consumption, accounting for more than 8% of the total world oil demand. At present, China's major oil importers are all located in the Middle East and Africa, regions that are unstable and often conflict prone. In addition to political risks, there are also transportation risks, as Chinese oil imports has to go through the Red Sea, the India Ocean, the Malacca Strait and the South China Sea.<sup>16</sup>

To enhance the security and reliability of its oil supply, the Chinese government is currently pursuing an oil-market diversification strategy in an attempt to reduce its dependence on volatile regions

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<sup>14</sup> Kang Zemin, "China's Strategic Partnership with Kazakhstan," in Zheng Yunling, ed., *China and Its Neighbors: Making New Partnership* (Beijing: Social Sciences Academic Press, 2008), pp. 347-60.

<sup>15</sup> Mark J. Kaiser and Allen G. Pulsipher, "A Review of the Oil and Gas Sector in Kazakhstan," *Energy Policy* 35 (2007), 1300-14.

<sup>16</sup> Zhang Junmin, "Studies on the Multivariate Safety Benefit of Oil Cooperation between China and Kazakhstan," *Journal of Shihezi University (Philosophy and Social Science)*, Vol. 22, No. 1 (Feb. 2008), pp. 45-68.

such as the Middle East. By virtue of its proximity and its vast reserves, Kazakhstan figures prominently in China's overall energy strategy. After a decade of cooperation, Kazakhstan has already become China's most important energy partner in Central Asia. In 1997, Beijing's state-owned China National Petroleum Corporation (CNPC) first acquired shares and development rights to 60 percent of Kazakhstan's Atyubinks oil field, and then outbid its American rival Amoco for the country's largest oil field at Uzen. Recently CNPC has also acquired PetroKazakhstan's operations at Kumpol and its interest in the Shymkent refinery in a \$4.2 billion buyout and is now the second largest producer in the country. An oil pipeline linking Central Kazakhstan and Western China was completed in 2005.

There is a high level of complementarity between the Chinese economy and the Kazakh economy. China needs Kazakhstan's energy and related products, while Kazakhstan needs China's light industrial products, foodstuffs and home appliances. But the two countries also share important security concerns, and this was initially how the Shanghai Cooperation Organization came into being. The origin of the SCO dates from the early 1990s when the aim was to set up a framework to facilitate the settlement of border issues between China and the Central Asian republics with the involvement of Russia. However, as cooperation within this framework grew, the scope of its agenda and ambitions were expanded: firstly, into the Shanghai Five mechanism, comprising China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan; and in 2001 into the Shanghai Cooperation Organization, comprising Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The focus of the SCO now covers security, economic, cultural and humanitarian collaboration between its members<sup>17</sup>.

Significantly, the formation of the SCO marked the first time that China became a member of a formal regional grouping that is not exclusively economic in orientation, and China took the lead and an active role in creating and shaping this multilateral organization. China is particularly concerned with the "three evils" of separatism, fundamentalism and terrorism that have major political and security implications for its ethnically diverse western provinces of Xinjiang and Tibet. In the context of fighting against the "three evils," China hopes that the SCO will bolster the territorial integrity, economic revival and secular nature of the poverty-stricken, politically authoritarian and ethnically diverse regimes in Central Asia that are struggling to curb rising sentiments of Pan-Turkic nationalism, Islamic extremism and terrorism in the region.

China pays particular attention to how Central Asians see the struggle for Xinjiang independence by its dominant Turkic-speaking Muslim Uighur nationality, for Central Asia is host to an Uighur diaspora estimated at about half-a-million, with 300,000 of them in Kazakhstan and 50,000 in Kyrgyzstan. A peaceful and stable Central Asia would not only make China's western borders more secure against men, weapons, funds and propaganda materials crossing into Xinjiang in aid of the separatists' cause for an independent state. It would also open doors for China's domestic economic "Developing the West" strategy by promoting trade and investment between Central Asia and western China.

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<sup>17</sup> For example In 2003 Kazakhstan hosted the first phase of SCO joint military exercises followed by the second on in China. In early 2006, the SCO formed an "energy working group" for the joint development of energy resources and regional oil and gas pipelines.

In short, the principal purpose of the SCO for China is to skew the political preferences of Central Asian governments towards friendship with China by means of economic development and security cooperation. Furthermore, for a country that shares a long 3,300 kilometer border with three Central Asian republics that are in many places mountainous and difficult to patrol, China's major concern for the region is to ensure its stability, so as better to guarantee the security and interests of its own troubled western frontiers.<sup>18</sup>

Kazakhstan shares China's concern with the "three evils," as it also confronts the problem of religious fundamentalism and terrorism. It thus perceives its membership as a guarantee of protection from the gains and activities of Islamic radical groups. But importantly, it also expects to derive real economic benefits from relations with China and from the SCO more generally. The Central Asian states feel that agreements signed with the SCO framework so far do not fully reflect their needs with regard to economic collaboration. Kazakhstan, Kyrgyzstan and Tajikistan want more in the way of trade and investment facilitation than China has been willing to agree to so far; they consider the scope of multilateral economic collaboration that China has been discussing to be too limited. It is certainly the case that interactions with the SCO are still largely confined to the political and security spheres, with economic collaboration lagging far behind.<sup>19</sup>

The challenge for Kazakhstan-China relations is to develop economic and political ties in such a way that maximises the potential financial benefits for Kazakhstan without its larger partner dominating it economically and politically, upsetting the diplomatic balance and distorting its economy. Over the longer-term, some Kazakhstani human rights activists fear<sup>20</sup> that Chinese investment and influence without political strings attached will crowd out Western voices that may at times raise concerns beyond the economic portfolio. However others caution that demographic concerns between populous and resource hungry China and sparsely populated Kazakhstan would lead to Kazakhstan's political elite moving to retain a balanced pattern of influence it has maintained till the present.

### **Turkey and the Islamic world**

Into the maelstrom of Soviet collapse and the struggle to create new national identities for Central Asian states existing independently for the first time came a big idea, pan-Turkism. Promoted vigorously by Turkish foundations and religious institutions, it was an appeal not only to the ties of language and a half imagined past of Turkic tribes on the steppe from Mongolia to the Bosphorus but also to facilitating a 'reawakening' of Islamic identity suppressed under the Soviet era<sup>21</sup>.

Although this entrepreneurial pan-Turkism floundered, at a state-to-state level dialogue has grown slowly over the last two decades. After summits of the heads of State of Turkic Speaking Countries dating back to 1992, Kazakhstan joined yet another new regional body in September 2010, the Cooperation Council of Turkic-speaking countries (CCTC)<sup>22</sup>, a proposal initiated by Nazerbayev in 2006. It forms part of gently growing bi-lateral relationship between Ankara and Astana in part due

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<sup>18</sup> Chien-peng Chung, "The Shanghai Co-operation Organization: China's Changing Influence in Central Asia," *The China Quarterly*, 2004.

<sup>19</sup> Hsiu-Ling Wu and Chien-Hsun Chen (2004), "The Prospects for Regional Economic Integration between China and the Five Central Asian Countries," *Europe-Asia Studies*, 56: 7, 1059-1080, at p. 1078. This concludes Dr Zhang's contribution.

<sup>20</sup> In private conversations with AH

<sup>21</sup> In fact unlike the historically settled communities elsewhere in Central Asia Islam wasn't an overwhelmingly important aspect of nomadic Kazakh life. Indeed, according to Bhavna Dave both the Tzarists and early period Soviet partially encouraged the spread of Islam to help facilitate settlement of these communities.

<sup>22</sup> <http://en.trend.az/regions/met/turkey/1751756.html>

to Turkey's more assertive (though not confrontational) and eastward looking foreign policy under Turkish Foreign Minister Davutoglu.

Despite the failure of Islamic 'revivalists' to achieve much headway in Kazakhstan, the country's Muslim identity has provided it with a further outlet to develop a global leadership role, showcasing the successes of its approach to the of Islam both through its Congress of World Religions, outlined in paper 1, and attempts to play the honest broker in a number of conflicts involving other Islamic countries. After its 2010 leadership role in the European sphere through the OSCE Chairmanship, 2011 provides President Nazarbaev to boost his religious credentials as Kazakhstan takes the Chairmanship of the Organisation of Islamic conference. Initial signs show that Kazakhstan wishes to use its position to play a bridging role, suggesting holding seminars across eastern Europe.

## Conclusions

Kazakhstan will continue to make its own way in the world, avoiding capture by any one competing power. The fundamental challenge for the West, and the EU in particular, is to retain a seat at the table from which they must politely but persistently advocate the cause of long-term political reform in addition to their own economic and strategic interests. This must be managed delicately to take advantage of the closing time window when Western technological comparative advantage and the Europe facing Soviet legacy gives it a foothold from which to promote governance reform and a long-term goal of encouraging a move from Nazarbayev's partially-enlightened Sultanism to a political system based upon informed consent. Russia and China do not have any such qualms provided that the country remains stable, posing a significant challenge to the EU and UK to provide the right mix of carrots and sticks to support this goal and to campaigners and decision makers to ensure these concerns are not knocked further down the agenda. Kazakhstan's continued desire to join further international cooperation bodies to add to the current acronym-fest will provide some future opportunities for leverage, but also highlights Astana's tendency not to appreciate the full implications of membership of such organisations.

During Kazakhstan's chairmanship of the OSCE its focus has clearly been to maximise the status provided by the role to strengthen the prestige of the country and the political elite to its domestic audience with a secondary priority of positive international publicity. These goals have largely been achieved and President Nazarabev's persistence ultimately delivered both the first OSCE summit for 11 years and a declaration at its conclusion. The chairmanship has been moderately successful in terms of achieving the security promotion goals it set for itself, and despite the Kazakhstan government's own shortcomings on human rights, it should be noted that they resisted Russian-led attempts to use the summit to neuter the work of ODIHR and other OSCE human rights-related work.

This paper makes a handful of recommendations for action by the international community that will also be incorporated into the upcoming Kazakhstan at a Crossroads pamphlet, drawing together all the findings from across this project:

- Consider Kazakhstan as part of the long-term development of the EU's Eastern Partnership. While membership is unlikely ever to be on the cards if the partnership can be developed to me more than simply *enlargement-lite* it could have real benefits for underpinning EU

engagement with Kazakhstan. The EU has recognised in the past that Kazakhstan wished to be part of the project and its exclusion makes limited political or strategic sense.

- Hold out the long-term possibility of an EU-Kazakhstan Association agreement if progress is made in key areas and explore creative ways to provide trade incentives.
- Look to expand and deepen EU-Kazakhstan human rights dialogue with greater civil society involvement and a clearer link between progress in this area and the provision of wider support and progress on the enhanced PCA.