

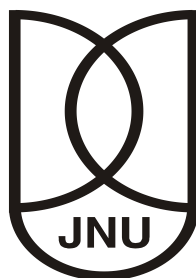
Kazakhstan-European Union Relations, 1991-2001

*Dissertation Submitted to Jawaharlal Nehru University in Partial Fulfillment of the
Requirement for the Award of the Degree of*

Master of Philosophy

Submitted by
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DECLARATION

I declare that the dissertation entitled "KAZAKHSTAN-EUROPEAN UNION RELATIONS, 1991-2001" submitted by me in partial fulfillment of the requirements of the Degree of **MASTER OF PHILOSOPHY** of Jawaharlal Nehru University, is my own work. This dissertation has not been previously submitted for the award of the any degree of this University or any other university

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CERTIFICATE

We recommend that this dissertation be placed before the examiners for evaluation.

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ABBREVIATIONS

List of Abbreviations and Acronyms

ADB	:	Asian Development Bank
BIT	:	Bilateral Investment Treaty
BOMCA	:	Border Management in Central Asia
CAEC	:	Central Asian Economic Community
CFSP	:	Common Foreign Security Policy
CAREN	:	Central Asia Research and Education Network
CoE	:	Council of Europe
CSTO	:	Collective Security Treaty Organization
CSCE	:	Conference on Security and Co-operation in Europe
CADAP	:	Central Asia Drug Action Programme
CO ₂	:	Carbon Dioxide
CH ₄	:	Methane
DANTE	:	Delivery of Advanced Network Technology to Europe
EMRA	:	Energy Market Regulatory Authority
ECT	:	Energy Charter Treaty ECT
Euratom	:	European Atomic Energy Community
EBRD	:	European Bank for Reconstruction and Development
EEC	:	European Economic Community
ENP	:	European Neighbourhood Policy
EU	:	European Union

EAPC	:	Euro-Atlantic Partnership Council
EP	:	European Parliament
EADRCC	:	Euro-Atlantic Disaster Response Coordination Centre
EUWI	:	European Union Water Initiative
FDI	:	Foreign Direct Investment
FEKA	:	Federation of European Kazakh Associations
GDP	:	Gross Domestic Product
GHG	:	Green House Gas
GWOT	:	Global War on Terrorism
IOM	:	International organisation for Migration
IPF	:	Investment Privatisation Funds
ICWC	:	Interstate Commission for Water Coordination
ICAS	:	Interstate Council for the Aral Sea
ICFS	:	International Fund for Saving the Aral Sea
IAEA	:	International Atomic Energy Agency
IMF	:	International Monetary Fund
KBTIC	:	Kazakh-British Trade and Industry Council
KKCT	:	Kazakhstan Caspian system of transportation
MDG	:	Millennium Development Goal
NATO	:	North Atlantic Treaty Organisation
NFZ	:	Nuclear Free Zone
NBK	:	National Bank of Kazakhstan
N ₂ O	:	Nitrous Oxide
NACC	:	North Atlantic Cooperation Council
OIC	:	Organisation for Islamic Conference

OECD	:	Organisation for Economic Cooperation
OSCE	:	Conference on Security and Cooperation in Europe
OECD	:	Organization for Economic Co-operation and Development
ODHIR	:	Office for Democratic Institutions and Human Rights
OEEC	:	Organization for European Economic Cooperation
PMI-K	:	Philip Morris International-Kazakhstan
PCA	:	Partnership and Cooperation Agreements
PfP	:	Partnership for Peace
PACE	:	Parliament Assembly of Council of Europe
RATS	:	Regional Anti-Terrorist Structure
SCO	:	Shanghai Cooperation Organisation
SSR	:	Security Sector Reform
SEZ	:	Special Economic Zone
TACIS	:	Technical Assistance to the Commonwealth of Independent State
TRACECA	:	Transport Corridor Europe-Caucasus-Central Asia
USSR	:	Union of Soviet Socialist Republics
UN	:	United Nations
UNCTAD	:	United Nations Conference on Trade and Development
UNODC	:	<i>United Nations Office on Drugs and Crime</i> (UNODC)
WKA	:	World Kazakh Association
WTO	:	World Trade Organisation
WMD	:	Weapon of Mass Destructions

Preface

Kazakhstan's relations with European Union (EU) have been one of the major components of Kazakhstan's foreign policy, which is determined by the EU's international role in the modern world and particularly in Central Asia. Kazakhstan and European Union have become extended neighbours following the disintegration of Soviet Union and independence of the Republic of Kazakhstan. The EU has widened the scope of its Common Foreign Security Policy (CFSP) towards the post-Soviet realm and extended its policies towards the Central Asian states: Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan and Tajikistan. The framework of the EU relations with Central Asia is bilateral partnership and multilateral.

Kazakhstan and European Union are the economically and politically strong significant partners in the global politics of Central Asia. European Union has strong interest in peaceful, democratic and economically prosperous Kazakhstan and is cooperating through implementation of various agreements, EU assistance program and other initiatives taken by the EU to support the reforms in Kazakhstan. Since 1991, the Partnership and Cooperation Agreements (PCA) have formed the legal basis of bilateral relations between the European Union and Kazakhstan.

Kazakhstan's bilateral relations with members of the European Union is based on the framework of agreements, the most important being the Partnership and Cooperation Agreement (PCA) which was signed in January 1995 and activated in January 1999. It establishes the legal foundation of multilateral political, economic and cultural-humanitarian cooperation between Kazakhstan and states of European Union. The initial phase (1992-1995) of Kazakhstan's relations with EU witnessed establishment of official political contacts and formation of legislative and institutional basis for interstate relations between them.

Since the European Union is not a state but the club of states of Europe, it is an effective multilateral international institution after the United Nations (UN). Strengthening relationship with the European Union has been one of the priorities of Kazakh diplomacy. In addition, the EU is an important trade and economic partner for Kazakhstan and a

major investor in its economy. Western European countries have rich experience in legislative and scientific and technical development, which is of particular interest to Kazakhstan. Kazakhstan has also concluded several bilateral agreements for political, economic and cultural cooperation with France, Germany, Italy, Sweden, Spain and others. New threats, risks and challenges to the European and global security have given new opportunities to engage themselves in Kazakhstan as well as in Central Asia. Nuclear deterrence, nuclear stockpiles and potential threats and risks in the Central Asia are the main factors for cooperation between Kazakhstan, European Union and Western countries and vice versa.

Two powerful nations - Britain and Germany have already engaged bilaterally with Kazakhstan. EU assistance to Kazakhstan goes to health care, social welfare, scientific research, market reforms and liberalisation of economy. Main objectives of European Union in Kazakhstan are security, democracy, energy resources, development, promotion of good governance and democracy. Organization for Security and Cooperation in Europe (OSCE) and North Atlantic Treaty Organization (NATO) have been playing the significant role in Kazakhstan and Central Asia in the post Cold war period.

Under President Nursultan Nazarbayev, who has been the President of Kazakhstan since independence, has followed a multi-vector foreign policy that seeks to maintain good relations with the European Union, the United States, Russia, China, Japan, India as well as other countries. This foreign policy strategy aims at preventing unconventional threats and challenges like international terrorism, religious extremism, drug trafficking and illegal migration posed by Afghanistan and other countries bordering the region. The priority of this multi-vector foreign policy is to have strategic cooperation with Russia and China, constructive and comprehensive relations with the European Union countries and USA.

European diaspora in Kazakhstan as well as the Kazakh diaspora in European states plays important role in the development of this cooperation. The Germany-Kazakhstan partnership is conceived both by Berlin and Astana as a long-term one and is based on old and indirect historical links that are related to the German diaspora in Kazakhstan

(about one million Germans lived in Kazakhstan, although today their number has declined to about 200,000 due to their outmigration). During the 1990s, most of this Diaspora returned to settle in Germany and in doing so some of its participants turned into economic middlemen seeking to develop bilateral trade relations. In terms of Germany's trade with CIS countries, Kazakhstan holds third position after Russia and the Ukraine. Kazakhstan is second after Russia in its imports and has fourth position in exports after Russia, Ukraine and Belarus from Germany.

This study research seeks to examine the bilateral comprehensive and strategic relationship between Kazakhstan and European Union, which has been important for the promotion of democracy and market economy.

This Dissertation has six chapters. First, introduction chapter explains the determinants of Kazakhstan's foreign policy and dynamics of its European vector. Second chapter examines the political and diplomatic relations between Kazakhstan and the European Union since the independence of Republic of Kazakhstan, besides discussing the extent and pattern of bilateral treaties, agreements etc. Third chapter analyzes Kazakhstan's transition towards a market economy, particularly private sector development and foreign trade and investment. It also analyzes Kazakhstan's multilateral economic cooperation with the European Union and also its energy related projects. Fourth chapter reviews and analyzes military aspects in the European Union's European Security and Defence Policy (ESDP), NATO Partnership for Peace programme and OSCE monitoring presence and cooperation with Kazakhstan. It discusses Kazakhstan's defence and security policy and its implications for European Union. Fifth chapter examines the presence of Europeans (Germans, Russians, and Ukrainians etc) and their contributions in Kazakhstan. It also analyzes their situation following the disintegration of USSR and their out migration to Germany, Russia, Ukraine etc. and its implications for Kazakhstan. The last concluding chapter sums up of the main conclusions of this study.

The whole study primarily based on official Kazakhstan, NATO, OSCE and European Union sources, including declarations, speeches and documents related to the development of the EU's Policy towards Central Asia. The secondary sources include scholarly analyses, research journals, books, articles and media reports.

MAP OF KAZAKHSTAN



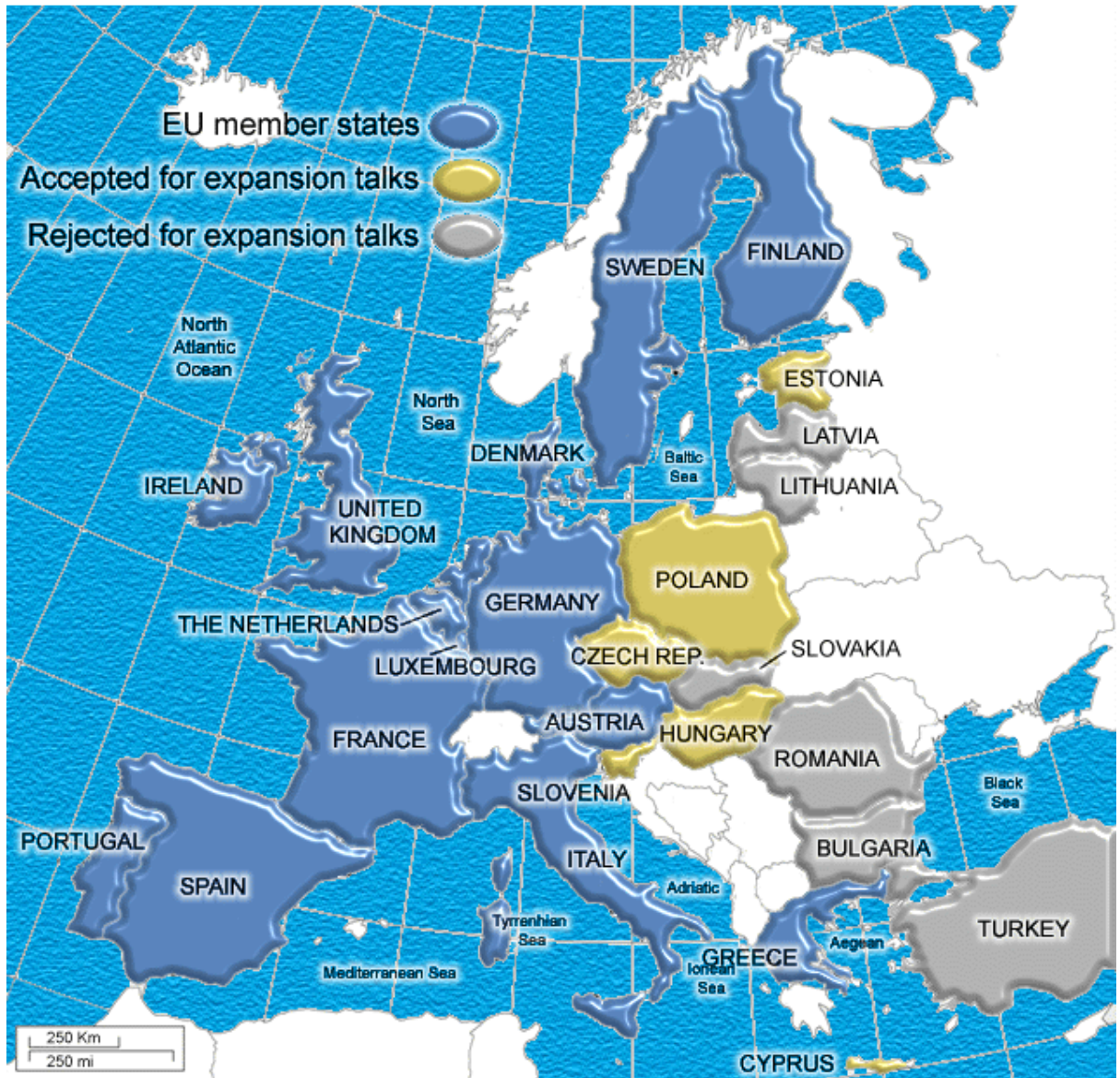
MAP OF CENTRAL ASIA



CENTRAL ASIA, CIS AND EUROPE



EUROPEAN UNION MEMBER STATES



Chapter: 1

Introduction

1.1. Foreign Policy of Kazakhstan:

The Republic of Kazakhstan is situated in Central Asia and is the second largest among CIS republics. It is situated at the crossroads of the Asian and European continents, lying between the 45th and 87th degrees of longitude east and between the 40th and 55th degrees of latitude north. Kazakhstan occupies the territory of 2,399,000 km² and is located to the east of the Caspian Sea and the Volga's plains of to the mountainous Altay, from the foothills of the Tien-Shan¹ in the south and south-east to the west-Siberian lowlands in the North. Kazakhstan borders at the east, north and north-east with Russia (length of the borders is 6,477 km), at the south with countries of Central Asia - Uzbekistan (2,300 km), Kyrgyzstan (980 km) and Turkmenistan (380 km), at the south- east with China (1,460 km). Kazakhstan is the ninth largest and also largest landlocked country in the world after Russia, China, USA, Argentina Brazil, Canada, India and Australia, its size equally to the Western Europe. Its area is five times the size of France. A small part of Kazakhstan's territory lies west of the Ural River² in continental Europe.

Kazakhstan which emerged as sovereign independent republic after the disintegration of Soviet Union since 1991, it is the fast growing emerging wealthier state of the Central Asian Republics. President Nursultan Nazarbayev has been ruling Kazakhstan unchallenged since the 1980s, when it was still part of the Soviet Union. Kazakhstan has developed its unique model of multi-vector foreign policy since Independence in the era of Globalisation. Kazakhstan has followed the model of liberal democracy and market economy after collapse of political and economic model of Soviet Union. It is playing significant role in the international relations of global politics of multi-polar world. Kazakhstan is wedged between the two superpowers and nuclear power - Russia and China. It was a first non- Slavic state which possessed the nuclear weapons and unconventional arms of Soviet Union. But Kazakhstan followed the path of nuclear non-proliferation and disarmament for its security and safer world. It is a powerful political and economical frontline state of Central Asia. Kazakhstan follows more constructive and pragmatic way to maintain friendly relations with neighbours and major powers of world politics.

¹ Great mountain system of Central Asia.

² The Ural is partially a Kazakhstan river that has a great significance to the country. Together with the Ural Mountains, the river is considered to be the traditional boundary between Europe and Asia.

The leadership of Kazakhstan took some fundamental decisions concerning the political and economic foundations of the state in early years of independence. Kazakhstan moved towards liberal democracy, market economy and a foreign policy that envisaged ties not just with Russia and the CIS countries, but also with Europe, the United States, China, India, the Middle East and others. Kazakhstan was accepted as a member of the United Nations Organization in March 1992. Multi-vector foreign policy of the country was directed to ensure national interest by forging close relationship with EU, Russia, China, USA UK, France etc. Kazakhstan's concern over some strategic challenges and its foreign policy were formulated its national security concept that are mentioned in various documents such as the Law on 'National security' (1998), strategy 'Kazakhstan 2030' (1997), 'strategic plan of development of the Republic of Kazakhstan 2012' (1998).

Kazakhstan's foreign policy has guided by the principles of Helsinki Declaration Final Act 1975³ - sovereign equality of all states, non use of force or threat by force, inviolability of borders, territorial integrity of the state, peaceful resolution of the disputes, non interference in the domestic affairs of others, respect for human rights, equality and rights of the nations to decide their destiny, cooperation between the states and lastly, the diligent performance of obligation in accordance with international law. On the basis of above principles, Kazakhstan established military, defence, trade and economic relations with other countries (Sultanov 2001:1).

Primary concern of European Union about Kazakhstan and Central Asia has become the part of greater game of geopolitical competition of political influence and natural resources, which poses major challenges to both its values and interests. Kazakhstan's relations with European Union (EU) have been one of the major components of Kazakhstan's multi-vector foreign policy. This relation is determined by the EU's international role in world politics and particularly in Central Asia in the new international order of globalisation. Kazakhstan and European Union have become extended neighbours following the disintegration of Soviet Union and independence of the Republic of Kazakhstan. The EU has widened the scope of its

³ Helsinki final Act was signed as a politically binding agreement by 35 States at the Helsinki Summit in 1975. The final Act covers issue related to security in Europe, second concerns cooperation in the field of economics, science, technology and environment and third involves cooperation in the humanitarian sector and in other fields such as culture and education.

Common Foreign Security Policy (CFSP) towards the post-Soviet realm and extended its policies towards the Central Asian states: Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan and Tajikistan. EU's relations with Central Asian states have been developing under bilateral partnership and multilateral framework in the 21st century.

European community became European Union (EU) in the Post-Cold war era of international politics. EU became the axis of cooperation with Central Asia and Kazakhstan during the period 1991-2001 and is still continuing comprehensive and strategic cooperation with former Soviet Republics. European Union has presented itself as 'Normative Power'⁴ in global affairs particularly in Central Asia (Steve Wood, 2009)⁵.

EU is pursuing its strategy with multilateral diplomacy (diplomacy, democracy, military, financial and technical assistance) with Kazakhstan in Central Asia. The European Union and its states seek to enhance its relations with Kazakhstan across a wide spectrum of energy, security, defence, environment, climate change, nuclear non-proliferation policy, trade, transport, technology, trafficking, terrorism, education, culture, democracy, human rights, empowerment of civil society, media, challenges of Millennium Development Goals (MDG)⁶.

Kazakhstan is a dynamic state of Eurasia which has transformed socially, politically and economically into a modern state of world community. The fundamental concepts of neo realism argue that

- The state is primary actor in international politics,
- State seeks more power and calculates its interest in terms of power.

⁴ Power describes the ability of an agent to act in some way. while notion of normative power adopted is a combination of legal power, physical power and norms in system through exercise power over those norms.

⁵ Steve Wood(2009),The European Union: A Normal or Normative Power? European foreign Affairs Review ,pp 113-128.

⁶ Millennium Development Goals (MDG) stem from the Millennium Declaration, which was signed by 191 states, including Kazakhstan, and captures the common aspiration of all nations to build a better and safer place for the twenty-first century. The MDGs are set of clear, numerical targets with assigned indicators to which the international community has subscribed - by 2015 to halve poverty, reduce child and maternal mortality, expand educational opportunities for all, promote gender equality, halt the spread of HIV/AIDS and other major diseases, and improve the environment.

Geographical nature, historical heritage, ethnic and religious composition of Kazakhstan's society, the dynamics of geo-politics and geo-economic interests are the determinants of its foreign policy. Kazakhstan is emerging as dynamic, developing; market oriented, multi-ethnic and secular state in global politics. Kazakhstan's extensive energy resources and position between Europe and Asia make it a key player both in global energy markets and regional power relations.

1.1.1 Role of President and Parliament in Foreign Policy Approach:

President Nursultan Nazarbayev is the main architect of Kazakhstan's foreign policy. President Nazarbayev has been successful in pioneering the multi-vector approach to foreign policy of Kazakhstan. Kazakhstan has achieved friendly relations with both regional and global powers such as European Union, Russia, the United States and China. President Nazarbayev believes that Kazakhstan should be the bridge between Europe and Asia due to its geographical location and would like to build mutual beneficial relations with major powers of the world (Nazarbayev, 1991).

Kazakhstan is an important dynamic power in Central Asia by virtue of its geographic location, large territory, vast natural resources and economic growth. Main objective of Kazakhstan's foreign policy is to create and maintain favourable conditions for steady development of Kazakhstan based on political and economic reforms. The nature of these reforms determines the nation's foreign policy priorities, impartiality, and a desire to be fully involved in both international and regional events. He has been re-elected President of Kazakhstan several times and was proclaimed the "Leader of the Nation" with lifetime ruling responsibilities and privileges in June 2010. Nazarbayev has been trying to create a 'Eurasian' sense of Kazakhstan.

The process of building up national statehood led to the establishment of a presidential unitary republic heavily dominated by the executive branch of state power. The president controls authority over the legislature and judiciary, as well as regional and local governments. Any changes or amendments of the Constitution require presidential consent. President Nursultan Nazarbayev has been in office since 1989. Nursultan Nazarbayev, who was former First Secretary of the Communist Party before becoming President of independent Kazakhstan, recently celebrated 20

years as the head of the country. He was the first elected President by the Supreme Soviet of Kazakhstan in 1991 and was confirmed in his function by a referendum organized the same year. President's term was extended to the year 2000 by another national referendum in April 1995. He was later elected for a seven-year term as head of state in January 1999. Constitution is the foundation of the legal framework for the multi-vector approach of the foreign policy of Kazakhstan. The functional and legal aspects of the foreign policy of Kazakhstan are enshrined in the constitution of the Republic of Kazakhstan, 1995. The article 4 of the constitution states that the international treaties and commitments of the Republic shall be the functioning law of the constitution. It also explains that the international treaties ratified by the Republic shall have priority over its laws and be directly implemented except in the cases when the application of an international treaty requires the promulgation of a law.

The constitution of 1995 not only gives details of implementation of foreign policy decisions but also about the institutions and officials responsible for their implementation. Article 40.1 states that President of the Republic of Kazakhstan shall be head of the state, its highest official determining the main directions of the domestic and foreign policy of the state and representing Kazakhstan within the country and in international relations. Article 44.11 states that the President conducts negotiations and signs international treaties, ratification of instrument, receives letters of credentials and recall of diplomatic and others representatives of foreign states accredited to him. The President is assisted by his administrative office in carrying out his foreign policy activities. According to Article 44.20 the President forms the security council of the Republic, which is a consultative advisory organ preparing proposals and conceptual documents regarding national security, defence capability etc. maintenance of state sovereignty, territorial integrity and maintenance of social and political stability in the country and protection of the constitutional rights of its citizens. The role of the government regarding the formulation of foreign policy of the Republic is also mentioned in the constitution. Article 66.5 of the constitution states that the government shall develop measures for the conduct of the foreign policy of Republic. The role of the Constitutional Council is also important in the process of formulation of foreign policy concerns. It is the highest judicial organ which examines every matter including those of an international nature. Article 74.1 of the constitution states that laws and international treaties recognised, not to be in

compliance with the constitution of the Republic may not be signed or, accordingly, ratified and brought into effect. Hence, Constitutional Council examines the constitutional compliance of the acts signed by the President and adopted by Parliament (Constitution of Republic of Kazakhstan, 1995).

Kazakhstan's parliament has the authority in the decision making process of multi-vector foreign policy. There are several provisions which have given authority to check and balance through the parliament. Article 53 of Kazakhstan constitution states that parliament can call a joint session of Senate and Majlis, decide issues of war and peace and adopt decisions concerning the use of armed forces of the Republic to full-fill international obligations in support of peace and security on behalf of the President of the Republic. Article 54 states that Parliament can address at separate sessions of the chambers, through consecutive consideration of issues first in Majlis and then in the Senate. Parliament shall established diplomatic ranks of the Republic and decides the issues of state loans and rendering of economic and other assistance by the Republic, ratify and announces International treaties of the Republic. Multi-vector foreign policy of Kazakhstan can be categorised into three distinct phases (Sultanov 2001:2-4):

- First phase, 1991-95,
- Second phase, 1995-2000,
- Third phase, Post September 2001(9/11 terror attacks in USA)

President Nursultan Nazarbayev believes that multi-vector foreign policy means “development of friendly and predictable relations with multi-polar world to play a significant role in global politics and represent pragmatic interest of Kazakhstan.” Foreign policy of Kazakhstan aims to maintain balance among great powers and to ensure regime security. Kazakhstan's Foreign Minister Kasymzhomart Tokayev justified Kazakhstan's “balanced and multi-dimensional policy” as “an objective necessity.” The first major document of republic of Kazakhstan “the strategic Establishment and development of Kazakhstan as sovereign state”, produced in 1992-stressed the importance of joining the international community by creating a partnership with the three major centres of market system, the United States, Japan, and Western Europe. Kazakhstan's bilateral relations with members of European

Union have been based on the foundation of multilateral political, economic and cultural-humanitarian cooperation.

Kazakhstan has been granted membership in international organizations of International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the Organization of Islamic Conference (OIC), and the Organization for Economic Cooperation (OEC), which unites Afghanistan, Azerbaijan and Central Asian countries, Iran, Pakistan and Turkey. Kazakhstan concluded an agreement on technical co-operation with the European Union (EU), which posted a representative of its own in Almaty in 1992. Kazakhstan joined the NATO “Partnership for Peace (PfP)” Program in 1995.

1.2. Determinants of Foreign Policy:

The foreign policy of any country influenced by its pattern of domestic politics, society and economy (Tokae 2002). Major determinants of foreign Policy of Kazakhstan are geography, ethnicity, religion, culture, economy, energy etc., which are determining Kazakhstan’s identity in world politics. Regime security and balance between great powers is the basic aim of Kazakh foreign policy. It also aims to counter balance the Russian and Chinese influence through its multi-vector foreign policy.

Geopolitics is a part of political geography which deals with international relations, international conflicts and foreign policies. As Braden and Shelley suggest geopolitics predicts that geographical conditions (distribution of natural and human resources, distance, direction, location) have an influence on international relations. This is clearly proving the relation of international relations with geopolitics. Kazakhstan’s foreign policy is the best example of the role of this factor. Kazakhstan is located in Central Asia whose western part is classified as a part of Europe. It stretched Kazakhstan onto the two continents - Asia and Europe. However Kazakhstan’s history and culture is more connected with Asia.

Two superpowers were influencing the international order during the cold war, but world has moved towards multi-polarity after the collapse of Soviet Union in 1991. Kazakhstan emerged as independent sovereign republic, ready to determine its

foreign policy agenda and international relations in the era of globalisation. Some international scholars argue that new cold war has been emerging over untapped resources in Kazakhstan and Central Asia. Kazakhstan is the state of huge natural and strategic resources specially uranium, oil, gas and minerals. Economic globalisation has imported upon Kazakhstan's foreign policy in international order. Therefore, its geopolitical position, political geography, geo-economics, energy resources are the main factors, determining its foreign policy with due concern of national interests of Kazakhstan.

Pearson lists following the factors, which are important for foreign policy of the state;

- System factors with its other components: geography, international relations and structure of international system.
- National attributes along with demography, economy, military and governmental conditions. Role of the national representatives on foreign policy of the state is part of idiocentric factors (Pearson, F.S,1992).

According to MacKinder, Kazakh territory belongs to 'pivot region' and first idea of Kazakhstan in connection with Wallerstein's world economy is the presumption that Kazakhstan belongs to economical periphery⁷.

One can analyse the approach of Immanuel Wallerstein about world system economy and its relation to Kazakhstan's foreign economic policy. Wallerstein recognises only one economic system i.e. world-economy. But during history, there have been few economic systems, which have been substituted by the global world economy. According to Wallerstein the world-economy has three key descriptive elements.

- A single world market
- A multiple state system
- A three-tier structure

⁷ H.J. Mackindr (1904),The Geographical Pivot of History,The Geographical journal.

A single capitalist market is determining the quantity, type and location of production. A multiple state-system is a safety tool against dominance in the system, since the states are controlling each other without hegemonic control. Multiple-state system is also an important feature in our “one state” analysis of Kazakhstan. The third concept of a three-tier structure is the key in Wallerstein’s vision (Taylor, J.P, Flint, 2000).

According to President Nursultan Nazarbayev, Kazakhstan could become in the near future one of the “50 most competitive, dynamically developing countries in the world”. He is convinced that Kazakhstan would be able to take advantage of the favourable geopolitical position of the state located between Russia and EU and also its energy resources.

The main objectives of foreign policy of Kazakhstan as listed below;

- To protect the national interests along with regional and global developments
- To follow the model of liberal democracy and market economy to connect with regional and world economy.
- To enhance the comprehensive and strategic cooperation with Great powers and maintains friendly relations with neighbours.
- To promote comprehensive cooperation with International Organisations.
- To play significant role in the regional and global security with cooperation of Great powers to counter the Non-traditional security threats of region.
- To follow the principle of Kazakhstan Strategy - 2030 for inclusive and exclusive growth (Kazakhstan embassy, Washington, 2012)

1.3. Defence and Security Policy:

The collapse of the Soviet Union in 1991 completely changed the security environment of the world and also of Central Asia. Kazakhstan has been successful in developing its own unique model of multi-vector foreign policy in the framework of international relations in world politics. President Nursultan Nazarbayev adopted tactically ambitious strategy in defence and military relations due to several legal, historical and political reasons. Kazakhstan’s defence -military relations have been based on the pragmatic approach, national interest, security and strategic concerns

over Kazakhstan and Central Asia. Kazakhstan has common borders with China (in the East) and Russia (in the North). It is located near Afghanistan, India and Pakistan (in the south) and also shares the Caspian Sea with Iran (in the west). Central Asia and its neighbouring countries in the south, west and east cover half of the world's territory, half of the world's population and half of the world's nuclear power. Kazakhstan with its growing economy and natural resources is situated right in the middle of the region, in the centre of this circle of instability. The religious extremism in surrounding region has centres of weapons proliferation, drug trafficking and radical anti-American and anti-Western terrorism. The importance of supporting security development in Kazakhstan and Central Asia has been underlined in much of the recent literature (H. Plater-Zybek, 2002).

Kazakhstan adopted a pragmatic security policy concerned with of regional security threats and the global war on terrorism. Kazakhstan prepared its military doctrine, which was adopted in 1993 and 2000. The main objectives of this doctrine are the reforms in defence strengthen the military power of the country, comprehensive military and defence cooperation with great powers and develop the reliable and professional armed forces. Since 1991 Kazakhstan has been restructuring its forces into three branches, i.e.: ground, air and naval. Kazakhstan got membership and a seat in the United Nations, membership in the fifty-two-member Organization on Security and Cooperation in Europe (OSCE), and a seat on the NATO coordinating council just after independence (Olcott, 1995: 283).

Several scholars opine that Russian factor plays and will continue to play an important role in Kazakhstan's security developments. After the September 11 events Kazakhstan started building better-equipped, mobile armed forces and conducting military reform with the support of EU and USA. The increased levels of U.S. military aid and cooperation have added to these factors. Astana wishes to benefit from these developments, enhancing its anti-terrorist capabilities and securing new military hardware, regardless of its source. Allison Roy and Lena Johnson argue that the growing role of the United States and China in the region reduced the traditional role of Russia in this sphere. This will reduce the influence of Russia on Kazakhstan's foreign policy.

Bilateral treaties and coordination efforts between Kazakhstan and Uzbekistan in 1992 were enlarged with the formation of a trilateral grouping (Kazakhstan, Uzbekistan and Kyrgyzstan) by including Kyrgyzstan in February 1994, which resolved to address, among other matters, water sharing, combating drug trafficking and military cooperation. The three states formally created a Central Asian Economic Community (CAEC), and started working on mutual security formations. As a result, a Central Asian Peacekeeping Battalion (CENTRASBAT) was formed, which is viewed as the success of U.S. policy in the region being focused on strengthening cooperation between the central Asian countries. Oliver Roy argues that “Russia and the United States are the only powers that wish or are able to develop policy towards Central Asia from a broad strategic perspective, which carries the risk of generating alternative regional alignments.” (Oliver Roy, 2000)

China is also a power that influences security policy in the region. From a strategic point of view, up till 1996 Moscow was able to maintain its presence in territorial and military terms. Since 1994, Russia has tried to specify agreements on frontiers guards and military integration. Kazakhstan, Russia and several CIS countries signed a Collective Security Treaty in 1992. In addition, Kazakhstan and Russia concluded a bilateral agreement on joint defence. Simultaneously, Kazakhstan started developing relations in the military area with the United States, Turkey, China, Germany and France. Kazakhstan sent its first Defence Attaches to China, Russian Federation, Turkey and the United States of America in 1994-1995. In 1994, Kazakhstan joined Partnership for Peace program in the framework of its cooperation with NATO. Foreign assistance and development relations with the main actors in the region in the area of security have had a substantial impact on Kazakhstan’s views in building and structuring its armed forces. Kazakhstan received some \$400 million from Washington in 1995. Though Nazarbayev banned further nuclear tests, he continues to rent the Baikonur launch site to Russia. However, nuclear weapon possession was not the only factor motivating Western interest in Kazakhstan that time. The United States began to propose Security Assistance programs in 1994, starting with International Military Education and Training (IMET)⁸ program. At the same time, Turkey and Germany suggested training for Kazakhstani officers in their

⁸ The International Military Education and Training (IMET) program is an instrument of U.S. national security and foreign policy and a key component of U.S. security assistance that provides training and education on a grant basis to students from allied and friendly nations.

countries. The European states and United States have tried to influence the development of Kazakhstan's policy in the area of security since its independence, promising general economic aid and specifically to pay the cost of dismantling the missiles. Nazarbayev skilfully used the issue to build up a solid relationship with the United States and NATO countries and to extract the maximum financial benefit for Kazakhstan.

1.4. Nuclear Non -Proliferation and Disarmament Policy:

Geographical and political map of Central Asia changed after the collapse of Union of Socialist Soviet Republics (USSR) in the twentieth century. Kazakhstan possessed nuclear weapons of erstwhile Soviet Union, before its independence in 1991. Kazakhstan's non-proliferation policy was a milestone in its comprehensive partnership with EU and USA. The core of Soviet nuclear arsenal, including facilities for design and production of nuclear weapons as well as those for plutonium production and uranium enrichment, were located in Kazakhstan. Kazakhstan was the fourth nuclear power after the collapse of the Soviet Union. This fact attracted attention of the West because Kazakhstan held 104 Soviet era SS-19 ballistic missiles with more than a thousand warheads, along with testing sites at Baikonur and Semipalatinsk. Kazakhstan accepted the Non-Proliferation Treaty's terms and the liquidation of nuclear weapons in its territory in 1991.

Kazakhstan's nuclear weapons and other WMDs posed security threat to the regional and global security. From the early days of independence, Kazakh leaders especially Nursultan Nazarbyev took a very public and very vocal stand against nuclear weapons. Nursultan's perspective on nuclear weapons was the main determinant in Kazakhstan's nuclear policy. Kazakhstan's nuclear policy was also influenced by Kazakhstan's international security condition as well as by domestic variables such as the vagaries of political change after the declared independence. Kazakhstan has been champion of disarmament and non-proliferation of WMDs in Central Asia, as is defined by country's foreign policy, the basis of which is adherence to consolidation of international security, development of the cooperation

among the states, to increase the role of international organizations in the settlement of global problems and conflicts (Nursultan Nazarbayev, 2001)⁹.

Kazakhstan was the first former Soviet Republic to reject its nuclear arsenal. It closed the largest nuclear weapons test site at Semipalatinsk and spearheaded regional denuclearization. Kazakh leaders made major progress in downgrading nearly all of the country's highly enriched uranium, thus lessening the opportunities for such material to fall into the hands of hostile governments or terrorist groups. Astana's non-proliferation initiatives have earned praise from a number of international leaders. With impetus from Kazakhstan, Central Asian states have agreed to coordinate their non-proliferation and export control policies, especially to prevent the smuggling of WMDs and related materials from the former Soviet Union. Despite differences in other areas, Russia and the United States have cooperated with Kazakhstan and other former Soviet republics and OSCE members to promote the non-proliferation goals. The evolving nature of Kazakhstan's nuclear policy from a passive to an active stage lies at the root of this process. This change would have been impossible without the creation of the legal basis provided by the ratification of the Non-Proliferation Treaty (NPT), as well as without the greater experience the country has gained in international politics and economics (Murat Laumulin, 1995).

Kazakhstan is a natural ally of EU and United States on non-proliferation. Through the Nunn-Lugar Cooperative Threat Reduction program (CTR)¹⁰, U.S.-Kazakhstan cooperation has ensured that WMD-related materials and technical knowledge would not fall into terrorist hands. President Nursultan Nazarbayev signed the law on 2 June 2009 extending the U.S.-Kazakhstan bilateral Cooperative Threat Reduction agreement for an additional seven years, allowing these programs and projects to continue uninterrupted. Kazakhstan plans to establish fuel bank, as it is a major player in the international uranium market. The country has enormous stocks of natural uranium (approximately one-fifth of the world's proven reserves) and is set to become the largest national producer of uranium, and exporter of uranium to many countries. The Kazakh government's longstanding "multi-vector" policy of

⁹ Epicenter of Peace(2001),puritan press,Hollis

¹⁰ The Cooperative Threat Reduction (CTR) Program (known as Nunn-Lugar based on a 1992 U.S law sponsored by Senators Sam Nunn and Richard Lugar) is an initiative housed within the Defence Threat Reduction Agency (DTRA). U.S Congress passed the Nunn-Lugar amendment, authorizing U.S. threat reduction assistance to the Kazakhstan and others for safety and security of Soviet nuclear weapons.

maintaining good relations with all countries means that other capitals may feel comfortable depending on nuclear fuel provided by Astana. Kazakh officials support the right of other countries to pursue nuclear energy for peaceful purposes. Finally, Kazakhstan has established a strong non-proliferation record by eliminating or transferring to Russia all the nuclear weapons it inherited from the former Soviet Union. Kazakhstan has joined the Nuclear Non- Proliferation Treaty (NPT)¹¹ and the Nuclear Suppliers Group, which requires adherence to export guidelines designed to minimize proliferation risks. However, certain domestic and international concerns about Kazakhstan hosting a multinational nuclear fuel bank persist. Public opposition to nuclear activities remains high in Kazakhstan given the horrific legacy the country inherited from the former Soviet Union. During the Cold War, the Soviet government used the Semipalatinsk facility in eastern Kazakhstan to test hundreds of nuclear bombs, which polluted much of the surrounding environment and left thousands of people suffering adverse medical consequences. Ensuring ecological and environmental security is the government's principal concern in deciding the location and construction program for a possible nuclear fuel bank.

The most convincing proof of the changing nature of Kazakhstan's nuclear policy towards a more pro-active direction was Operation Sapphire. White House Press Secretary Dee Meyers announced on 23 December 1994 that the United States and Kazakhstan had successfully completed the transfer of nuclear materials for safe storage in the United States. But the history of Operation Sapphire was already at least a year old. Kazakhstan's accession to the NPT and introduction of the criteria of the International Atomic Energy Agency (IAEA) in December 1993 made the presence of these materials in the Republic inappropriate.

In early 1994 the government of Kazakhstan asked the United States to help solve the problem of about 600 kilograms of highly enriched uranium that had been stored at the enrichment facility of the Ulbinsk metallurgical plant in East Kazakhstan Oblast since the Soviet period. Deputy Prime Minister of Kazakhstan Vitaly Mette and Foreign Minister Kasymzhomart Tokayev confirmed this information in a press

¹¹ The NPT is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote co-operation in the peaceful uses of nuclear energy and to further the goal of achieving nuclear disarmament and general and complete disarmament. The NPT represents the only binding commitment in a multilateral treaty to the goal of disarmament by the nuclear-weapon States.

conference on 24 November 1994. Kazakhstan also noted that the existence of the deal with the United States was not a secret from Russia, and Moscow who had refused to purchase the material, using the excuse that it was “Nuclear waste” (Murat Laumulin 1994).

One of the high-ranking Kazakh officials admitted that the specific details on Operation Sapphire were conceived and executed in an atmosphere of high secrecy. In spite of the fact, that the operation was accompanied by multiple negotiations, expert exchanges and trips that involved many ministries, most of the participants knowing only about their part of the operation. All information was held in secret until the plane carrying the cargo landed in the United States.

1.5. The European vector of Kazakhstan’s foreign policy:

Relations between Kazakhstan and the European Union have developed dynamically since independence. Kazakhstan’s expanding economic and security partnership with Europe is part of its ‘multi-vector’ foreign policy geared at balancing its ties with Russia, China, the Western states and the Islamic world. Kazakhstan views that the development of its bilateral relation with European Union and its member states as long term priorities based on its national strategic interests in the international arena and balance of power in region. Main areas of cooperation are terrorism, national security, human development, parliamentary politics, use of geostrategic resources like uranium, oil, hydrocarbons, environmental problems etc.

European Union is not state but it is the club of states of Europe (EU) is more effective multilateral international institution after the United Nation and is a significant global actor in world politics after the post cold war era. Kazakhstan is strengthening its relations with the European Union as it is one the major aspects of Kazakhstan’s foreign policy. Prospects for the need to develop these relations for Kazakhstan are determined by the EU’s international role in the modern world. In addition, the EU is an important trade and economic partner for Kazakhstan and a major investor in its economy. Western European countries’ rich experience in legislative and scientific and technical development is also of particular interest to Kazakhstan. Kazakhstan also has a number of bilateral agreements for political, economic and cultural cooperation with France, Germany, Italy, Sweden, Spain and

others. New threats, risks and challenges to European and global security have given new opportunities to engage themselves in Kazakhstan as well as in central Asia. Nuclear deterrence, nuclear stockpiles and potential threats and risk in the neighbouring countries of Kazakhstan are important factors for greater cooperation with European Union and Western countries and vice versa.

The EU has widened the scope of its Common Foreign Security Policy (CFSP) towards the post-Soviet realm. Next to its policy towards the Mediterranean and the European Neighbourhood Policy it has extended its policies towards the Central Asian states - Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan and Tajikistan. The framework of EU's relations towards the Central Asian states is to build bilateral and multilateral partnership.

European Union plays the significant role in the development and strategic cooperation with Kazakhstan since independence. EU assistance to Kazakhstan goes to health care, social welfare, scientific research, market reform and liberalisation of economy. Main focal areas in Kazakhstan are the security, democracy, energy resources, development, promotion of good governance and democracy.

Kazakhstan and the European Union share a growing and strong cooperative partnership based on shared values, a commitment to democracy and free-market economy and the global war against terrorism, climate change etc. The main sphere of cooperation is energy. European and other western states are mainly focusing on energy projects and cultural ties with Kazakhstan. The European Union is enhancing its relations with Kazakhstan across a spectrum of issues including energy, security, environment, transport, education etc. Kazakhstan has skilfully utilised its geostrategic location as a corridor between Asia and Europe and the country's rising profile as the leading oil exporter to Europe after Russia to project itself within the European market.

Kazakhstan's relation with EU has passed through several stages of bilateral cooperation. The initial phase (1992-1995) was characterised as the period of establishment of official political contacts and formation of the contractual and legislative and institutional basis for interstate relations between them. The significant milestones of bilateral interaction in that time were the signing of agreements and

exchange of delegations. This relation became more comprehensive when Kazakhstan and EU signed the “Partnership and Cooperation agreement” in Brussels on 23 January 1995 during the scheduled meeting of EU Foreign Affairs Council. This agreement which was signed by President Nursultan Nazarbayev and the General Secretary of EU Council, Alain Jupee, created the foundations for a constructive political dialogue and an open trade and investment regime between both countries. It also envisaged cooperation from education to energy and transport to fighting crime.

The period (1996-2001) was marked by the expansion and revitalisation of relation based on earlier achieved accords. The main focus was on cooperation in the oil and gas and energy spheres and the transport and telecommunication sector and mutual trade and investments. Kazakhstan set up a joint Kazakhstan - European co-operation committee on 29 April 1996. This committee has become pillar of political link in developing and maintaining a constructive partnership between both regions. Kazakhstan also becomes part of joint institutional bodies like Cooperation Council and the parliament cooperation committee for more comprehensive relationship. In May 1997, an EU delegation paid a visit to Kazakhstan to discuss issues of justice and internal affairs. European leaders also proposed the creation of advisory centre for strategic and legal issues in Kazakhstan. Later on agreement on the European energy charter was signed which guaranteed Kazakhstan’s admission in European energy market and helped Kazakhstan to integrate in the global energy community (Kazbek Isaev, 2010)¹²

1.6. European Perspective on Partnership with Kazakhstan:

The European Union is a diverse actor in the international politics. EU projects itself as a political unit with a role to play in world politics, with its own interests, which in a way are also the common interests of its member states. EU is the club of 27 European states now and is more influenced by external processes of ‘normative globalization’. Kazakhstan is the strategic partner of EU in the Central Asian global politics.

Kazakhstan has great significance for the European Union and its member states. EU offered Chairmanship of OSCE 2010. Kazakhstan is the first Asian

¹² Central Asia’s Affairs, Quarterly Analytical Review 1(29),2010

predominantly Muslim country from post-Soviet space to get the OSCE Chairmanship. It strengthened the strategic relationship between EU, USA, Russia and Kazakhstan. It shows that Kazakhstan is one of the major players in the Euro-Atlantic and Euro-Asian sphere of security and cooperation. Since 1991, the Partnership and Cooperation Agreements (PCA)¹³ have been the legal basis of bilateral relations between the European Union and Kazakhstan and other Central Asian states. TRACECA¹⁴ aims to construct highways, ports, and railways in the Black Sea and Caspian Sea regions. INOGATE¹⁵ seeks to facilitate the export of oil and gas from these regions to Europe.

TACIS program has formed an administrative frame work for the technical assistance of the European Union to Kazakhstan. The basic objectives of the TACIS program in the 1996-2001 periods. EU has focused on: 1) Training 2) energy 3) transportation 4) industrial and commercial Enterprises, and 5) food production.

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 neighbourhood policy and Eastern Partnership, falling instead under its less well developed Central Asia strategy.

Kazakhstan views the development of its bilateral cooperation with European Union and the West specially United states as long term priority, based on its national strategic interests in the international arena, balance of power in region and global community in favour of Kazakhstan priority of multi-vector policy.

The European Union is interested in promoting trade relations with Central Asia and, mainly, with Kazakhstan. The EU seeks to overcome the nearly-total dependence on Russian energy resources and to develop multiple sources of supply and transit routes. On the other hand, Kazakhstan's president Nazarbayev ensured that his government "will use any route profitable for Kazakhstan". He considers each

¹³ For PCA see www.europa.eu.in

¹⁴ This is EU Transport Corridor Project i.e. Europe-Caucasus-Asia (TRACEA) to connect Central Asia with Europe by a continuous unbroken Railway.

¹⁵ The INOGATE Programme is an international energy co-operation programme between the European Union and the Partner Countries of Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

possible alternative in order to take the advantage of the immense energy resources of Kazakhstan. Many agreements have been signed between the EU and Kazakhstan in order to promote the development of relations between the member states of the EU and the Central Asia. The most important are:

- The PCA (Partnership and Cooperation Agreement) regards the following goals
- To provide an appropriate framework for the political dialogue between the parties allowing the development of political relations
- To promote trade and investment and harmonious economic relations between the parties and so to foster their sustainable economic development;
- To provide a basis for legislative, economic, social, financial, civil, scientific, technological and cultural cooperation
- To support Kazakh efforts to consolidate its democracy and to develop its economy and to complete the transition into a market economy.

Kazakh-EU relations are mainly based on economical cooperation in sectors to promote peace cooperation, human rights, democracy etc. The EUs like OSCE and NATO play significant role in Kazakhstan and Central Asia for more comprehensive relations in the post-Cold war era. Kazakhstan is the largest oil producer and exporter in the Commonwealth of Independent States (CIS). The global security environment after 11 September 2001 has increased the strategic importance of Central Asia. European Union (EU) has been engaged in promoting democracy, human rights, development of civil society, energy security, nuclear non-proliferation and strategic resources, environmental Concerns in Kazakhstan since independence. Several factors have led to Kazakhstan assuming a prominent place on the EU's agenda. A European foreign policy perspective seeks to:

- Support countries committed to the values and the practice of political, religious, and cultural pluralism in Kazakhstan and central Asian Region.
- Improve E.U relations with advancing human rights and civil society.
- Encourage realistic arms-control agreements and curbing the proliferation of nuclear and other unconventional weapons;

- Continue friction with Russia over energy issues has increased European interest in importing oil and natural gas from the Caspian countries and maintain balance of power in the Region with Russia, China, USA, India etc.
- The deteriorating security situation in Afghanistan, which has seen a resurgence of both the Al-Qaeda terrorism and drug cultivation, has stimulated EU efforts to bolster neighbouring states against terrorism and narcotics trafficking.
- Kazakhstan's importance to the EU is indispensable. The country is the EU's largest trade partner in Central Asia and also promoting an open and global economy.

Kazakhstan is moving towards the threshold of opportunity in the era of economic liberalisation in the new international order. It seeks to be the frontline state of international political and economical order. It is the state which celebrated 20 years of independence. Kazakhstan considers itself as 'Snow Leopard' of Central Asia. Kazakhstan has adopted its unique multi-vector foreign policy after independence, seeking comprehensive cooperation with great powers and maintains friendly relations with neighbours. Kazakhstan's relations with the European Union have been one of the major components of Kazakhstan's foreign policy. Prospects for this relation for Kazakhstan are determined by the EU's international role in the modern world and new dynamics of international relation in the post - cold war era and particularly in Central Asia. Kazakhstan and European Union are extended neighbours following collapse of Soviet Union in Central Asia. Though the European Union is basically focussed on project oriented relationship with the CIS states in this region, there have been key challenges in politics, economics, security and overlapping interests in the post- Soviet space besides ideological issues for the EU in Central Asia.

Chapter: 2

Political Relations

Development of political and diplomatic relations between Kazakhstan and the European Union (EU) has been taking place through mutual visits and diplomatic dialogues and meetings since 1991. European Union foreign policy has improved political, diplomatic and economic relations with Kazakhstan. Kazakhstan is the bridge between Europe and Asia in Central Asia.

“Kazakhstan aims to strengthen the strategic partnership with the United States and the countries of the European Union”¹⁶

EU has been emerging as natural and strategic partner of Kazakhstan in the 21st century. In the view of EU, Kazakhstan deserves special focus, comprehensive and strategic partnership. Kazakhstan has equally responded and clear message in the EU’s strategy by adopting its own ‘Path to Europe’ programme. European Union offered Kazakhstan the chairmanship of OSCE in 2010. Kazakhstan is the first post-Soviet state which got great responsibility to chair the Organisation for security and Cooperation in Europe (OSCE) in 2010. Its European orientation as part of a multi-vectored foreign policy presents an important opportunity for political and economic convergence with Europe, including deepening relations with the Council of Europe. European Union considers Kazakhstan and Central Asia as the “Neighbours of EU neighbourhood” due to their geographic location and given their strong political, economic and cultural relations with the countries covered by the new EU policies towards Eastern Europe. Kazakhstan is multi-party parliamentary democracy with authoritarian Presidential system.

The emergence of this relationship was under the framework of TACIS (Technical Assistance to the Commonwealth of independent States) program and it signed Partnership and Cooperation Agreements (PCA)¹⁷ with each regional state. EU’s relations with Central Asian states are based on the Partnership and Cooperation

¹⁶ Nursultan Nazarbayev, President of the Republic of Kazakhstan stated on April 8, 2011 in Astana,

¹⁷ These agreements have created a suitable ground for the political, commercial, economic, social, financial, scientific and cultural cooperation between the Central Asian states and the European Union. They have also encouraged the regional leaders on the matters of democratization and free market economy.

Agreements (PCAs). The PCA programme is based on three main pillars: political dialogue, trade and economic relations and cooperation in different sectors. These PCAs provides a common regional framework for the EU's comprehensive cooperation with all five Central Asian Republics. Covering environment, border and migration management, drug-trafficking, education and scientific and people to people activities, reduce poverty, tackling terrorism, non - traditional security threats, water management, fight against organised crime, diversification of energy supply, Millennium Development Goals (MDG) etc. This bilateral cooperation is developing dynamically in all areas, including those of trade and investment, energy, the non-proliferation of weapons of mass destruction (WMD), countering terrorism and international crime (including illicit drugs, money laundering and human trafficking), interactions between the defence agencies and the promotion of democracy. Every effort are made to ensure that their bilateral relations grow into a long-term strategic partnership and cooperation in strengthening of democratic institutions and rule of law, human rights, transport, education, culture and protection of the environment.

In the period between 1996 and 2001, the European Union provided technical assistance primarily to economic and commercial reforms, state-building processes, and encouragement of foreign investments, Promotion of democracy and liberal market economy were the key component for the mutual relations during the first decade of independence of Kazakhstan. The massive terrorist attack on 11 September 2011 was the turning point for the mutual bilateral relations with development of political, diplomatic, defence challenges and common threats for regional and international community. NATO, OSCE and the European Council established close relations without any delay post independence of Kazakhstan. European Union and its member states have made significant contributions to the reforms of the state institution and also economic systems of Kazakhstan since 1991.

The end of the Cold War had great impact on the evolution of the EU in international politics. Bretherton and Vogler argue that economic globalization has encouraged and the development of cooperation in Europe after ending of bipolarity in post - Cold War period. European Union is a political institution and its creation reflects the combination of external demands and opportunities in world politics. Central Asia is known Halford Mackinder's pivotal area of the heartland. Kazakhstan

extended its relations with members of Europe for greater partnership in 2000. Nursultan Nazaerbayev visited Paris in the summer of 2000 and London in November same year, where he was greeted with warm welcome. Queen Elizabeth bestowed on him the country's highest honour-the medal of Saints Michel and George. This honour was not seen only a recognition of his earlier contribution to nuclear disarmament, but also as a reaffirmation of his reputation as a reformer and defender of democratic transformation of Kazakhstan. It was also sign of growing comprehensive partnership between Kazakhstan and Britain in the energy sectors.

2.1. Kazakhstan -European Union Partnership:

Historically, Central Asia was a crossroads between China and the Mediterranean, between East Europe and Persia. For almost fourteen centuries, the region served as a major staging post for the ancient Silk Road. Kazakhstan's partnership with European Union is based on the pragmatic approach of foreign relations. Kazakhstan's expanding economic and security partnership with Europe is part of its multi vector foreign policy. It is balancing its ties with Russia, China, the Western states and the Islamic world. Kazakhstan and European Union become extended neighbours after collapse of Soviet Union in central Asia. European Union earlier focussed on project oriented relationship with CIS states in this region. There were major challenges in politics, economics, security and overlapping interests in the post-Soviet space besides ideological issues for the EU in Central Asia. The European Union is enhancing its relations with Kazakhstan across a spectrum of issues including energy, security, environment, transport, education etc. Kazakhstan has skilfully utilised its geostrategic location as a corridor between Asia and Europe and the country's rising profile as the leading oil exporter to Europe after Russia to project itself within the European market.

The EU is major trade and economic partner of Kazakhstan and a major investor in its economy. Western European countries' rich experience in legislative and scientific and technical development is also of interest to Kazakhstan. Kazakhstan also has a number of bilateral agreements for political, economic and cultural cooperation with France, Germany, Italy, Sweden, Spain and others. New threats, risks and challenges to European and global security have given new opportunities to engage themselves in Kazakhstan as well as in Central Asia. Nuclear deterrence,

nuclear stockpiles and potential threats and risk in the neighbouring countries of Kazakhstan have led to greater cooperation with European Union and Western countries and vice versa. The EU has widened the scope of its Common Foreign Security Policy (CFSP)¹⁸ towards the Post Soviet Republics in Central Asia.

In 1996 the EU and Kazakhstan signed “The Agreement on Partnership and Cooperation”. The main thrust of this enhanced engagement has been a steady intensification of political contacts. Under the framework of the Strategy, Kazakhstan and the European Union also initiated a regular human rights dialogue. Kazakhstan has become one of leading oil producing and exporting nation in CIS countries during the last decades. There are also significant prospects for gas exports. Kazakhstan is interested to diversify its exports routes and the EU is anxious to diversify its energy supplies and is looking for energy transit routes across the South Caucasus and Caspian Sea. Germany, which is the largest European manufacturing power, the second-largest exporter in the world in terms of volume and the fourth-largest economic power in the world, is the driving force behind EU relations with Central Asia. The Germany-Kazakhstan partnership is conceived both by Berlin and Astana as long-term. In terms of Germany’s trade with CIS countries, Kazakhstan is in the third position after Russia and Ukraine. Kazakhstan is second after Russia for imports and is in fourth position for exports behind Russia, Ukraine and Belarus now. Kazakhstan and Central Asia is the huge source of energy of European demands. Central Asian countries consider EU as an alternative corridor for the export of its energy resources. Kazakhstan considers The EU is responsible and reliable partners this region. European Union considers Kazakhstan as part of the long-term development of the EU’s Eastern Partnership. European Union regards Kazakhstan as a major partner in promoting more constructive and intensive regional co-operation in Central Asia. Bilateral relations between Kazakhstan and the European Union are based on the Partnership and Co-operation Agreement (PCA), which was signed in 1995 and came into effect in 1999. The PCA establishes a general framework for cooperation on economic, political, social and cultural issues. European Union plays

¹⁸ EU Member states have committed themselves to a Common Foreign Security Policy for the European Union.

the significant role in the development and strategic cooperation with Kazakhstan since independence. EU assistance to Kazakhstan goes to health care, social welfare, scientific research, market reform and liberalisation of economy. Some political theorist assumed that

“For the United States, NATO and the EU, Kazakhstan is an area of opportunity, in terms of the exploitation of the region’s energy reserves, its geographic position..... (But) the region is also an area from which threats stem, in the form of criminal transit flows, the presence of international terrorist networks and the danger associated with the weakness of the Central Asian states.”

2.1.1. Promotion of Democracy:

Promotion of democracy can make governance in Kazakhstan accountable. EU has been working under various programmes like TACIS, MEDA¹⁹, CARDS²⁰, PHARE²¹ etc. and the Cotonou-agreements²² into the category of “financial incentives and capacity building.” The following factors determine the promotion of EU’S promotion of democracy in Kazakhstan:

- Normative motivation of EU side
- Security interest of EU and its member states
- Economic interest of EU and its member states (Knodt and Jünemann 2007).

Promotion of democracy by the European Union in Kazakhstan and Central Asian states takes place on a less obliging level than regional democracy promotion.

¹⁹ The MEDA Regulation is the principal instrument of economic and financial cooperation under the Euro-Mediterranean partnership.

²⁰ The CARDS programme is intended to provide Community assistance to the countries of South-Eastern Europe with a view to their participation in the stabilisation and association process with the European Union.

²¹ The Programme of Community aid to the countries of Central and Eastern Europe (Phare) is the main financial instrument of the pre-accession strategy for the Central and Eastern European countries (CEECs) which have applied for membership of the European Union.

²² The **Cotonou Agreement** is the most comprehensive partnership agreement between developing countries and the EU. Since 2000, it has been the framework for the EU's relations with **79 countries from Africa, the Caribbean and the Pacific (ACP)**.

Legally binding measures are found in TACIS decisions from 1991, 1993, 1996 and 1999 as well as the interim agreements of 1997 respectively 1998 and the Partnership and Cooperation Agreements (PCA) of 1999 with Kazakhstan, Kyrgyzstan and Uzbekistan. Normative motives of the EU and its member states are economic and security. The EU as well as the France, the UK, Italy, Belgium and Germany have had continuously strong economic interests in Kazakhstan. But in the regard to security interest post- 9/11 terror attacks EU has been increasing the bilateral security and defence cooperation with Central Asia.

2.1.2. Educational Initiatives:

Educational initiatives are the one of the human development efforts of the European Union engagement with Central Asian countries along with Kazakhstan. The European Education Initiative was launched as part of the EU-Central Asia Strategy in 2007. By 2009, the initiative prioritised higher and vocational education and emphasised links with the Bologna Process. Attempts were made to establish the EU-Central Asia Education Platform as re- branding of Tempus and Erasmus Mundus programmes within a set of specific activities and outline the ways in which internal EU education policy development processes could be extended to the Central Asia region.

It provides new opportunities for scholars, students and leadership to explore the experiences and expertise in the education system in the world. Central Asia's education and training systems have operated in contexts characterised by a decline in educational and literacy standards, as a part of the bigger picture of downfalls in public health and life expectancy, as well as rising levels of criminality and massive male emigration since the break-up of USSR (Neil S. Macfarlane, 2004) .

The 2007 EU-Central Asia Strategy has identified education and training as an important area for cooperation, where the European Union (EU) has been willing to share its experience and expertise²³. The strategy called for the establishment of a

²³ The EU Strategy for Central Asia proposed three new regional initiatives: education and training (coordinated by the European Commission); rule of law (coordinated by Germany and France); and environment, including water management (coordinated by Italy).

European Education Initiative and the development of an E-silk highway. Policy vision for education and training was, in consonance with the rest of the strategy, to be based on a balanced bilateral and regional approach that could respond to the differing needs of Central Asian countries and contribute to regional cooperation²⁴. The European Education Initiative offers support at all levels: primary, secondary, higher and vocational education and training. Following three key areas have been identified:

- Higher education: the Erasmus Mundus and Tempus²⁵ programmes are mobilised for cooperation, and academic and student exchanges. The EU would grant scholarships for students from Central Asian countries to attend European universities.
- Institution-building: the development of regional education centres, European Studies institutes and support for the OSCE Academy in Bishkek.
- Vocational education and training (VET): the EU would support the activities of the European Training Foundation (ETF) in this area. (EU Commission's CA DCI Indicative Program, 2011-13).

Central Asian education systems continue to be characterised by old infrastructure and facilities, unstable mixes of public and private provision and funding and unbalanced curricula with a system of qualifications that has little relevance to economic and social development. Issues of demand, capacity, funding, content, relevance and equity, amongst others, are exacerbated by the political and governance context within which these education systems function; the centralisation of system regulation makes it difficult for local or institutional level actors or initiatives to contribute to change²⁶. (European Commission TEMPUS Survey Report, 2008)

²⁴. Council of the European Union, 'The EU and Central Asia: Strategy for a New Partnership', Brussels: COEST 179, 2007.

²⁵. Trans-European Mobility Scheme for University Studies

²⁶. Zgaga, P., 'Thematic Review of TEMPUS Structural Measures: A Survey Report', Final report to the Directorate-General for Education and Culture of the European Commission, Ljubljana: University of Ljubljana and Centre for Educational Policy Studies, 2008

The E-silk highway is an internet-based communications network, which would link Central Asian students, teachers, academics and scientists both regionally and with the EU e-network. Specific educational purposes include enabling participation in modern forms of life-long and distance learning. Since the launch of the Lisbon Strategy²⁷ in 2000, the EU has wider cooperation in the development of a wide-ranging education and training policy within the Education and Training 2010 Work Programme (Council of the European Union, 2000; and European Commission, 2003). Despite the constraints, national sensitivities with regard to social policy and the diversity of education and training systems, member states and the European Commission have worked within the Open Method of Coordination and the seven billion Euro Lifelong Learning Programme to develop agreed policies across the full range of education and training policies within a lifelong learning perspective. EU member states have signed up to a full policy coordination approach based on common objectives, benchmarks, joint Commission and Council of Ministers reports, and peer learning activities involving state and non-state actors. In addition, member states have participated in the dramatic transformations associated with the Bologna Process. One of the proposed dynamics for the development of the EU's external engagement has been the externalisation of internal processes²⁸.

The Central Asia Research and Education Network (CAREN), in essence, will build on the Virtual Silk Highway; launched by the NATO Science Programme²⁹. The NATO project has been satellite-based, whereas CAREN will be a high-speed terrestrial broadband network of up to 34 Mbps. With the establishment of the infrastructure for high capacity internet links, one million students and researchers in over 200 universities and research institutes in Central Asia will be able to interact with each other and to have access to the EU and the global research community as a result of connection to the pan-European GÉANT network. The CAREN project is

²⁷ The Lisbon Strategy, also known as the Lisbon Agenda or Lisbon Process, was an action and development plan devised in 2000, for the economy of the European Union between 2000 and 2010.

²⁸ Council of the European Union, 'European Neighbourhood and Partnership Instrument, Eastern Regional Programme', Strategy paper 2007-2013, Brussels: European Council, 2006, p.6.

²⁹ The CAREN project is another component of a developing set of EU initiatives in network provision. CAREN will link Central Asia with the BSI (Black Sea Initiative), TEIN2 (Eastern Asia), ORIENT (China), EUROMEDCONNECT2 (the Mediterranean), ALICE2 (Latin America) and TEIN3 (Asia-Pacific).

expected to provide support in priority areas such as environmental monitoring, radio astronomy, telemedicine, the digitalisation of cultural heritage, e-learning, palaeontology and mineral extraction. Infrastructure would provide by the Cambridge-based company DANTE (Delivery of Advanced Network Technology to Europe) in the UK, established in 1993, which builds and operates GEANT with co-funding from the European Commission Research and Development Framework Programme.

Kazakhstan has vast resources to provide for dramatic improvements in its education system. In fact, it is investing 500 million dollars in a new technical university in Astana, which will teach in English and employ foreign professors. It also has an increasingly well regarded private university sector with well-developed links with European universities. The basis for participation is consortia of EU higher education institutions and third party institutions. For the period 2007-8, 4.4 million Euros were made available for the Central Asian region, with 1.3 million Euros for Kazakhstan and 3.1 million Euros for other Central Asian countries³⁰. The aim of Erasmus Mundus is to facilitate the exchange of persons, knowledge and skills in the higher education sector.

The United Kingdom has the Chevening Fellowship Programme and the Chevening Higher Education Programme. The Fellowship Programme for Central Asian mid-career professionals has awarded four scholarships to Kazakhstan since 2006 on human rights and energy security issues. The Higher Education Programme has provided scholarships for post-graduate students with, for example, nine scholarships for Kazakhstan and four for Kyrgyz students in 2007 (Peter Jones, EUCAM Working paper, February 2010).

The British Council also has a 'skills for employability' project with Kazakhstan and its delegates have visited Astana and Almaty as part of this Technical and Vocational Education and Training United Kingdom (TVET UK) project. In Kazakhstan, the UK has also developed the 'English for Teaching, Teaching for English' project to enhance English language methods and materials and Inspire,

³⁰ . Peter Jones(Feb 2010),the EU-Central Asia Education Initiative, working paper, EUCAM

which provides higher education grants for young academics and scientists. In addition, the Kazakh- British Technical University has been co-funded by the Kazakh government and Western oil and gas companies and involves four UK universities. Romania has established scholarships for Kazakh and Uzbek citizens to study in the country and is looking to establish similar opportunities for Kyrgyz and Turkmen students.

2.1.3. Special Representatives (EUSR):

Central Asia has always been in the radar of a European Union's Common foreign and security Policy (CFSP) since the post - cold war era. European Union is formulating common security and defence policy framework for international relations in the global politics. Special representative of EUSP is the process of implantation of effective foreign policy and representation of Union in the third countries for participation in the multilateral framework and crisis managements. EUSR is one of the key messengers who provide information and knowledge from different spectrum of field reports about political developments, cooperation with regional and international organisations, establishing close contacts with local authorities, civil society and media. EUSR plays significant role to in the visibility of Union in the region. EUSR is basically teamwork in the field assisting in the better formulation for EU strategic policy in Central Asia. It also provides inputs to the formulation of energy security aspects of CSFP with respect to the Central Asian countries³¹.

For its political and diplomatic engagement, EU has its full delegations in Astana. Of the 27 member states only Germany, France and UK have full missions in Kazakhstan. EUSR had the significant role in the regional conference of EU heads of mission in Astana 2006. It deployed an extensive diplomatic web, making contacts with wide range of regional and international organisations such as OSCE, SCO, the UNDP and Eurasian Economic Community, travelling to US, china, and Russia. The EUSR has played leading role in the adoption of "EU strategy 2007"³² roadmap in Central Asia and particularly Kazakhstan (Giovanni Grevi, 2008)

³¹ Giovanni Grevi, Pioneering foreign policy: EU Special Representatives page 121-130

³² Council doc. 10113/7, 'the EU and Central Asia: strategy of new partnership, 31 May 2007

2.1.4. Council of Europe:

Council of Europe is primarily a human rights monitoring body playing its role in establishing democratic institutions in Kazakhstan. It seeks to develop common and democratic principles based on the European Convention on Human Rights and other reference texts on the protection of individuals.

Kazakhstan already enjoys observer status with the European Commission for Democracy through Law (Venice Commission). Kazakhstan has shown interest in participating in several Council of Europe conventions. Parliament of Kazakhstan has co-operated with the Assembly on the basis of an agreement concluded in April 2004. Members of the Parliament of Kazakhstan regularly attend the Assembly sessions. The First Euro-Asian Forum on Migration was co-organised by the Assembly and the Parliament in September 2005 in Almaty. Kazakhstan Parliament concluded an agreement on cooperation with the Parliamentary Assembly in 2004. Political Affairs Committee organised a hearing in March 2006 on Kazakhstan in Paris, in which representatives of the Parliament and the opposition participated. Kazakhstan has also agreed to implement certain Council of Europe conventions (Report Political Affairs Committee, CoE, 2006).

The Council of European supports political reforms in Kazakhstan, aimed at strengthening democracy, enhancing the rule of law and guaranteeing respect for human rights and political and civil freedoms, co-operation with the Venice Commission and in line with Council of Europe standards. Kazakhstan's bid for observer status in the Council of Europe (CoE) was rejected in 2009 on the grounds that it did not meet the organisation's human rights standards. It was offered instead a Partnership for Democracy that offers engagement and assistance to meet specific commitments prior to being offered full observer status (Adam Hug and Dr. Feng Zhang, 2010).

2.2. Path to Europe-State Programme:

The Kazakh President Nursultan Nazarbayev endorsed a project called "Path to Europe 2009-11" in August 2008. Main objectives of this programme are developing a strategic partnership with the EU and the European member countries in order to "promote economic cooperation, the attraction of technologies and

managerial experience, the development of own agenda and strategic priorities for the OSCE chairmanship”³³. This state programme clearly indicates that Kazakhstan wants to follow multilateral strategic cooperation with European Powers and EU. The State Programme ‘Path to Europe 2009-2011’ is developed in accordance with the Address of the President of the Republic of Kazakhstan to the People of Kazakhstan. Main objectives of the adoption of this Programme are to solve issues of internal development, work towards Europe, strengthen historically-formed relations, join the European integration experience (and embrace its institutional and legal reforms), as well as intensify technological, energy, transport, trade, humanitarian and investment cooperation between Kazakhstan and Europe.

2.3. Relations with Major European Countries:

European states were among the first nation who established bilateral political and diplomatic relation with Kazakhstan since 1991. Kazakhstan is enhancing its bilateral and strategic relations with European great power in the era of globalisation. These are important bilateral relations with major European states.

2.3.1. Kazakhstan - UK Partnership:

Britain has been developing constructive political relationship with Kazakhstan since the end of post cold war. Britain established diplomatic relations in January 1992 and opened its Embassy in October 1992 in Kazakhstan. Developments of bilateral political ties, cooperation between inter - Parliamentary relations and economic cooperation between two countries is important part of strategic partnership of Kazakhstan and Great Britain. Memorandum on security assurances in connection with Republic of Kazakhstan's Accession to the Treaty on the Non-Proliferation of Nuclear Weapons (between the Republic of Kazakhstan, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, and the USA) was signed in London 1994.

³³ State Programme, Kazakhstan “*The Path to Europe 2009-2011*”, Astana 2008 http://www.eucentralasia.eu/files/path_to_Europe.pdf.

The President of the Republic of Kazakhstan Nursultan Nazarbayev has visited the United Kingdom on many occasions. Queen Elizabeth II awarded the President Nursultan Nazarbayev with the Most Distinguished Order of Saint Michael and Saint George in acknowledgement of his merits for ensuring political and economic stability, setting law and democracy in Kazakhstan, non-proliferation of the nuclear weapons, and also for achievement of considerable progress in mutual relations. The Royal Family members visited Kazakhstan several times- the successor of the British throne Prince Charles of Wales (1996), Princess Anna (1993), the Duke of Gloucester (2000), Prince Andrew-the Duke of York, the special representative of Great Britain on trade and investments (2003 and 2006-2007) and also Prince Michael in September 2009. All party groups have been cooperating with Kazakhstan in the Parliament of Great Britain since 2001, which is headed by a member of Chamber of Lords of Viscount Waverley since 2009.

Several British companies have their significant presence in the development of Kazakhstan's economy. There are 453 joint Kazakh-British companies registered in Kazakhstan, 162 enterprises of which are with equity participation of foreign investors. London remains an attractive centre for the public offering of securities and investment for Kazakh issuers. Eight companies from Kazakhstan made a listing on the main market and four companies joined the Alternative Investment Market (AIM). More than a dozen Kazakh companies have placed their shares on the London Stock Exchange (LSE), while two of them are listed in the 100 largest companies "FTSE 100": a copper giant Kazakhmys and the "Eurasian Group" ENRC. Kazakh-British Trade and Industry Council (KBTIC) is an effective mechanism for the development of economic cooperation³⁴.

Kazakhstan -British relationship has been developing dynamically in other spheres of cooperation in education, culture and science in the new era of globalisation. Agreement between the Government of Kazakhstan and the Government of the United Kingdom of Great Britain and Northern Ireland on Co-operation in the Field of Education, Science and Culture was signed in London in 1994. The UK is the second most popular destination for Kazakhstani students using the successful Bolashak scholarship scheme, and the overall number of students

³⁴ . http://www.kazembassy.org.uk/kazakh_british_relations.html

studying in Britain was 1,200 in 2008³⁵. 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 region. 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. Kazakhstan Centre was officially opened within the Central Asian Forum of Cambridge University. Memorandum of Cooperation between the Ministry of Education and Science of Kazakhstan and the Central Asian Forum was signed in March 2010.

Consulate of Kazakhstan in Aberdeen (Scotland) organized the celebration of Nauruz for Kazakh students, representatives of the British oil and gas companies operating in Kazakhstan and accredited diplomatic missions in Scotland. The week of Kazakh cinema took place for the very first time in Aberdeen April 2010. It was organized by the Consulate and the Association of Kazakh students of the University of Aberdeen. Among the featured works were "Nomads", "The Gift to Stalin", "Mustafa Chokay", "Goodbye, Gyulsary" and others.

London hosted the International Forum "Kazakhstan: new Horizons of Growth/Kazakhstan Growth Forum", which was attended by about 300 representatives of private and public institutions, international organizations and journalists in June 2010. The international auction house "Christie's" with the support of the Embassy organized an art exhibition "Treasures of Kazakhstan" from the State Art Museum named after A. Kasteev. The British public was introduced to the displayed collection of the museum for the first time in September 2010. The event was sponsored by "Astana Group" and "Oracle Capital Group". The British "Daily Telegraph", "BBC World Service" and "Collections and Matchbox" commented on the event positively. "Asia House" of London hosted spectacular Kazakh music evening called "Kazakh Music: Divine Song of the Steppe" in November 2010. Musicians from the Kazakh National University of Arts performed a number of famous pieces of Kazakh traditional music by Kurmangazy, Dina Nurpeisova, Tlendiev and others.

³⁵ Adam Hug with Feng zhang, Kazakhstan at crossroads: Kazakhstan and world.

2.3.2. Kazakhstan-Germany Partnership:

Kazakhstan has enjoyed close relation with Germany. Germany is a reliable friend and an important foreign policy and economic partner of Kazakhstan, Federal Republic of Germany was the first European country which recognised and established the diplomatic and political contacts with Kazakhstan as well as other republics of Central Asia opening its embassies. The main interest initially was in the German-Russian population in the region. At the European and multilateral level, the Germany provides considerable financial contributions for the development policy programmes in Kazakhstan run by institutions such as the World Bank, the Asian Development Bank and the European Commission. There has been a rich history of contacts with Central Asia. German travellers have visited the region in the Middle Ages, in the 18th, 19th and early 20th centuries thereby establishing a link to Central Asia, which is not forgotten.

Approximately one million German-Russians lived in the Central Asian region. After the beginning of the Second World War in 1941, they were deported along the Volga to Central Asia, and German governments since the era of Konrad Adenauer as Chancellor had strongly pleaded their case. With the independence of Central Asian Republics of these German settlers the desire to immigrate to Germany was awakened.

The Federal Republic of Germany became involved in Central Asia very quickly after independence. Only six days after Mikhail Gorbachev, the last President of the Soviet Union, made a televised resignation speech on Christmas Day, the Federal Republic of Germany recognized the five republics of the region as sovereign states on 31st December 1991. At the initiative of the then Foreign Secretary Hans-Dietrich Genscher, Bonn sent ambassadors to all countries within a short time. (Rainhard Krumm, 2007)

Kazakhstan has huge reserve of natural resources especially strategic energy reserves like oil, gas, uranium etc. SPD Parliamentary Party deserted Central Asia specially Kazakhstan as “Region of the Future: Caspian Sea”³⁶ in 1998. It declared

³⁶ Zukunftsregion Kaspisches Meer, Position paper presented by the SPD government faction, Bonn 1998

that Germany aimed to make “contributions to European energy security in the era of globalisation.

Foreign policy objectives of Germany about Central Asia changed after the start of global war on terror in Afghanistan. In the Central Asia concept of the German Federal Government of March 2002³⁷, it is stated in addition that “a new orientation of our political priorities” is needed. These include primarily the “war on terror”, “consolidation of democratic structures”, “struggle against poverty”, “socially friendly and environmentally friendly development of the economy” and “non-proliferation of weapons of mass destruction”. The German Minister of Defence at the time, Peter Struck, expressed it in vivid terms: “European security is defended at the Hindu Kush.”

German policy received support from the EU. In its strategy paper 2002-2006³⁸, it lists three areas of concern: security, the reduction of political and social tension and trade and energy supply. It states: “As a large energy consumer, the EU will be interested in the development of the Caspian’s energy resources and in safe transit routes, in order to guarantee a diversification of supply.” Within the EU, Germany is the largest bilateral donor in Central Asia. Organizations such as the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the Deutsche Akademische Austauschdienst (DAAD), the Deutsche Volkshochschulverband (DVV), the Deutsche Entwicklungsdienst (DED), the Welthungerhilfe, the Goethe Institute, the Konrad-Adenauer-Stiftung (KAS) and the Friedrich-Ebert-Stiftung (FES) are active directly in the region. Germany is the region’s third largest trade partner after Russia and China. German foreign trade with the Central Asian countries totalled some 8 billion Euros in 2008 (EU total: approx. 27 billion Euro).

Germany made Central Asia a core theme of foreign policy during Germany’s presidency of the European Council in the first half of 2007. For this reason Foreign Secretary Frank-Walter Steinmeier visited to the region in autumn of 2006 to discuss cooperation in the fields of security and stability, economic and energy interests and the rule of law, promotion of regional cooperation, initiatives to improve training and

³⁷ Central Asia Concept by the German Federal Government of 18th March 2002, Berlin 2002.

³⁸ Strategy Paper 2002–2006 & Indicative Program 2002–2004 for Central Asia, Brussels, 10 October 2002.

the intensification of the political dialogue at the highest level. An EU Central Asia Concept is to be drawn up during this period. Furthermore, German foreign policy also assisted Kazakhstan in its bid for chairmanship of the OSCE.

Germany also took the initiative for the Strategy for a New Partnership between the EU and Central Asia during its Presidency of the EU in 2007. Under the German Government's cultural preservation programme; it supported the restoration and preservation of cultural objects in Central Asia totalling 1.1 million Euros since 1995. Since 1994, there has been a "Goethe-Institut" in Almaty and one was opened in Tashkent in 1998. There are also reading rooms and language centres in other cities across the region. Throughout the year, the programme "Germany in Kazakhstan 2010"³⁹ was celebrated and Germany was presented as a centre for education and research, a nation that values culture and as an economic partner. The flagship of German education work in Central Asia is the "German-Kazakh University"⁴⁰ in Almaty.

As part of development policy cooperation, the Germany has for years been supporting vocational training following the German dual system model and on a smaller scale has also been promoting basic education by providing equipment and teaching materials as well as the drafting of curricula and training of teachers. The programmes are geared particularly to the needs of the private sector and agriculture. In the case of the PASCH initiative "Schools: Partners for the Future" launched in 2008, the network has now been expanded to include 45 schools in Central Asia. Over the last five years, the German Academic Exchange Service has awarded a total of 4659 scholarships of various kinds in Central Asia an average of almost 1000 scholarships per year. There is also another initiative focusing is on cooperation with selected television and radio stations as well as online media in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. France and Germany play the role of coordinator of the EU Rule of Law Initiative in Central Asia. The Federal Ministry for Economic Cooperation and Development has been promoting the modernization of the legal systems in Kazakhstan including all five countries (Since 2002, more than 12

³⁹ Germany and Central Asia(2010) published by Fedral Foreign office Berlin.

⁴⁰ The German-Kazakh University was founded in 1999 in Almaty as a private initiative, <http://www.dku.kz>

million Euros has been made available. There are exchanges and cooperation between the Federal Ministry of Justice and the ministries in Kazakhstan and Uzbekistan.

German Foreign Minister launched the Berlin Water Initiative. The Federal Ministry for the Environment is active with environment and climate protection projects (energy efficiency, renewable energies, adapting to climate change, sustainable forestry, management of nature conservation areas, remediation of contaminated soil) in all Central Asian states (10.5 million euro since 2008)⁴¹. Germany has also been supporting with cross border water management, networking water experts, scientific studies and research network and university courses in the environmental sphere (energy and water) at the German-Kazakh University in Almaty.

The Germany is working with the Central Asian republics in their engagement to stabilize Afghanistan. The Termez airbase in Uzbekistan is an important hub. The Federal Criminal Police Office is offering training courses on combating organized crime and international terrorism and is providing equipment aid. For instance in 2009, 450,000 Euros were provided. A consortium headed by Germany took responsibility for the implementation of the EU Central Asia Drug Action Programme (CADAP) on 2010. The Federal Ministry of Defence is training members of the armed forces of the Central Asian Republics in Germany. With its Silk Highway Project which ran from 2007 to 2009, InWent - Capacity Building International, Germany set up a regional network for e-learning and exchange of information and knowledge in Central Asia. The new Inter-governmental Agreement on strategic partnership in resource, industrial, and technological sectors was signed following a meeting between President Nursultan Nazarbayev and German Chancellor Angela Merkel on February 8, 2012. The agreement, signed by the two countries' ministers of industry and technology, involves about 50 separate accords involving a total of €3 billion or nearly \$4 billion. Under the Agreement, German companies will carry out exploration and production at Kazakhstan's deposits and build plants for developing and processing raw materials, as well as producing goods for exports, including in the markets of the Customs Union and the Single Economic Space. For this, Germany will use its latest technology, which is important for Kazakhstan in view of the

⁴¹ Germany and Central Asia(2010) published by Fedral Foreign office Berlin.

implementation of the programme on industrial and innovative development. Nazarbayev attended the opening ceremony of a “Berlin Eurasian Club”, held in the German Council on Foreign Relations on February 2012. The Berlin Eurasian Club⁴² has been created as a dialogue platform to discuss a wide range of social and political issues between Kazakhstan and Germany, as well as the European Union. In his speech, Nazarbayev stated that the opening of the Berlin Eurasian Club meets his idea of Eurasian integration and is aimed at finding effective ways of cooperation between Europe and Central Asia (Astana Calling, February 2012).

2.3.3. Kazakhstan-France Partnership:

France was one of the first Western countries to recognize the independence of Central Asian Republics and to establish diplomatic relations with them. France, just like the European Union has been increasing its attention paid to Central Asia with the identification of hydrocarbon resources in the Caspian Basin, making it one of Europe’s future sources of supply. France is also a leading trade partner of Kazakhstan among other Central Asian countries.

The President of the French Republic, Nicolas Sarkozy, paid a state visit to Kazakhstan on 6 October 2009. Kazakhstan awarded highest State award - the Altyn Kyran (Golden Eagle) order to the French President Sarkozy. France attaches great value to the role Kazakhstan plays in ensuring regional security and stability and to the efforts of the country’s leadership to promote political and socio economic reforms.

2.3.4. Kazakhstan-Sweden Partnership:

Sweden has close cultural, trade and economic relations with Kazakhstan. Sweden is also centre of Kazakhs diaspora in Europe. Kazakhstan has developed very dynamically economic and trade relations with Sweden since 1994. There are various agreements on economic relations between the two countries.⁴³

⁴² ASTANA CALLING (10 Feb2012), A Bi-weekly online publications of Ministry of foreign affairs of RKZ.

⁴³ http://www.kazembassy.org.uk/kazakhschwedish_relations.html.

Kazakhstan conducts successfully bilateral political, diplomatic, economic, security etc. relations and cooperation's with other major European powers like Netherland, Spain, Italy, Switzerland, Belgium, Denmark, Norway etc.

MAP OF CENTRAL ASIA



In concluding remarks one can say that European Union is emerging as a natural ally of Kazakhstan in the geo-politics, geo-economics and International relation of Central Asia. Kazakhstan's efforts to establish comprehensive political and diplomatic relations with European Union have facilitated the modernisation of its political and economic system. This partnership has been emerging from project oriented to comprehensive partnership in the last two decades. EU has a special priority in Kazakhstan multi-vector foreign policy since independence. Kazakhstan is the country which has equally responded to the EU's strategy by adopting its own 'Path to Europe'. European Union gave Kazakhstan chairmanship of OSCE in 2010. Its European orientation as part of a multi-vectored foreign policy presents an opportunity for political and economic convergence with Europe, including deepening

relations with the OSCE, ODHIR, Council of Europe and others member states. European Union considers Kazakhstan and Central Asia as the “Neighbours of EU neighbourhood” due to their geographic location and given their strong political, economic and cultural relations. PCA is the foundational approach of beginning this partnership in the age of globalisation. Framework of this partnership is based on the promotion of democratic values, human rights, education initiatives, economic and cultural links, promotions of civil society and enhancing cooperation with non-governmental organisations. EU and its member states provide new opportunities for the scholars, students and leadership of Kazakhstan to explore the experiences and expertise of supremacy in the education system in the world. Besides, Kazakhstan has enhanced its bilateral relations with Germany, Britain, France, Netherland, Spain and also with other major European powers.

Chapter: 3

Economic Ties and Energy Cooperation

Kazakhstan is the geographically largest country except Russia after collapse of Soviet Union. Kazakhstan is land of enormous fossil's fuel and huge reserves of minerals and metals like Uranium, copper, zinc etc. Its economy grew at more than 9 percent per year. Extractive industries particularly hydrocarbons and mining have been the engines of industrial growth of Kazakhs economy. It has second largest uranium, chromium, lead and zinc reserve, the third largest manganese reserve and the fifth largest copper reserve in the world. Kazakhstan is one of the leading exporters of uranium in the world while the other major exports of the country include wheat, textile, and livestock. According to IMF, since 2000, Kazakhstan's per capita income has tripled; the unemployment rate has been halved, and closed to \$30 billion of foreign exchange reserves have been accumulated by the National Bank (NBK) and the National Fund. Kazakhstan had received an investment-grade credit rating from a major international credit rating agency and became the first country in the CIS to achieve that goal in 2007. Kazakhstan becomes centre of Special Economic Zone (SEZ) and information technology in the Central Asia. Kazakhstan is lies at the heart of the Eurasian continent.



The Silk Road extended throughout the whole Kazakhstan .The main transcontinental routes which link the Asia-Pacific Region with the Near and Middle East, and Europe, pass through Kazakhstan. Three of the four BRIC countries are close neighbours of Kazakhstan: Russia, China, and India.

Kazakhstan's current comparative advantage lies country's macroeconomic performance and the privatisation process and its implication for institutional development and good governance and new opportunities arising in oil and minerals sectors. Kazakhstan suffered a severe recession in the first half of the 1990s as its GDP fell by over two-fifths between 1991 and 1995. The decline halted in 1996 and 1997, before GDP suffered a further drop in 1998.

MACROECONOMIC DATA

OUTPUT GROWTH AND INFLATION (percent)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Growth in Real GDP	-11	-5	-9	-13	-8	1	2	-2	3	10	14	10	9
Inflation	79	1381	1662	1892	176	39	17	7	8	13	8	6	6

Notes: 2002=preliminary actual figures from official government sources; 2003=EBRD estimates.

Source: European Bank for Reconstruction and Development, Transition Report, 2003, pp. 56 and 58.

EXPORTS AND IMPORTS (million US \$)

	1993	1994	1995	1996	1997	1998	1999	2000	2001
Export	1107	3227	5256	5926	6497	5511	5598	9876	9085
Imports	1704	3285	3807	4247	4302	4373	3686	5048	6478

Source: International Monetary Fund, Direction of Trade Statistics.

FOREIGN DIRECT INVESTMENT (million US \$)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
FDI	100	473	635	964	1137	1320	1143	1584	1278	2796

Source: European Bank for Reconstruction and Development, Transition Report 2003, p. 65.

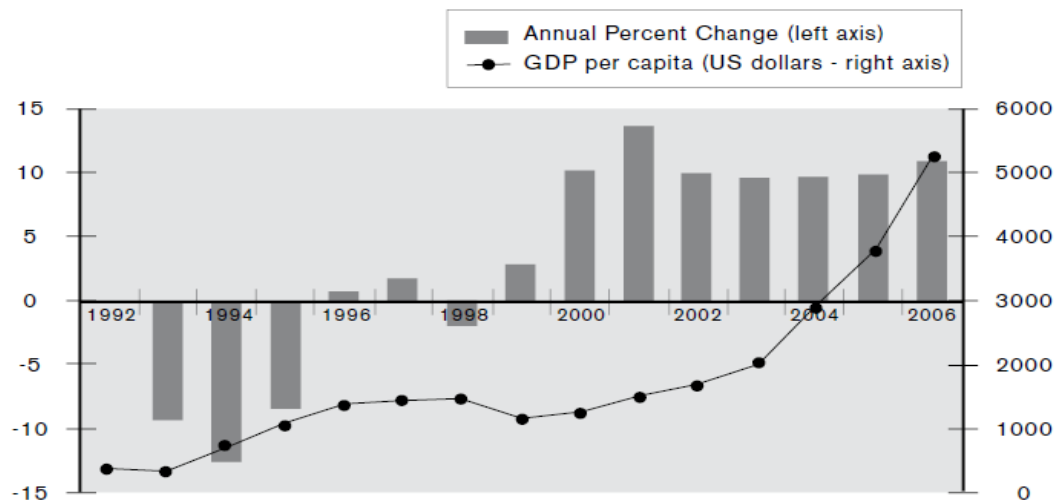
Economic reform in Kazakhstan has been more comprehensive than any other Central Asian countries in the region. Economic development over the decade (1991-2001) has been dependent on oil and mineral exports, coupled with capital inflows, and the impressive growth rates witnessed in Kazakhstan mask ongoing problems within the country and concerns with domestic economic management by the government. Kazakhstan government embarked on an ambitious economic reform program, in which privatization has been the driving force. Transfer of government-owned assets and services to the private sector was regarded as the key to the success of all these transformation efforts (Rakhmatulina, 2006).

The first Privatisation and Denationalisation Act was passed in June 1991, but Kazakhstan only started to work seriously on privatisation in 1992. In the first phase, housing was privatised through a coupon scheme. The second stage of privatisation began in 1993 with the issue of vouchers with which citizens could buy shares in Investment Privatisation Funds (IPFs) which would buy shares in medium and large state enterprises. The scheme was a mix of Czech and Russian voucher schemes, intended to ensure a fair denationalisation of state assets, and Poland's IPF scheme, intended to forestall excessive fragmentation of ownership. The vouchers became heavily concentrated in a handful of IPFs (Olcott, 2002:138). In the third stage of privatisation companies were sold in part or whole, or contracted to the management of individual investors for a specified period, under an individually negotiated agreement 'making this the most corrupt stage' (Olcott, 2002). Phase III (1997-2000) completed the process of privatisation of economic reform. It was phase of the development of a mechanism for sustaining cash auctions and share registration independent of expatriate technical assistance

In the mid-1990s, the economic crises forced the government of Kazakhstan to take more seriously the idea of economic reform. Kazakhstan launched strategies such as "Kazakhstan 2030 - Prosperity, security and improvement of welfare of the citizens of Kazakhstan". Seven national priorities were identified including privatisation of state-owned corporations. Foreign investment laws were updated and an increase was witnessed in foreign participation, lifting of restrictions on trade and foreign exchange transactions was done, modernization of financial systems, laws were updated on labour practices, corporate governance and transparency and upgrading of tax and

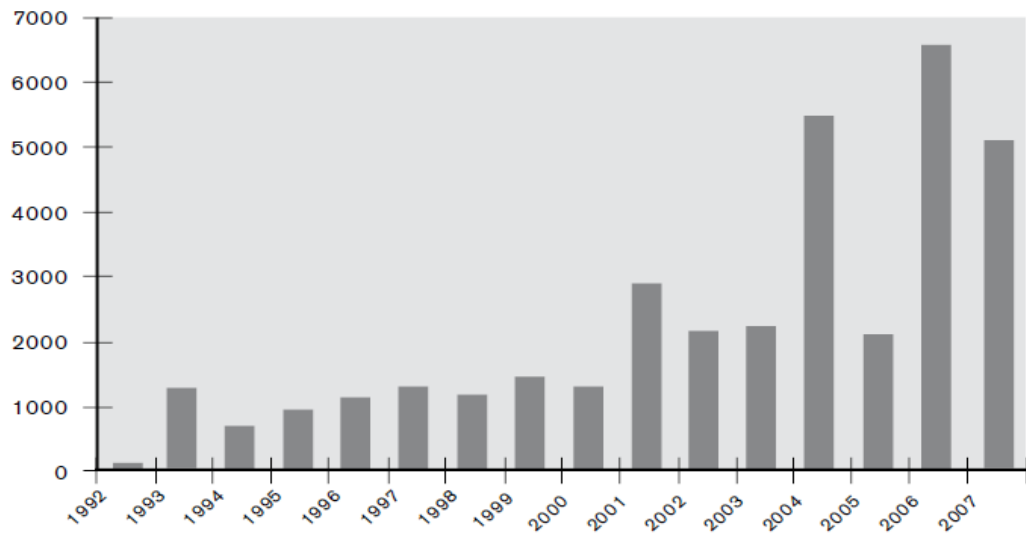
customs administration. Economic performance substantially improved during and after this period and economic recovery and growth began in earnest in 2000. GDP growth of 8-10 percent has been sustained in the last seven years with real GDP slightly above the average for other transition countries in the region and GDP per capita more than doubling during that period (Pankow, Kozarzewski, 1996).

Growth of GDP and Per Capita: Kazakhstan 1992-2006



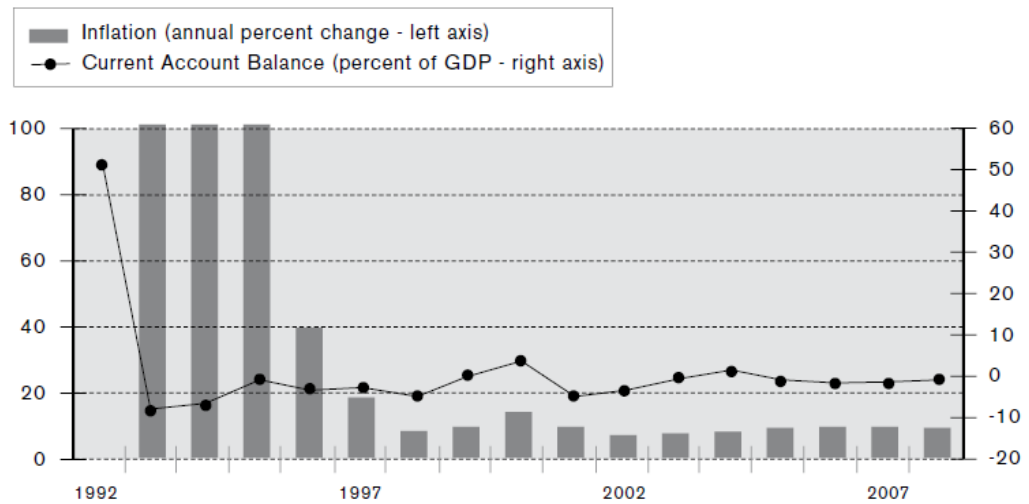
Source: EBRD (2007).

Figure 2. FDI Inflows (net, US\$ millions)



Source: EBRD (2007).

Figure 3. Inflation and Current Account Balance, Kazakhstan 1992 - 2007



Source: EBRD (2007).

3.1. Kazakhstan’s Foreign Trade and Economic Policy:

Kazakhstan is only state which has advantages that differentiate it from Central Asian neighbours, this is due to its continuous efforts to build a strong economy, implementation of new legislation and a commitment to intensify its economic and political reforms. Its political and macroeconomic stability, combined with tremendous oil and other natural resource reserves, have provided a basis for ensuring Kazakhstan a place in the global economy and attracting western businesses to promote investment and establish their presence in Kazakhstan. Rapidly growing GDP is another major factor attracting investors to Kazakhstan. Kazakhstan’s foreign trade policy follows the path of liberal market economy and suitable conditions for foreign direct investment in its economy. Kazakhstan is a world leading producer of coal, copper, zinc, bauxite, uranium, chrome ore, oil and gas etc.

Geography does not make it easy for Kazakhstan to become a successful trading partner of world trading community. It is a landlocked country distant from key world markets. It was once a stop along the Silk Road but it is today surrounded by developing countries with poor transport infrastructure. The trade and foreign direct investments have been due to Kazakhstan’s recent prosperity.

Kazakhstan's Trade Policy is within the framework of liberalisation of economy. Main objectives of trade policy have been to reform from transition economy to a market economy. An Economic institutional reform of potential trades and integration with world economy was another objective of the trade policy. Kazakhstan's trade policy also follows the international norms for comprehensive cooperation and flow of FDI in Kazakhstan economy.

- Trade policy has lowered tariff and non-tariff barriers that encourage the free flow of foreign commerce.
- As regards the foreign investment, according to Jensen & Tarr (2007), Kazakhstan has done more to lower its tariffs simultaneously liberalizing its barriers to foreign direct investment
- The availability of competent financial institutions plays an important role in increasing the productivity of Kazakh firms and promoting international trade.

The leadership of Kazakhstan has been proactive in establishing a friendly environment for foreign and domestic investors. There are around 8,000 companies with foreign capital operating in Kazakhstan, including 270 companies from the Fortune-500 ranking, such as Chevron, Siemens, Microsoft, General Electric, Coca-Cola, Danone, Henkel and many others. Kazakhstan maintained an annual GDP growth rate of about 9percent during 2000-2009, with GDP in 2009 reaching US\$115.3 billion (US\$7,257 per capita) (Aysen Tanyeri-Abur⁴⁴, 2003).

President Nursultan Nazarbayev signed the Strategic Development Plan of the Republic of 'Kazakhstan 2020' in February 2010, which states the country's five key development priorities: preparation for post-crisis development, diversification of the economy, human capital development, providing society with quality municipal and social services, strengthening inter-ethnic harmony and stability of international relations. Kazakhstan also prepared the roadmap of Industrial Innovative Development Programme 2010-2014, which is based on Business Roadmap 2020. The main focus area of economic development are energy sectors, transportation,

⁴⁴Aysen Tanyeri-Abur(2003),Trade policy adjustment in Kazakstan:A general Equilibrium analysis,Contributed paper at international conference,Capri (Italy).

telecommunication, biotechnology, oil industry, agriculture sector, chemical and pharmaceutical sector etc (Kazakhstan statistical year book⁴⁵, 2010).

3.1.1. WTO, World Bank and IMF Membership:

Kazakhstan applied for membership of the World Trade Organization (WTO) in 1996. Kazakhstan is still not a member. Kazakhstan's decision to join the WTO also involves geopolitical concerns. There were a lot of difficulties having Kazakhstan's WTO agreement. The problems lie principally in three areas. First, Kazakhstan's economy is currently prospering on the back of high oil prices. It can afford to delay its WTO accession. Second, Kazakhstan was entangled in a "Russia first" strategy that did not favour the acceleration of the process. Third, the incentives for major powers to accelerate the entry Kazakhstan into the WTO of were not strong. Therefore, to fast-forward Kazakhstan's WTO accession, fulfilment of three conditions is required. First, the government's determination to get it done needs to be unequivocal and its actions must correspond to this resolve. Second, the US and the EU in particular will need to take greater interest in Kazakhstan's WTO accession. Third, this interest must be strong enough to counter the final uncertainty, which is the strength of a potential Russian opposition to Kazakhstan accession. The second condition for the success of a strategy to fast-forward Kazakhstan's WTO accession is a greater involvement of the European Union, its main trading partner and United States. Support by the greater powers is also a crucial condition to accelerate the process (Brian Hindley, 2008).

Kazakhstan is the most prosperous and stable country, in the context of deteriorating political and economic conditions in the region. By choosing the WTO, Kazakhstan signals its desire to belong to a world where the model of a society is based on free markets. This lays the foundation for further democratization of Kazakhstan, which both the EU and the US would like to see and could more legitimately demand from Kazakhstan if they support such a strategic move as WTO accession. Kazakhstan can reconcile its economic strategy with its wider geopolitical security considerations and its wish to remain a major partner of Russia. Positions in

⁴⁵ Statistical year book edited by A.A. Smilov, Agency on Statics of the Republic of Kazakhstan, Astana, 2010.

terms of agricultural support (Russia has similar demands as Kazakhstan) and other matters in the remaining multilateral negotiations are to be streamlined and coordinated. The remaining bilateral accession protocols would need to be signed swiftly, especially the crucial ones with the US and the EU. The main risk is that Kazakhstan could become an involuntary victim of frictions that might arise in the final stages of Russia's WTO accession and conditionality imposed by Ukraine (Kazakhstan has already signed a bilateral protocol with Georgia). EU and the US can play a major role as facilitator and broker. The EU can commit to open its market further to Kazakhstan's exports. In this scenario, Kazakhstan must make a clear-cut policy choice. The role of the West would be of particular importance. The EU and U.S.A would need to actively support Kazakhstan's WTO accession, swiftly open their markets, and provide economic, financial and logistical support. Joint political and economic action towards Russia would be crucial. The issue would become of strategic importance to the US. Kazakhstan has also signed its bilateral accession protocol with China, can play its role. It could be asked to mediate in the context of the Shanghai Cooperation Organization (SCO), to which Russia in particular gives special importance (Embassy of Kazakhstan, Washinton⁴⁶)

Free Trade Agreements Involving Kazakhstan

FTA	STATUS
Kazakhstan-Kyrgyz Republic	In force 1995
Kazakhstan-Moldova	In force 1995
Kazakhstan-Uzbekistan	In force 1997
Kazakhstan-Georgia	In force 1999
Kazakhstan-Armenia	In force 2001
Kazakhstan-Azerbaijan	Signed in 1997 , not yet in force
Kazakhstan-Mongolia	Signed in 1997 , not yet in force

Source: Information gathered by different sources.

⁴⁶ www.kazakhembus.com/index.php?page=wto-accession.date 24th february2012.

Investment-Related Treaties Signed by Kazakhstan

	Partner countries
Europe	BITs with: Belgium, Bulgaria, France, Germany, Greece, Hungary, Italy, The Netherlands, Spain, Sweden, Switzerland, United Kingdom European Union–Kazakhstan Partnership and Cooperation Agreement (1999)
USA	US-Kazakhstan BIT (1994) -Treaty on the Avoidance of Dual Taxation (1996)Trade and Investment Framework Agreement (TIFA)with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan (2004)
Others	BITs with: Egypt, India, Iran, Kuwait, Malaysia, South Korea, Turkey

BIT = Bilateral Investment Treaty,

Source: Information gathered by different sources.

Kazakhstan has mutual trade agreements with following European and Western countries

Austria	Hungry	Kyrgyzstan	Slovakia	Ukraine
Azerbaijan	Germany	Lativia	USA	Finland
Armenia	Greece	Lithuania	Tajikistan	France
Belgium- Luxembourg Union	Georgia	Poland	Turkey	Czech Republic
Bulgaria	Estonia	Romania	Russia	Switzerland
Great Britain	Italy	Serbia	Uzbekistan	Sweden

Source-Investor's guide for Republic of Kazakhstan

3.2. European Investors and MNCs in Kazakhstan:

These are the following European Investors and MNCs have greater role in economic development of Kazakhstan.⁴⁷

3.2.1. Arcelor Mittal:

Arcelor Mittal is British company which is the leader in all major global markets, including automotive, construction, household appliances and packaging. The company leads in R&D and technology, holds sizeable captive supplies of raw materials and operates extensive distribution networks. Its industrial presence in Europe, Asia, Africa and America gives the company exposure to all key steel markets.

Arcelor Mittal Temirtau is the largest enterprise in Kazakhstan's mining and smelting sector. The company's steel plant has an annual capacity of over 4.5 million tons, supported by excellent infrastructure, captive coal and iron ore mines, and a reliable energy base. It produces hot and cold rolled steel, tin plate, galvanized steel and polymercoated coils, welded pipes, coke and chemical by-products. Arcelor Mittal has been playing an increasingly active role in the development of the city and its citizens, the mining and steel industry and the whole of Kazakhstan since independence.

3.2.2. Cameco:

Cameco is one of the world's largest uranium producers. It is a Canadian company with head office in Saskatoon, Saskatchewan. Cameco's mining operations are located in Canada, the United States, and Kazakhstan. In 2009, the company provided approximately 16 percent of world uranium production. Cameco is also a major supplier of conversion and nuclear fuel services. The company's uranium products are used to generate electricity in nuclear energy plants around the world, providing one of the cleanest sources of energy available today. Cameco's shares

⁴⁷ Success stories: Foreign investors in Kazakhstan, Report(2010),prepared by the Foreign Investor council chaired by president of Kazakhstan .

trade on the Toronto and New York stock exchanges. Kazakhstan has joint venture Inkai with Cameco for newest uranium production facility. The first uranium development agreement between Cameco and Kazakhstan was signed in 1993 and formation of the joint venture between Cameco and Kazatomprom in 1999 to develop the significant uranium deposit at Inkai.

3.2.3. Chevron:

Chevron became the first major western oil company with activities in Kazakhstan. It formed successful partnership with Tengizchevroil Joint Venture in 1993. Chevron has made more than US\$14 billion in capital investments to support its Kazakhstani projects. Chevron has a 50 percent interest in the Tengizchevroil Joint Venture in western Kazakhstan. In 2008, the Chevron-led joint venture completed a US\$7.4 billion expansion project which increased crude oil production by about 80 percent. TCO production averaged 530,000 barrels per day of liquids and over 670 million cubic feet per day of gas in 2009. The joint venture is currently considering plans for another expansion to increase production. Chevron is the largest private shareholder in the Caspian Pipeline Consortium (CPC) which operates an export pipeline from western Kazakhstan to the Black Sea port of Novorossiysk in Russia. The pipeline is critical to Kazakhstan's infrastructure for exporting energy. Chevron opened a US\$25 million polyethylene pipe plant in Atyrau, the first such facility in Kazakhstan in 2003. Chevron contributes to Kazakhstan's economy through employee salaries, purchases of goods and services from national suppliers, tariffs and fees paid to state-owned companies, and royalties paid to the government.

3.2.4. HSBC Bank Kazakhstan:

HSBC Bank Kazakhstan is well known as a leading international bank with an excellent reputation amongst large corporate companies and leading international businesses. HSBC's Global Banking and Markets business is one of the largest of its kind in the world. HSBC Bank Kazakhstan is part of the HSBC Group, one of the world's largest banking and financial services companies. With approximately 8,000 offices in 88 countries across the globe, HSBC is well positioned to serve its client's financial requirements. HSBC has been operating in Kazakhstan since 1998. Its first office was located at Dostyk Avenue in Almaty. HSBC Kazakhstan is an established

provider of financial services, offering a range of retail and wholesale banking solutions for personal, corporate, and institutional clients.

3.2.5. METRO Cash & Carry in Kazakhstan:

METRO Cash & Carry opened for business in 1964 in Germany. This is one of trusted brand German company and is a great success story in modern commerce in Kazakhstan. Company's unparalleled expertise in providing fresh food products sets it apart from its competitors. Customers select their own purchases and take the goods with them. This is foundational concept of this company. METRO Cash & Carry supports the development of modern trade infrastructure along its entire supply chain in Kazakhstan. It helps build direct supply sources, reduces waste and supports farmers in getting better prices for their produce while simultaneously providing better quality products to its customers.

3.2.6. Philip Morris International (PMI-K):

PMI is the holder of the first foreign investor's licence in Kazakhstan. This is world's largest British Tobacco company. It was one of the first investor of company in Kazakhstan. PMI-K has invested over US\$320 million in Kazakhstan since 1993. PMI-K is the largest taxpayer among companies in the tobacco industry in Kazakhstan. Since the acquisition of the Almaty Tobacco Factory, PMI-K has paid over US\$915 million taxes and duties in 2009. PMK is an active participant in charitable activities over the past 15 years. Philip Morris Kazakhstan is proud of the Honorary Diploma it received in 2000 from the President of the Republic of Kazakhstan for "Charitable Contributions and Sponsorship of Humanitarian and Cultural Activities".

3.2.7. Royal Bank of Scotland (RBS Group) and RBS (Kazakhstan):

The RBS Group is one of the world's leading financial services companies, providing a range of retail, corporate, and institutional banking services, including financial markets, consumer finance, insurance and wealth management. RBS (Kazakhstan) is an integral part of RBS Group core network for corporate and institutional clients, and its commitment to Kazakh people and businesses in Kazakhstan. RBS (Kazakhstan) has been the successor of ABN AMRO Bank

Kazakhstan since July 17, 2008. This follows the global acquisition of ABN AMRO in October 2007 by an RBS-led Consortium. In 1994, RBS became the first foreign bank to begin licensed operations in Kazakhstan. Now, RBS (Kazakhstan) has a geographic coverage with branches in the commercial capital Almaty, the nation's capital Astana and also in Atyrau.

3.2.8. Siemens in Kazakhstan:

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. Siemens Company operates in three economic sectors: Industry, Energy and Healthcare in Kazakhstan.

3.2.9. Telia Sonera in Kazakhstan:

Telia Sonera (Sweden and Finland) is the pioneer of European telecom industry. It is one of the inventor of mobile communication and founder of GSM. Telia Sonera provides network access and telecommunication services that help people and companies communicate in an easy, efficient, and environmentally friendly way in Kazakhstan. Telia Sonera is currently the fifth largest telecommunication company in Europe by market capitalization. This telecommunication company is working more than 20 countries currently including Kazakhstan (Report, Foreign Investors in Kazakhstan, 2010).

3.3. Economic Ties with European Union and its Member States:

European Union is the major trade partner of Kazakhstan. Kazakhstan-EU partnership has been focused on the basic elements such as respect for democracy and rule of law, protections of human rights and market economy principles. Partnership and Cooperation Agreement (PCA) offers Kazakhstan comprehensive cooperation in all non- military spheres, mainly trade, investment and economic relations and cultural interactions. Kazakhstan is emerging the important supplier of energy to European states. The EU's relation with Kazakhstan revolves mainly around Germany, France and United Kingdom. EU has been extending assistance in various pipeline projects for energy supply to Europe. The major importance of Kazakhstan for the international political economy lies in the country's principal wealth oil and

gas. Kazakhstan is among the world's top producers and exporters of crude oil and natural gas. Kazakhstan and neighbouring states try to diversify their energy export routes and are currently developing new projects to provide oil and gas to Europe, China and their traditional market in Russia.

The European Union is seeking to establish a place for itself in Central Asia in the face of a Chinese presence that is growing exponentially and a Russian influence that continues to be strong in Economy presence. Kazakhstan's strategic framework for industrial and technological development aims to attract Germans who will invest in industrial sectors not related to hydrocarbons, that is, the transformation technologies and six pilot industries (construction, tourism, agriculture, transport infrastructure, agribusiness and the textile industry.)

France is Kazakhstan's fifth largest trade partner after Russia, China, Italy, and Switzerland. Kazakhstan's exports to France consist essentially of oil, metals and metallurgical, chemical and agricultural products; while Kazakhstan buys electrical, electronic and manufacturing equipment, basic consumer goods, medicines and cosmetics, cars, foodstuffs and construction materials from France. Britain has become Kazakhstan's third-largest European economic partner. The world's tenth-largest economy, the Netherlands, is one of Central Asia's main investors, especially in Kazakhstan. There are several interesting constellations emerging between Central Europe and Central Asia.

The Nuclear industries are likely to be one of the future driving forces behind Europe's increased presence in Central Asia, whether on account of uranium extraction in Kazakhstan or Uzbekistan, or the construction of nuclear power plants in partnership with Astana (Areva)⁴⁸. Another great strength of the European economy is its high-tech sectors, linked to technological, scientific and biological innovation. This is the case, for example, with mobile phone companies (Nokia, Ericsson, Alcatel, Teltronic), IT and telecommunications (Deutsche Kabel AG, Indra), optics and the medical sector (Siemens), biotechnology related companies such as those of the pharmaceutical sector (Inter Medico, Novo Nordisk, Solvay Pharmaceuticals, Sanofi-

⁴⁸ AREVA is a MNC of France, which is working in nuclear industry and energy field of Kazakhstan .

Aventis, Berlin-Chemie AG/Menarini), road, rail and air transport companies (BAE Systems, Alstom, Geismar, Talgo and Sofema) and finally nanotechnologies and companies that are linked to environmental issues such as solar, wind and hydroelectrical energies (Iberdrola, Vivendi, Degrémont, Culligan Italiana, Générale des Eaux). One of the major sectors of Kazakhstan where the EU has a strong worldwide reputation is Training and Education services, both in terms of the quality it offers and quantity. This sector includes scientific research, the finance and banking system, strategic advice, financial engineering and advanced medicines. Energy is one the emerging trade between EU and Kazakhstan.

EU also views Kazakhstan and Central Asian states as unlimited economic opportunity for the nations of its organisation. Kazakhstan has several reasons for seeking greater cooperation with EU.

- Given the Kazakh conception of a multi vectoral foreign policy, the reinforcement of the position of the EU would offset the excessive influence exerted by the US and Russia and balance the influence of China at some future point.
- The economic engagement of Germany and other European states in Caspian region would strengthen the economic ties with Kazakhstan.
- Kazakhstan may be the hub of energy supplier to the European states, which is the largest emerging market for next several decades (through the creation of the Unified European Energy system as is seen in the treaty on the Energy Charter). EU itself is very closely related with the US democracy promotion agenda in Central Asia. European Union can play the role of normative power in Kazakhstan and the Region.

3.4. Kazakh-EU Trade Partnership:

Central Asia situated at the crossroads of Eurasia (Findlay and O'Rourke, 2007). The Silk Road⁴⁹, which involved several corridors, passed through Central

⁴⁹ . The Silk Road is one of the Asia's most dynamic economic growth areas. With abundant natural resources such as oil and natural gas, progress from transition from command economy to market

Asia connecting Europe and western Asia with China. Central Asia is surrounded by some of the world's most dynamic economies (RIC)⁵⁰ in the 21st century. The first successful step of trade link was taken by EU towards Central Asia by creating corridors across Central Asia. Transport Corridor Europe-Caucasus-Central Asia (TRACECA)⁵¹ programmes was established in 1993 to develop an efficient and integrated transit transport system between Europe, the Caucasus and Central Asia. The TRACECA route carries specially oil, plus some cotton and grains, but operates well below projected capacity. Cooperation among the Central Asian governments and the focus on transport from Central Asia to Europe via Baku and Poti, involving ferry crossings of the Caspian Sea and the Black Sea, ran into problems of competitiveness. Freight costs from Tashkent to Europe via Baku are almost double the rail freight costs via Russia. Clearly, international trade in Central Asia was suffering from poor physical infrastructure during the 1990s and early 2000.

CAREC⁵² has been the most successful multilateral initiative. It started on a low-key and established itself through a long period of confidence-building. CAREC's Transport and Trade Facilitation Strategy⁵³ coalesced around identification of a number of corridors, along which donor activity would be coordinated, in which Asian Development Bank (ADB) played as honest broker for balancing and

based economies, and growing intraregional interregional linkages, the Silk Road appears headed towards restoring its former prosperity.

⁵⁰ RIC-Russia, China and India economies.

⁵¹ The Multilateral Agreement on International Transport for Development of the Europe - the Caucasus - Asia Corridor was signed in Baku on 8 September 1998 by twelve countries, including four from Central Asia and Azerbaijan; Turkmenistan was subsequently included in TRACECA.

⁵² CAREC members are Afghanistan, Azerbaijan, China (represented by the national government, for projects in Xinjiang and Inner Mongolia), Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Uzbekistan and six multilateral institution partners: the ADB, which hosts the Secretariat, the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF), the Islamic Development Bank (IsDB), the United Nations Development Programme (UNDP) and the World Bank

⁵³ The CAREC Transport and Trade Facilitation Strategy approved at the 6th Ministerial Conference in Dushanbe in November 2007 identified six priority transport corridors, potentially linking Central Asian countries with each other and with their neighbours from China to Europe, and from the Indian Subcontinent to Russia (CAREC, 2007). The Action Plan identified a set of priority investment projects and technical assistance initiatives to be implemented over the next decade to improve the multi-modal transport network and border crossing, transit and logistics management along the priority corridors, and also envisaged monitoring of transport cost and time along the corridors in order to ensure that the investments actually secured the intended benefits. Financing, estimated at \$21 billion for investments and \$69 million for technical assistance, was to come from countries' own resources, from loans and grants by the multilateral institutions, and from other external financing (Linn, 2008).

monitoring of trade& investment. The EU has tried successfully to reorient its main trade programme and policy in Central Asia (BOMCA-CADAP) from border management to control the drug trade towards a more balanced risk assessment to facilitate legal trade as well as prevent illicit trade since 2007. The CAREC-sponsored investment along corridor 1 from China to Europe via Russia is effectively for improving the Kazakhstan road system. Upgrading the Almaty - Shymkent road connects the major cities of southern Kazakhstan.

European Union has progressively become frontline trading partner of Kazakhstan. EU dominates around 40percent share of its external trade. Kazakhstan exports to the European Union are heavily dominated by oil and gas which are approximately 80percent of its total exports in 2007. Kazakhstan huge reserve of oil and gas are crucially important for European Strategy of diversification of supply and in the creation of alternative pipeline.

3.5. EU FDI and Its Impact on Kazakh Economy:

Foreign direct investment (FDI) is an important catalyst for economic growth in the developing countries like Kazakhstan. It affects host counties' economic growth by transferring technology, increasing human capital formulation and by stimulating domestic investment, and access to global markets. Kazakhstan followed Russia's economic reform policies for transition to market economy (Pomfort 2005, Tatibekov, Adam & Prochaska, 2004).

The strategy was based on price liberalisation and privatisations of state enterprises. Kazakhstan's vast natural resources provide a viable pathway to attract FDI in its economy. Empirical studies offer rich insights on the impact of FDI and economic growth in Kazakhstan. FDI enhances the foreign technology absorptive capacity, assists in innovation and technology transfers and management skills, promote international trade integration and forces to strength the competitive environment in Kazakhstan. Within Central Asia and CIS countries, Kazakhstan is one of the rapidly growing and one of the most FDI attractive countries. Since independence in 1991, Kazakhstan has made considerable progress towards the building of a market economy and an attractive climate for foreign investment. Huge

reserves in the natural and mineral resources sector and incentives for investors in priority sectors opened the door for foreign direct investment, primarily in oil and mineral resources. Foreign Direct Investment plays the significant role in the pattern of growth and development with the rapid influence of economic liberalisation and market globalisation in Kazakhstan economy. Global FDI became the largest single source of external funds for development in Kazakhstan economy in the mid 1990s. Kazakhstan has significant oil and gas reserves and abundant mineral sources, including copper, lead, zinc, iron ore, manganese, titanium, chromium and uranium. The petroleum industry in Kazakhstan also plays an important role in the county's economy and continues to develop rapidly since the economic reform. The Gross Domestic Product (GDP) of Kazakhstan in the mid-1990s averaged at just 2 percent due to the unstable economic situation in the first years of independence, and in 2006 the annual rate was 9.6 percent (The Agency of Statistic of the RK, 2007).

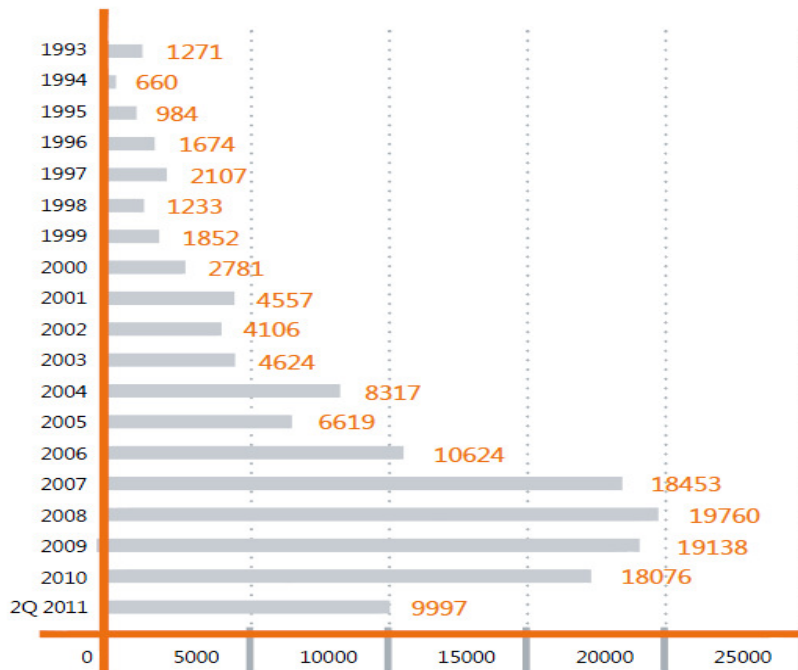
The foreign direct investment in Kazakhstan has been coming mainly from developed countries. The US, UK, Netherlands and Italy have been the main investors (with an even more prominent role for the Netherlands in the last years). Since declaring independence, Kazakhstan has emerged on the international stage as a rising petroleum powerhouse and as the leader in market reforms among the five Central Asian Republics (Fergus and Jandosova, 2003). Between 1993 and 2002, the total value of foreign direct investment in the Kazakhstan economy was \$21.2 billion, with the largest investment coming from the United States (24.7 percent), the UK (15.3 percent), Switzerland (12.8 percent), Italy (11.5 percent) and the Netherlands (9.9 percent). Oil and gas extraction leads the list of industries attracting foreign investment (Kazakhstan National Bank, 2002).

Oil production growth has had a strong positive impact on Kazakhstan's economic growth and revenues. The petroleum sector is most attractive field for most foreign investment. According to Olcott (2002) from the time of its independence, Kazakhstan received huge amount of money in foreign investment processes with about 50 percent being in oil and gas sector. Although a significant percentage of this was for development of new oil fields, like Kashagan under the Caspian Sea and new pipelines like the CPC's pipeline from the city Atiray to Russia's Novosibirsk, substantial amount has been invested in the existing production fields. Today there are

four main enterprises in Kazakhstan where foreign investors have their own shares: Aktobemunaigaz, Mangistaumunaigaz, Tengizchevroil and Hurricane Kumkol Munai.

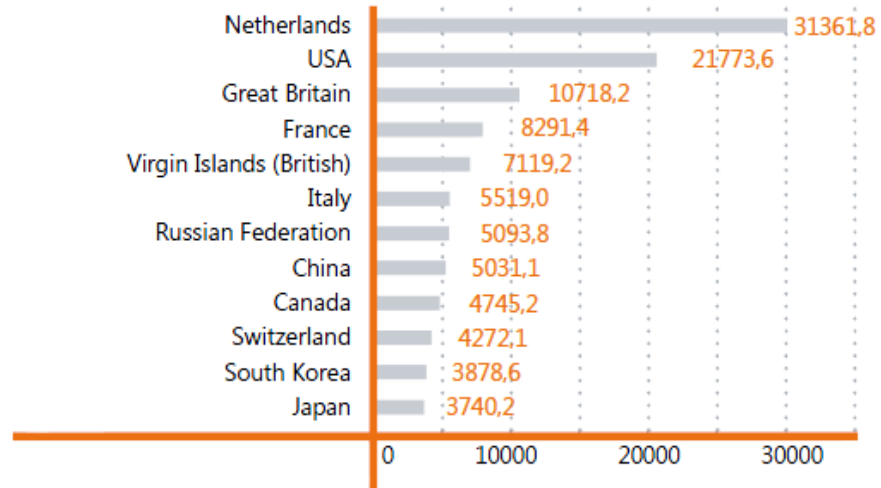
Dosmukhamedov, (2003) describes that In Kazakhstan, fewer than 17 million people populate are four times the size of Texas and larger than Great Britain, France, Germany, Spain, Austria, Holland, and Denmark combined. It's a land of harsh winters and dry summers, expansive deserts and remote mountains. Kazakhstan is on the way of long term development policy established “Kazakhstan 2030” strategy, which is in favour of attracting FDI. This policy leads to economic development, advance competitiveness of country and diversify economics. Specially joint ventures and other foreign investments into Kazakhstan are not just permitted but actively encouraged. Among all the countries of Eastern Europe and the former Soviet Union, Kazakhstan is one of the most open toward foreign investment. The favourable business climate and political stability have contributed to a significant inflow of foreign direct investments (FDI) into Kazakhstan. Kazakhstan has attracted FDI of over 136 billion dollars since 1993.

Total FDI, in millions in USD*



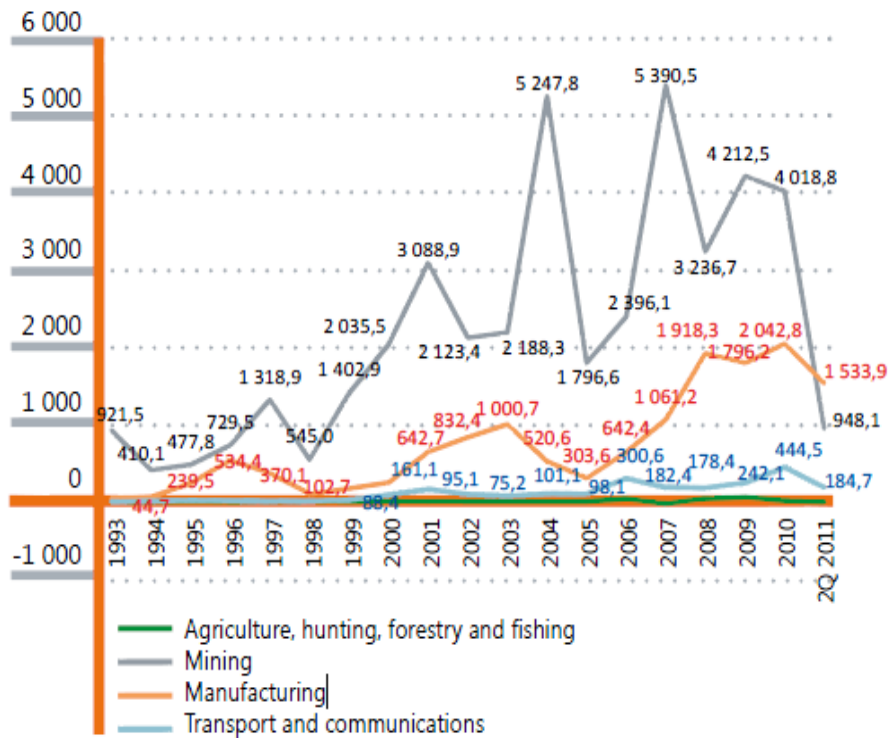
Source: National Bank of the Republic of Kazakhstan

The largest investing countries, 1993-2Q 2011, in millions of USD*



Source: National Bank of the Republic of Kazakhstan

FDI by industry, in millions of USD*



* Source: National Bank of the Republic of Kazakhstan

According to UNCTAD (World investment report 2007: 14) Kazakhstan is one of the most attractive countries among developing countries for investor. Kazakhstan ranked third among the CIS countries in terms of total amount of FDI inflow after Russia and Ukraine. During independence years, the country attracted more than 100 milliards to its economy. All sectors of the economy are open to foreign investment and foreign investors are allowed to participate in privatization. Foreign investors are involved in the energy sector, the steel industry, extraction industries, and many other sectors. Special Economic Zones (SEZ)⁵⁴ have become the major source of FDI. Kazakh government provides free land and tax exemptions from Corporate Income Tax (CIT). Government has given a lot of privilege like Value Added Tax (VAT) exemptions and low Property tax and free rent land used in the field of developing business infrastructures.

3.6. Energy Security and Partnership:

Energy constitutes essential and increasingly important ingredients for the prosperity and economic development of all countries. Energy security is becoming integral part of state policy. The issue of energy supply security has become a concept closely associated with the foreign policy, national security and Global security. There is growing interdependence in the energy fields and this phenomenon boosts the importance of energy relations among the regions and countries. Energy factor began to play significant role in world politics leading to the pursuit of the energy diplomacy by Great powers of the world. As a recent United Nations (UN) report highlights, “energy today is at the heart of every economic, environmental and developmental issue.”Hence, elaborating on energy geopolitics is crucial in terms of grasping the strong leverage of energy exporting countries on international affairs. The energy rich region of Central Asia has become the magnet for geo-strategic ambitions of the major powers. Which many observers now call the “Great Game”⁵⁵.

⁵⁴ Special Economic Zone (SEZ) is a geographical region that has economic and other laws that are more free-market-oriented than a country's typical or national laws. SEZ' covers, including Free Trade Zones (FTZ), Export Processing Zones (EPZ),Free Zones (FZ)Industrial Parks, or Industrial Estates (IE)Free Ports, Urban Enterprise Zones and others. There are three special economic zones (SEZ) in Kazakhstan-Lisakovsk, Kyzylorda and Zhairam-Atasu.

⁵⁵ A new "Great Game" is being played out in Central Asia, one in which powers on the periphery compete for influence, but also one in which the Central Asian states themselves are active players. Their own struggle for power can influence immediate neighbours Russia, China and Great powers of world politics.

The control of the strategic commodities of oil and gas and their supply are not only important for Central Asians but also for all those who depend on these natural resources. Energy security remains the high priority of European Union in Central Asia and particularly in Kazakhstan. Energy politics affects all the aspects of daily life through the vast use of energy from household to industries. Kazakhstan is ready to contribute the energy security of Europe. One of the main priorities of EU's energy strategy is to ensure energy supply through intensified diversification of energy resources, to create stable and regulatory market framework for attracting investment. The considerable energy oil and gas resources in the Caspian Sea, primarily in Azerbaijan, Kazakhstan and Turkmenistan are the most accessible alternative energy supply for Europe. Russian resources are unlikely to full fill European demands due to lack of domestic investment in energy projects and infrastructure.

In this new 'energy game'⁵⁶, the European Union is usually considered to be one of the most disadvantageous players regarding Russia's usage of energy card to manipulate politics. The EU is one of the world's largest importers of oil, gas and coal, and hence it is a major player on the international energy market. It most member states prefer national policies over a common energy policy. There is a growing concern among the European officials about the increasing dependency on Kazakhstan-Russian natural gas supplies.

The energy partnership is aimed at reshaping all the questions of common interest relating to this sector, including the introduction of co-operation on energy saving, rationalization of production and transport infrastructures, European investment possibilities, and relations between producer and consumer countries. The planned ratification of the Energy Charter Treaty by Russia and the improvement of the investment climate will be important aspects in this context (The Tenth Energy Dialogue Progress Report by European Commission and Ministry of Energy of the Russian Federation, 2009)

It involves crucial issues such as Kazakhstan's accession to World Trade Organization (WTO), Kyoto Protocol on climate change, infrastructure projects and discussing gas pipelines. The objectives of the energy dialogue can be summed as

⁵⁶ This 'game' is a fierce struggle for control over the world's greatest oil and gas reserves in Kazakhstan and Central Asia.

follows: the diplomatic aim of facilitating the energy flow by sustaining a political and institutional framework for enhancing Kazakhstan-EU energy trade, adjusting the divergent positions of EU member states regarding energy trade with Kazakhstan and for the Kazakhstan provide opportunity for attracting investments so as to maintain energy exports, modernize its energy infrastructure and establish better conditions for its economy.

The dream of a unified and peaceful Europe led to the creation of the three main bodies of today's European Union: European Coal and Steel Community, European Economic Community (EEC) and European Atomic Energy Community (Euratom). Hence, energy was a major issue for the EU from the beginning. The importance of energy, i.e. securing the supply, became increasingly important as the European Union reached 27 member states and nearly 500 million people with the last enlargement wave.

The European Union, with its 27 member states, is among the largest markets for natural gas and geographically in close vicinity to the world's biggest energy producer, Russia and Kazakhstan. European Union's economic presence in Kazakhstan is visible and its involvement in raw materials, transport routes, opening of markets and free economic zones and small and medium-scale projects. The importance of foreign policy on energy is also seen as a tool for constructing a pluralistic Eurasia through developing cooperative relations with the EU.

Further concerns on energy security, and developing a common energy policy took place among the debates within Europe, leading to initiatives to take concrete actions. The first major action was the Energy Charter Treaty (ECT)⁵⁷, which was formed on the basis of the non-binding 1991 European Energy Charter⁵⁸. It entered into force in 1998 as a binding treaty under public international law. EU is one of the

⁵⁷ The Energy Charter Treaty provides a multilateral framework for energy cooperation that is unique under international law. It is designed to promote energy security through the operation of more open and competitive energy markets, while respecting the principles of sustainable development and sovereignty over energy resources. The Energy Charter Treaty was signed in December 1994 and entered into legal force in April 1998.

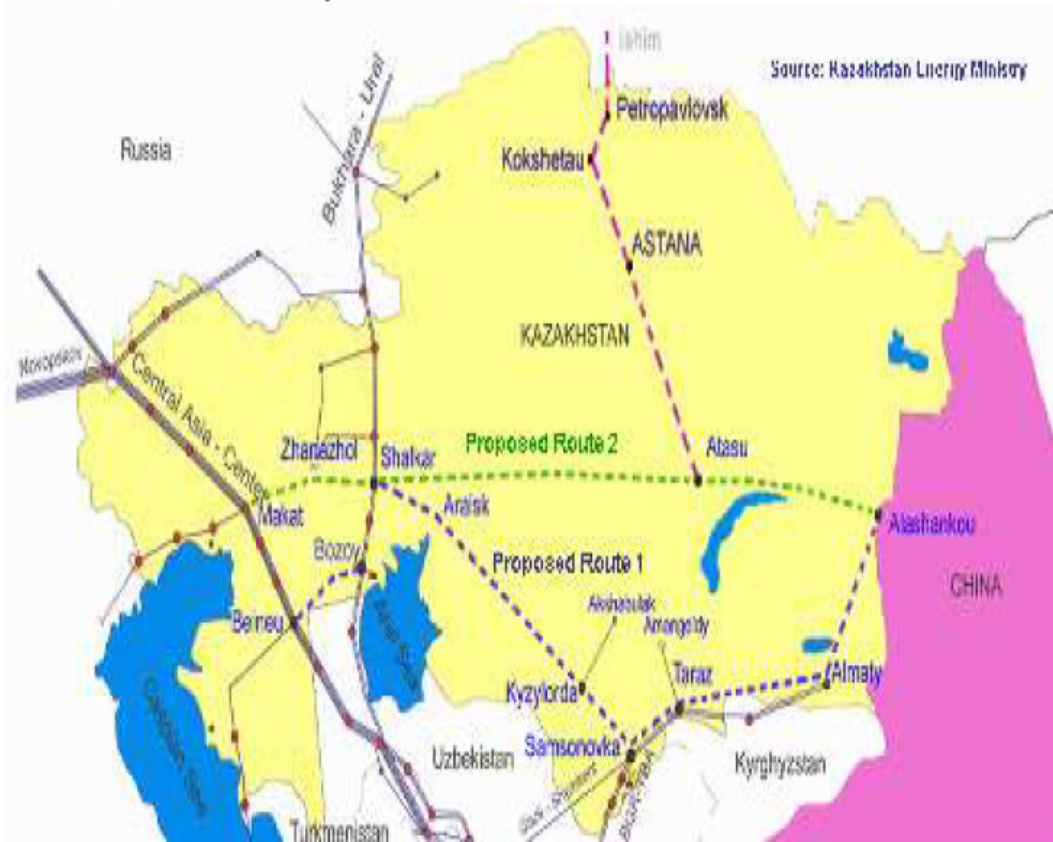
⁵⁸ The European Energy Charter Treaty establishes a framework for international cooperation between European countries and other industrialised countries with the aim of developing the energy potential of central and Eastern European countries and of ensuring security of energy supply for the European Union. The Protocol on energy efficiency and related environmental aspects aims to promote energy efficiency policies that are compatible with sustainable development, to encourage more efficient and sound use of energy and to promote cooperation in the field of energy efficiency.

world's largest oil and gas importer due to the fact that it has been composed of a vast number of member state countries that are also the most industrialized or industrializing countries of the world. Kazakhstan is gradually becoming one of the pillars of energy security in Asia and Europe. It has seventh position on oil reserves, sixth on gas reserves and second on uranium reserves in the world energy sectors. Kazakhstan has entered in the number of largest exporters of energy productions. Kazakhstan annually provides up to 20percent of all imports of gas and oil supply to the European Countries. The Republic of Kazakhstan possesses the proved extractable reserves of oil at the rate of 4.8 billion tons that correspond to the 3percent of the world oil reserves that enter in top ten countries of potential hydrocarbons.

Kazakhstan is a land locked country. It has no direct exit to the high sea. Its marketing strategy is based on the effective utilization of its strategic location in the centre of Eurasian continent. Network of the export pipelines connecting the largest oil deposits of Kazakhstan with consumers in the West and East has been constructed in the country. The basic directions of transportation of Kazakhstan hydrocarbons to the European market are- a route through Russia, further in the countries of Baltic to Europe, through the Caspian and Black sea transport hub to Europe. Kazakhstan being a part of Caspian region plays a growing role in the international energy market. Kazakhstan plays vital role with its full responsibility for maintenance of global energy balance.

Oil transportation is also provided by Kazakhstan Caspian system of transportation (KKCT), which includes the terminals in the territory of Kazakhstan and Azerbaijan and connecting to the system "Baku-Tbilisi-Ceyhan with a capacity of five million tons per year. The operating scheme of gas pipelines of Kazakhstan, basically, serves to maintain transit steams of indigenous gas from Central Asia to the European part of Russia. Kazakhstan is part of the Caspian Basin which is estimated to hold the largest oil and gas reserves in the world outside the Persian Gulf (Luong and Weinthal, 2001) and therefore due to the large oil and gas reserves the country is the forces of increased international attention caused by the increasing global quest for energy resources.

Kazakhstan Natural Gas Pipeline Routes



Source: Kazakhstan Energy Ministry

Energy cooperation between Kazakhstan and the EU has been enhanced with Memorandum of Understanding on energy cooperation signed in 2006 with Kazakh agreement to transport oil through the west oriented Baku-Tbilisi-Ceyhan pipeline. Kazakhstan Caspian Transport System (KCTS) was implemented to transport hydrocarbons to European markets in future⁵⁹. European Union backed the energy pipelines such as the BTC and the planned Odessa-Brody-Gdansk and Constanta-Trieste pipelines⁶⁰ (Kenedy & Nurmakov, 2010).

⁵⁹ The launch of the system is planned to coincide with the start of production at the Kashagan field in 2010-2011; until a solution to the legal status of the Caspian sea is found, oil will be shipped by barge and tankers from the Kazakh port of Aktau port of Baku.

⁶⁰ Cf. A. Cohen, Kazakhstan: The Road to Independence, silk Road paper, Central Asia-Caucasus Institute and Silk Road Studies Program, Washington-Nacka, 2008, pp. 145-146, www.silkroadstudies.org.

Kazakhstan oil Pipeline



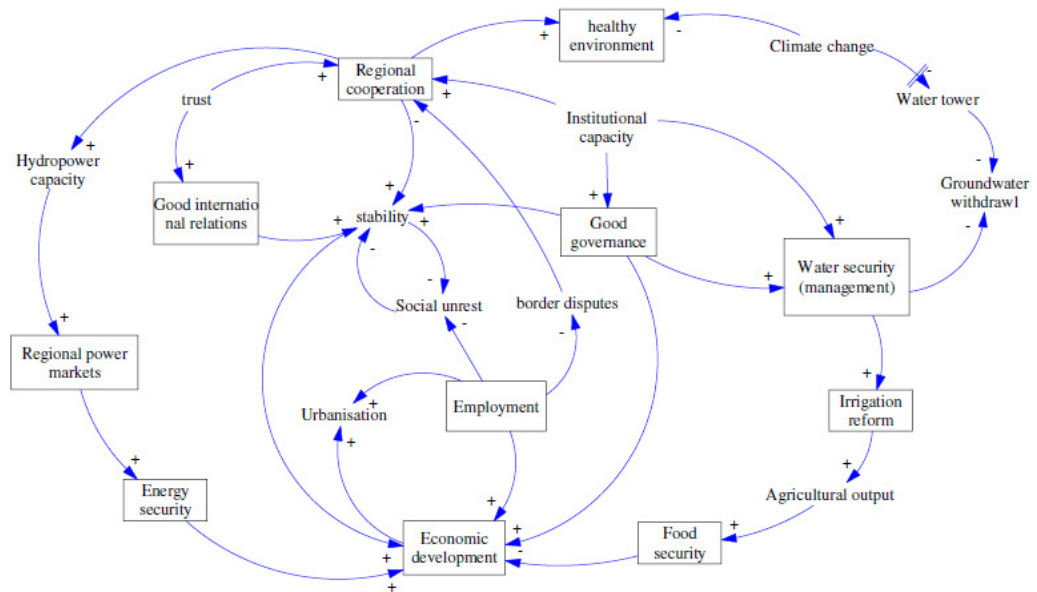
Source: CIA

3.7. EU Water Security and Management and Cooperation with Kazakhstan:

Water is strategic resource in the Central Asia. Water security can be defined as the sustainable use and protection of water systems, protection against water related hazards (floods and droughts), sustainable development of water resources and safeguarding of (access to) water functions and services for humans and the environment. Kazakhstan is one of the leading states in Central Asia which is the role model in water management and other natural resources in the region.

All the central Asian states needs to undertake irrigation reforms to increase food security, strengthen power generation through good hydropower development coupled with a focus on regional power markets to ensure energy security, and manage water collectively to tackle climate change and achieve water security. These measures would in turn contribute towards improvement of the Aral Sea ecosystem.

Economic development enhances growth of human capital, good water and energy resources, steps towards regional economic cooperation and market economies, and emerging reforms in the agriculture sector.



The diagram shows the underlying factors and key drivers in the region, and how they are linked. A positive sign next to a link illustrates a reinforcing relation, whereas a negative sign illustrates a balancing relation.

(Source-Regional water intelligence Report, UNDP 2010)

Kazakhstan has the good natural resources of water. Most of Kazakhstan’s major rivers have their headwaters in neighbouring countries. Originating in the Altai Mountains of North Western China, the Irtysh (Ertis) river enters Kazakhstan in the northeast, where it flows through Lake Zaysan and then north westward into Russia. In the south, the three major rivers are the Syr Darya, the Chu, and the Ili. Vital to several Central Asian countries, the Syr Darya has its headwaters in Tajikistan and Uzbekistan. After entering southern Kazakhstan, it flows generally northwest ward, ultimately emptying into the Aral Sea. Water plays the significant role for the industrialisation and economy growth for Kazakhstan. The first intergovernmental agreement (1992) was devoted to the establishment of the Interstate Commission for Water Coordination (ICWC). In 1993, with the development of the Aral Sea Basin Program, two new organizations emerged: the Interstate Council for the Aral Sea

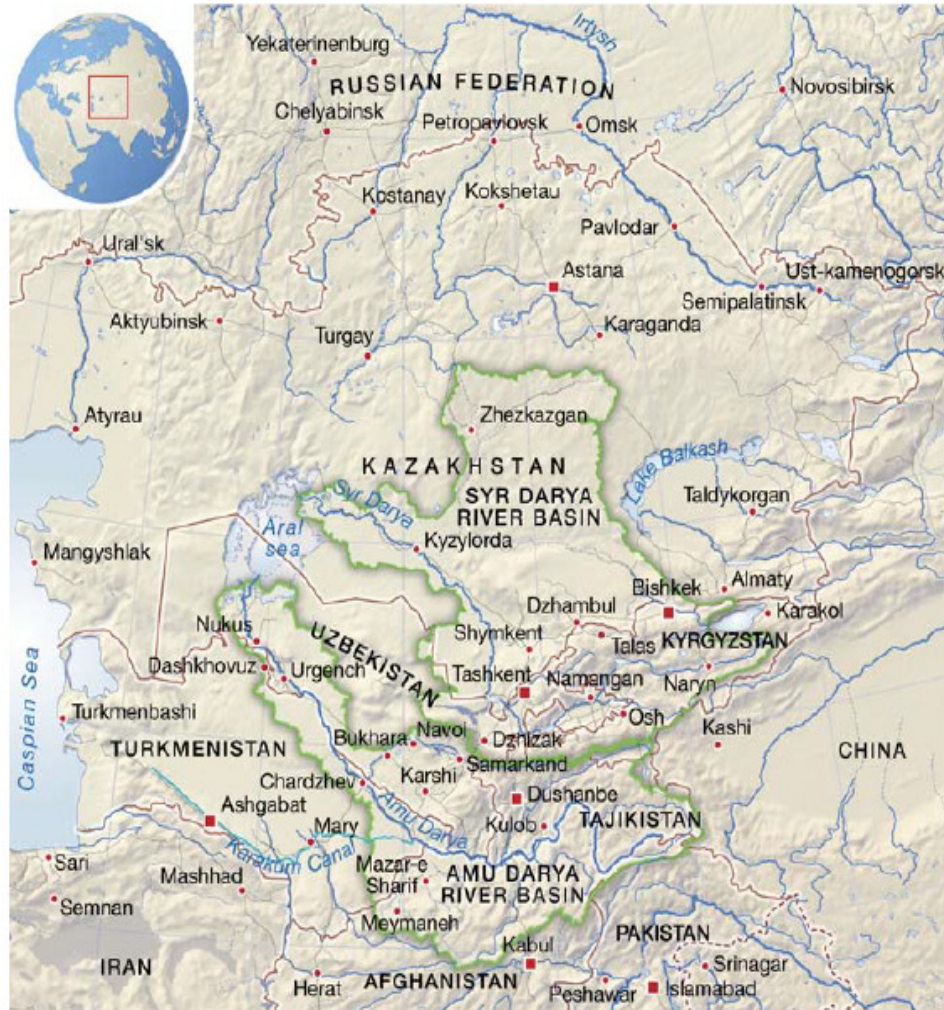
(ICAS) to coordinate implementation of the Program, and the International Fund for Saving the Aral Sea (IFAS) to raise and manage its funds. In 1997, the two organizations merged to create IFAS.

Situation of Syr Darya, Amu Darya and Aral Sea Basin in 2007

	Syr Darya		Amu Darya		Aral Sea Basin	
	Km ³ /yr	Percent of basin flow	Km ³ /yr	Percent of basin flow	Km ³ /yr	Percent of basin flow
Afghanistan			14.50	18.3	14.5	12.4
China	0.75	2.0	.		0.75	0.7
Iran			0.86	1.1	0.86	0.9
Kazakhstan	2.43	6.5			2.43	2.1
Kyrgyz Republic	26.85	72.2	1.60	2.0	28.45	24.4
Tajikistan	1.01	2.7	55.73	70.3	56.74	48.6
Turkmestan			1.53	1.9	1.53	1.3
Uzbekistan	6.17	16.6	5.06	6.4	11.22	9.6
Total	37.20	100.0	79.28	100.0	116.48	100.0

Source-Regional water intelligence Report, UNDP 2010.

European Union plays constructive and positive cooperation in water management of Kazakhstan and Central Asian states. The EU Water Initiative and its Eastern Europe, Caucasus and Central Asia (EECCA) program seeks to improve the management of water resources in the EECCA region. The partnership was established between EU and the EECCA countries at the World Summit for Sustainable Development in 2002. European Union Water Initiative and the European Commission are engaged along with UNECE in developing integrated water resources management in the Central Asian States. The experts from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan produced a regional water and energy strategy (UNECE, UNESCAP, 2004) within the framework of the United Nations Special Programme or the Economies of Central Asia, SPECA in 2004.



The Central Asian region and the Aral Sea basin.

Source-Regional water intelligence Report, UNDP 2010

EU also helps in the integrated water resources management, including Trans-boundary river basin management and regional seas issues. Under the Kyrgyz European Union Water Initiative (EUWI) National Policy Dialogue process, a lot of organisations and partners have been working together and coordinate actions regarding complementary water sector programmes in Central Asia since 2008. These strategies aim at developing synergies and avoid duplicate actions in the region. UNCE is working for the implementation of EU Strategy for Central Asia in the water and energy sectors along with Germany and the EU (Libert, 2008).

Finally one can say that Kazakhstan is one of the fast emerging economy of Central Asia, with huge natural resources. Kazakhstan has the huge resource of oil and gas. Kazakhstan occupies a strategic location in the Central Asian Region. It has key role for EU in terms of energy and economic security. European Union is the major trade partner of Kazakhstan .Kazakhstan-EU partnership has been focused on the basic elements such respect for democracy and rule of law, protections of human rights and market economy principles. Partnership and Cooperation Agreement (PCA) offers Kazakhstan comprehensive cooperation in all non- military spheres, mainly trade, investment and economic relations and cultural interactions. Kazakhstan has been slowly becoming the important supplier of energy to European states. EU and its member states are major sources of the flow of FDI in Kazakhstan's economy, thereby becoming an important catalyst for economic and industrial growth of Kazakhstan. Energy is among the key priorities of the European Union policy towards Kazakhstan. European Union provides constructive and positive cooperation in the economic growth of Kazakhstan. European Union is the natural and reliable economic partners in the era of economic globalisation.

Chapter: 4

Defence, Security Cooperation and Partnership with NATO

The end of the Warsaw Pact, COMECON⁶¹ with collapse of the Soviet Union were the most important events in the post - second world war history, thereby ending the ideological bipolarity based on political, military, economic and social competition between USSR and USA. Security concerns in Central Asia did have their impact on other regions especially the EU, Russia and China. Extending security zone around Europe has been one of the European Union's primary strategic aims. Central Asia lies at a strategically significant intersection between the two continents. It is also the neighbour of two crisis regions - Afghanistan and Middle East. Kazakhstan has the largest territory geographically connecting Europe, Russia and China. Security is the cornerstone of the Kazakhstan and EU relations. The geographical location of Kazakhstan and wicched between the two nuclear states in the world, the Russian Federation and China determine the complexity of Kazakhstan's security policy. Kazakhstan has emerged as close ally of NATO within Central Asia, based on its stable political and economic conditions (Roberto Zarda, 1992)⁶².

This chapter examines Kazakhstan's security situation and threat perceptions and implications for the EU, NATO, and OSCE. The purpose of this chapter is to analyze the development of Kazakhstan's security policy since independence, and to determine how the EU and its member states supported Kazakhstan's security building efforts for mutual benefit. EU policy toward Kazakhstan has been a key factor in addressing domestic, regional, and international security challenges in Central Asia. Role of Russia is still a significant factor in influencing Kazakhstan's security development and China wants to play its own card in determining regional security policy. Kazakhstan's bilateral security cooperation with EU, NATO, OSCE, and USA counter balances the influence of Russia and China .Kazakhstan is emerging a natural and indispensable ally of EU, NATO and OSCE in the Central Asia.

The European security architecture, power relations and structure of International relations have changed due the demise of bipolar system of international

⁶¹ The Council for Mutual Economic Assistance (Comecon) and the Warsaw Treaty of Friendship, Cooperation and Mutual Assistance (Warsaw Pact) were established to improve economic and military cooperation among Soviet Union and its allies.

⁶² Roberto Zarda (1992),European Integration and Nuclera deterrence after the Cold War,Chaillot paper 5,ISS.

relations in the post- cold war era in Central Asia. Assessment varied from utopian, heralding the fulfilment of “Kant’s vision of Perpetual Peace” in Europe and Central Asia. It has not been an automatic beginning of the way to new era of liberal democracy with the end of East-West conflict. Weak statehood emerged as new challenges, came up in Central Asian Republics. EU and its member states and USA had the priority to guarantee the peace and stability in successor states. It was the prime concerns for western nuclear powers to carry out the denuclearisation of former USSR and reducing its arsenal on the basis of cooperation (C.J.Polychroniou,2011).

The definition of security can be made in terms of a defensive or an offensive framework. In that sense, the Waltzian notion of security follows a defensive framework that takes roots from the notion of anarchical. Waltz argues that the state of nature is state of anarchy and self help. He points out that “to achieve their objectives and maintain their security, units in a condition of anarchy must rely on the means they can generate and the arrangements they can make for themselves”. Furthermore, he also states that security and freedom are not humanized by external powers, which establish authority and may increase security but decrease freedom.

The EU, OSCE and NATO have been in favour of stable, prosperous and democratic states in Central Asia. NATO and the EU have also been faced with the difficulty of finding a suitable balance between, on the one hand, the strategic and economic interests of their member states and, on the other, the long-term objective of promoting fundamental political reform in Central Asia. There is growing competition between other global actors notably Russia and China with regard to the promotion of democracy and human rights in the region.

The EU is mainly concerned about security and good governance in Central Asia. One of the key aspects of the European Security Strategy (ESS)⁶³ is the need to “promote a ring of well governed countries to the East of the European Union” (European Security strategy paper, 2003). EU is also committed by international conventions and concerns to supporting efforts in the fight against organised crime and terrorism, including the fight against the proliferation of weapons of mass destruction (WMD) and their means of delivery. Cooperation on border and migration

⁶³ European Council adopted ESS in December 2003. One of the objective is providing security in changing world of Central Asia.

management is to have regional stability. Integrated border management is another agenda of EU in Central Asia. The EU wants a peaceful, democratic and economically prosperous Central Asia.

EU has some security concerns about energy supply through diversification of sources, and linkages with Afghanistan (supply logistics, political spill over risks, drug trafficking) in Central Asia. The Central Asian countries are situated between the world's largest illegal opium producer and the developed markets of Western Europe. They are located in close proximity to the countries of the Golden Crescent⁶⁴ (Afghanistan, Pakistan and Iran) and via China, have access to the countries of the Golden Triangle⁶⁵ (Burma, Laos and Thailand), which are the world's largest producers of illegal opium. Central Asia has emerged as a major international drug trafficking centre and is also linked to trans-border criminality and terrorism. According to some estimates, some 100 tonnes of heroin is smuggled from Afghanistan through Tajikistan and other Central Asia states annually which reaches to the Russian and European markets (European Community Regional Strategy Paper, 2007-2013).

European Security Strategy (ESS) has primary concern about improving good governance, dealing with corruption and the abuse of power, establishing the rule of law and protecting human rights. Another objective of ESS is to promote an international order based on effective multilateralism in Central Asia (Elizabeth S. Van Heuvelen, 2009).

Jihadi Islamism is another major concern for Europe which still has little understanding of its ideology, recruitment practices, social profile and international connections. Ferghana valley has a reputation of being a nursery of Islamism and the birth place of the Islamic Movement of Uzbekistan (IMU). EU wants to moderate Muslim states of Central Asia. Refugee flows and conflict in Afghanistan is another challenges of EU. The terrorist attacks on WTO and Pentagon in US (11 September 2011) where the turning point of entered a new phase of challenges of international security agenda along with Central Asia security concerns. Terrorism has been identified as primary threats to the security of EU. European Union and the United

⁶⁴ One of two main region of illicit opium production of Asia.

⁶⁵ One of another main region (south east Asia) of illicit opium production of Asia.

States made a grand alliance against the global war on terror. Under the leadership of NATO, global anti-terror forces have been engaging in war against the Al-Qaeda and Taliban in Afghanistan.

EU has been assisting Central Asian countries through various flagship programmes under security perspectives the Border Management Programme in Central Asia (BOMCA), Central Asia Drug Assistance Programme (CADP), NADIN (Anti-drug measures) and Development and Modernisation of efficient of Central Asian Customs Administrations. These programmes have been designed as technical projects managed by TACIS and implemented by UNDP with partnership of *United Nations Office on Drugs and Crime* (UNODC), OSCE and International organisation for Migration (IOM). Central Asian Economic Community (CAEC) has formed a joint Council of Defence Ministers for the consideration of regional security and defence coordination, including the coordination of military exercises, air defence and defence supplies. It also decided to create the tripartite peacekeeping battalion (CENTRASBAT)⁶⁶. This initiative was supported by the United States which sponsored the military exercise Centrasbat-1997. Kazakhstan hosted Centrasbat-2000 joint military exercise with Uzbekistan and Kyrgyzstan.

4.1. Strategic Objectives of EU in Kazakhstan

EU has more priority and concern about economic and regional security of Kazakhstan along with Central Asia. The growing challenges of non-traditional security threats have given new opportunity for the comprehensive and strategic partnership. The rise of terrorism, extremism and separatism are the most difficult challenges of security threats to Central Asia. European Union-Kazakhstan partnership has the following common objectives for security of the region:

- To ensure the stability and the security of Kazakhstan along with countries of the region;
- To promote fulfilment of objectives of Millennium Development Goals;

⁶⁶ The Central Asian Battalion (CENTRASBAT) is series of exercises is designed to improve interaction with the Central Asian States by focusing on peacekeeping/humanitarian operations and exercising command, control, and logistics within a multinational framework. CENTRASBAT is conducted in Kazakhstan, Kyrgyzstan and Uzbekistan. Other participating nations include Russia, Ukraine, Turkey, United Kingdom, Georgia, Azerbaijan, and Mongolia.

- To promote closer regional cooperation with Kazakhstan and Central Asia countries with the EU, particularly in energy, transport, higher education and environmental sectors.

4.1.1. Security and Border Management Cooperation in Central Asia:

Central Asia is facing a wide range of security challenges due to its position at the crossroads between Russia, China, Afghanistan, Pakistan, Iran and the Caspian Sea. It is confronted with a range of trans-national threats such as drug trafficking, human trafficking, organised crime and terrorism. Central Asia also encounters specific regional threats including scarcity of water resources for generating power and irrigation purposes. Central Asian Republics face the threat of instability due to a combination of bad governance and adverse impact of the economic crisis.

The EU's main operational activity in the security field has consisted of two substantial projects concerning border management - BOMCA (Border Management in Central Asia) and drugs - CADAP (Central Asia Drug Action Programme). These programmes were started before the launch of the EU Strategy for Central Asia and implemented by the UNDP offices in the region. BOMCA has been described as a Sisyphian task (EUCAM Policy Brief December, 2009). This programme aims to upgrade the capacity of border services, with their customs and immigration services, and mobile command and control centres, with a view to combating cross-border crime and trafficking in drugs, arms and human beings, and at the same time to facilitate trade and transit. BOMCA's achievements have included supplying modern equipment to border posts, the building of some large infrastructure projects at border points, militating in favour of revising obsolete laws governing border controls, and engaging usefully even with the region's most closed states. There have been training courses for hundreds of officials but BOMCA has not uniformly fulfilled its entire action plan. BOMCA's capacity and budget for training are limited, and can provide classes and workshops for only a small portion of eligible border officers.

BOMCA is more coordinated and comprehensive than other border management assistance initiatives in the broader Eurasian region. U.S. assistance to the region, for example, tends to be more piecemeal and is focused on paramilitary training. BOMCA is relatively inexpensive taking into account its geographic span and thematic scope, covering the Central Asian region for over half a decade in less

than 50 million Euros. EU is enhancing BOMCA's coordination work with other border management assistance sponsors such as the OSCE and SCO. BOMCA creates synergy with members of the international community that are currently reforming and expanding training efforts for the Afghan border police and border authorities. EU's funded BOMCA is working in linking border control support in Afghanistan and Central Asia. This programme has focused on building three border crossing points on the Tajik-Afghan border and also training Afghan border guards and providing equipment (George Gavrilis, 2009).

These border management activities necessarily intersect with counter-narcotic programmes. Drug trafficking networks ferry Afghan opiates across the region to markets in Russia and Europe, a trade whose export value across the region approximates several billion Euros. Counter narcotics assistance is the purview of Central Asia Drug Assistance Programme. CADAP is run by the same five in-country teams which run BOMCA and officials of the two programmes share the same offices and often work on both programme action plans. CADAP has provided airports and border crossings with drug detection equipment, legal assistance and training to Central Asian drug enforcement agencies, and training of drug-scenting dogs. BOMCA and CADAP have used UNDP⁶⁷ as executive agency for the Commission (Report of EUCAM Project, 2010). The OSCE is also active in these fields with funding support from some EU member states, and there is an obvious here for efficient complementarity of efforts. Besides, border control the EU has so far been barely engaged in Security Sector Reform (SSR) in Central Asia. The EU is working for applying the integrated border management approach to less politically sensitive sectors such as the handling of emergency situations, which also demands the involvement of a host of security services and ministries (Jos Boonstra, 2009).

4.1.2. Climate Change and Environmental Security Cooperation:

Climate change is a one of the core issue of international relations and its security dimension in the era of globalization. Global climate change poses serious

⁶⁷ United Nations Development Programme (UNDP) has been partnering with people at all levels of society to help build nations that can withstand crisis and drive and sustain the kind of growth that improves the quality of live for everyone. UNDP Kazakhstan and Government of the Republic of Kazakhstan signed Memorandum of Understanding (2010-2014) on cooperation in the new stage of national development. Strong fifteen-years-cooperation between the Republic of Kazakhstan and UNDP based on Standard Basic Assistance Agreement (SBAA) as of 4 October 1994.

threat to the region's environment, ecological and socio-economic systems. Agricultural production has already decreased in some commodity groups and quantities and qualities of water resources are at risk of severe effects of climate change. Climate change is regarded as a long-term change in the earth's climate, especially a change due to an increase in the average atmospheric temperature, progress in emissions of greenhouse gases, changes in weather patterns. The effects of climate change are being felt regularly as temperatures are rising, icecaps and glaciers are melting and extreme weather events are becoming more frequent and more intense. Climate change is best viewed as a threat multiplier which exacerbates existing trends, tensions and instability. Central Asia is severely affected by climate change. The socio-economic transition of the Central Asian countries to market economies under new political systems has been aggravated by climate change. Central Asia significantly contributes to global warming by generating large volumes of GHG emissions. Kazakhstan is the 30th largest emitter of carbon dioxide worldwide and Uzbekistan is the most carbon intensive economy globally. (WRI, 2005)

EU and its Central Asian partners have been developing long term strategies to prevent and mitigate and adapt to the climate effects on human health and on the environment. Kazakhstan and EU are cooperating on many important environmental issues for the region such as; land degradation, deforestation and sustainable land use, forestry management, safeguarding biodiversity, including support for the implementation of the UN Convention on Biological Diversity, reducing pollution related to industrial sites and contaminated tailings, monitoring and addressing the risks related to environment and human health. Climate change in Central Asia leads to the following:

- Conflict over resources;
- Loss of territory and border disputes;
- Environmentally-induced migration;
- Tension over Energy supply;
- Climate change is viewed to affect water and energy security in Central Asia.

The glaciers in Tajikistan lost a third of their area in the second half of the 20th century alone, while Kyrgyzstan has lost over 1,000 glaciers in the last four decades (European Council Paper S113/08). There is considerable potential for

conflict in a region whose strategic, political and economic developments as well as increasing trans-regional challenges impact directly or indirectly on EU interests. The EU is in a unique position to respond to the impact of climate change on international security (particularly Central Asia with the cooperation of Kazakhstan), given its leading role in development, global climate policy and the wide array of tools and instruments at its disposal. The security challenge is dealt with by Europe with its comprehensive approach to conflict prevention, crisis management and post-conflict reconstruction, and as a key proponent of effective multilateralism in Central Asia and Kazakhstan (Report of European Council & Commission, 2008).

4.1.3. Kazakhstan's Efforts to Address Climate Change:

Kazakhstan is the largest GHG emitter in Central Asia. Its energy sector generates about 80 percent of total emissions with annual GHG emissions of more than 200 MtCO₂e/yr, out of which about 90 percent refer to emissions due to fuel combustion and about 10 percent to fugitive emissions related to extraction, transportation and processing of fuel (see Figure). The GHG inventory in Kazakhstan shows that the 2005 GHG emissions with a direct greenhouse effect totalled to 240.7 million t of CO equivalent, including 187.7 million t from the energy sector, 16.1 million t from the industrial sector, 20.2 million t from agriculture and 16.6 million t from waste. For the 1990-1995 periods, mid-annual increase rates of GHG emissions in the atmosphere were 6.7 percent. The CO₂ sequestration by the forestry sector and land use amounted to 5.9 million t in 2005 as shown in table. Thus, GHG net emissions were 234.8 million t in the CO₂ equivalent. Total CO₂ emissions were 186.3 million t without carbon sequestration by forests and 180.4 million t with it in 2005. (Irina Yesserkepova, 2009)⁶⁸.

⁶⁸. Concise Report and summary of national Publication ,Kazakhs Research Institute of Environment Monitoring and climate.

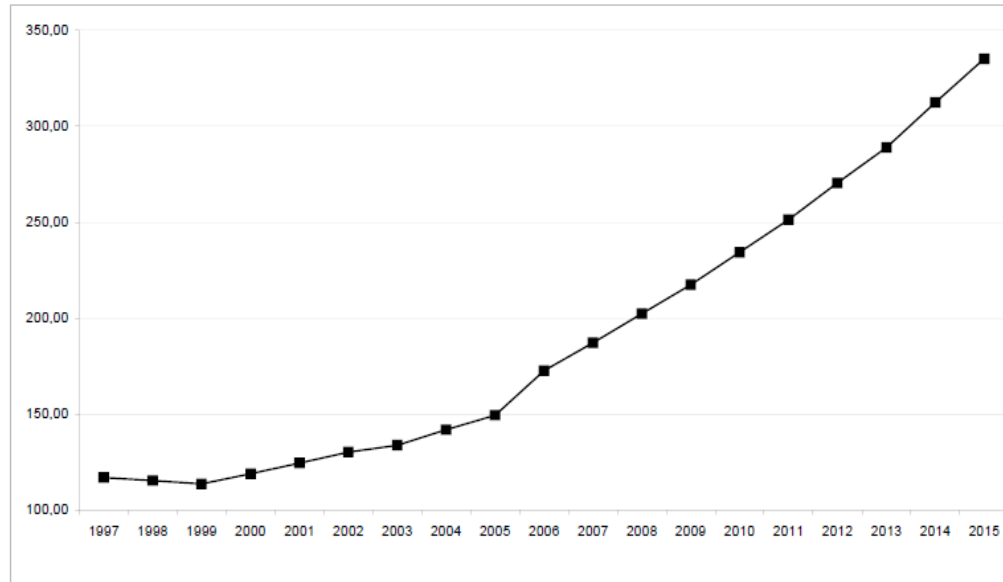
GHG Emissions in Kazakhstan, mln t of CO2 Equivalent

GHG Categories	1990	1992	1994	2000	2005
CO₂	238.3	261.2	243.7	137.3	186.3
Energy activity	220.1	246.3	236.5	126.6	170.2
Fuel combustion	216.8	243.0	233.9	120.3	163.7
Fugitive emissions	3.3	3.3	2.6	6.3	6.5
Industrial process	18.3	14.9	7.2	10.7	16.1
Land use changes and forestry	-8.1	-7.1	-4.1	-7.1	-5.9
CH₄	64.0	57.8	46.3	33.9	42.7
Energy activities	39.0	32.8	23.9	13.1	17.0
Fuel combustion	1.6	1.9	1.2	0.4	0.6
Fugitive emissions	37.4	31.0	22.7	12.7	16.4
Industrial process	0.05	0.04	0.02	0.03	0.03
Agriculture	16.9	16.5	13.6	7.4	9.5
Waste	8.0	8.5	8.7	13.4	16.2
N₂O	27.0	25.1	17.6	9.0	11.7
Energy activities	0.8	0.9	0.9	0.4	0.5
Fuel combustion	0.8	0.9	0.9	0.4	0.5
Agriculture	25.8	23.8	16.2	8.3	10.7
Waste	0.4	0.4	0.5	0.3	0.4
Total emission(source-sinks)	329.3	344.1	307.6	180.2	240.7

Source: Greenhouse gas emission inventory. Republican state enterprises “Kazakh Research Institute of ecology and climate (KAZNIEK), Astana, 2006.

1990 is the base year for the majority of countries for the Kyoto Protocol. Kazakhstan's current total GHG emissions are now well below its 1990 level (i.e. emission in 2005 accounted to 73percent of 2005 emissions). However, due to high rates of economic growth and development in fuel and energy as well as mining sectors, it is projected that average annual GHG emission will grow and could reach the 1990 level (or around 300.9-344.8 mln. t CO2 equivalent) already by the end of first Kyoto period (2008-2012) and increase further up to 340-390 mln t by 2015.

Forecast of CO2 emission of Kazakhstan's energy sector in mln. t.



Main factors responsible for high energy and carbon intensity in Kazakhstan are as bellow:

- High concentration of energy-producing facilities;
- Location of energy plants near to fuel-extraction sites;
- Network of electricity transmission lines of high voltage lines (500 and 1150 kilowatts);
- The system of relay-type safeguards, assuring stability of power grid in emergency and post-emergency situations (Renat Parelet, 2007/08).

4.2. EU and Regional Security in Central Asia:

Regional security in Central Asia has become a serious issue, as it directly/indirectly challenges global security. EU Strategy aims at a balanced bilateral and regional approach in Central Asia. The EU is engaged in regional cooperation among Central Asian States and between Central Asian States and other regions. A regional approach is important for tackling common regional challenges such as organised crime, human, drugs and arms trafficking, terrorism and non-proliferation issues, inter-cultural dialogue, energy, environmental pollution, water management,

migration as well as border management and transport infrastructure. European Union is involved in regional security through NATO, OSCE with bilateral and multilateral efforts of its member states.

EU provides support to international financial institutions, multilateral and regional organisations and institutions. The EU enters into an open and constructive dialogue with regional organisations in Central Asia and establishes regular contacts with EURASEC, SCO, CICA, CSTO, CAREC and CARICC⁶⁹. European Union is also enhancing anti-terrorist capabilities. The perception of terrorist threats at both domestic and external force levels, the Central Asian states to consolidate their security alliance within the Shanghai Cooperation Organisation, as well as with Russia within the Collective Security Treaty Organization (CSTO), establishing an anti-terrorist centre in Almaty. The CSTO provides a counterbalance to the Shanghai Cooperation Organization, a Chinese led initiative with a Secretariat in Beijing and now establishing a regional anti-terrorist structure in Tashkent (RATS). On the Caspian Sea, an international naval operations group called CASFOR⁷⁰ was launched in 2005 to deal with the dangers posed by terrorism, WMD proliferation, and arms and drug trafficking in the area. SCO becomes a vehicle for promoting the Russia-China alliance in Central Asia. Cooperation in the security sphere is progressing including peace mission exercise. The American government has also allocated about \$100 million to Azerbaijan and Kazakhstan through Operation Caspian Guard to help them enhance their capabilities for monitoring and surveillance in the Caspian Sea, to defend their energy platforms and to conduct counter proliferation activities. All the five Central Asian states participate in NATO's Partnership for Peace, whilst many of them have also made significant contribution to the fight against international terrorism after 11 September 2001 (Council of EU, 2007/09).

Effective response to security challenges facing the EU in Central Asia is by working closely with Russia and USA. Moscow, Washington and Brussels have been concerned over conflicting interests in this region. The three mutual efforts can reduce

⁶⁹ Central Asian Regional Information and Coordination Centre for combating the illicit trafficking of narcotic drugs, psychotropic substances and their precursors, established within the Memorandum of Understanding on sub-regional drug control cooperation dated May 4 1996 (Tashkent, Uzbekistan) between the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan and UN Office on Drugs and Crime (UNODC).

⁷⁰ An international naval task force or operations group called CASFOR in the Caspian.

geopolitical tension and be the benchmark example of the regional security architecture in Central Asia.

4.3. NATO Partnership for Peace (PfP)

NATO is the largest military International Organisation and alliance, which was formed after the end of the Second World War. The mission of this military alliance has changed after end of Cold War. NATO becomes the multidirectional military organisation with military - civilian efforts for disaster and humanitarian crisis. The objectives of NATO have changed in Global security perspective in Central Asia in the Post-Cold War era. NATO is a political and military alliance whose main objectives are the collective security of its member states, build trust, help to prevent conflict, address the new security challenges together, crisis management, promote democratic values and find out the peaceful solutions of disputes. NATO has maintained friendly relations with the Central Asian countries. Kazakhstan participates in NATO's individual Partnership Action Plan.

Kazakhstan's partnership with NATO has undergone several transformations since independence. In 1991 Kazakhstan joined the newly formed North Atlantic Cooperation Council (NACC)⁷¹, which promoted dialogue, partnership and cooperation through seminars and symposia on economic, ecological, defence, scientific and other issues. Abandoning nuclear weapons in the early 1990s also fostered more contacts with NATO and its member states while raising Kazakhstan's international profile. NATO has also shown its presence through NACC, the EAPC and PFP with Kazakhstan being influenced by American Policy preferences and European identity. Kazakhstan attaches particular significance to developing cooperation with the influential military and political organisation - NATO, consistently speaking for the realisation of the existing potential in aspects such as defence policy, scientific research, development of defence technologies, political and defence measures aimed at the prevention of the proliferation of weapons of mass destruction (WMD). President Nazarbayev prioritized cooperation with international organizations in order to promote training and assist in the formation of the armed forces. So it entered the PFP Program in May 1994. The NATO PFP Program served

⁷¹ NATO sets up the North Atlantic Cooperation Council as a forum for consultations between NATO members, East European states and the former Soviet republics after Warsaw pact dissolved.

to closer cooperation between Kazakhstan and the Alliance forces. It has been focusing on planning in national defence, establishing democratic control over the armed forces and training the army for peacekeeping operations. Kazakhstan's partnership with NATO strategically shifted as a result of 9/11 terror attacks by Al-Qaeda networks. Kazakhstan has given unconditional support to US led Global war against terrorism in Afghanistan. Kazakhstan opened its airspace to NATO member states participating in Operation 'Enduring Freedom'⁷² in Afghanistan and also allowed emergency landings at its airfields for the coalition aircraft (Roger N. Dermott, 2007).

Kazakhstan, located between the borders of two nuclear powers-China and Russia, became strategic partner of the United States in the region. The United States' predominant concern until the 2001 terror attacks was to ensure the removal of Soviet-era weapons of mass destruction (WMD). Security has remained one of the crucial strategic areas of cooperation between Kazakhstan, European Union and NATO. Kazakhstan appointed a military representative at the NATO Headquarters in 2001. With Kazakhstan being part of NATO's transformation, the Alliance sees itself as more than just a military organization and has taken an increasing interest in the promotion of democracy, fundamental freedoms, human rights and the rule of law. The central objective of NATO's partnership policy is to help partners with democratic reform and the establishment of effective institutions, including the difficult task of bringing security services and military establishments under effective democratic control. Partnership also aims to ensure that military and security services are appropriately sized, structured and funded to meet the requirements that are made of them. Neither SCO nor CSTO are able to create an area of common stability even slightly similar to that of NATO.

NATO and Kazakhstan have been significantly cooperating on democratic, institutional, and defence reforms and have developed practical cooperation in many other areas since 1991. NATO and Kazakhstan are developing practical cooperation in various areas through the country's Individual Partnership Action Plan (IPAP)⁷³.

⁷² U.S and NATO led global war against terrorism in Afghanistan post 9/11 terror attack.

⁷³ The IPAP with Kazakhstan is a comprehensive plan aimed at strengthening regional and international security, furthering transformation of the country's armed forces, improving operational compatibility, cooperation in science, civil emergency planning, environment protection and the fight against terrorism. The plan also provides for strengthening political dialog between NATO and

The Individual Partnership Action Plan (IPAP) is the main foundational programme of cooperation between Kazakhstan and NATO. The defence-related cooperation is supported by the Planning and Review Process (PARP). There are following areas of enhancing cooperation between Kazakhstan and NATO (Vitalino Canas, 2005).

4.3.1. Security and Defence Cooperation:

Kazakhstan plays an active and pragmatic role in both hosting and participating in PfP training and exercises. Kazakhstan has established a PfP regional training centre, and continues to work with Allies and regional partners in military and language training techniques along consultations with the allies. Kazakhstan has been contributing to the fight against terrorism through its participation in the Partnership Action Plan on Terrorism (PAP-T). This includes sharing of intelligence and analysis with NATO, enhancing national counter-terrorist capabilities and improving border security. Kazakhstan forces have also been participating in peacekeeping battalion for NATO led peace keeping operation under UN Security Council mandates. In the framework of PARP, one of the major projects is the expansion of peacekeeping force into a brigade structure (KAZBRIG), as it provides opportunity for Kazakh defence capability through rotations. Kazakhstan, along with Russia, Ukraine, Uzbekistan and Belarus, concluded an agreement with NATO in 2010 allowing the transportation of non-lethal ISAF cargo to Afghanistan by rail. First successful trial shipment was completed in June 2010, and regular shipments are now going on. Kazakhstan has hosted major defence exercise like; “Steppe Eagle” with the cooperation of NATO Allies since 2006. These exercises have strengthened the interoperability of KAZBRIG with Alliance forces. The planned 2012 exercise has been given the status in the spirit of Partnership for Peace.

NATO is also actively participating in Kazakh’s democratic and institutional reforms process, which is outlined in its IPAP. Specifically in the area of defence and security sector reform, Kazakhstan is working under conceptual framework for defence and security sectors along consultations with NATO allies, which are also the primary reform projects within the Ministry of Defence. Kazakhstan’s objectives of

Kazakhstan, and practical cooperation including personnel exchanges, training Kazakh military personnel at NATO training centres as well as participation in NATO exercises and international peacekeeping operations.

the Partnership Action Plan on Defence Institution Building initiative (PAP-DIB) are reinforcing these efforts. The programme aids in creating effective judicial oversight and appropriate command arrangements for defence and security sector institutions. Kazakhstan's participation in the PfP Planning and Review Process (PARP) has helped develop the ability of its forces to work with NATO since 2000.

4.3.2. Civil Emergency Planning:

Kazakhstan-NATO partnership is enhancing its national civil emergency and disaster-management capabilities and through participation in activities organised by the Euro-Atlantic Disaster Response Coordination Centre (EADRCC). Kazakhstan also appointed a representative to the EADRCC in 2008. In 2009, the country hosted the EADRCC⁷⁴ "ZHETYSU" exercise near Almaty.

4.3.3. Science and Environment:

Kazakh-NATO partnership is actively working in the field of Science for Peace and Security (SPS)⁷⁵ Programme. Kazakhstan has received grant awards for over 20 cooperative projects for collaborate in scientific and environmental projects. Kazakhstan is participating in various projects including collaboration on studies of radiological risks in Central Asia, integrated water resources management and new technology exploration for seismic resistant construction. In total, scientists and experts from Kazakhstan have had leading roles in 82 activities. Kazakhstan also engages in the Virtual Silk Highway project, which focuses such to improve internet access for academics and research communities in the countries of the Caucasus and Central Asia through a satellite-based network. Kazakhstan attended an advanced training course on countering the proliferation of weapons of mass destruction through enhanced border security in October 2009. Kazakhstan also participated in a NATO science programme designed to train participants in securing cyber networks along with CIS countries in May 2010. The primary agenda of the training was to strengthen the cyber networks of the educational and scientific communities in the post- Soviet Republics.

⁷⁴ The Euro-Atlantic Disaster Response Coordination Centre (EADRCC) is a "24/7" focal point for coordinating disaster relief efforts among NATO member and partner countries.

⁷⁵ SPS- Science for peace and security initiatives is policy tool for enhancing cooperation and dialogue with all partners which is based on civil science and innovation .its also offers workshops and training of scientist of NATO members.

4.3.4. Public information:

Kazakh-NATO partnership is also working in the area of public awareness about press and public information. The Resource and Information Centre on NATO opened at the Al Farabi Kazakh National University in Almaty in 2007, hosts a number of NATO related events and visits from NATO representatives annually. In addition, a NATO Depository Library was inaugurated in Astana in 2008. The embassy of Norway is managing the NATO Contact Point Embassy in Kazakhstan.

4.4. Kazakhstan-OSCE Security Cooperation:

OSCE Organisation for Security and Cooperation in Europe is the largest regional security organisation comprised of 56 member states from Europe, Central Asia and North America. It takes a comprehensive and multi-dimensional approach to security, encompassing aspects related to the politico-military, economic and environment and the human dimension of security. The main objective of OSCE is the multi-dimensional response to various security related challenges concern including arms control, confidence and security building measures, human rights, national minorities, democratization, policing strategies, counter-terrorism and economic and environmental activities. OSCE also provides the framework for cooperation with international actors in order to address threats security threats with member states. All the 56 participating States enjoy equal status, and decisions are taken by consensus on a politically, but not legally binding basis. The other important issues include economic development, infrastructure improvements, commercial exchanges, scientific and technical collaboration, tourism and migration, and ecological threats such as air and water pollution.

The OSCE addresses economic and ecological problems as both the potential sources as well as the consequences of conflict. The OCSE's approach to security treats economic, political, and military developments as inherently linked. The OSCE also has other objectives to promote positive synergies in which collaboration regarding economic and environmental issues contributes to improving political and military ties among states. By the Helsinki Final Act and other agreements, OSCE countries have pledged to foster free market economies and enhance economic cooperation. With respect to environment, member states have agreed to collaborate

by sharing information related to ecological issues in their countries, enacting measures aimed at addressing trans-boundary air and water pollution, and supporting maritime protection initiatives. A “multi-level” OSCE as a “superior” framework does not have a chance of realization, nor of success. It cannot be expected that OSCE members, some linked at the same time with divergent strategic environments, can unite effectively in the foreseeable future around common policies and implement them. Russia, while seeking “equal partnership”, is against NATO’s stabilizing role, which was once considered for the OSCE (and preferred by Russia, for different reasons). Its “Forum for Security Cooperation” can be upgraded (or at least used) to make it more relevant to security concerns of its smaller members. This would provide for the non-NATO countries a deeper involvement in the security dialogue, in particular for those, which do not want to be drawn in other security arrangements.

Kazakhstan was admitted to the OSCE on 30 January 1992 and the OSCE Centre in Kazakhstan was established in 1998. The Centre monitors political, legal and economic developments with a view to maintaining stability in the country and the region and it promotes OSCE standards and commitments within Kazakhstan. Kazakhstan is member of the Euro-Atlantic Partnership Council (EAPC), which brings together the NATO and partner countries. Kazakhstan joined EAPC in March 1992. In OSCE-PA (Parliament Assembly), Kazakhstan has its own six deputies out of 317, along with others from the Central Asian states and South Caucasus. OSCE has been concerned about democracy, human rights and humanitarian questions; economic affairs, science, technology and the environment and political affairs and security. But its main focus has been on regional security and political, economic, social and humanitarian Issues .The European Parliament (EP) organized bilateral Parliamentary Co-operation Committees (PCCs) with the national parliaments of each of the countries in Central Asia and the South Caucasus .Kazakhstan is also member of PACE (Parliament Assembly of Council of Europe), but neither Kazakhstan nor any other Central Asian states are members of NATO-PA. Kazakhstan was the first Eurasian country to chair the Organization for Security Cooperation in Europe

(OSCE), in 2010. This is viewed as international recognition for Kazakhstan's global role (Margit Hellwig-Botte, 2007).⁷⁶

OSCE has always been the part of political change in Europe and plays significant role in Central Asia particularly in promoting democratic reforms in Kazakhstan. OSCE is the world's largest regional security organization of the 56 states of Europe, Central Asia and North America. All 56 participating member States enjoy equal status, and decisions are taken by consensus on a politically, but not legally binding basis. OSCE offers a forum for political negotiations and decision-making in the fields of early warning, conflict prevention, crisis management and post-conflict rehabilitation, and puts the political will of its participating States into practice through its unique network of field missions. Global interests of EU member states along with USA have provided new responsibility to OSCE for security concerns in Central Asia along Kazakhstan.

The OSCE has a comprehensive approach to security that encompasses politico-military, economic and environmental, and human aspects. It addresses a wide spectrum of security-related concerns, including arms control, confidence- and security-building measures, human rights, national minorities, democratisation, policing strategies, counter-terrorism and economic and environmental activities. Kazakhstan was the first non-European state who chaired the OSCE 2010. The massive terrorist attacks of 11 September 2001 have changed the global agenda in the area of international security and also the security agenda of OSCE area. With the end of the Cold War, the Heads of State of the Conference on Security and Co-operation in Europe (CSCE) were optimistic that the long years of division and confrontation could at last be put behind them when they met in Paris in 1990 for what was only their second Summit. At the Budapest Summit in December 1994, the institutionalization process was capped by the renaming of the CSCE (Conference on Security and Co-operation in Europe) to the OSCE (Organisation for Security Cooperation in Europe), marking its transition from a Conference to a full-fledged international organization. Throughout the 1990s, the CSCE/OSCE continued to set up numerous institutions and field operations with the aim of helping to prevent such

⁷⁶ Kazakhstan's OSCE Chairmanship-The Road to Europe?, Report of OSCE Ministerial Council, Madrid, 29th November 2007.

conflicts, as well as to resolve them and to assist in post-conflict rehabilitation⁷⁷. OSCE is a vital forum for European Union foreign Policy and important plank for its member states vision for European security architecture. EU and the member states have attached the great value to the unique range of activities and missions undertaken by OSCE (OSCE Handbook⁷⁸, 2007).

Kazakhstan is playing a significant role in reinvigorating the organization's contribution toward addressing the economic and environmental challenges confronting the former Soviet bloc states as well as other OSCE members. Kazakhstan is the first post-Soviet country, the first predominantly Muslim country, and the first Central Asian country to be entrusted with such a responsibility. For these reasons, Kazakhstan more than any previous chairing country regarded its chairmanship at the OSCE as a project that can enhance its national stature and reaffirm its young independence. Kazakhstan chose a very ambitious role in seeking and then preparing to chair the OSCE.

This prestigious international position may well represent the culmination of one stage of Kazakhstan's recent history and the beginning of another. By assuming the OSCE chairmanship, Kazakhstan's leaders signalled that the period of consolidating the country's independence is effectively complete and that the country is now prepared to participate more fully as a major player in both the Euro-Atlantic and Euro-Asian spheres of security and cooperation. By choosing to chair a democratic pan-European security organization, Kazakhstan made a clear statement that it pursues good relations with the West and is committed to European values, including democracy. Kazakhstan's chairmanship presented important opportunities and significant challenges to both Astana and the OSCE. For 34 years, the OSCE has operated as the largest regional security organization with three specific areas of concern: security, the economy, and the human dimension. In addition to promoting cooperation in politico-military security and a healthy economic environment, the OSCE has a mandate to enhance human rights protection and democratic reforms throughout the OSCE region. Over the years, the organization has evolved from a vehicle for dialogue between West and East during the Cold War to a comprehensive

⁷⁷ www.osce.org/who/timeline/1990

⁷⁸ www.osce.org/secretariat/22624.

mechanism for advancing international cooperation based on commitments agreed to by all member states in a consensual process.

Kazakhstan strives to maintain a degree of choice in its foreign policy. Progress has been made in diversifying Kazakhstan's international access and connections. Astana is seeking to strike a balance between sustaining good relations with neighbours Russia and China while expanding its access to Western countries through the Caspian Sea and Turkey. Kazakhstan can contribute to the OSCE in several unique ways. As a Muslim country with a significant Russian minority of about 30 percent and over 130 nationalities on its territory, Kazakhstan can serve as a valuable example of tolerance and interethnic coexistence. Its role will be particularly important to counter negative perceptions of Muslims in Europe in the post-9/11 world. Kazakhstan can also expand the OSCE's Mediterranean Partners for Cooperation initiative that includes Algeria, Egypt, Israel, Jordan, Morocco and Tunisia. Kazakhstan can promote nuclear non-proliferation as a country that abandoned its nuclear arsenal and closed a large nuclear weapons test site at Semipalatinsk in 1991. Although the OSCE is not directly involved in nuclear non-proliferation, the high visibility of the chair, particularly when it is held by a country with a distinctive record in this area, can provide an opportunity for supporting a wider nuclear disarmament campaign. As a country that maintains a multi-vector foreign policy and has good relations with both Russia and the West, Kazakhstan was in a good position to host an OSCE summit and facilitate an agreement between member states on constructive outcomes of such a summit.

The OSCE decision to award Kazakhstan its chairmanship in 2010 underscored a growing recognition of the country's regional and continental importance. Following factors determined the decision to offer Kazakhstan the Chairmanship of OSCE in 2010;

- Kazakhstan is a strategic lynchpin in the vast Central Asian-Caspian Basin zone, a region rich in energy resources and a potential gateway for commerce and communications between Europe and Asia.
- Strengthening democratic institutions and rule of law and implementation of OSCE commitment in human rights and freedom.

- Ensuring a stable and secure Central Asia is important for the international interests of the United States and its European allies for several reasons. Due to its proximity to Russia, China, Iran, and the South Asian subcontinent, Central Asia's security and stability is of strategic interest to all major powers. Kazakhstan's tenure as Chair of the OSCE would provide an opportunity for greater multilateral cooperation in achieving this objective while strengthening the role and prestige of the OSCE throughout Central Asia.
- Central Asia is a key staging and support area for U.S. and NATO military operations in Afghanistan against the Taliban insurgents and al Qaeda militants. Central Asia is a crucial conduit for U.S. and NATO troops and supplies into Afghanistan. U.S. officials recently reached new agreements with Russia, Kazakhstan, Uzbekistan, and other Central Asian countries to allow Afghan-bound non-military supplies through their territories. The Taliban resurgence in Afghanistan and Pakistan stimulates cross-border terrorism that may endanger the stability of several Central Asian neighbours and undermine Western interests. Central Asian states have been the victims of Afghanistan based transnational terrorism. These states, including Kazakhstan, can better support international efforts to counter regional terrorist networks.
- Central Asia is an important transit region for narcotics trafficking between Afghanistan and the countries of Europe and Asia. Joint initiatives that will enable the Kazakh government to control and monitor borders more effectively, intercept smuggling operations and eradicate criminal networks will buttress international security and curtail funding to cross-border terrorist groups.
- Central Asia has the potential to be a vital energy source for Europe. The region contains a vast storehouse of oil and natural gas, which Europe urgently needs in order to lessen its reliance on Russian and Middle Eastern energy supplies. Disputes between Russia and several energy transit states such as Ukraine have increased Europe's interest in developing direct supply lines between Europe and the Caspian countries.

The OSCE priority has been to curb drug and arms smuggling, strengthen border controls to curtail illegal migration, and counter the financing of terrorist and criminal organizations. Amid these challenges, Kazakhstan's OSCE chairmanship has the potential to enhance regional cooperation in Central Asia. To maximize its

position as OSCE chair, Kazakhstan addressed border management issues, including delineation, joint management, demilitarisation and demining. The Kazakh chairmanship prioritized enhanced cooperation on antinarcotics and anti-trafficking activities. The threat of terrorist attacks is a risk for all OSCE members. These threats compound security concerns in a region in which disputes over water management and border delineations continue. Central Asia is also faced by numerous other security problems such as trafficking of narcotics and human beings and potential social instability. The most serious threats can be reduced through closer regional cooperation and targeted outside assistance.

A major challenge facing the OSCE, as the sole Pan-European security organization, is its diminishing role in broader European security affairs. The last 20 years witnessed the growing importance and enlargement of Western-led organizations such as NATO and the European Union and Russia's development of the Collective Security Treaty Organization (CSTO), whose operational capacities remain to be tested. Meanwhile, the OSCE has experienced protracted internal feuds concerning its role and mandate, which has undermined its role as an agent of confidence building, security and democratization. During the next few years, the OSCE will be involved in addressing major security questions such as the future of the Treaty on Conventional Armed Forces in Europe (CFE), continuing challenges to stability throughout the Caucasus and in Central Asia, and the call by Russia's authorities for a new European or Eurasian security architecture. The most important work that the OSCE chair can accomplish is to foster consensus among OSCE participating states on the common sources of instability and insecurity and propose a platform to address them.

The OSCE Chairmanship has been the high point for the country in terms of diplomatic prestige, and has been supported by a major public relations push with feature articles showcasing the transformation of Astana and the great strides taken in recent decades. Kazakh officials share the OSCE perspective, embodied in its principles of cooperative and comprehensive security, that an inherent linkage exists between members' economic conditions and policies and their general regional security. They also believe that Kazakhstan would benefit from greater Eurasian economic integration and the reduction of regional environmental threats.

Kazakhstan's vast energy wealth and other endowments have already empowered the Kazakh government to promote economic cooperation in Eurasia. The OSCE chairmanship created additional opportunities for the Kazakh government to pursue its cooperative economic and environmental agenda, which also benefits other OSCE members. Specifically, Kazakhstan became the partner of OSCE wide interests by supporting Central Asia's deeper economic integration in trans-European networks, encouraging improved commercial practices throughout Eurasia, using OSCE energy information mechanisms to encourage consideration of diverse Eurasian energy options, strengthening cooperation among OSCE governments and with other institutions in managing the migration crisis caused by the global economic crisis, and working towards amelioration of environmental hazards affecting Central Asia's water supply. The most important issues within the OSCE's economic and environmental basket include economic development, infrastructure improvement, commercial exchanges, scientific and technical collaboration, tourism and migration, and ecological threats such as air and water pollution. As OSCE chair, Kazakhstan could play a role in reinvigorating the organization's contribution toward addressing the economic and environmental challenges confronting the former Soviet bloc states as well as other OSCE members. Specifically, Kazakhstan could advance OSCE-wide interests by supporting Central Asia's deeper economic integration in trans-European networks, encouraging improved commercial practices throughout Eurasia, using OSCE energy information mechanisms to encourage consideration of diverse Eurasian energy options, strengthening cooperation among OSCE governments and other institutions in managing the migration crisis and working toward amelioration of environmental hazards affecting Central Asia's water supply.

After joining the OSCE, newly independent countries like Kazakhstan and others Central Asian countries found it difficult to cooperate in the economic and environmental arenas. They have experienced recurring conflicts related to borders, trade, visas, transportation, illegal migration, and natural resources such as water and gas. Kazakh leaders have sought to diminish these confrontations and recognize the inherent regional linkages between security and economic development. Economic, political, and security problems in one country can negatively affect Kazakhstan and other neighbours by discouraging foreign investors, disrupting region-wide trade and tourism, and generating refugees and other migrants.

Kazakhstan's priorities for its Chairman in Office (CiO) included reinforcing the OSCE's commitment to developing transportation and transit corridors linking the Central Asian countries with one another and with other OSCE states. Kazakhstan's role included better integration of OSCE efforts in this area with those of other international actors, such as CAREC, the ADB, EBRD, and the World Bank, which are all actively engaged in improving these transport and trade corridors. One of the core OSCE objectives is to develop a positive climate for foreign investment by promoting good governance and combating corruption, trafficking, money laundering, and other transnational crimes. The government of Kazakhstan seeks large-scale foreign direct investment to generate domestic employment, finance improvements in the country's energy and transportation infrastructure, and access superior technologies and business practices. Kazakh officials agree with the OSCE premise that enticing more foreign investors requires upholding proper commercial and legal standards within their neighbourhood.

The Kazakh government is seeking to strengthen the role of independent directors in national companies throughout Eurasia. Kazakh legislation now requires that at least one-third of board members in a joint stock company are independent. In November 2007, Almaty hosted the first Summit of CIS Independent Directors. The participants shared their experience in introducing Western business practices. Although Kazakhstan needs to introduce more comprehensive domestic reforms in reducing corruption, promoting transparency and achieving other commercial improvements, its OSCE chairmanship positioned it to support parallel efforts among neighbouring OSCE countries. In addition to creating a more attractive environment for foreign investors in their own country, Kazakh officials also seek to create a more favourable business environment for Kazakh companies in other OSCE countries. Kazakhstan's relative economic prosperity during the past decade has enabled many Kazakh firms and entrepreneurs to acquire the means to invest abroad, especially by buying shares of foreign companies. Kazakhstan's transformation into a state with extensive capital investments in foreign countries has prompted its government to promote legal and other commercial reforms among OSCE members. The OSCE's comprehensive security approach is applicable to the interlocking economic, social, cultural, and security implications of migration. A major OSCE concern has been to ensure the rights of migrant workers to avoid their treatment becoming a source of

interstate conflict. The end of the Cold War led to a relaxation of barriers to movement within the OSCE region. Many member states have become countries of origin, transit, or destination for labour migrants. The OSCE Strategy for the Economic and Environmental Dimension (adopted at Maastricht in 2003) further developed the OSCE policies in this area (Report, US-Kazakhstan OSCE Task force, 2010).

Although Central Asian labourers have traditionally sought employment opportunities in Russia, Kazakhstan has also emerged in recent years as an important centre of attraction for labour migrants from other Central Asian countries, as well as from Russia and China. The country's socioeconomic conditions, political stability, and interethnic relations have attracted labourers from the surrounding regions. Negative factors in nearby Central Asian countries including excess labour resources, low workers' compensation, unemployment and underemployment encourage workers to migrate to Kazakhstan. OSCE is cooperating in this regard with member states with its other arms like ODHIR (Office of the Democratic institutions and Human Rights), HCNM (High Commissioner on National Minorities), and RFOM (the Representative on Freedom of the Media) (Bhavna Dave, 2011).

4.4.1. The Economic-Ecological dimension:

OSCE plays significant role to help Kazakhstan in the challenges of Economics-Ecological dimensions. According to its own definition, the task of OSCE "involves monitoring of economic and environmental developments among participant's states, with the aim of alerting them to any threats of conflicts, the formulations of the economic and environmental policies and initiatives to promote security in OSCE area."⁷⁹ Main priorities of Chairmanship of OSCE in 2010 about Economic-Environmental dimension were to create a comprehensive system for monitoring and responding to environmental threats ,cooperation between OSCE and International Fund for Salvation OF Aral Sea (IFAS, established by five central Asian Government),work on migration and energy security and develop secure and efficient land transportation etc (Sargey Solynik, 2011).

⁷⁹ OSCE, OSCE handbook,3rd editions(Viena:OSCE,2000) p 133.

4.4.2. The Human Dimension:

The human dimension is another aspect of OSCE Kazakhstan cooperation. According to OSCE handbook about human dimension, commitment is made to ensure full respect for human rights and fundamental freedoms, to abide by the rule of law, to promote the principles of democracy and in this regard, to build, strengthen and protect democratic institutions, as well as to promote tolerance throughout the OSCE area.⁸⁰

Kazakhstan has made a commitment to defend the mission and mandate of ODIHR. There will be challenges to the principles of ODIHR where Kazakhstan will be tested, but it is important to stress that the core mandate of ODIHR can only be changed with the consensus of all 56 participating states. Domestically, Kazakhstan has committed itself to making progress in systemic reforms by democratizing its political system. Civil society is maturing in Kazakhstan, and political debate is becoming increasingly evident in political life, albeit in what is still essentially a one-party system or a weak multiparty state. Kazakhstan needs to concentrate its efforts on further developing its legal system to support the development of a multiparty polity (Jeff Goldstein, 2010).⁸¹

The country has adopted an ambitious human rights program and a long-term legal concept that is to be implemented in the timeframe envisioned in these documents. Kazakhstan has much to contribute in discussions about the OSCE's human dimension, especially in the area that the government in Astana calls its concept of tolerance. Kazakhstan is a valuable example of multi-ethnic societies that is committed to inter-ethnic and inters-confessional coexistence and dialogue. It is a country that successfully completed the transition to independence at a time in which other multi-ethnic societies were to fragmenting or even confronting civil war. Main priorities of Chairmanship of OSCE 2010 about human dimension were to improve the mechanism to combat trafficking in human beings particularly focus on trafficking of children ,promotion of gender balance and participation of women in public and

⁸⁰ OSCE handbook,op ,cit p101

⁸¹ See.http://www.osce.org/document/pc/2010/01/4233_en.pdf.

political life and coordination between ODIHR and OSCE Parliamentary assembly (REP Seminar summary,2010).⁸²

4.4.3. Election Monitoring:

The observation of elections is an integral component of the OSCE democratization agenda. Several capitals view it as a controversial activity, especially since some governments experienced mass popular protests after holding of elections that ODIHR and other observers deemed neither free nor fair. However, as important as observing elections is for the development of democracy, election monitoring alone does not lead to government collapse or systemic change. Such developments only occur when a critical mass of society is prepared to change its government and citizens feel thwarted by the election process rather than empowered by it. Election monitoring efforts also come under criticism for inconsistency when large missions are deployed to observe a highly charged election in one country while elections in another country, often equally undemocratic, are neglected. ODIHR does not observe all elections in the OSCE region for various reasons including instances where a country has made insufficient progress toward democratizing its electoral process to warrant an election observation mission. A growing division has emerged between governments that actively advocate the spread of liberal democracy and those that fear that it will destabilize their country or their neighbourhood.

The “Copenhagen Document” on Human Dimension adopted in 1990 established that humanitarian issues ceased to be simply domestic and established a mechanism to monitor them and guarantee human rights. Although Russia generally recognizes that OSCE standards should be implemented, it also claims that their observance should not be tailored to the interests of any individual group of states and that cultural, national and other differences should be taken into account. This, together with subsequent issues raised in relation to election monitoring, have created the impression in many capitals that Russia and some CIS countries would prefer to take the OSCE acquis back to where it stood before the “Copenhagen Document.” As a result of these differing positions on whether the mandate of the OSCE grants the right to engage in what was traditionally the territory of domestic jurisdiction on

⁸² REP Seminar: Kazakhstan chairmanship of OSCE and Prospects for Democracy and Human Rights, 17th December 2010. www.chathamhouse.org.uk.

human rights issues, ODIHR has suffered from numerous problems, including disagreement between Western democracies and CIS countries over election monitoring and on ODIHR's budget.

Western governments are encouraging the OSCE to redouble its efforts to promote democracy and human rights in the former Soviet sphere, where, in their view, these values are threatened. In fact, preserving and strengthening the mandate and autonomy of ODIHR is viewed as a critical task by a number of participating states that have expressed opposition to any effort to diminish OSCE's credibility, dilute the commitments of signatory states, divert OSCE's attention from tough human dimension issues or undermine the OSCE's effectiveness on the ground. Since Russia's proposal was initially endorsed by Kazakhstan, along with five other CIS countries, observers have raised concerns that under Kazakhstan's chairmanship the focus of OSCE might move from the human dimension to other OSCE baskets. The commitment that Kazakhstan made in Madrid to preserve and strengthen ODIHR allayed these fears and made possible its OSCE chairmanship in 2010. It is important to note that the mandate of ODIHR cannot be changed by the OSCE CiO alone, because all decisions of the organization are consensus based. Thus only a unanimous vote of all OSCE participating states can modify ODIHR's mandate regarding any of its established activities. It is clear that such consensus cannot be achieved given the widely diverging positions of Western democracies and Russia (OSCE/ODHIR Mission Report, 2005/2010).

4.4.4. The Role of Field Dimension:

Field missions have been one of the major assets of the OSCE since 1992. The extensive field presence makes a difference and has helped the organisation carry out its functions effectively. The 18 OSCE missions currently operating in the OSCE region are valuable sources of information on existing conflicts within the OSCE and allow the organization to react during conflicts and assist in post-conflict recovery. The missions also cooperate with the host country according to their mandates. The field missions provide consultations on draft legislation, assist in preparations for elections and conduct training on a range of issues from policing and border management to judicial reform and human rights. The decision on setting up a field mission is adopted by the Permanent Council in agreement with the host state. The

mandate period is usually six to twelve months with the possibility of extension. Members of the missions are seconded by OSCE participating states, while the head of the mission is appointed by the chairman-in-office. Presently, the OSCE field missions are located in the West Balkans and the CIS: Ten in Europe (Seven in the Balkans and three in Eastern Europe), three in the South Caucasus and five in Central Asia.

Some participating states (Russia, Belarus, Kazakhstan, and Kyrgyzstan) have raised concerns in relation to: (1) the geographical asymmetry of the field missions; (2) their excessive concentration on the human dimension; and (3) the intrusiveness of the missions alleging that they encroach on the internal affairs of participating states. They have been concerns that the missions overemphasize the human dimension and the OSCE has become a human rights watchdog. The missions have been involved in projects on water management, cross-border cooperation, police training, as well as in traditional OSCE initiatives such as arms control and conflict monitoring and rehabilitation. The most important role of the missions is to serve as instruments for cooperative security in all three OSCE baskets.

However, they can only operate in cooperation with the host government, which sometimes limits their mandate and scope of activities. In some cases, OSCE field mission mandates have been suspended or obstructed by the host country .The OSCE's role as standard setter in the field of human rights has diminished somewhat over the past years, as reaching consensus among participating states over new commitments has become increasingly difficult. Nevertheless, the OSCE has broadened the scope of its human dimension standards by adopting new commitments aimed to combat hate crimes, intolerance, and discrimination, to counter terrorism, and to combat trafficking in human beings (Report, US-Kazakhstan OSCE Task force, 2010)

4.4.5. Kazakh Role in OSCE Energy Security Dialogue:

As a major producer of oil and gas and a major transit provider, Kazakhstan can make a unique contribution to this dialogue. Kazakhstan is situated at the heart of the emerging network of energy pipelines traversing Eurasia. While desiring to retain

strong economic and security ties with Russia, Kazakh leaders also want to diversify their portfolio of energy purchasers by increasing their energy export options. The Kazakh government's "tout azimuth" approach envisages Kazakh energy flowing westward to Europe through the Caucasus, eastward to China through its Central Asian neighbours, and southward through Iran to South Asian markets. Kazakhstan is now becoming a lead player in global efforts to establish a "nuclear fuel bank" in which countries that do not develop their own fuel manufacturing capabilities can "borrow" uranium fuel for their power reactors from an international repository.

The OSCE's commitment to improving international trade and transport as a means of promoting economic development and commercial cooperation is rooted in the Helsinki Final Act (1975), the Bonn Document (1990) and the Maastricht Strategy Document for the OSCE Economic and Environmental Dimension (2003). Kazakhstan has sought to realize its potential as a land-based transportation hub through participation in regional economic integration initiatives but has lamented Eurasia's failure to achieve deeper economic ties. Astana can provide impetus for regional economic integration and enhance its own development as a more attractive market for foreign investors. An important element in this strategy is to make Kazakhstan more internationally competitive in non energy sectors.

The Kazakh government has underscored that promoting reliable transport and transit corridors through landlocked Central Asia will be a major objective of its OSCE's chairmanship. This requires facilitation of agreements between neighbouring countries, improvements in transportation security, reliable and transparent customs, and enhanced training for officials at border crossings. Kazakhstan has begun consultations with other participating states on the theme of the 18th annual OSCE Economic and Ecological Forum: "Promoting good governance at border crossings, improving security of land transportation and facilitation of international transport by road and rail in the OSCE region."

Kazakhstan could also use its affiliation with Eurasia's multinational institutions to help integrate OSCE efforts to improve regional trade and transportation networks with those of the CIS, Eurasec, SCO, TIFA, CAREC, and financial institutions such as the World Bank and the Asian Development Bank. Kazakh officials could also continue their efforts to resolve regional conflicts that

inhibit Eurasian trade and transport. In addition, the economic sanctions imposed on countries prevent realization of potentially valuable trade and transportation links. The conflict in Afghanistan continues to present a major impediment to regional economic activities (Janusz Bugajski, 2010).

4.5. Kazakhstan's contribution to Global anti-terrorism efforts:

Kazakhstan is one of the states which supported America and NATO led Global war on terrorism in Afghanistan post 9/11 terror attacks. Since then, Kazakhstan has been actively supporting global efforts against terrorism in order to promote regional security in Central Asia. Kazakhstan's understanding of the threat from Islamic militant groups and the changing nature of contemporary warfare has led to its support to such anti - terror efforts. President Nursultan Nazarbayev has constantly emphasised Kazakhstan's need for international cooperation in anti - terror efforts. Kazakhstan has used its multi-vector approach of foreign policy to get security assistance from the U.S, UK, France, Germany etc. Kazakhstan is committed to continue supporting NATO's mission in Afghanistan. Kazakhstan has opened its Caspian port of Aktau for NATO transit operations to assist NATO supply through NTN routes. Kazakhstan has provided bilateral humanitarian, educational and assistance and also actively participates in economic development to Afghanistan post GWOT⁸³(CRS Report for Congress,2004/2011).⁸⁴

One can conclude that Kazakhstan is surrounded by two super powers and nuclear power of world. Central Asia is also surrounded by two volatile region- Afghanistan and Middle East. Central Asia is also the extended neighbour of European states. Geopolitical situation around Central Asia has shifted after 9/11 massive attacks symbols liberalization institution like WTO and centre of military supremacy Pentagon in America. Kazakhstan's defence and security cooperation with EU, NATO, OSCE, USA and its other components of security institutions will

⁸³ Global war on Terror is a term commonly applied to an international military campaign led by the United States and the United Kingdom with the support of other NATO members as well as non-NATO countries. This campaign was waged against al-Qaeda and other militant organizations with the purpose of eliminating them.

⁸⁴ Jim Nicol (2004/2011), Kazakhstan: Recent Development and U.S interests, CRS Report. www.crs.gov

counter balance the Russian and Chinese influence. It provides balance of power in the region. Kazakhstan's participation in partnership for Peace with NATO has brought military and defence reforms of its military. NATO has assisted Kazakhstan in various different civilian and science programmes under various projects. Kazakhstan also supports NATO led anti-terror war in Afghanistan. OSCE plays important role in political development and reforms in democratisations process of Kazakhstan in last two decades. Kazakhstan is the first non-European state which chaired the OSCE in 2010. Kazakhstan also has been assisted in the election reforms and in monitoring of elections process, human rights, energy security, environmental and ecological problems of Kazakhstan. OSCE promotes the democratic values and has cooperation in Inter Parliamentary assembly associations with Kazakhstan. Kazakhstan- EU partnership also has taken a lot of initiatives for climate change and environmental protection in Central Asia.

One can say that the Kazakhstan defence and security partnership with European and its other security organs guards Kazakhstan national's interests and balances the great power geopolitics in the region. This partnership is poised to ensure regional security and meet other threat perceptions in Central Asia.

Chapter: 5

European Diaspora in Kazakhstan and Vice Versa

5.1. European Settlers in Kazakhstan:

Kazakhstan Republics is multi-ethnic, pluralistic and multi cultural society in Central Asia. Kazakhstan experienced new migration dynamics after independence. Historically Kazakhstan has been situated at the crossroads of various religions such as Christianity, Islam, Buddhism and Zoroastrianism. The territory of Kazakhstan has been one of the most important sections of the Great Silk Road, connecting countries through trade and cultural exchange and playing the role of a bridge between the East and West. Dynamics of demographic development and migration have made Kazakhstan into one of the most multinational, multi - confessional, multiethnic countries in the world. Diaspora is playing an important role in strengthening bilateral relationship Kazakhstan and European Union. Demise of the former Soviet Union turned the former internal boundaries into international frontiers between newly sovereign states in 1991 and millions of people became the migrant.

According to Gabriel Sheffer that definition of modern diaspora are ethnic minority groups of migrant origin residing in host countries but maintaining strong sentimental and material links with their countries of origin, their homelands.⁸⁵ In Kazakhstan, the word 'diaspora' was coined in public speeches during the first years of independence. It is used as a synonym of ethnic groups or national minorities, without scientific definition. According to the Kazak ethnologist Nurbulat Masanov, "diaspora as such do not exist in Kazakhstan if we refer to a scientific approach". From his viewpoint, considering that a diaspora is a population made of people from outside who don't feel integrated in the host country it resides in, and who claim cultural and political peculiarities, no one of the hundred national minorities of the country can be called a diaspora.⁸⁶ Kazakh president establishes a clear distinction between an indigenous culture and those of national minorities in the framework of promotion of Kazakh culture. In his books⁸⁷, the president of Kazakhstan uses the

⁸⁵ Gabriel Sheffer(1986), *Modern Diasporas in International Politics*, Sydney: Croom Helm.

⁸⁶ Jane Fernandez(2009), *Diasporas: Critical and interdisciplinary Perspectives*, Inter-Disciplinary Press, Oxford, UK

⁸⁷ Nazarbaev writes: "The Kazak diasporas have admirably assimilated the culture, the language and the habits of the countries in which they live since decades. They practically do not know a political movement based on national factors. During the period covering all the post-war period, there is not any example of protests of the Kazak population against the representatives of the titular nation for ethnic or confessional causes. That must be used as a model to all the diasporas residing in Kazakhstan". N Nazarbaev, *V potoke istorii (In the Flow of History)*, Atamura, Almaty, 1999, p. 136

term diaspora to make a clear distinction between ‘Us-the titular nation’ from ‘others-the national minorities’.

Kazakhstan has developed a pragmatic approach on the issue of nationality policy by promoting ethno-national diversity after collapse of Soviet Union. At the same time, the term diaspora has become widespread in the former USSR and in contemporary Kazakhstan with reference to the former national minorities. Kazakhstan is a Muslim majority state with a significant Slavic Orthodox Christian minority. It is the ninth largest country in the world, its borders stretching from the Caspian Sea in the west to the Tien Shan Mountains, which it shares with north-western China. Diaspora discourse of Kazakhstan gained importance under Gorbachev’s perestroika, while Kazakh associations placed ethnic regeneration on the political radar. This diaspora discourse was related those distant Kazakhs, viewed as living repositories of Kazakh national identity and whose repatriation would help inculcating traditions long lost by Soviet Kazakhs in their homeland. In 1992 the first World Congress of Kazakhs was organised under government sponsorship where Kazakh representatives from around the world meet and exchange experiences of language and culture.

The diaspora populations may be the determinant of geographic dispersion, socio-economic characteristics and ties to their home countries. There has been a growing recognition of the importance of European diaspora populations in the development of Kazakhstan and its impact on their home countries. Kazakh-European diaspora populations have become a source of development assistance to their home country. There were a large number of people who had migrated from countries of Europe to Central Asia during the period between World War II and 1990. Largest of all development regions European diaspora is highly educated and skilled.

The country’s major ethnic groups include Kazakhs (58.9 percent), Russians (25.9 percent), Ukrainian (2.9 percent) and German (1.5 percent) and other groups (7 percent). There are more than 100 other ethnic groups living in peace in Kazakhstan. Two major religions in Kazakhstan are Islam (57 percent) and Christianity (40 percent) of all believers respectively. Most Muslims in Kazakhstan belong to the Sunni denomination of Islam, while most of Christians belong to the Russian

Orthodox Church. The rest constitute other religions are more than 40 confessions in Kazakhstan which are organised in more than 3,000 religious organisations.

Main Displaced Population from the Former Soviet Union, Mid-1990s



Source: Based on IOM, CIS Migration Report 1996.

According to the 1989 census, Germans (956,000), Ukrainians (896,000), Chechens (38,000) were resident in Kazakhstan (Suzhikov, 1993: 51, 53, 55). Kazakhs numbered 7,297,000 (43.2 percent) and the Russians 6,169,000 (36.4percent) in the beginning of 1993. The demographic preponderance of Russian-speakers in Kazakhstan turned Kazakhs into the most linguistically and culturally Russified of all settlers. An Uzbek proverb, “if you want to become a Russian, first become a Kazakh,” captures the profound impact of Russian language and culture on the Kazakhs (Dave, 1996).

5.1.1. Russian Settlers:

Russians had absolute majority in the northern and eastern regions of Kazakhstan between 1950s and 1990s. Russians have the unique history of settlement in Kazakh territory after its annexation in 1771. Two large groups of Russian immigrants to Kazakhstan were Russian Cossacks and the Russian muzhiks (peasants). The Russian government declared the nomadic land of Kazakhs to be for collective use in 21 Oct 1868. The Cossacks built fortresses in the Kazakh steppe and

occupied the land around them. The government officially declared that built fortress were for protection of Kazakhstan from external invasion. The “Steppe Regulations” of 1891 gave Russian peasants the right to consider occupied land as their private property (Suleimenov, 1963: 96-97). 4.6 million Russians lived in Kazakhstan in 1989 and their number declined to figure 3.4 million in 1999. According to the Article 7 of the Constitution of the Republic of Kazakhstan, the status of the Russian language is defined as follows: “In the state institutions and the local administration bodies the Russian language is officially used along with the Kazakh language”.

Russian diaspora has significance presence in the Kazakhstan with its geographic concentration in the northern regions of country. For Robert Kaiser, Kazakhstan was ‘on the verge of an inter-national (i.e. inter-ethnic) crisis between Russians and Kazakhs’ that had the potential to become an inter-state conflict between Russia and Kazakhstan⁸⁸. Pace of Russian out-migration accelerated in the 1990. The sense of homeland that developed in the north suggests that irredentism was likely to become a viable alternative to emigration as Russians increasingly reacted to exclusionary Kazakh nationalism.’

Nobel Prize winner Alexander Solzhenitsyn insisted that Kazakhstan’s northern territory should be incorporated into Russia. Meanwhile, following collapse the Soviet order, there have been no serious territorial disputes between the two states. Kazakhstan President Nursultan Nazarbaev and Russian President Vladimir Putin signed a border-delimitation treaty in January 2005. When the first and second constitutions were adopted in 1993 and then in 1995, Russian ethnic organisations actively campaigned for the interests of the Russian population, among others, over the issues of dual citizenship with Russia and the status of the Russian language⁸⁹. The Russian Party of Kazakhstan (Russkaia partiia Kazakhstana), founded by Gennadii Beliakov in January 2001, aroused interest in the mass media. The registration of the party in April 2002 caused apprehension among some deputies,

⁸⁸ Jeff Chinn and Robert Kaiser, *Russians as the New Minority: Ethnicity and Nationalism in the Soviet Successor States* (Boulder, 1996), p. 185. The chapter on Kazakhstan was written by Kaiser.

⁸⁹ According to the 1995 Constitution, Kazakh is the only state language, and Russian is officially used on an equal basis with Kazakh in state organisations and organs of local self-government (Article 7). For language legislation and recent developments on the language issue, see: Bhavna Dave, ‘A Shrinking Reach of the State? Language Policy and Implementation in Kazakhstan and Kyrgyzstan’ in Pauline Jones Luong (ed.), *The Transformation of Central Asia: States and Societies from Soviet Rule to Independence* (Ithaca, 2004), pp. 120–155.

which appears to have led to the ban on ethnic parties⁹⁰. A new Law on Political Parties, adopted in July 2002, prohibits formation of parties based on professional, racial, national, ethnic, and religious affiliation of citizens' (Article 5, Section 8). The law also obliged existing political parties to be re-registered under more rigid conditions⁹¹. Before the law was adopted, the party had renamed itself as the Compatriot Party (Politicheskaiia partiia 'Sootechnestvennik')⁹², but it was refused re-registration and was forced to dissolve. According to the Russian imperial census of 1897, Kazakhs numbered 3.39 million and formed 81.7 percent of the total population in the pre-Soviet borders. The first Soviet census of 1926 recorded Kazakhs as constituting 57.1 percent of the population in their newly-constituted national republic whereas the Slavic groups formed 31 percent of the population. Neither the 1897 or 1926 census were complete, given the lack of transport network and the difficulties in offering a reliable count of a mobile population (UN Report, 2004).

In the early 1990s, the Russian writer Alexander Solzhenitsyn wrote a polemical article calling for the "restructuring" of Russia's present borders by reclaiming the numerous Russian-dominated areas along its borders. He especially singled out the Russian-dominated regions in northern and eastern Kazakhstan, which he saw as ceded to Kazakhstan in the 1920s as a result of Bolshevik 'affirmative action policies'. In his reasoning, which also reflects a widely-shared Russian view the nomads had no territorial attachment. Solzhenitsyn's proposals for restructuring of the Russian state fuelled Russian nationalist sentiments but they did not have any backing from the Russian government. The Russian state lacked the will, resources or a plan to intervene or to aid the Russian diaspora across its borders. Northern and Eastern Russians of Kazakhstan consider themselves more closely to Russians of eastern region of Siberia than the mainland Russians. Kazakhstani Russian historian Irina Erofeeva has mentioned about Russians in East Kazakhstan having strong

⁹⁰ Oka, Natsuko, *The Triadic Nexus in Kazakhstan: A Comparative study of Russians, Uighurs and Koreans*.

⁹¹ To be registered, parties should have at least 50,000 members and branches with no less than 700 members each in all 14 oblasts, Astana and Almaty (Article 10, Section 6). The 1996 law on political parties obliged them to have no less than 3000 members who represent no less than half of the all oblasts (Article 10, Section 4).

⁹² In Russian, the term *sootechnestvennik* (compatriot) implies that the diaspora Russia is tied to as a kin-state includes not only ethnic Russians in a narrow sense. The adoption of the term is also due to the difficulty to define Russian ethnicity. See: Neil Melvin, *Russians Beyond Russia: The Politics of National Identity* (London, 1995), pp. 15–16; Paul Kolstoe, *Russians in the Former Soviet Republics* (Bloomington, 1995), pp. 259–263.

regional and local attachments, which often overrides their sense of belongingness to Kazakhstan or Russia. Russians of southern Kazakhstan on the whole are more acculturated into Kazakh culture and more likely to have a familiarity with Kazakh language. Russian of Kazakhstan has multiple identities especially in the virgin land regions. A Russian saying “my mother is Tatar, father a Greek, and I am a Russian” rings true for a large number of Russians in Kazakhstan.

5.1.2. Germans Settlers:

Germans are one of the largest diaspora in Kazakhstan. Ethnic Germans have historical roots in Kazakh territory .it can be traced to Tsarina Catherine’s invitation to Germanic settlers to populate territories conquered by Tsarist armies in wars against the Tatars and Ottoman Empire from the sixteenth to the eighteenth centuries .in 1897, 7,049 Germans were identified as living in contemporary Kazakhstan territory. Germans of Volga were mass transferred due to the outbreak of hostilities between Nazi Germans and USSR in 1930. Majority of Germans of Kazakhstan were deported from the Volga German Autonomous republic in 1942 after the Nazi forces invaded the Soviet Union. Stalin feared a possible collaboration between the Nazis and Soviet Germans and abrogated the autonomy of the Volga German republic. He ordered their deportation to the landlocked regions of Central Asia. Almost half a million Germans are estimated to have migrated in Kazakhstan during the World War II. A majority of these diaspora were settled in Akmola, Kostanai and North Kazakhstan.

The German-Kazakhstani partnership is conceived both by Berlin and Astana as a long-term one and it is based on old and indirect historical links that are related to the German diaspora in Kazakhstan. About one million people lived in Kazakhstan since 1990, although today figure only about 200,000. During the 1990s, most of this diaspora returned to settle in Germany and in doing so some of its participants turned into economic middlemen seeking to develop bilateral trade relations. In terms of Germany’s trade with CIS countries, Kazakhstan is in third position after Russia and the Ukraine. Kazakhstan is second behind Russia for imports and is in fourth position for exports after Russia, Ukraine and Belarus. Germans are regarded as best managers and skilled workers in Kazakhstan. Population of ethnic Germans of Kazakhstan were around 86 million in mid 1990s. Kazakhstani German diaspora represents a

transnational set of networks linking communities in Kazakhstan to a prosperous Central European country (Sebastien Peyrouse, 2009).

5.1.3. Ukrainians Settlers:

Ukrainians have historical link with Kazakhstan. Ukrainians are ethnic minority in Kazakhstan who numbered 896,000 according to the 1989 census forming 5.4percent of the total population. However, due to their emigration to Russia and Ukraine their number declined to 796,000 in 1998 and 456,997 in the census held in 2009. Ukrainian settlers came to Kazakhstan at the end of 18th century when participants of anti-feudal uprising “Koliivshina” were exiled to the North Kazakhstan region. Large numbers of Ukrainian population were exiled by Stalin regime to the numerous labour camps in Kazakhstan territory. 5, 00, 000 of ethnic Ukrainians are living in Kazakhstan now. Population of Ukrainian ethnicity increased from 1.9percent to 10.5percent between 1897 and 1917 in Kazakhstan. Most of Ukrainian settlers are in the northern part of Kazakhstan. Approximately 64,000 Ukrainian families were forcibly resettled in Kazakhstan during the Soviet process of collectivisation in 1930.

Russian language has become popular in the Ukrainian diaspora due to assimilation with Russian culture. The Ukrainian population in Kazakhstan has also declined from 5.4 percent in 1989 to 3.7 percent in 1999. A vast majority of Ukrainians of Kazakhstan are linguistically and culturally Russified. The Ukrainian Cultural Centres in Almaty, Astana and a few other oblasts have actively sought to promote Ukrainian language (UNHCR Report, 2004).

5.1.4. Belarusians and others:

Belarusians and other European diaspora have the similar story as part of arrival in Kazakhstan as part of Soviet strategy of ‘compulsory engagement’ in the 1930s to take part in the industrialization programme in the 1950s. They became settlers after their release from labour camps in the post-Stalin era. These diaspora migrated from Kazakhstan with similar causes and developing situation in the post independence period.

Populations of Kazakhstan, according to European ethnic group, 1926-2009

Ethnic Group	Census 1926		Census 1939		Census 1959		Census 1970		Census 1979		Census 1989		Census 1999		Census 2009	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Kazakhs	3,627,612	58	2,327,758	37	2,794,960	30	4,161,164	32	5,289,349	36	6,534,619	37	8,015,142	53	100,967,631	63
Russians	1,275,055	20	2,458,680	40	3,974,229	42	5,499,826	42	5,991,205	44	6,227,549	37	4,480,675	29	3,794,371	23
Uzbeks	129,407	21	120,655	20	136,570	15	207,514	16	263,295	19	332,017	20	370,765	23	456,997	29
Ukrainians	86,201	13	658,319	10	762,131	8	930,158	7	897,964	6	896,240	5	547,065	3	33,031	2
Germans	51,094	8	92,571	1	659,800	7	839,649	6	900,207	6	957,518	5	353,462	2	178,409	1
Belarusians	25,584	4	31,614	0	107,463	1	197,592	1	181,491	1	182,601	1	111,924	0	66,476	0
Tajiks	7,599	0	11,229	0	8,075	0	7,166	0	19,293	0	25,514	0	25,673	0	36,277	0
Chechens	3,000	0	263,900	0	130,232	1	34,492	0	38,256	0	49,507	0	31,802	0	31,431	0

Source:- The Agency on statics of the Republic of Kazakhstan,2009.

5.2. Migration of European from Kazakhstan and its Impacts:

State education and language policy favouring social, cultural and Political discrimination and prevention of equal rights to all ethnic group particularly non-Kazakh groups in the region were the major causes of migration of Europeans from

Kazakhstan after its independence in 1991. German diaspora in Kazakhstan was in crisis just after collapse of USSR in 1991. Combination of economic and ethno-political forces were pushing and pulling millions of citizens in a great demographic redistribution throughout the post-Soviet space during the 1990s. German was feeling humiliated and there were decline of German language in Kazakh nation building process during early years of independence. Kazakhstan's ethnic composition radically changed during the first decade of its independence as a result of out migration of Russians and other non-Kazakh groups mainly Germans. Kazakhstan's ethnic German population dropped sharply, from 946,900 people in 1989 to 353,400 in 1999. Overall, nearly 2 million Russian-speakers left Kazakhstan over the last decade. Germans migrated from Kazakhstan due to constitutional guarantee of political asylum by Germany. Germany's open immigration policies and the generous benefits that German immigrants received was another cause of German migration from Kazakhstan. Russia migration was due to Kazakhstan's ethnic and language policy.

European Population in Kazakhstan, 1989-2009

	1989		1999		2009	
	Number	Percentage	Number	Percentage	Number	Percentage
Kazakh	65,34,616	40.1	8,011,500	53.5	10,098,700	63.1
Russian	62,27,549	37.4	4,481,100	29.9	3,797,000	23.7
Ukranian	8,96,240	3.7	547,100	3.6	333,200	2.1
Uzbek	3,32,017	2.0	370,800	2.5	457,200	2.8
German	9,51,518	5.8	353,500	2.4	178,200	1.1
Belarusian	1,82,601	1.1	1,11,926	0.8	66,474	0.4

Source: Ethnic composition in Kazakhstan, Census Data 1999-2009. (Statistical Agency of the Republic of Kazakhstan).

According to 1999 census data, Kazakhstan's population decreased by 7.7 percent from the 1989 level. All the northern oblasts bordering Russia, dominated by Slavic groups, experienced negative population growth. Akmola, North Kazakhstan, and Karaganda lost almost a fifth of their population, with a slightly smaller drop in Kostanai, Pavlodar, and East Kazakhstan. The four Kazakh dominated oblasts of

South Kazakhstan, Kyzyl Orda, Almaty and West Kazakhstan as well as the new capital Astana and former capital Almaty gained in numbers during the same period. Only one percent of Russians (and Slavs) had proficiency in Kazakh, which was the lowest level of proficiency in the language of the titular nationality among Russians inhabiting that republic in 1989. Kazakhstan government launched an active campaign of Kazakh language revival by mobilizing the support of linguists and cultural intelligentsia. Kazakh was proclaimed as the sole state language in 1995. This had worst impact on the future of non-Kazakh nationalities, their languages and culture in Kazakhstan. So non- Kazakhs migrants were afraid about their future in Kazakhstan. The 1995 language law established Kazakh hierarchy of languages and it was granted as higher status as state language. Kazakhstan government has given clearly instructions to its government officials and people that it is mandatory to learn Kazakh language .Kazakhstan also lunched 10 years state programme for learning Kazakh language in 1999. Non-Kazakhs were unlikely to be proficient in state sole language.

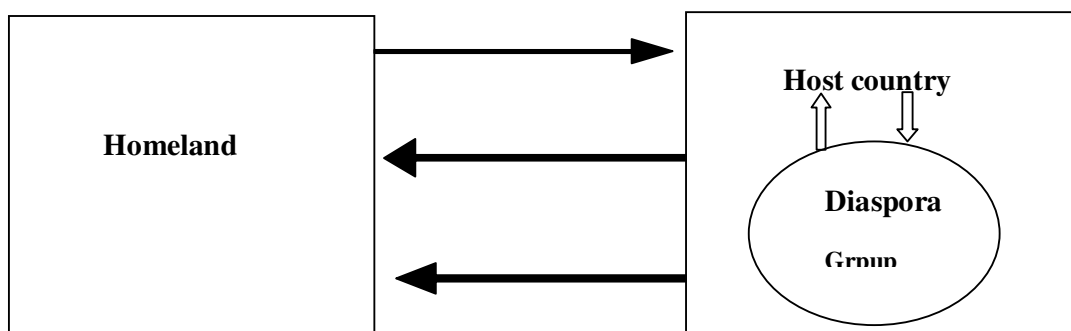
Kazakhstan language was the medium of instruction of Education from school level to higher studies. It reduced the quality and standard of education systems. Absence of good quality textbooks and academic or technical literature and scholars in Kazakh language lead to downgrading of education standards. All text book materials have been translated from Russian or English. Many of the translations are done by under-qualified staff and do not have a standardized technical or scientific vocabulary. State-funded universities tend to favour students of Kazakh nationality especially those desirous of studying in Kazakh medium sections. (UN Report, 2004).

Such steps for Kazakhification of state created anxiety among European diaspora about their status and future of their children in Kazakh dominated state. One to 1.4 million Russians left Kazakhstan between 1989-1999. It was painful migration of European diaspora from the virgin land of Kazakhstan.

5.3. European Diaspora's Contributions:

Kazakhstan has tried to pursue both 'ethnic' and 'civic' visions of nation-building simultaneously, without erecting the necessary legal basis to promote this visions.

Triad among Diaspora, Homeland and Host Country⁹³



Source: Timothy Heleniak

Kazakhstan believes that populations of Kazakh diaspora in the world to be 2.5 to 3 million. Kazakhstan has followed the example of Germany and Israel by extending citizenship to Kazakh diaspora and seeking to facilitate their “return” to their ancestral homeland. Since 1992, it has set specific quotas for facilitating the return of ethnic Kazakhs from Germany, Ukraine, Belarus, Russia and other European countries (Shuval, 2000).

5.3.1. Trade and Investment in the Homeland:

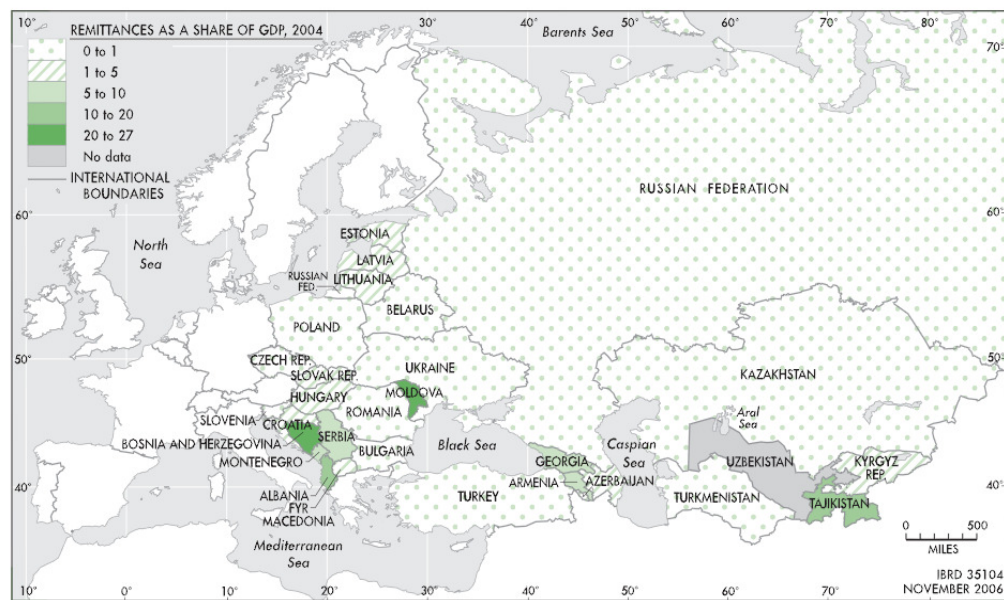
Kazakh-European diaspora plays important role as both source and destination countries, besides facilitating in trade and investment between the two. One study found that immigrant-founded companies were twice as likely as native-founded companies to have strategic relationships with foreign firms such as major suppliers, key partners, or major customers. Kazakh-European diaspora have used to mobilize wealth via capital markets, deposit accounts, securitization of remittance flows, transnational loans, diaspora bonds, and diaspora mutual funds.

Kazakh-European diaspora also plays the major role in the development of social aspects and responsibility in their homeland. Philanthropy comes not only from wealthy diaspora groups but also from middle-income and even low-income groups. Volunteering on the part of diaspora populations takes various forms including professional services and advice and training to institutions, healthcare etc. in their

⁹³ Shual, J.T. (2000), Diaspora Migration: Definitional Ambiguities and a Theoretical Paradigm, *International Migration* 38(5):41-56.

countries of origin. Kazakh- European diaspora population have been important source of technology transfer, skills development, and research and innovation for the home country. The exact mechanism for knowledge transfer can take many forms including knowledge spillovers when diasporas work in firms in the countries of origin, involvement in scientific or professional networks in destination countries that promote research directed towards origin countries, temporary or virtual return to the home country, and permanent return to the home country after working and gaining experience and skills abroad.

Remittances as a Portion of GDP in Eastern Europe and the Former Soviet Union, 2004

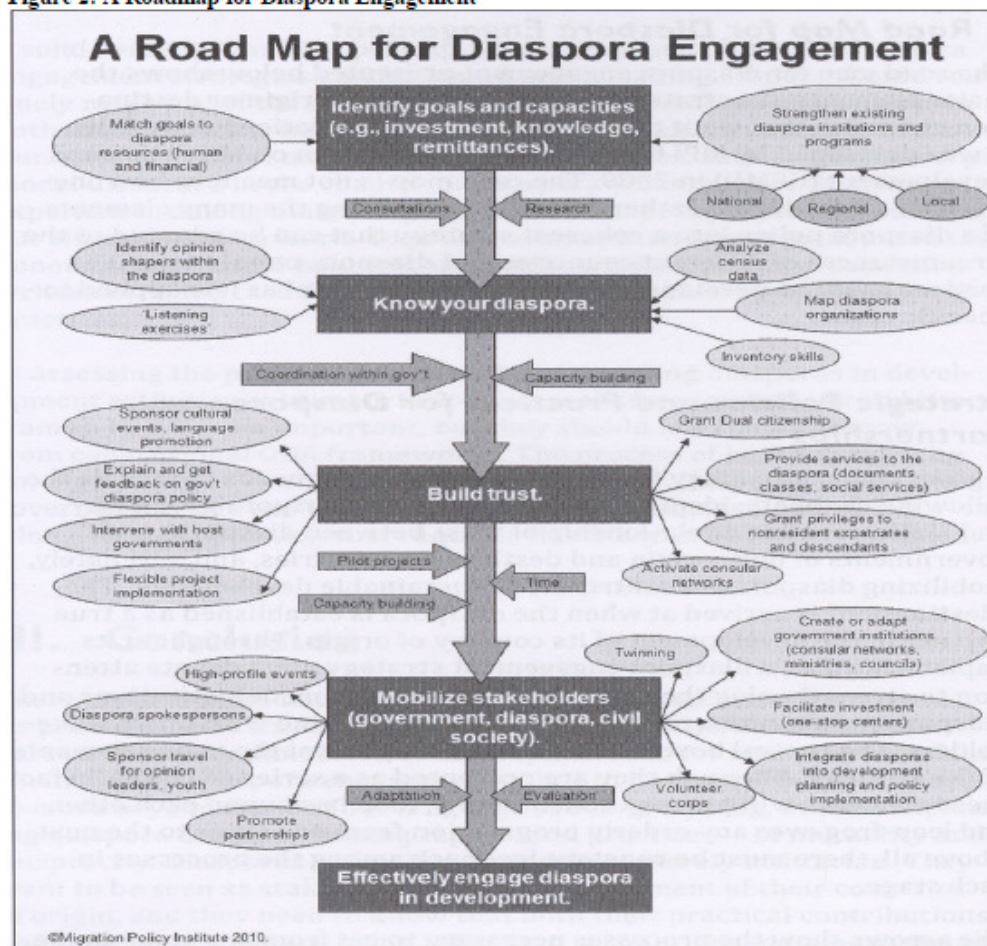


Source: IMF, Balance of Payment Statistics.

5.4. Kazakhs in Europe

Kazakh Diaspora in Europe is concentrated in countries such as Germany, Switzerland, Austria, France, Sweden, Great Britain, Norway, Denmark and Netherlands. A number of organisations have been establishing associations in these countries. The Kazakhs are working to protect their language, cultures, traditions and customs and aspiring to transmit to the younger generation of Kazakh diaspora.

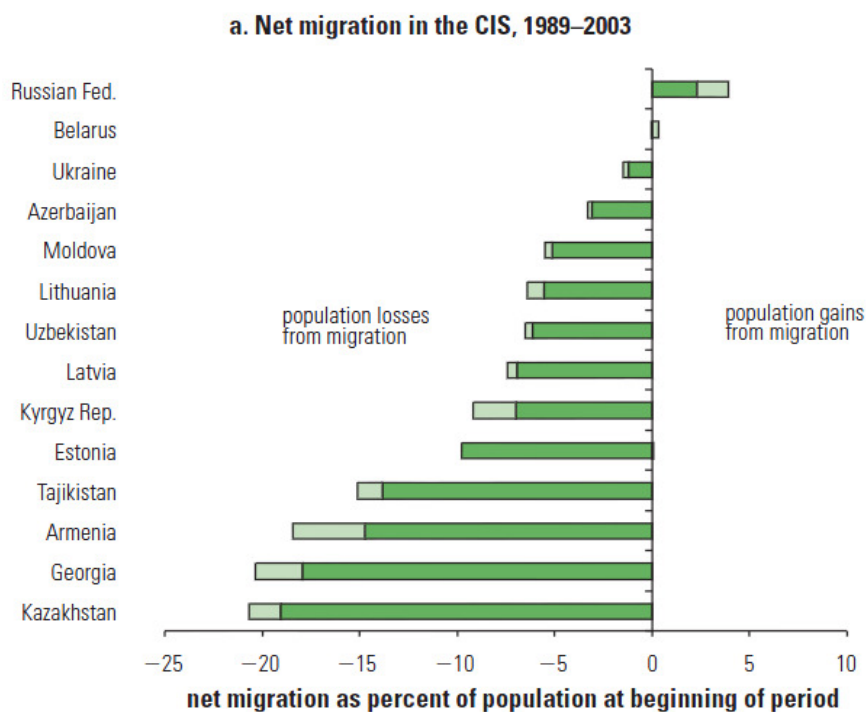
Figure 2: A Roadmap for Diaspora Engagement



Source: Migration Policy Institute 2010

Federation of European Kazakh Association is working in London since May 2009. This is result of the 10 Kazakh associations in Europe, which united under one umbrella with the official foundation of the Federation of European Kazakh Associations (FEKA). Main objectives of FEKA are to build their solidarity and to cooperate and preserve of culture and other identities associated with home land and in Europe.

Net Migration in Western ECA and the CIS



Source: National statistical offices and UNICEF Database, 2011.

The Federation of European Kazakh Associations consists of the following founding member and the member associations: ⁹⁴

- Kazakh Cultural Centre Cologne (Germany)
- Berlin Kazakh Community (Germany)
- Society for Kazakh Culture and Interethnic Understanding, Munich (Germany)
- Kazakh Cultural Association (Denmark)
- Norway Kazakh Cultural Association (Norway)
- Austria Kazakh Cultural Association (Austria)
- Foundation of the Kazakhs in the Netherlands (the Netherlands)
- United Kingdom Kazakh Association (United Kingdom)
- Kazakh Cultural Association (Sweden)
- Kazakh-French-Turkish Cultural and Solidarity Organization (France)

⁹⁴ FEKA, www.eurokazak.net

In concluding remark one can say that Kazakhstan is a home to different diaspora in Central Asia. Kazakhstan diasporas has had significant contributions to modernisation of Kazakhstan. Kazakh and German government made efforts to acknowledge an ethno-national bond with their respective diaspora and promoted their territorialisation of ethnic identity within Kazakhstan. Federal Government of Germany spent funds for Germans in Kazakhstan for stopping emigration from there .Germany invested around 92.5 million dollars for settlement of German diaspora in Kazakhstan in 1997. It is clear indication about the Germany policy to stop migrations as it extended helping hand for its diaspora there. Kazakhstan on 1th February 2007 become a signatory to 160 international agreements including the UN International Covenant on Economic, Social and Cultural Human Rights, the International Covenant on Civil and Political Rights, the International Convention on the Elimination of All Forms of Racial Discrimination, and the Convention on the Rights of the Child. The United Nations has praised Kazakhstan's implementation of international conventions. In the Report on Human Rights in Kazakhstan of 2007, the UN experts of the Committee on the Elimination of Racial Discrimination stated that all necessary conditions for the peaceful coexistence of different ethnic groups and confessions had been created.

The World Kazakh Association has had a positive experience of co-operating with ethnic Kazakhs abroad. The association is designed to strengthen connections with Kazakhs in all spheres of social activity. It now works directly with foreign governments and social communities. Kazakhs are predominant in the south and in rural areas, while Russians, Ukrainians, and Germans are concentrated mostly in the north and in urban centres of Kazakhstan.

Chapter: 6

Conclusion

Kazakhstan is emerging and fast growing developing country in the region. This is country of huge natural and energy resources. Kazakhstan lies at the crossroads of Europe and Asian continents after its independence following the collapse of the Soviet Union (USSR). Kazakhstan transformed itself from the Soviet model of political and economic system to the liberal democracy and market economy, following the new international order of globalisation after 1991. President Nursultan Nazarbayev made significant efforts to transform the country into an emerging economy and political power in the last two decades. Kazakhstan follows its unique model of multi-vector foreign policy based on the pragmatic approach, national interest and realism of global politics of Central Asia. Kazakhstan is neighbour of two super and nuclear powers Russia and China. Multi-vector foreign policy of Kazakhstan enhanced close relationship with EU, Russia, China, USA, UK, France etc. Kazakhstan was first non Slavic state which possessed the Nuclear weapons and unconventional arms after collapse of USSR. Kazakhstan followed the path of nuclear non-proliferation and disarmament approach for its security and creation of nuclear free zone of Central Asia. Kazakhstan used opportunity of globalisation to integrate itself with International new order of world economy and politics.

Kazakhstan foreign policy has been guided by the principles of Helsinki Declaration Final Act 1975. The principles are sovereign equality of all states, non use of force or threat by force, inviolability of borders, territorial integrity of the state, peaceful resolution of the disputes, non- interference in the domestic affairs of others, respect for human right, equality and rights of the nations to decide their destiny, cooperation between the states and lastly, performance of obligation in accordance with international law. Kazakhstan's relation with European Union is one of the dynamic relations in the changing scenario of world politics. EU has contributed to the development of Kazakhstan. European Union is most effective normative global power in the 21st century of International organisations.

Kazakhstan- European Union relations maintain the balance of power in the region. Kazakhstan adopted the "Strategy 2030" for overall development of the Kazakhstan in the age of globalisation. Kazakhstan's relations with European Union (EU) have been one of the major components of Kazakhstan's multi-vector foreign

policy. This relation is determined by the EU's international role in world politics and particularly in Central Asia.

Kazakhstan and European Union have become extended neighbours following the disintegration of Soviet Union and independence of the Republic of Kazakhstan. The European Union has regarded as a trusted and influential post-modern actor in the post cold war era of Central Asia. European Union presented itself as 'Normative Power' in global affairs particularly in Central Asia. EU is pursuing its strategy with multilateral diplomacy (diplomacy, democracy, military, financial and technical assistance) with Kazakhstan in the Central Asia. The European Union and its states seek to enhance relations with Kazakhstan across spectrum of energy, security, defence, environment, climate change, nuclear non-proliferation policy, trade, transport, technology, trafficking, terrorism, education, culture, democracy, human rights, empowerment of civil society, media, meeting the challenges of Millennium Development Goals (MDG).

Partnership and Cooperation Agreement (PCA) is the legal and diplomatic foundation of the bilateral and multilateral cooperation between Kazakhstan and European Union. European Union provided technical assistance primarily to economic and commercial reforms, state-building processes, and encouragement of foreign investments. EU has been concerned about the democratization and liberal market economy. Kazakhstan gained special importance in the international arena because of its strategic position in Eurasia, nuclear weapons and its energy reserves at the regional and global level in contemporary international politics. The foundation of EU- Central Asia cooperation was the Partnership and Cooperation Agreement (PCA), which was signed by Kazakhstan.

This bilateral cooperation is developing dynamically in all areas, including those of trade and investment, energy, non-proliferation of weapons of mass destruction (WMD), countering terrorism and international crime (including illicit drugs, money laundering, and human trafficking), interaction between the defence agencies, and the promotion of democracy. Both sides have been making efforts to ensure that their bilateral relations grow into a long-term strategic partnership. The main cooperation vectors have been strengthening of democratic institutions and the

rule of law, human rights, transport, education, culture, and protection of the environment.

European Union provided technical assistance primarily to economic and commercial reforms, state-building processes, and encouragement of foreign investments, but promotion of democracy and liberal market economy remained the key component for the mutual relation during the first decade of independence of Kazakhstan. Massive terrorist attack on 11 September 2011 was the turning point for the mutual bilateral relations. NATO, OSCE, and the European Council have established close relations after the independence of Kazakhstan. European Union and its member states have made significant contributions to the reforms of the state institution and also economic systems of Kazakhstan since 1991.

Educational initiatives are among the frontline factors providing Human development opportunity for European Union engagement with Central Asian countries including Kazakhstan. The European Education Initiative was launched as part of the EU-Central Asia Strategy in 2007. European Union has provided a number of scholarships, educational grants for scholars, academicians and leadership development for Kazakh people. Europe is the premier centre of education in world. Kazakhstan accesses the most precious and quality education for human development of its society. The E-silk highway is the internet-based communications network, which seeks to link Central Asian students, teachers, academics and scientists both regionally and with the EU e-network. Specific educational purposes included enabling participation in modern forms of life-long and distance learning.

The Central Asia Research and Education Network (CAREN) lunched by NATO Science programme builds on the Virtual Silk Highway. Kazakhstan is investing 500 million dollars in a new technical university in Astana, which will teach in English and employ foreign professors. It also has an increasingly well regarded private university sector with well-developed links with European universities. Britain has also developed the 'English for Teaching, Teaching for English' project to enhance English language methods and materials and Inspire, which provides higher education grants for young academics and scientists. In addition, the Kazakh- British Technical University has been co-funded by the Kazakh government and Western oil

and gas companies and it involves four UK universities. Romania has also established scholarships for Kazakh.

Germany took the initiative for the Strategy for a New Partnership between the EU and Central Asia during its Presidency of the EU in 2007. Under the German Government's cultural preservation programme, support has been granted for the restoration and preservation of cultural linkage with Kazakhstan. There are also reading rooms and language centres in other cities across the region. The flagship of German education work in Central Asia is the "German-Kazakh University" in Almaty. Germany has been supporting with cross border water management, networking water experts, scientific studies, research network and university courses in the environmental sphere (energy and water) at the German-Kazakh University in Almaty. German Foreign Minister launched the Berlin Water Initiative. The German Ministry for the Environment is active with environment and climate protection projects (energy efficiency, renewable energies, adapting to climate change, sustainable forestry, management of nature conservation areas, remediation of contaminated soil) in Kazakhstan and other states.

European Union is the major trade partner of Kazakhstan. European Union and its member states are the largest investors in Kazakhstan's economy. According to the World Bank's Ease of Doing Business Index 2011, Kazakhstan holds 59th position, ahead of such countries as the Czech Republic, China, Russia and Ukraine. Foreign direct investment (FDI) is known as an important catalyst for economic growth in the developing countries like Kazakhstan. It affects host countries' economic growth by transferring technology, increasing human capital formation and by stimulating domestic investment and access to global markets. Special Economic Zones (SEZ) and information technology have been emerging one of the FDI investment sectors. Energy resources remain the high priority of European Union in Kazakhstan. Kazakhstan is gradually becoming one of the pillars of energy security in Asia and Europe. Kazakhstan is the centre of natural resources and raw materials, having seventh position on oil reserves, sixth on gas reserves and second on Uranium reserves in the world energy sectors. The European Union with its 27 member states is among the largest markets for natural gas and being geographically in close vicinity to the world's largest gas producer Russia and Kazakhstan. European Union's

economic presence is in Kazakhstan and its main involvements in energy resources, transport routes, opening of markets and free economic zones, and small and medium-scale projects. Energy cooperation between Kazakhstan and the EU has been enhanced with Memorandum of Understanding on energy cooperation in 2006 and with the Kazakh agreement to transport oil through the west oriented Baku-Tbilisi-Ceyhan pipeline. Kazakhstan Caspian Transport System (KCTS) would transport hydrocarbons to European markets.

European diaspora in Kazakhstan has significant efforts to strengthen the bilateral relationship between Kazakhstan and European Union. Principal ethnic groups include Kazakhs (58.9 percent), Russians (25.9 percent), Ukrainians (2.9 percent), Germans (1.5 percent) and other groups (10 percent). Kazakh Diaspora in Europe is concentrated in countries such as Germany, Switzerland, Austria, France, Sweden, Great Britain, Norway, Denmark and Netherlands.

Kazakhstan has been granted membership in international organizations such as International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the Organization of Islamic Conference (OIC), and the Organization for Economic Cooperation (OEC), which unites Afghanistan, Azerbaijan, Central Asian countries, Iran, Pakistan and Turkey. Kazakhstan concluded an agreement on technical co-operation with the European Union (EU), which has a representative of its own in Almaty in 1992. Kazakhstan joined the NATO “Partnership for Peace (PfP)” Program in 1995. Kazakhstan has played an active and pragmatic role in both hosting and participating in PfP training and exercises with NATO. Kazakhstan has established a PfP regional training centre, and continues to work with allies and regional partners in military and language training techniques along consultations with the allies. Kazakhstan has been contributing to the fight against terrorism through its participation in the Partnership Action Plan on Terrorism (PAP-T). This includes sharing of intelligence and analysis with NATO, enhancing national counter-terrorist capabilities and improving border security. Kazakhstan is the first post-Soviet country, the first predominantly Muslim country, and the first Central Asian country to be Chairmanship of the OSCE. Kazakhstan more than any previous chairing country regarded its chairmanship at

the OSCE as a project that could enhance its national stature and reaffirm its young independence. The observation of elections is an integral component of the OSCE democratization agenda in Kazakhstan. Kazakhstan has greater cooperation with OSCE and its various components in promotion of democracy, protection of human rights and promotion democratic values in the Kazakh society. Kazakhstan is also has observer and participants status in various organisations of Europe. Council of Europe is primarily a human rights monitoring body. Council of Europe has greater role in establishing the role democratic institutions in Kazakhstan. It seeks to develop common and democratic principles based on the European Convention on Human Rights and other reference texts on the protection of individuals.

Kazakhstan already enjoys observer status with the European Commission for Democracy through Law (Venice Commission). Kazakhstan has shown interest in participating in the several conventions of council of Europe. Members of the Parliament of Kazakhstan regularly attend the Assembly sessions. Kazakhstan adopted new approach for European orientation of its foreign policy. 'Path of Europe' is one of the new agenda and strategic approach of Kazakhstan to attract European Investment and integration with European society. Primary objectives of this programme are developing a strategic partnership with the EU and the European member countries in order to "promote economic cooperation, the attraction of technologies and managerial experience, the development of own agenda and strategic priorities for the OSCE cooperation.

Terror attack at WTO and Pentagon on 9 September 2001 in USA was the turning point of Kazakhstan-European relations in Central Asia. Kazakhstan was the first country which supported unconditional USA and NATO led global war against terrorism. Kazakhstan and others republics are facing a wide range of security challenges due to its position at the crossroads between Russia, China, Afghanistan, Pakistan, Iran and the Caspian Sea. It is confronted with a range of trans-national threats such as drug trafficking, human trafficking, organised crime and terrorism. Central Asia also encounters specific regional threats including scarcity of water resources for generating power and irrigation purposes. The European Union is cooperation though various projects in the security field such as BOMCA (Border

Management in Central Asia) and drugs CADAP (Central Asia Drug Action Programme).

Global climate change poses serious threats to the region's environment, ecological and socio-economic systems. Agricultural production has already decreased in some commodity groups and quantities and qualities of water resources are at risk of severe effects of climate change.

Finally, one can say that Kazakhstan-European Union relations have enhanced cooperation in political, economical, trade, transport, energy, Investment. defence and security, promotion of democratic values, cultural and diasporas linkages, non-proliferation, environment and ecological crisis, Human rights, civil society, anti terror efforts, education initiatives, border management besides counter balance of Russian and Chinese influences in the region. This relation has become benchmark for bilateral and multilateral engagements in the political history of Kazakhstan in Central Asia. Kazakhstan's multi-vector foreign policy and its European vector, Path to Europe constitute Kazakhstan's efforts to comprehensive and strategic cooperation with European Union and its member states. European Union will be remaining the global normative power and its strategic doctrine of Kazakhstan and Central Asia will be the torchlight towards enhancing this bilateral relations.

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