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Editor-in-Chief

**Bulat SULTANOV**

Director of the KazISS

under the President of the RK

Deputy Editor-in-Chief

**Leila MUZAPAROVA**

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N. Seidin

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Address:

87-b Dostyk Ave.

Almaty 050010, Kazakhstan

The Kazakhstan Institute

for Strategic Studies under the President  
of the Republic of Kazakhstan

Phone (727) 264-34-04

Fax (727) 264-49-95

E-mail: office@kisi.kz.

www.kisi.kz

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# The Challenging Path leading to the OSCE Chairmanship (Organization for Security and Cooperation in Europe)

MURAT LAUMULIN,

*PhD in Political Sciences, Chief Researcher of the KazISS under  
the President of the Republic of Kazakhstan*

**T**he Republic of Kazakhstan was unanimously approved of by the OSCE members to chair this organization in the year of 2010. It is doubtless that this fact affirms the complete and diplomatic triumphant accomplishments gained by Kazakhstan. There has been a dignified compromise identified (in due course of chairmanship) which enabled all the parties to 'retain their integrity'.

However, this chairmanship might be fraught with a number of problems in the future, which could complicate the external political status of the country as a whole. The actual OSCE problems might go beyond the customary visualization of such concepts like security and humane cooperation with regard to the functionalities, objectives and targets that the organization is pursuing. In reality the OSCE partnership with the post-Soviet states to some degree affects (in addition to the internal problems) a whole range of relationships with the West in general and to the European Community and European Institutions, NATO and the The USA in particular. Moreover, in the past this range of issues incorporated the so-called European 'power security' issue. In this regard our relationships with the Central and Eastern European countries will acquire a new contextual connotation.

The chairmanship of Kazakhstan at the OSCE will turn out to be a peculiar geopolitical testing of the country's maturity, since it concerns the fundamental problems associated with the relations with the West, security, geo-political and geo-economical issues. Currently these relations are being developed in the following directions.

Commencing 1992 one of the principal trends of the OSCE activities had been the preservation of inter-ethnic concord and observation of national minorities' rights. It was in 1999 at the Istanbul Summit when the OSCE spokesmen for the first time ever expressed concern about the situation in Central Asia, noting that the threat increase posed by the international terrorists, brought out the problems concerning the increase of aggressive extremism, organized delinquency, illegal weapons and drug trafficking. The 1999 the Istanbul Summit resulted in the signing of

the Charter for European Security and the adoption of the Istanbul Summit Declaration, in which a number of issues were raised directly dealing with the security problems emerging in Central Asia.

In 2000 the fundamental framework of the relations of Kazakhstan and OSCE acquired novel peculiarities and traits. At certain periods the Astana policy was subjected to intense criticism by the Organization or its affiliated institutions in the connection of human rights adherence, democracy observance, election campaign techniques, etc. These incidents of bilateral relationships generally concurred with the variations of the international climate and geopolitical situation created in the Eurasian continent. Along with Kazakhstan all the other post-Soviet states were exposed to criticism, among them there were Russia and all the other Central Asian republics. Under these circumstances Kazakhstan was included with the group of other states which had been criticized for adherence to the double standard policy and biased criticism. Particularly, Astana was participating in the collective demarche in relation to the OSCE at the summit held in Copenhagen.

In October 2003 the permanent representation of Kazakhstan at the OSCE announced a confidential memorandum entitled "Concerning the OSCE Activities Reformation in Regions".\* In that document the Organization was accused of biased right protection. The regional missions were subjected to scathing criticism according to which they had been reproached for collaborating primarily with the non-government organizations and human rights protection agencies. It was suggested that missions be set up in accordance with an agreement reached with a receiving party, to restrict their mandate for a one-year period and to grant the right to extend it in compliance with a solution reached by the OSCE Permanent Council. Therefore, the work of the mission's employees was supposed to be based upon the activities of the government structures.

\* In the headline section of the Memorandum it was stipulated that it had been prepared in conjunction with the missions of Russia, Belarus and Kirgizstan.



In July of 2004 at the session of the Permanent Council the joint statement of the CIS states—the OSCE members (except for Georgia), which had been initiated by Moscow was announced. The Organization was reproached for the inability to “get adjusted to the requirements of the changing world and ensure an efficient settlement of security issues and cooperation in Euro Atlantic space” and for non-observance of the following Helsinki principles such as: non-interference in the internal affairs and the recognition of the esteem of a country’s sovereignty.

But concurrently Kazakhstan has started building its policy in such a way in so as to consolidate the integration of the Organization and to lower the opposition between the Northern American and European countries, on the one side and Eurasian states, per contra. In this connection Astana nominated itself for the OSCE chairmanship for the year of 2009. This suggestion was approved by the official Moscow and was supported by all the other post-Soviet states. Later they were joined by many Eastern European countries and a number of Western European states, who had also approved of this idea.

The further development of the relationships between the RK and the OSCE were significantly impacted by events of 2005. During that period a conceptual agreement was reached on the political scale with respect to the future chairmanship of Kazakhstan. By 2006 almost a full consensus was achieved with regard to Kazakhstan’s candidacy. Nevertheless the USA and the United Kingdom, two authoritative states, questioned the democratization level in Kazakhstan and urged Kazakhstan to adjourn the chairmanship for the year of 2012 or even later. In 2009 the consensus concerning Kazakhstan’s chairmanship was not reached in Brussels despite the support rendered by Germany, Italy, the Netherlands and France.

The resolution was adjourned up to the Madrid session of the Council of Foreign Affairs Ministers scheduled for November 2007. As a matter of fact two hours before the closure of the session of the Council of Foreign Affairs Ministers there was a consensus attained: it was decided that Kazakhstan would be chairing at the OSCE but one year later, specifically in 2010. In Kazakhstan the triumph gained in Madrid was perceived as an acknowledgment of the country’s accomplishments and mainly as the recognition of the contribution made by its president. When Kazakhstan’s chairmanship was submitted for discussion the country had to decide between the two possible solutions: either to exacerbate the dispute with the OSCE which will be ended by the country’s withdrawal from the organization or to attempt to use this chance for the enhancement of national prestige and the increase of its influence. The second alternative was more preferable.

It was quite apparent that the activities of the European Community would impact the chairmanship of Kazakhstan at the OSCE. On this basis one should take into consideration the principal targets and incentives that Brussels would be driven by specifically in the Central Asian area. It is beyond doubt that the Astana chairmanship at the OSCE would be impacted by the North American factor. In January of 2009 a new Democratic administration came to power at the White House, with Barack Obama, newly elected President at the head. It should be noted that the Eurasian policy, specifically at the OSCE, and the new

administration would be interconnected with Russian-American relations, the CIS, NATO expansion, the situation in Afghanistan, the situation in Iran and Pakistan and at any rate with the nature of the American-Chinese and America-Indian social intercourse.

The North-Atlantic alliance alongside with the OSCE is the largest international organization operating in the sphere of security and which encompasses not only Europe and North America, but Eurasia as well. Consequently the NATO factor anyhow will influence the OSCE situation and behavior patterns of the alliance members within the framework of the activities of the organization.

The crucial role in supporting the chairmanship of Kazakhstan was played by Russia and other post-Soviet states. Thereby Astana received the cooperative mandate from the CIS states in favor of protecting their interests in front of that organization. Apart from that factor due to certain objective circumstances Kazakhstan should and presumably would intend to coordinate its moves with Moscow in the course of its Chairmanship. Kazakhstan is committed to the Central Asian republics as well. However, currently there are a number of intricate circumstances that might complicate at times different comprehension of the purposes and objectives interpreted by Russia and Kazakhstan.

It is certain that OSCE chairmanship will become a milestone in the external policy of the Republic of Kazakhstan, which will be used also to announce Kazakhstan’s status as the regional leader. But for Russia, in accordance with Russian politicians, this factor most probably will be coupled with more problems rather than opportunities. They consider that unlike Russia Kazakhstan will not lay claims upon alteration of the OSCE operation pattern. Based on its geopolitical status, for Astana, it will be enough to gain benefits from this function. Moscow will be making efforts to reset the rules of the game, which admittedly will be challenging. Besides, Russia possesses a much wider range of levers at its disposal versus Kazakhstan.

There arises another question: what is the essence of the viewpoint and claims of the Russian Federation with respect to the OSCE goals? Russian politicians point out the imbalances identified in the OSCE activities: more specifically – the geographical aspect (the activities of the organization are focused primarily in the direction «eastward from Vienna» - mainly in ex-Yugoslavian countries and the former USSR) and topical aspect (from the point of view of Russia there has been an unjustified shift observed in favor of the human rights protection which harmfully impacted other aspects and directions, namely: the sphere of security, economy and ecology. Moscow is displeased with the autonomy of a number of the OSCE institutions, first of all with the Office for Democratic Institutions and Human Rights, which is involved in monitoring over the election campaigns. Russian leadership has publicly accusing the independent OSCE institutions of a biased attitude and has imputed them for the practice of double-standards, and virtually proclaims that they are “being privatized” by Western countries, first and foremost by the United States. Time and again, Russian leaders make statements proclaiming that there is no sense of having the present type of OSCE and call-outs pleading to withdraw from the organization are becoming more persistent.



Thus, the chairmanship of Kazakhstan at the OSCE might be fraught with lots of problems, which can complicate the external political position of the RK in the foreseeable future. In order to act as the Chairperson of the organization, Kazakhstan will have to implement the following scenario: to elaborate a clear-cut and precise scheme of democratic reorganization in the country in the immediate future; to act forward in advance and to ensure that these reforms are not viewed in the West as imposed measures, which have been construed as having been imposed under constraint from the outside or have been taken under pressure by internal political oppositional forces.

Along with the overpassing the “separating strips” associated with Kazakhstan’s chairmanship at the OSCE there will be more possibilities to take into account and bear in mind the interests and views of the countries in the direction «eastward from Vienna». Thereby the CIS countries will be ensured to have better opportunities for the implementation of the projects generated by these states. Kazakhstan is quite capable to consolidate this organization.

For some time, there has been an open issue related to the prioritization of the OSCE activities - whether it will be focused on a humanitarian sphere or the security issue during Kazakhstan’s chairmanship period. At the moment it would be more rational and advisable to shift the emphasis toward practical measures being undertaken by the OSCE aimed at democratization of the society and oriented for cultural cooperation, inter-confessional concord, and civilized coordination.

Exactly in these spheres Kazakhstan is capable of contributing a lot to the OSCE operation. In the area of security

enhancement it will be significant to accentuate such items which are essential for regional stability assurance like terrorism, drug trafficking, illegal migration. At the same time it is important to be cautious especially when dealing with the issues associated with the regional collisions and the so called unrecognized states;

The idea of reinforcing the connection between the European and Asian security systems –the Organization for Security and Co-operation in Europe and Community on Interaction and Measures of Trust in Asia (SVMMDA) seems to be encouraging. The West after having bolstered Kazakhstan in the OSCE chairmanship in 2010 might make attempts and endeavor to have Kazakhstan engaged in different types of anti-Russian campaigns within the organization. The toughest cases will be the ones when Astana, being the OSCE chairperson, will be obliged to face the challenges and criticize its allies and CIS partners. In these cases Kazakhstan will just be forced to try to tone down the statements and shift the accents.

Although with Kazakhstan’s chairmanship the OSCE will somehow acquire the “Eurasian countenance” and in order to avoid any irritation among the western partners, it would be more reasonable to minimize the use of the term “Eurasian” in the official documents, records and ceremonial rhetoric, and it would be more rational to emphasize Kazakhstan’s “European selection.” This move will contribute to promoting dialog between the parties in comprehensible language. But the objective uppermost of Kazakhstan’s chairmanship at the OSCE in the year of 2010 should be the enhancement of the country’s significance and the up-grade of its foreign political status.



# Multi-vector Policy and Chairmanship of Kazakhstan in OSCE

BULAT AUELBAYEV,

*Head of Foreign Policy Department of the KazISS under the President of the Republic of Kazakhstan*

**A**s a counter to established opinion, that multi-vector is the state's choice with limited resource, which influenced the course of global events, it is necessary to note that this form of policy is adhered a large majority of world's community subjects. Gradually withdrawing of blocking thought to the idea of general interaction and mutual influence becomes the one of the most demanding conception today. In the way of tendency of multi-vector diplomacy in international relations was armed by the numbers of CIS countries, but most successfully this principle had an effect on foreign policy of the Republic of Kazakhstan.

Kazakhstan's experience has proved that this direction is the most justified in condition of globalization world, moreover that approach acquires the qualitatively new characters. Besides the simple pragmatism, that is located on foundation of mending strategic partnership with the countries, having the various political and economical interests, culture and religion which helped to make the establishment of geopolitical balance of force. In turn, it created the condition of stability, in which Kazakhstan can play the linking role between regions and promote the plan of constructing beneficial links with other interested states in chain of multilateral cooperation.

The result of this policy was the recognition of Kazakhstan as not only a state with leading-edge thinking, modernizing economy and society – but also its participation on the global dialogue areas was noted. It is demonstratively that on the CIS space and in wider masses Kazakhstan's initiatives found a wide response, representatives of Kazakhstan lead the authoritative international organizations such as EurAsEC and SCO, coming soon – presidency in such international structures as OSCE and OIC. We have an aspiration to harmonization of multilateral interests in Central Asia, in Caspian region and on the Commonwealth space. More and more careful attention to CICMA from the part of global community promoted an advancement of Kazakhstan to the leading position in European structure of security. Therefore, simultaneously with the unanimous

adoption by the Council of Ministers of Foreign Affairs - OSCE member states decision to grant Kazakhstan the chairmanship of the Organization in 2010, republic is bound to this position as the collective representative of the CIS countries.

The fact that Kazakhstan is the first of post-Soviet states and first of the Asian countries in European International Security System, also imposes duties upon the republic.

First, it formed defined expectation, that our chairmanship on the post of OSCE can give the start to reformation of the Organization.

At the last time this structure has accumulated dozen problems. There is a large criticism from a number of CIS countries on the causes of the imbalance in the functioning of the main directions of OSCE, where in favor of a third, humanitarian baskets, less attention is paid to safety, environment and economy. In turn, the US and EU countries have concentrated their activities around the problems of democratization in the countries - new members of the OSCE and human rights issues.

A number of states have mutual pretensions towards military-political parity in European continent and the restricted weapons in zone of responsibility of the Organization, in particularly regarding to the further cooperation of all OSCE participating States in the Treaty of Conventional Armed Forces in Europe (CFE).

As an acute and controversial topic, it remains questions concerning the right of self-determination and the principle of territorial integrity of states around which there are the "frozen" conflicts.

Taking into account the difficulty of all these problems and then, in what circumstances and for how long they have been accumulating, it is impossible to expect one country making rapid decisions in such a short period.

At that time, we mustn't consider the chairmanship of Kazakhstan in OSCE an ordinary event, as the ambition of the republic to play the role of leader of Organization for solving the problems in condition of justified geographic balance, adhering the principal of justice and equality of all countries-participants.

In this crisis situation, in which is OSCE now, it is crucially important for the preservation of interests of international security and political leadership of Kazakhstan in the European structure to demonstrate the common will to overcome existing contradictions.

Secondly, in order to promote further development of OSCE and to ensure regional security system there is a serious need of considering new issues that have not been yet found at the extensive and detailed discussion.

During the period of chairmanship of Kazakhstan in OSCE it has the real chance to voice, actualize and include in agenda of Organization to solve the complex topics, related to Central Asia and develop measures of overcoming the challenges and threats, emanating from the territory of Afghanistan.

It is important to introduce the Central Asia as not only a territory which is the part of the territory of OSCE responsibility, but as a region, that has the big opportunity. Central Asian countries are rich with the natural resources and have the sufficient high socio-economic potential and beneficial location for development of interregional energy and transport communication. Therefore the world and stable

development of the region will have direct relation to Asian, as well as to the European security.

Especially careful attention should be paid to the settlement of military-political situation in Afghanistan. At present, the relatively calm situation in the country is remained by military means, the primary responsibility was made by Western countries. At the same time, this approach becomes inefficient and financially burdensome. Despite all efforts, most of the territory remains outside the central government influence, so that the country faces a high level of crime.

Also we should note that under the guise of radical opposition to use Afghan territory as a safe haven against various terrorist and extremist groups, who flock there from different countries and against the threat of drug traffic and organized crime.

It is vital that on such authoritative dialogue platform, as OSCE, the discussion of such topics take place. In this regard, Kazakhstan's role as a chairman of this organization may become a significant because of its experience of demonstrating the aims of maintaining peace and multi-vector policy.



# Cooperation of Kazakhstan and the European Union (EU)

KAZBEK ISAEV,

*The adviser to the director of the KazISS under the President of the Republic of Kazakhstan*

Cooperation with the European Union is one of priority directions in foreign policy of the Republic of Kazakhstan. The prospect and necessity of development of these relations for Kazakhstan are defined by the international role of the European Union in the modern world. At the same time, EU is the important trade and economic partner of Kazakhstan and the large investor of the Kazakhstan economy. Certain interest for Kazakhstan causes also a wide experience of legislatively-legal and scientific and technical development of the West European states.

The chronicle of relations of Kazakhstan and the European Union allocates some stages of bilateral cooperation. The initial stage (1992-1995) is characterized as the period of the official political contacts establishment, contract-legal and institutional bases formation of interstate relations of the parties. A number of the signed agreements and an exchange of delegations of authorized representatives of RK and EU concerns significant events and important moments of bilateral interaction of this time\*.

Natural consequence of cooperation of RK and EU during the specified period was the text initialing of Partnership and Cooperation Agreements (PCA). The given Agreement was signed on 23 January, 1995 in Brussels during the next session of European Council of Ministry of Foreign Affairs. On behalf of Kazakhstan the document was signed by President of RK N.Nazarbayev, on behalf of EU – the Chairman of the European Council A. Juppe [1].

\* Diplomatic relations between RK and EU were established on 2 February, 1993 In December of the same year Representation of RK under EU in Brussels was opened. In November, 1994 opening ceremony of Representation of the European Commission was taken place in Almaty. Earlier, in April, 1992, the Memorandum of financing had been signed between Government of RK and EU Commission which put a basis of TACIS program realization in Kazakhstan, on rendering of technical assistance to the CIS countries in the decision of economic, political and social problems of a transition period. Within the limits of technical assistance in 1994 in RK TEMPUS program was involved, the giving help in the field of education and scientific researches. Active participation in the given program was accepted by number higher educational and scientific institutions of Kazakhstan. In December, 1994 Government of RK signed the Final document to the Contract on the European power charter, directed on stimulation of industrial cooperation between the East and the West by granting of legal guarantees in such areas, as investments, transit and trade. The contract also covers questions of power efficiency and nuclear safety.

It is necessary to notice that the Partnership and Cooperation Agreement is the basic bilateral document directed on development of political, economic and cultural relationship between Kazakhstan and EU. PCA has created a basis for constructive political dialogue, has generated an open trading and investment mode between its parties, and also provides cooperation in 27 directions, from transport to education and from power engineering to struggle against illegal activity.

The next years (1996-2000) were marked by deepening and activization of the mutual relations developed on a basis of early reached arrangements. The basic accent during the given period gets cooperation in oil and gas and power spheres, interaction in sphere of transport and communications, mutual trade and investment activity become stronger.

In the same time the initiatives on creation of bilateral structures of cooperation have the practical development. So, on 29 April, 1996 joint Committee of cooperation «Kazakhstan – the European Union» was created by the governmental order of RK. The next years the given committee becomes the important political link in development and maintenance of constructive partnership of Kazakhstan and EU. Thereupon others joint institutional bodies have been created at high level, such, as Council of cooperation and Committee of parliamentary cooperation.

In May, 1997 visit of EU delegations concerning justice and internal affairs was taken place in Kazakhstan. With a view of rapprochement, updating and harmonization of the legislation of EU and Kazakhstan, from the European party the offer on creation of the advisory centre on strategic and legal issues in republic was sounded.

Same year basic contract on the European power charter signed three years earlier was come into force. For Kazakhstan this document was a matter of principle: first of all, it guaranteed a discrimination non-admission in the market of energy carriers and promoted integration into the world economic community with observance of national trade and economic interests.

On 17-18 June, 1998 in Astana with working visit for the purpose of discussion of political and organizational aspects of TACIS program realization the delegation of the European commission visited Kazakhstan. Besides formation of national indicative programs and programs of assistance, EU developed interstate and regional programs for the countries-partners, such as the INOGATE program (assistance to the Caspian states in attraction of investment



resources for the restoration of the existing network and working out of new pipeline routes); the TRACECA program (investment projects and technical assistance projects on development of a transport corridor between Europe and the Central Asia); the EUROCUSTOMS program (customs cooperation) and the EUROSTAT program (cooperation in the sphere of statistics) [2].\*

The significant event of the considered period was coming into force of Partnership and Cooperation Agreement between the Republic of Kazakhstan and the European Union (on 1 July, 1999), that it finished official political registration of relations between both parties [3].

New directions of mutually advantageous cooperation of steel: development of partner communications with the enterprises of the European space agency for creation and start of the joint satellite, and also realization of other joint projects in the sphere of high technologies. The first step in this respect became a successful start in March, 2000 of a prototype of space satellite "Cluster-2" by means of the Russian carrier rocket from the cosmodrome Baikonur.

In favor of cooperation expansion in this field possible joining of Kazakhstan to the project realization of satellite navigating system "Galileo" and connection of RK to the European Framework Programme of increase of competitiveness and development of innovation testifies.

Inter-parliamentary dialogue with the participation of deputies of RK Parliament and EU Parliament develops successfully. On 23 May, 2000 Kazakhstan was visited by group of deputies of the European Parliament led by the first deputy of the chairman of delegation of Euro Parliament on communications with the countries of the Central Asia and Mongolia I. Kukiadisom. Members of delegation discussed questions of cooperation of the parties with the management of the Parliament and Government of RK and took part in work of the first session of Committee of parliamentary cooperation «Kazakhstan – the European Union».

For today 9 sessions of the given Committee have been spent in which frameworks there is a productive interchange of parliament members by the information and opinions on a wide range of questions of bilateral interaction in political, economic and social spheres.

The essential attention was got by programs within the limits of technical assistance of EU for the period from 2000 to 2006 in the field of ecology and public health services. In particular, the financial and technical help on the decision of problems of pool of Aral Sea, liquidation of consequences of nuclear tests on Semipalatinsk polygon was given to Kazakhstan.

The considerable impulse to development and creation of favorable conditions for the further strengthening of bilateral interaction of Kazakhstan and EU was given by official visits of the President of RK N. Nazarbayev to the EU structures to Brussels in June, 2000 and in November, 2002 in the course of which it was taken place a meeting of the Head of Kazakhstan with the President of the European Commission R. Prodi and the Secretary General of EU Council – the High Representative for EU's Common Foreign and Security Policy (CFSP) J. Solana [4].

\* RK and EU co-operate also within the limits of other programs: the COPERNICUS program is the cooperation in the sphere of science and technology; the CADAP programs of actions on struggle against drugs in the Central Asia; BOMCA - EU initiatives on border management program in the Central Asia.

The following results of the given visits the Agreement between RK and EU about the modification of the Agreement between the Republic of Kazakhstan and the European Economic Community on trade in textile products was signed, and also the Agreement between Government of RK and the European Community on the atomic energy about cooperation in the field of operated nuclear synthesis was initiated.

Since 2002 the relation of Kazakhstan and the European Union has reached new level of cooperation. This time is estimated as the period of active realization of basic positions of PCA, accompanied by more and more increasing interest from the side of EU to the cooperation with the states of the Central Asia. The great value is got by the new spheres of interaction caused by world events of last years. Joint efforts have been carrying out working out of some projects on assistance to Kazakhstan in the decision of the complex of questions of the country internal development.

So, in February, 2002 in Astana it conducted negotiations of the head of the Department on Caucasus and the Central Asia of General administration on the external relations of the European Commission - K. Vittebrod with the government of RK. In his appearances K. Vittebrod underlined that EU considered Kazakhstan as the important economic partner and was ready to continue the development of the mutually advantageous cooperation.

Within the limits of negotiations the arrangement had been reached: in questions of the double taxation avoidance, a foreign labor force import and observance of concluded contracts before. Along with it, questions of ecology and regional cooperation, questions of boundary and customs services strengthening, and also the process of the introduction of Kazakhstan in the World Trade Organization had been discussed.

The important place in the relations of Kazakhstan and EU occupies the investment cooperation. The investment share of the countries of the European Union in projects in the territory of the republic for 2002 made 40 % from the total amount of the direct foreign investments involved to Kazakhstan. The basic form of attraction of the European capital was transfer of the large industrial enterprises to the management of foreign firms, and also creation of joint ventures and affiliates.

According to the statistical data for January, 2003 in the territory of RK 1355 enterprises with the participation of the foreign capital from the countries of Europe were registered. By quantity of the operating enterprises created with participation of the European countries, in the Republic of Kazakhstan prevail: Belgium, Great Britain, Germany, Ireland, Italy, the Netherlands and France. It is necessary to notice that the feature of the European capital investments in the country is their concentration in raw sector of economy [5].

Cooperation in oil and gas and power spheres develops dynamically. Considering structure of mineral products export of Kazakhstan, it is necessary to underline that the European Union gets a considerable part from the total amount of exported mineral resources. The power policy of the EU countries consists as in use of operating oil pipelines on which hydrocarbons are delivered to the processing enterprises of Europe, and in active participation in extraction process on the shelves of Caspian Sea.

Participation in oil and gas extraction of Caspian and Central Asian region is accepted by companies Shell (Holland), TotalFinaElf and Schlumberger (France), ENI



and Agip (Italy), British Petroleum and Lasmo (Great Britain), REPSOL (Spain), Wintershall (Germany) and Statoil (Norway).

Along with it, interaction of RK and EU in oil sector is carried out by the dialogue of the parties within the limits of projects Baku-Tbilisi-Ceyhan and Odessa-Brody-Plotzk.

During official visit to the Republic of Kazakhstan on 15-16 March, 2004, the Commissioner on the external relations of the European Commission of K.Patten noticed that the cooperation in the field of power resources is a strategic direction of EU policy in the Central Asian region. Thereupon in November, 2004 owing to so-called "the Baku initiative" the dialogue between EU, the states of around the Black Sea and the Caspian Sea for the purpose of partnership deepening in the power sphere began.\*

Since 2006 cooperation of RK and EU in the field of power has considerably become stronger. With a view of activation of joint power projects in May, 2006 with the official visit Kazakhstan was visited by the European Commissioner responsible for questions of power, A.Piebalgs. In December of the same year between Kazakhstan and EU was signed the Memorandum on the cooperation in the field of power. The given document provides two "road maps" on the cooperation in the field of strengthening of power safety and the industry which realization includes regular information interchange on power questions, mutually advantageous transportation of power resources and development of non-polluting technologies.

Together with it, one of the perspective directions in strengthening of power dialogue RK and EU occupies development of cooperation in the field of nuclear power engineering and the uranium industry connected with it. Result of interaction of the parties in this field was the signing Agreements between RK and EU about nuclear energy use in the peace purposes on 5 December, 2006. The specified document assumes improvement of the cooperation in the field of nuclear safety and nuclear synthesis by maintenance of steady structure of trade development with nuclear materials between two parties.

Other important sphere of the interaction which has had during this period qualitative development, cooperation in a trade sphere of textile production is. Thereupon, in April, 2004 in Brussels constant representative of RK at the European Communities K.Zhigalov and the constant representative of Ireland presiding in EU A.Anderson had signed the Kazakh-European intergovernmental agreement on the trade in the textile production according to which, Kazakhstan had an opportunity to export to the EU coun-

tries over 150 descriptions of textile products. Export of the Kazakhstani textiles to the EU countries (Belgium, Great Britain, Germany, Denmark, Italy) in 2004 made USD 8,4 mln., import (Great Britain, Germany, Italy, France, the Netherlands) – USD 29,6 mln. [6].

As a whole, during the cooperation of RK and EU the structure of goods turnover does not undergo considerable changes, metals, hydrocarbonic raw materials and mineral products take the basic place in export of the Kazakhstani enterprises. In structure of import of Kazakhstan prevail: the electro technical equipment, means of surface, air and water transport, their component parts, production of chemical and metallurgy industry.

Considering the joining the EU since May 1, 2004 of ten new member countries, and also – since January 1, 2007 – Bulgaria and Romania, between RK and EU the Report to the Partnership and Cooperation Agreement was signed adapting Agreement action to conditions of the expanded European Union.

Thereupon, at the expense of expansion of the European Union (EU-25) in May, 2004 the volume of goods turnover of Kazakhstan with the EU countries for 2005 had considerably increased and had made USD 15,3 bln., including export – USD 11 bln., import – USD 4,3 bln.

In 2006 the growth of mutual trade proceeded and reached USD 22,7 bln., including export – USD 16,53 bln., import – USD 6,26 bln. The Share of the EU countries in goods turnover made 36,3 % from total amount of the foreign trade of RK.

In 2007-2008 the trade volume of the parties was noted USD 61,6 bln.

Owing to negative tendencies of the world financial and economic crisis the volume of goods turnover of Kazakhstan and EU in the past of 2009 decreased to USD 28,8 bln.

For the first quarter of 2010 the volume of mutual trade has made USD 8,5 bln., including export – USD 7,2 bln., import – USD 1,4 bln.

Thus, for the years of cooperation of the EU countries invested in economy of Kazakhstan more than USD 69,4 bln. The basic investors are the Netherlands, Germany, Italy, France and Great Britain [7].

Since 2006 in the mutual relations of Kazakhstan and the European Union the intensification of political component is observed. In October, 2006 the first official visit of the Minister for Foreign Affairs of Kazakhstan K.Tokaev took place to the structures of the European Union to Brussels. The following results of meetings with the Secretary General of EU Council – the High Representative for EU's the CFSP J.Solana and the EU Commissioner for external relations and the European Neighborhood Policy B.Ferrero-Waldner had been sounded the offer on increase of cooperation level with Kazakhstan by means of republic connection to the European Neighborhood Policy and carrying out of regular consultations at the ministerial level.

The given theme had the further development during official visit to Kazakhstan on 18-20 October, 2006 the EU Commissioner for external relations and the European Neighborhood Policy B.Ferrero-Waldner. The EU Commissioner met with the President of RK N.Nazarbayev, the Minister for Foreign Affairs of Kazakhstan K.Tokaev, the Parliamentary Speaker of the Supreme House of RK N.Abykaev.

During the meetings the parties discussed the wide range of questions of mutual relations of RK and EU, including questions: diversifications of power resources deliveries to

\* On 30 November, 2006 in Astana in frameworks of "the Baku initiative" II Ministerial conference passed on power «the European Union – the countries of the Caspian region / the Black Sea and the their neighbor states», following the results of which the package of the important documents was accepted: «Road maps» under the concrete projects; the Conceptual note; Conclusions. From the Kazakhstan party the delegation was headed by Energy Secretary of RK B.Izmuhametov, from the European party – the EU Commissioner on the energy A.Piebalgs. The given initiative covers following elements of interaction: achievement of similarity of the power markets on the basis of principles of the EU internal power market with the glance of features of the Partner Countries; increase of power safety by export/import of power resources, diversifications of deliveries, transit and demand for energy carriers; support of a sustainable development of power, including development of power efficiency of renewed energy sources and demand management; attraction of investments into power projects of the general and regional interests.



the EU countries; power safety in region; interactions within the limits of the space navigating program "Galileo"; expansions of political and trade and economic cooperation.

The significant moment of the cooperation of Kazakhstan and EU at the modern stage became visit of the President of RK N.Nazarbayev to Brussels on 4-6 December, 2006. The President of RK visited headquarters of the European Commission and met with the President of the European Commission José Manuel Barroso[8]. The following result of negotiations the Memorandum of Mutual Understanding in the field of power was signed.

The president N.Nazarbayev also carried on negotiations with the Secretary General of EU Council – the High Representative for the EU's CFSP J.Solana. The exchange of opinions on the wide range of questions of the Kazakh-European political cooperation took place.

The important moment of political cooperation was participation of management of RK and EU in the meetings in a format «the Three of EU and the Central Asian countries». During the meeting which took place in Astana in March, 2007, the project of new Strategy of EU for the Central Asia for 2007-2013 accepted on 22 June, 2007 at EU summit under the name «the European Union and the Central Asia: strategy of new partnership» was discussed.

At the meeting the aspiration of EU to raise level of the presence at the Central Asian region through assistance in political and economic development of the Central Asian countries was underlined.

The meeting of the President of RK N.Nazarbayev with the President of EU Herman Van Rompay, taken place in Brussels on 10 April, 2010 became a new impulse of mutual relations.\*

Whereas the period of Partnership and Cooperation Agreement in force between Kazakhstan and EU expired in 2009, the parties have agreed with necessity of relations deducing of Kazakhstan and the European Union at level of the advanced partnership.

Thus, for the past of 19 years of mutually advantageous cooperation of Kazakhstan and EU have reached positive results almost in all spheres of interaction. Kazakhstan positively estimates prospects of the further cooperation and counts on deepening of dialogue with the European Union. In turn, from the side of the European Union value of the initiative of the President of RK N.Nazarbayev on working out of the special program «the Way to Europe» being institutional basis for development of technological and innovative cooperation with the European countries was highly appreciated.

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# The Military-political Interests of the USA in Eastern Asia and Asia Pacific

MALIK AUGAN,

*KazNU named after Al-Farabi, Docent of the Chair of Regional Studies and World Economy*

**M**ilitary and political situation in Asia Pacific can be characterized by high dynamics of political and economical processes for the region's transformation into an important center of world policy and economy compared to Euro Atlantic. Its feature is based on a further strengthening of China's regional positions compared to Japan's cooperation with the USA on providing security in the region, as well as development of Asia Pacific integration.

Key factors of Asia Pacific region's geopolitical situation:

- hidden rivalry between the USA, China, and Japan for regional leadership, which has a substantial input in political development of the region;
- lack of a single multilateral mechanism for collective security; military and political security system is mostly based on bilateral agreements, the most important are considered to be Japan-American "security treaty", "Mutual defense treaty" between the USA and the Republic of Korea, and an agreement negotiated between Australia, New Zealand, United Kingdom, Malaysia, Singapore.
- gradual expansion of regional organizations' field (initially created for economical reasons) for security reasons;
- number of potential conflict spots over territorial arguments, interethnic and inter-confessional contradictions, unstable political situation in particular countries;
- appearance of a big number of new types of threats unique and particular for Asia Pacific regional security, including sea piracy, fast growth of arms and drugs smuggling, poaching, and illegal immigration.

Finance-economical situation of a majority Asia Pacific countries allows them gradually develop their military capacities. Their total expenses approach similar expenses of European Union. Nowadays almost a quarter of total arms and arming technologies occurs to be in Asia Pacific.

By this reason American military-political administration considers Eastern Asia and Asia Pacific in general as an important area for providing American interests.[1] According to Washington's assessment, this region is the most promising, and very soon will have a great input on global situation's development.

In spite of economical and political interdependence of Asia Pacific countries, their common interests in integration,

there are three centers of real power in the region – the USA, Japan, and China. The United States still own a leadership among developed countries from the point of economical development, innovation technologies, etc. perspective. In a foreseeable future the US will still be world power in economic, military, diplomatic and ideological perspective.

Washington considers conservation and strengthening of multi-faceted positions of the US in the region as one of priority tasks of its foreign policy activities perspective both for short and long term. The White House course in the region has a complex character, and considers political, economic, and military aspects. Primary attention of the US administration is given to a further development of bilateral relations with the leading Asia Pacific countries. Particularly, extremely big attention is brought to strengthening the relations with Japan. According to the assessment of Washington officials, American-Japanese ties regarding security have a fundamental sense both for American policy in Asia Pacific, and globally.

Lately the bilateral political-military union has been consolidated. At the instance of the US administration, Tokyo has sent its troops to Iraq for the postwar regulations and assists in Afghanistan's "recovery". In response, Washington highly appraised Japan's international role and supported its willingness to become the permanent member of the UN Security Council. It can be asserted that the observable strengthening of bilateral union is a strategic step aimed as for controlling the process and formation of China in Asia Pacific, and for final approval of Japan as an American satellite in the region.

Particularly, in May 2006, in Washington during Japan – American consultative committee's meeting about security issues with the foreign affairs and defense ministers of both states, the joint plan on a further strengthening of military cooperation was approved, where once again a serious worry about "China's military power growth" was expressed.

According to the document which foresees reconfiguration of American troops in Japan and a closer cooperation with Japanese military forces, the following events are planned to be implemented:

- in BMC part: since 2008 to allocate, for the first time in Japanese history, on a permanent bases in Yokosuka, 7th US navy point of dislocation, atomic aircraft of Nimitz class, instead of KittyHock -aircraft with non-nuclear power set;



- in land forces sphere: redeploy from Fort-Lewis, WA, to Camp-Dzam base, Tokyo district, Kanagawa prefecture, advanced 1 corps command post of the USA land forces responsible for operations in the West part of the Pacific ocean, since 2006 Japanese corps of fast response will be formed and allocated in the same base;

- regarding anti-aircraft defense and anti-missile defense: on Yokota airbase, East part of Tokyo, to create a joint command center, in 2007 to start up the regional system of anti-missile defense with the prospect of its expansion in 2008, within the bounds of this project in Japan there will be located corresponding RLS and Air-Defence System "Patriot"-3, Japanese Float's destroyers are equipped by "Idjis" multifunctional arms system and "Standard-3" antimissiles;

- to start the implementation of the deployed program of American-Japanese joint military maneuvers, explored and other types of cooperation exchange expansion.

As for the dialogue between Beijing and Washington, on one hand, China is a potential rival of the US, on the other hand – it is a first-rate trade partner ready for cooperation, in those spheres where both countries' strategic interests coincide. Relations between two countries in political sphere are characterized by alternation of substantial breaks with prolonged periods of cooling down. Yet, the White House's strategic approach is concluded into utmost intensive cooperation with Beijing administration and having an influence in a benefit direction.

In case of Taiwan's joining, Chinese positions in Asia Pacific will significantly strengthen, and China will become a rival for the US for the leadership in the region. That is why America is interested in keeping Taiwan's status-quo and will try to prolong the existence period of "two Chinas". At the same time, Washington deters Taipei from formal declaration of independence, concerned that such step will provoke sharp confrontation against Beijing and will demand from the White House some significant efforts in providing security of the island in accordance to the Act of relations with Taiwan (1979) which gives a right to the American President to take necessary actions for its defense.

Analysis of American policy in the region allows predicting preservation of today's political-military course for consolidation of its dominant position in Asia Pacific. At the same time, Washington will obtain from its allies the growth of inputs into strengthening mutual security, expanding the opportunity to use their territories, infrastructure, and resources, all following the American military interests. The United States will create such kind of conditions for achieving a leading position in regional institutes, for controlling integration's processes, and keeping its military existence in this part of the world.

The White House does not intend to take out its troops from the Republic of Korea in a close future. There are 30.000 servicemen in the South of Korean peninsula. Pentagon, the number will be decreased after 2008 till 25.000. Such decrease should have happened in 2005, however was postponed with the request from South-Korean administration.

Korean peninsula is still a source of instability with a potential spot of armed conflict in Asia Pacific. It is caused by political-military and ideological confrontation between Korean People's Democratic Republic and the Republic of Korea, by absence of effective mechanisms for providing security in this world region, as well as by abeyant of the situation around nuclear program of KPDR or so called North-Korean nuclear problem.

Until nowadays Pyongyang and Seoul are officially in a war because the Agreement about armistice in Korea from 27 July 1953 has only determined the conditions for cease-fire and the division of troops. Preservation of danger of armed conflict is caused by confrontation of the large groups of troops on the peninsula. From one side, those are armed forces of KPDR, more than 1 million people, from the other – armed forces of the Republic of Korea, about 700.000, and American troops in South Korea, more than 33.000.

No one knows the answer regarding the means and forms of North's and South's consolidation. Each sight tends to expand its social-political organization on the whole peninsula, and none of them excludes the opportunity to use in appropriate conditions its military power.

The United States have a significant influence on this issue in the region, still trying to have an influence on solving key problem in the North-East Asia. G. Bush's administration has implemented a hard and uncompromising course regarding KPDR, and promotes preservation of tension on Korean peninsula.

In response to Washington toughening the policy in North Korean direction, the administration of KPDR decided on renewal of the implementation of national nuclear program in the beginning of 2003. The negotiation mechanism with the United States, KPDR, China, Russia, Japan, and the Republic of Korea was created to solve the critical situation around North-Korean nuclear problem in 2003-2004. Although six-sided negotiations in Beijing the side pieces did not frame mutually accepted options for the regulation of North-Korean nuclear problem considering the principal disagreement between the USA and KPDR. Washington, particularly, still keeps insisting on a primary deny of KPDR from implementing its nuclear program in a "full, controlled, and irreversible way" as a preliminary condition for the next expertise of other issues causing mutual concern.

Pyongyang, considering that unilateral concession to Washington, can lead to other, more strict demands, declares about unacceptability of American option for regulating North-Korean nuclear program and plans to assert its right for peaceful usage of nuclear energy, including the renewal of building in Sinpho (KPDR) a nuclear power plant according to framework agreement between two countries in 1994.

In general, the situation around North-Korean nuclear problem has a significant political character and is actively used for achieving their aims between North Korea and America.

Positive dynamics which is noticed in relations between the Republic of Korea and Korean People's Democratic Republic after a high-level meeting in Pyongyang in June 2000, in general procures conclusive softening of political tension between North and South keeping the military confrontation.

Nowadays, the American political scientists have developed a concept of American participation in the international life – the Concept of global leadership. Its purpose is to strengthen the American positions as a world leader through promotion its interests on the most favorable conditions and prevention of such global processes which can cause damage for American leading position.

The result of development of such concept was a theory of the three-polar world or a model of "regional unipolarity". According to this model, world policy in the first half of the 21st century will be determined by three zones. Each of them will have its leader: in North America – the USA, in Europe – Germany and France, in Eastern Asia – China and Japan.



It is obvious that the American doctrine of building the three-polar world is designed on first of all - the indulgence of China, as the American administration is seriously afraid of its rise as a second superpower. Washington has declared about changing its priorities from European to Asian considering a growing influence of Beijing on international and regional levels.

Japanese administration has a very clear attitude towards closer relations between China and the USA. According to experts, such approach can lead to "deformation" of American-Japanese security model in the region.

In the East, political-military situation is characterized by strengthening of rival between America, Japan, and China for the leadership in the region. This situation is caused by Chinese economic strengthening and its approach with Japan, as well as building political-military union of Japan with the US.

Intensification of the rival for the regional leadership between regional centers - China and Japan - and the US will have an influence for development of political-military and military-strategic situation in the region. Washington, Tokyo, and Beijing will still consider Moscow as a potential regional rival and will try to undertake some measures to push Russia aside of decision-making regarding regional political-military issues.

President Bush in May 2003 in Krakow brought an Initiative to fight against the spread of WMD. The initiative's purpose was to strengthen the fight against WMD, ballistic rockets, and military technologies by toughening the control of the transportation of such products on the ground, water and atmosphere, and its suppression.

Under the framework of the Initiative, the USA initially consolidated under its management a group of countries, including Australia, the United Kingdom, Germany, Spain, Italy, the Netherlands, Poland, Portugal, France, and Japan. Later, Canada, Norway, Singapore joined them as well. American policy is willing to achieve the Initiative's internationalization. The White House is also interested in Russia's joining to the list.

Political-military course of Bush administration was based on a premises that the US were and would be the only military and economic superpower, with such features of international situation so that it would fully respond to American interests.

Asia Pacific has a very beneficial geostrategic position; thereby it is of a big interest for the US. Its basic efforts in security stability of the region the US pushes for strengthening political and military ties with partners, regulating and development of partnerships with the countries of the region, as well as formatting favorable regional power-balance.

The US pays a significant attention to its relations with Japan. According to Washington's assessment, American-Japanese ties in security sphere play an important role in American policy in Asia Pacific.

Republic of Korea is the closest Washington's ally in North-East Asia. A major American military force is situated on RK territory. Further American course regarding Seoul will be determined by the need of keeping the long-term American military existence in Asia Pacific and solving "North Korea nuclear problem".

As for bilateral dialogue with China, Washington consider two positions: first - China is a potential regional rival of the US, second - it is the biggest trade partner which is ready to collaborate in those spheres, where strategic interests of both countries do not contradict. The White House

declares acknowledgement of only "one China", although at the same time it has multilateral ties with Taiwan, including in military-technical sphere.

American strategic approach consists in deepening the ties with Beijing and having an influence on it in an advantageous direction. During American Congress sessions, CIA director indicated on a potential threat for the US from Beijing. He particularly noted that "the biggest American concern is the accumulation of Chinese forces".

Regarding the development of relations with ASEAN countries the US considers that South-East Asia is a region with fast developing economy and the total GNP of these states can exceed Chinese GNP in perspective. With the three ASEAN members - Philippines, Thailand, and Singapore - Washington has agreed responsibilities in security sphere. Besides, the US actively cooperates in military sphere with other countries of ASEAN. According to the existing agreements, combatant ships of the US regularly get into naval bases of ASEAN country-members, and American strategic and military-transport aviation lands on their airfields.

In general, according to the assessment of leading international military experts, American political-military course further will keep its direction to unilateral dominating in the world and readiness to consider interests of other countries only in advantageous way for the White House. And yet, considering the rise of anti-American spirit in the world and with that rise of a threat for its national security, today's American administration has to consider points of view of influential international institutions and leading world countries, including Russia, on the way to solve difficult international problems.

Such reasons have caused reconsideration of American military existence. America is increasing its military bases not only in economically and geopolitically profitable regions of the world (Western Europe, Middle East, Japan and Korean peninsula), but around the whole planet. The number of American bases will grow not only by setting new bases, but also by expanding the old ones.

Structure of military bases will be more comprehensive. Now it is going to be three-level. Upper level is a small number of old bases with big military groups. Middle level will consist of so called "efficient advanced bases" where only small detachments will be situated who will keep them in good conditions. Regularly, maneuvers will be conducted there, and in case of war they can be used as springboard for attack on any point. Today those are small American military objectives in Romania, Philippines, and Kyrgyzstan. The third type is military objects on territories of other countries. The United States get permission to use these territories just once or twice a year to conduct maneuvers or operations against terrorists.

The military forces management system of the US is built up by geographical principal:

USPACOM - Asia Pacific command of the US; USEUCOM - European command of the US;

USCENTCOM - Central command; USSOUTHCOM - South command; USNORTHCOM - North command. [2]

North-East Asia was paying a big attention since World War II because two communistic rival of the US (the USSR and China), and the economic regional leader - Japan. The priority can be followed by American military existence in North-East Asia which hasn't changed since Cold war.

Plans for changing the configuration of American military existence abroad began from implementing in



relation to American forces on Korean peninsula. But it was mostly caused by specific situation in South Korea. In the end of 2002, other nuclear crises coincided with strong anti-American spirit in South Korea. As a result, during the regular annual meeting of Defense minister of the US and RK in December 2002 creating so called "Political initiative regarding future alliance of the Republic of Korea and the US" was initiated, which was declared to review American military existence in Korea.

Concrete agreements were achieved after the second round of negotiations in frameworks of this initiative in Seoul, June 4-5, 2003. Particularly, the decision to move headquarters of the 8th army of the US from Seoul was made, out of 7 thousand servicemen only 1 thousand would stay. The general plan was made for the further consolidation of American forces in South Korea, according to which reconstruction of American military existence in RK will be accomplished in two steps: initially, all American troops to the North of Hangan will be united into two big bases not far from Seoul; during the second step, they will be redispersed to the south of Hangan river. According to American side, this restructurization can last for a long time.[3]

A lot of experts however prejudice the opportunity for axe of American military contingent in Okinawa, since Okinawa is considered as "axial point of Asia Pacific"; Taipei, Shanghai, Hong-Kong, Seoul, Manila and Tokyo are situated in the radius of 1500 km from this island. American forces of advanced bases on Okinawa can be relocated from here to such problematic points of region as Korean Peninsula and Taiwan channel.

Besides this, the American navy plans to locate one more aircraft group in the western part of Pacific Ocean. The case is that with the exception of aircraft "Kitty Hawk" based in Yokosuka – 3200 miles from Singapore, where aircraft groups cross Malacca channel, all other American aircrafts in Pacific Ocean are based on the west coast of the US – 8000 miles from Singapore. As main claimants for a future base spot of American aircraft group in this region are considered Guam and Hawaii.[4]

In whole, the intended by Pentagon changes in structure of locating American forces in Asia Pacific will happen not only considering general conditions (global fight against terrorism; the US new military opportunities), but also considering the peculiarity of the situation in the region itself. American special interest to control Malacca channel with conservation a strong American military group on Korean peninsula, establishing partnership with India, and deployment of American military bases in Central Asia allows us to us that the main purpose of reconstruction of

American military existence in Asia Pacific is suppression of China.

Obama is building a new model of international relations in Pacific Asia – "cooperation and competition" around Chinese-American dialogue.

In Japan and South Korea strengthening of political-military relation with the US on more advantageous conditions for Asian partners is expected. Tokyo believes that Obama's fight against world financial crisis will be more effective than Bush's, and that Obama's administration will pay bigger attention towards Pacific problem, unlike Bush who exceptionally focused on North Korea. China hopes that the democrats will make an accent on pragmatic interaction with Beijing on global and regional security problems, financial and economic integration, but not on ideology.

Conceptual approach of the US to Asia Pacific means building multilateral regional structures of security, basing on:

- Chinese involvement into Pacific security as a new strategic partner;
- Strengthening of partnerships with traditional allies – Japan and South Korea;
- Reinstatement of a past influence in South-East Asia.

Along with that, the US still do not consider Russia as a partner in Pacific security.

Second level of Pacific policy of the US is the relations with ASEAN, prima facie with Indonesia. American administration wants to strengthen its influence here, including Peace Corps activity here.

Obama should lead an involvement of North Korea to world market relations policy which can be a more rational way for democratization and denuclearization of North Korea. Washington, as well as Seoul, needs some valid diplomatic relation with Pyongyang.

However, according to American experts, C. Rise has messed up a pacific direction of American foreign policy as a Secretary of State, not paying a necessary attention to it. But situation for the last two years of Bush administration was saved by R. Gates as a Defense Minister showing a sufficient diplomatic activity in Pacific region. Minister of finance G. Polson should also be added here, as he led a strategic dialogue with China on economic issues.[5]

Reorganizing of military forces, its arming, and deployment abroad also have a direct relation to perspectives of pacific policy of the US.

Reorientation of military forces, initiated by D. Ramsfeld, in application to Pacific region meant a big intend in its deployment on Hawaii and Guam, and gradual decrease of advanced base in Japan and South Korea.

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# By 2020 Kazakhstan has Been Planning to Enter the Top 50 Countries of the World

LEILA MUZAPAROVA,

*First Deputy Director of the KazISS under the President of the Republic of Kazakhstan*

**I**n 1997 the president of RK N. Nazarbaev addressed with the message to his people "Prosperity, security and well-being improvement of all the people of Kazakhstan" which defined strategic priorities of development of Kazakhstan till 2030.

In 2009 the realization of the first ten years' Strategic plan for the development of Kazakhstan (2000-2009s) was completed, and the main aims were successfully achieved. In particular, in 2008 in comparison with 2002 the gross domestic product (GDP) volume of our country was doubled at two years previously planned. The social obligations of the country were effectively carried out: - the average monthly wage was increased fivefold, and the average size of pension - threefold; share of population with the incomes lower of subsistence wage was decreased fourfold (from 50% to 12%). The main living and health rate of population was improved: life expectancy was increased from 65 to 68 years old; maternal mortality was decreased twofold; birth rate was grown by one and half time.

Acknowledging our country's achievement in 2009 United Nations Organization (UNO) included Kazakhstan in the category of countries with the high human potential level, along with such countries as Russia, Brazil, Malaysia.\*

Undoubtedly, recent world financial and economic crisis had influenced on the growth rate of national economy, but nevertheless, it did not stop the development of our country. Accumulated economic potential had ensured sufficient stability in difficult crisis situation to Kazakhstan in 2007-2009s. As a result Kazakhstan took a firm place at "impulse group" among the countries with the positive growth rate: for 2009 the economic growth made up 1.1%, in the industry - 1.7%. In the end of 2009 the gross international reserves and assets of National Fund were in excess of USD 50 bln (increased by 25 per cent at ten years previously). The unemployment rate was 6.3% in 2009 lower, than in pre-crisis period.

In January, 2010, addressing with the annual message to his people of Kazakhstan, President Nursultan Nazarbaev designated key directions and strategic aims of

the following ten years' strategic plan for development of Kazakhstan till 2020.

In this period the state efforts will be concentrated on five key directions:

1. Preparation for the post-crisis development;
2. Accelerated diversification of economy;
3. Capital investment in future;
4. Services for the citizens;
5. Safeguarding of the international consent, security, international relation stability.

Within the framework of the preparation of Kazakhstan for the post-crisis development is provided for the realization of step packages on improvement of the business climate, the ensuring of financial stability and the formation of safe legal environment, which will allow to create the foundation for the future qualitative growth.

In the given direction of the strategic plan for development of Kazakhstan - 2020 the president N. Nazarbaev set up the new ambitious goal: by 2020 Kazakhstan should enter the top 50 leading countries with the most favorable business climate\*. In particular it is for this purpose planned to reduce to 30% transaction costs of business connected with the business registration and dealing by 2011, and by 2015 - more to 30%. As a result of appropriate measures by 2020 the small and medium-sized business to GDP ratio should be increased from 30% to 40% (by data for 2008year). In whole it is expected volume increase of domestic and foreign investment in the non-raw-materials branches of the economy (manufacturing industry and services) not less than to 30%.

For the improvement of business environment Kazakhstan also undertakes active measures on anti-corruption. In given sphere by 2020 it is set the task to take of the position among the first of third countries in a rating of "Transparency International" on an index of Perception of Corruption\*\*.

By 2020 it is also planned that the domestic stock market will enter the top ten financial centers of Asia and become the

\* Report of UNO about human development during 2009. "Overcoming of barriers: human mobility and development".

\* In 2009 Kazakhstan took the 63rd position in the rating of the World Bank in "Doing Business". For comparison: in 2008 Kazakhstan had the 64th position.

\*\* In 2009 Kazakhstan took the 145th place among 180 countries in rating of "Transparency International".



regional center of Islamic banking in the CIS and the Central Asia. To reach this purpose, the domestic financial system control should adequately answer to challenges and threats of post-crisis world. In 2008-2009s after endured difficult situations by Kazakhstan in the financial sector it was clear that financial regulator should provide decrease in a share of external obligations of bank sector in the cumulative size of its obligations. At the same time overwhelming part of external loans should be aimed at creation of effective and competitive production. As President Nursultan Nazarbaev said "The State helped banks to be saved in the crisis time, now the banks should energetically help to the economy in its post-crisis rehabilitation and development".

It is planned to provide sustainable and balanced development of the country within the next ten years, at the expense of the accelerated diversification and competitive growth of the national economy. The economic diversification will be realized at the expense of the advanced development in such priority direction as the oil processing and infrastructure of oil and gas sector; the metallurgy and production of ready metal products; the chemical, pharmaceutical and defense industries; processing of agricultural products; the building industry and production of building materials, and also the energetic, transport and telecommunication.

Key priorities of the diversification will be realized within the limits of the *Government program of the forced industrially-innovative development of the country for 2010-2014*. This document is a detailed plan of action of the state on economy upgrade the next five years.

In total for this period implementation of 162 projects with total amount of investments in KZT 6,5 trillion (USA 44,2 bln.) that makes up 41 % from country GDP is planned. In particular, forthcoming five years some factories in sphere of chemistry and gas chemistry, a number of large electric power stations and many other things will be set in operation. As a result the next three years it will be created over 200 thousand new work places. For five years production of chemical production will increase threefold, and production and export of metallurgical production - twice. By 2015 it is expected that internal requirements of building on 80 % will be provided with the Kazakhstan building materials, and domestic oil refining factories will satisfy in full requirements of the country for fuel.

By the results of implementation of the given five years' program and as a whole «the Strategic plan for development of Kazakhstan till 2020» it is expected that by 2015 the manufacturing industry share in GDP structure will make up not less than 12,5 %, by 2020 – not less than 13 %. Labor productivity in a manufacturing industry will increase in 1,5 times by 2015 and by 2020 – in twice. Power-intensity of GDP will decrease not less than on 10 % by 2015 and not less than on 25 % - by 2020. The share of innovative active firms will increase from 4% to 20% for ten years.

The important segment of the diversification in Kazakhstan is the development of agro-industrial complex on the basis of implantation of the new equipment, new technologies and approaches in agriculture. The development of agro-industrial complex will occur in three main directions: (1) growth of labor productivity in agriculture at least twice by 2014 and four times – by 2020 (in Kazakhstan today it makes up about USD 3000 on one occupied in a year); (2) ensuring of food security of the country: by 2014 more than 80 % of home market of food stuffs should make up the domestic foodstuffs; (3) implementation of an export potential, first of all in the markets of the countries of the Customs union,

the Central Asia, Caucasus and the Near East. It is planned to increase an export potential of agrarian branch by 2015 from 4 to 8 %.

Now in sphere of development of an export potential in Kazakhstan new railroad lines are built which will actually open market access of domestic products to China and Gulf States. The highway project «the Western China - the Western Europe» is developed and confirmed which will start to be under construction in the near future and become the important trunk road for export of the Kazakhstani goods and transit of production of neighboring countries.

It is important that support of domestic non-raw exporters will become a key direction of industrialization in Kazakhstan. It is supposed that the industry of Kazakhstan in the export markets will be presented by the wide bar of domestic brands (from various agro industrial production to the goods of a high degree of processing). As a whole it is planned to increase a share of non-raw export in total amount of export from 10 to 40 % by 2015 and to 45 % by 2020. Thus the volume of not raw export will make up not less than 50 % from cumulative production of a manufacturing industry. For this purpose in the country creation of a complete support system of exporters is planned which provides financing of acquisition of the main resources, a service export support, grants to exporters and export trading financing.

As a whole, for development of the business, called to become a kernel of the diversification and a motive power of new economy, it is offered to carry out «Business Roadmap - 2020». Creation of constant work places at the expense of development of a new layer of business in the regions, first of all, small and medium-sized business becomes the purpose of this program. Usage of resources of this program will be carried out in following directions: (1) subsidizing of the interest rate under credits; (2) partial warranting of credits to small and medium-sized business; (3) service support of business conduct; (4) retraining of personnel and improvement of professional skill, youth practice and social work places.

Important point of «the Strategic plan for development of Kazakhstan till 2020» is also that the forced diversification in the country will be spent in parallel with reform of regional development and creation of a new regional policy of Kazakhstan. From this year in Kazakhstan it will be begun the formation of the centers of economic growth: in the west of the country the oil and gas sector, the chemical industry, manufacture of the equipment and transport capacities will be developed; in the centre, in the north, the south and the east - the mining and smelting complex, the nuclear, the chemical industry and the agrarian industry. Branches on the basis of internal demand will be developed near to the traditional industries, and also in the country chief cities - Almaty and Astana, possessing in powerful personnel potential. Non-raw branches (the industry, processing of agricultural production, services) with a high export potential will be developed in the northern and the southern regions of the country. Branches of «future economy» will be formed in Almaty and Astana.

Thus the new national innovative system will become a basis of «future economy» of the country. In its frameworks during the current year in Kazakhstan three new scientific centers will be created: (1) Center of sciences about a life which will conduct joint workings out with the leading world scientific centers in the field of bodies transplantation of bodies, artificial heart and lungs, stem cells and longevity medicine; (2) Center of energy researches which will exam-



ine matters of renewable energy, physics and techniques of high energy; (3) Interdisciplinary tool centre which becomes engineering centre, laboratory base and design office.

The next three years the basic emphasis will be made on an active transfer of the best world technologies providing high working efficiency and adapted for use in domestic productions. The basis for the qualitative improvement of the delivered technologies by domestic institutes and design offices will simultaneously be put. It is supposed that the National innovative system by 2020 will already yield results in the form of workings out, patents and the ready technologies introduced in the country.

It is clear that for realization of such grandiose plans on an economy diversification only the state resources will be insufficiently. Therefore, the big rate does on the direct foreign investments. Today agreements have been reached on attraction of investments from China, South Korea, the United Arab Emirates, and also Russia, France, Italy at the rate of USD 20 bln. These resources will go to non-raw sector, will provide commissioning of tens objects of the industrial program, an infrastructure and joint ventures. Issues are settled on the attraction of investments on a highway «the Western China – the Western Europe» at the rate about USD 3 bln. and on the gas pipeline from the West to the south of country – USD 2 bln. Besides, investments in the raw sector will make up more than USD10 bln.

By 2020 it is planned to increase share of foreign direct investments (FDI) in GDP of the country from 15% to 30 %. Thus sources of investments will be diversified to an order of 10 basic countries-investors from shares of each country not less than 5 %.

In these purposes in Kazakhstan it is planned to create the most attractive conditions for the foreign investors, ready to work in the country. For this purpose taking into account priorities of industrial development it is planned to develop new approaches to functioning of special economic zones (SEZ) and industrial parks. For this purpose the government of the country drafts the new bill about SEZ now.

In general special economic and industrial zones in Kazakhstan urged to carry out a role of the centers on the attraction of investments. Today in Kazakhstan it has been created six SEZ, two of them actively function (in Astana and the port Aktau), and the rest of four have been only developing. For today 167 projects have been realized in the territory of three SEZ. The total budgetary investments taken up in the creation and development of SEZ, has made up about KZT 410 billion (it is about USD 2,8 bln.). Now it is considered the question on creation of one more SEZ on the basis of under construction industrial park in the region of Karaganda.

Huge potential on the attraction of private investments has the mechanism of the state-private partnership which has already been started in Kazakhstan, but demands improvement according to the best world practice. Therefore this year it is planned to make respective changes and in the legislation on concessions.

Certainly, the realization success of modernization strategy of the country depends, first of all, on knowledge, social and physical general state of the people of Kazakhstan. In this connection it is provided to ensure potential increase of human resources at the expense of the complex modernization of domestic systems of education and public health, and efficient personnel management.

In an education sphere it is planned 100 percentage coverage of children by preschool education and training by 2020. In these purposes the special program “Balapan” directed on increase of maintenance of children by qualitative preschool upbringing and education now is studied. By 2020 in the secondary education the 12-year-old model of training based not only on the acquirement of knowledge, but also on the acquisition of skills and the development of pupil competence will function. Vocational and technical education is supposed rigidly to interconnect with the requirements of economy and to develop on the high professional standards. Quality of the higher education in Kazakhstan will be raised and meet also the highest international requirements.

As a result by 2020 the increase in specific density of a highly skilled manpower as a part of the occupied population to 50 % is expected.

In the public health services sphere it is expected that the complex of the state measures on the construction and the equipment of objects of the public health services, a personnel training, by 2020 formation of a healthy life-style should halve maternal and infantile mortality, reduce the total mortality by 30%, decrease the disease of tuberculosis by 20 %. Thus expected life span will increase from 68 till 72 years.

As a result of realization of «the Strategic plan for development of Kazakhstan till 2020» achievement of following basic indicators of development by 2020 as a whole is expected:

- GDP of Kazakhstan will increase in real expression not less than by third in comparison with the level of 2009;
- Inflation on the average for the ten years' period will be in limits of 5-8 %;
- Actives of National fund will make up not less than 30 % to GDP;
- the Rate of unemployment will not exceed 5 % by 2020;
- the Share of the population with incomes below a living wage will decrease to 8 %.



# The Kazakh-American Cooperation in Sphere of Nuclear Power

TALGAT YERZHANOV,

*Research Fellow of the KazISS under the President of the Republic of Kazakhstan*

**F**or today Kazakhstan is one of key players on deliveries of uranium raw materials to the international markets. Thereupon to our country it is given particular attention from the states with the developed nuclear power, and also those who aspires to its development. Thus Kazakhstan is faced with the issue of nuclear-power engineering development. Strengthening of cooperation with the states having modern nuclear technologies and practical operating experience of nuclear capacities is a prominent aspect of power development of the Republic of Kazakhstan.

Questions of interaction of Kazakhstan with the USA in sphere of nuclear power, and also cooperation prospects of two countries in this field are considered in the article.

At the expense of the growing demand for the electric power from the side of the industry and consumers it is observed the process conducting to the development of nuclear power all over the world. The given process is closely connected with the necessity of ensuring of power safety for the countries which do not have own power resources. Other reason of interest growth to the atomic engineering is the establishment of the specifications by the world community directed on emissions decrease of carbonic gas, the source which are power stations working on hydrocarbons.

It is necessary to notice that for last several decades the tendency of a withdrawal from the nuclear energy use almost in all regions of the world, with the exception of the Asian countries has been marked. It has been caused by the concerning safety, and also high expenses for licensing, building and nuclear power plant (NPP) operation.

Nevertheless, from all possible perspective alternative energy sources the nuclear power engineering for today is the most attractive as with it there is a possibility of cheap electricity reception at rather small direct influence on the environment.

Many developed and developing states, feeling increasing energy demand, aspire to pay the increasing attention to the nuclear power engineering. Now nuclear power plants (NPP) are erected in China, Finland, France, the United Arab Emirates, Great Britain and in many other countries.

Besides, to 40 countries which have no nuclear power plant yet; have informed the International Atomic Energy Agency (IAEA) about the interest to nuclear power [1].

By-turn, it is considered to be that the development level of nuclear techniques and technology is one of the major indicators of scientific and technical and industrial potential of the state.

As experts mark, for Kazakhstan in near-urgent prospect there is no necessity to pass to the nuclear capacities, nevertheless, in connection with growing of electric and thermal energy demands, and limitation of hydrocarbonic raw materials stocks, the question on development of nuclear power branch in RK does not lose the urgency and can get more significant character. As a whole, Kazakhstan owns all resources necessary for creation of the powerful nuclear industry. Thereupon in Kazakhstan the concept and the government program of the development of the uranium industry and nuclear power engineering are worked out. Thus the great attention is given to the international cooperation development with the countries having high technologies in sphere of nuclear power.

The United States are one of leaders in the field of atomic energy use, and have the big scientific potential in sphere of the newest nuclear technologies.

Of 440 nuclear power plants providing 16 % of the electric power, made all over the world, 104 nuclear power plants function in the United States. They make about 20 % of all electric power of the country [2].

Latest developments specify that B.Obama's administration renews a policy of the nuclear power engineering developments in the USA after more than thirty-year break. In the federal budget presented by State department for 2011 the sum of USD 54 bln is put on ensuring of the state guarantees on new nuclear power units [3]. Interest of official Washington in development of nuclear sector can be caused that in the future, owing to demand increasing in the USA for a net energy, the nuclear power engineering can become the important component of a power balance of the country.

The initiative on creation of the International Nuclear Fuel Bank (INFB) under the control IAEA can become one of directions of the Kazakhstan and American cooperation in sphere of nuclear power.



Supported by the government of the USA the Fund on the nuclear threat reduction (the Nuclear Threat Initiative (NTI)) over last years actively advances idea of bank creation on the international scene. Representatives of the White House also repeatedly expressed in support of this idea [4].

The international nuclear fuel bank under the aegis of IAEA is created for the purpose of ensuring of guarantee access to the nuclear fuel for the net energy manufacture by the states counting on the international market. The bank can serve as alternative to the aspiration to possess technologies on uranium enrichment, and to become the important element of the international nuclear fuel cycle safety. Thereby, having kept system of balance of possibilities.

Distinctive feature of a policy of B.Obama's administration from the previous of G. Bush's administration, concerning creation of INFB, that circumstance is that the present management of the White House does not exclude possibility of creation of bank in territory of the neutral country. At the same time, US president G. Bush adhered to a line directed on an interdiction of enrichment technologies and processing of uranium for all countries which do not own them yet at the present. The US president B.Obama concerns critically enough to the similar approach.

The management of the White House supports creation of formed system of reliable fuel deliveries. Thereupon Washington positively concerns to the Russian project of the nuclear fuel bank on the basis of the international centre on uranium enrichment in Angarsk. Moreover, acting at Stanford University, the assistant of US State Secretary E.Tausher has declared that bank creation in Angarsk can serve as precedent for occurrence of the second fuel bank.

It is necessary to notice that along with Kazakhstan, potential candidates on placing of INFB are also other countries, in which number the nearest ally of the USA - Canada [5]. Nevertheless, Kazakhstan has a number of advantages, among which: a successful geographical arrangement, the positive international image, the developed nuclear industry on the extraction and processing of uranium and reactor fuel manufacture, presence of a corresponding transport infrastructure.

As the United States are interested in strengthening of its positions in the Central Asia, placing of the international nuclear object in Kazakhstan opens to Washington new possibilities for closer cooperation with the region countries.

Taking into account political and economic potential of the United States, support of the given initiative from the side of Washington can play an essential role in its realizations.

At the same time, it is necessary to notice that from the position of the USA the basic difficulties which are getting in a way to creation of fuel banks network, consist in the following:

> Clients of banks should choose IAEA, and it should become on the basis of the procedure taking into consideration only history of observance by the country-client of obligations on non-distribution;

> The states-suppliers have own legislations with strict restrictions on export of the enriched uranium

which follow from supervising positions of the Nuclear Suppliers Group (NSG), instead of articles of the Treaty on the Non-Proliferation of Nuclear Weapons (Nuclear Non-Proliferation Treaty (NNPT));

> At many countries requiring nuclear fuel (NF), fears remain that fuel banks can fix their dependence on «nuclear cartel» [6].

The factor in favour of Kazakhstan is that our country positioned all over the world as the active supporter of the actions directed on threat decrease of the nuclear weapon distribution, and also is the country-participant of the Contract on a free zone from the nuclear weapon in the Central Asia. At the same time, a number of the countries developing nuclear power objectively are afraid of excessive dependence on the countries-exporters NF. Thus, bank creation on the territory of the country which is not nuclear power looks more preferable.

Considering possibility of placing of INFB in the territory of Kazakhstan, it is possible to note the following positive moments:

- the similar international project can considerably lift the international image of the country;

- INFB is capable to stimulate technological development of Kazakhstan,

as there will be a possibility to create on its base the various international science centers and technological structures which will allow to provide development of scientific and technical base of RK in the field of nuclear power;

- bank service will be carried out with application of the new materials, thereby the Kazakhstani party will have an access to work with modern technologies;

- bank presence will allow to develop communications, transport, education Besides, it will cause considerable investments in development of an information technology;

- the huge attention from the side of the international organizations as the United Nations and IAEA will be paid [7].

At the same time, it is not excluded that the intensification of bilateral interaction of the USA and RK in sphere of nuclear power will meet the certain difficulties caused by a negative position of regional (nuclear) powers, first of all - Russia.

First, INFB in Kazakhstan will directly compete with similar Russian establishment in Angarsk, and secondly, bilateral expansion of cooperation of Washington with the Central Asian country it is considered by the management of Russia as attempt to reduce influence of Moscow in the region.

Along with growth of the electric power deficiency on the separate regions of Kazakhstan and plans on creation of additional base sources of the electric power, the question of new power stations building, both on traditional energy sources, and on the basis of an atomic energy is actualized.

Despite negative aspects of nuclear materials operation, the nuclear power engineering is energy of future. Thus, it is necessary for Kazakhstan to continue to realize joint projects, directed on development of nuclear power with various foreign partners as Russia, Japan, France, China, India and the USA.



In the United States, as well as in many countries of the world, renewal of nuclear power development is one of mainstreams of a power policy of the State. The Kazakh-American cooperation in sphere of nuclear power can be realized within the limits of the concept of the uranium industry development and the nuclear power engineering till 2030, and also a developed government program of nuclear branch development for 2010-2020.

Within the limits of session of the Kazakh-American commission on partnership in the field of power - it is possible to organize the project directed on an exchange by experience between national laboratories and the scien-

tific organizations, promoting development of commercial nuclear technologies in Kazakhstan.

Besides, the United States can play a key role in realizations of the Kazakhstani initiative about placing of the international bank of the nuclear centre. Adhering to the international obligations taken up on the nuclear power engineering, Kazakhstan has all necessary resources and possibilities for attraction of large investments into creation of the international nuclear fuel bank with the subsequent development on its base of an extensive complex of the science-consuming industry. As a result Kazakhstan can become "the node" centre uniting nuclear technologies of the various states.

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# Oil Transportation Capacity of Kazakhstan: Enlargement, Diversifi- cation, and Synergy

HAIYAN XU,

*Associate Professor of the Center for Russia and Central Asia Studies, Institute of International Studies of Fudan University, Shanghai, PRC*

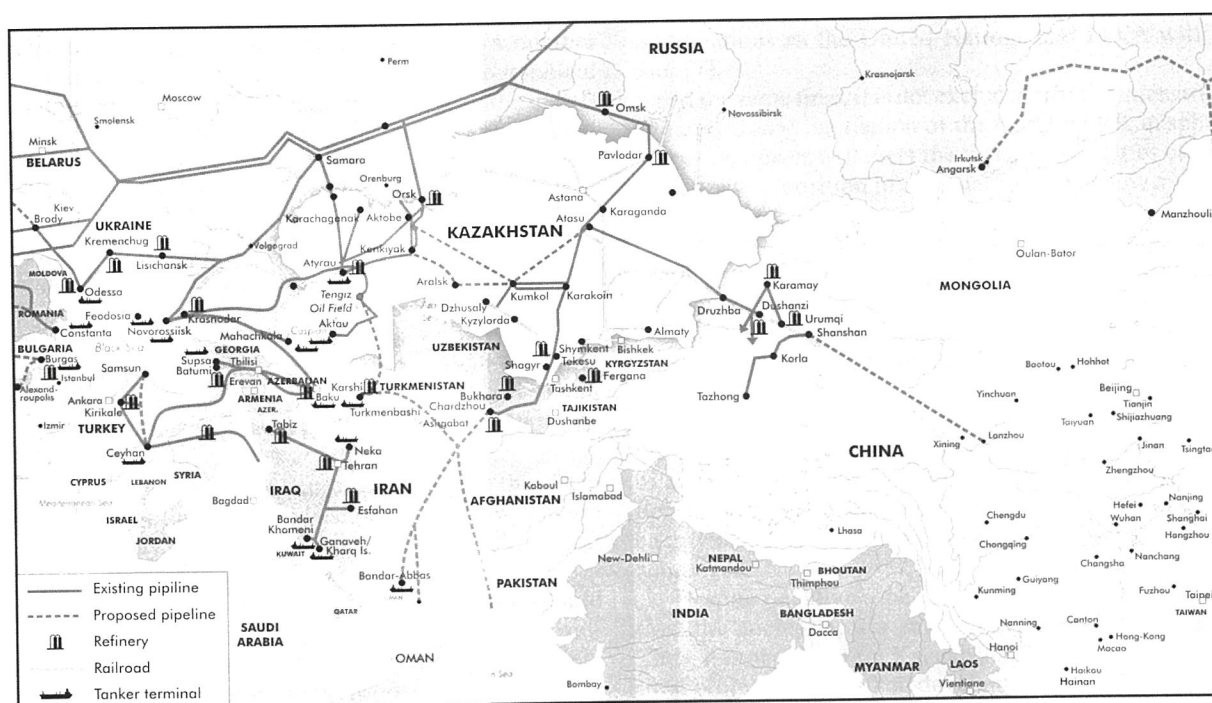
ZHANNA NAURYZBAYEVA,

*Senior Scholar, Kazakh-British Technical University, Almaty, Kazakhstan*

For Kazakhstan as well as for other Central Asian hydrocarbons exporting countries delivery of oil to the global market is a key issue of their economic and political agenda. The problem of oil transportation is historically vital taking into consideration the country's geographical remoteness from the main markets and underdeveloped infrastructure.

Despite the fact that the existing pipeline system of Kazakhstan meets the requirements of current domestic oil production, with the increase of production, the oil transportation infrastructure enlargement gets critical importance. During certain period of time Kazakhstani government and oil and gas companies have been conducting a range of activities on the development of existing oil transportation system and the endorsement of new export routes.

Central Asian Oil Pipelines (Current and Proposed)



Source: International Energy Agency



During the years of independence an immense efforts on development of oil pipeline system were carried out. Those efforts were directed towards (i) the increase of competitiveness and reliability of the existing as well as the construction of new capacities of oil transportation and transfer, (ii) the development of necessary legal base for the maintenance of oil transit within the territories of transit countries. All the attempts in this field underlined with the policy aimed on the diversification of export routes for Kazakhstani oil.

During specified period the following new oil pipelines were placed in operation: Kenkiyak-Atyrau, Alibek-mola-Kenkiyak, The North Buzachi-Karazhambas, and Atasu-Alashankou. Moreover, the capacities of Atyrau-Samara oil pipeline, port Aktau and some railway drain and bulk terminals were expanded. The Atyrau-Samara pipeline will be expanded from current 16 to 26 million tons of oil a year. The expansion of the pipeline should be completed by 2015.

In May, 2009 JSC NC KazMunayGas (KMG) accomplished acquisition of 49,9 percent share of BP in joint venture Kazakhstan Pipeline Ventures (KPV), which is a shareholder Caspian Pipeline Consortium (CPC) with a share of 1,75 percent. As a result of this acquisition KazMunayGas became absolute owner of KPV and increased its share in throughput of the pipeline. KPV has the share of throughput at a rate of 5 mln ton a year, which should increase up to 10,5 mln ton a year after the expansion CPC capacity. Finally, KazMunayGas, being a shareholder of CPC (19 percent - a share of The Republic of Kazakhstan

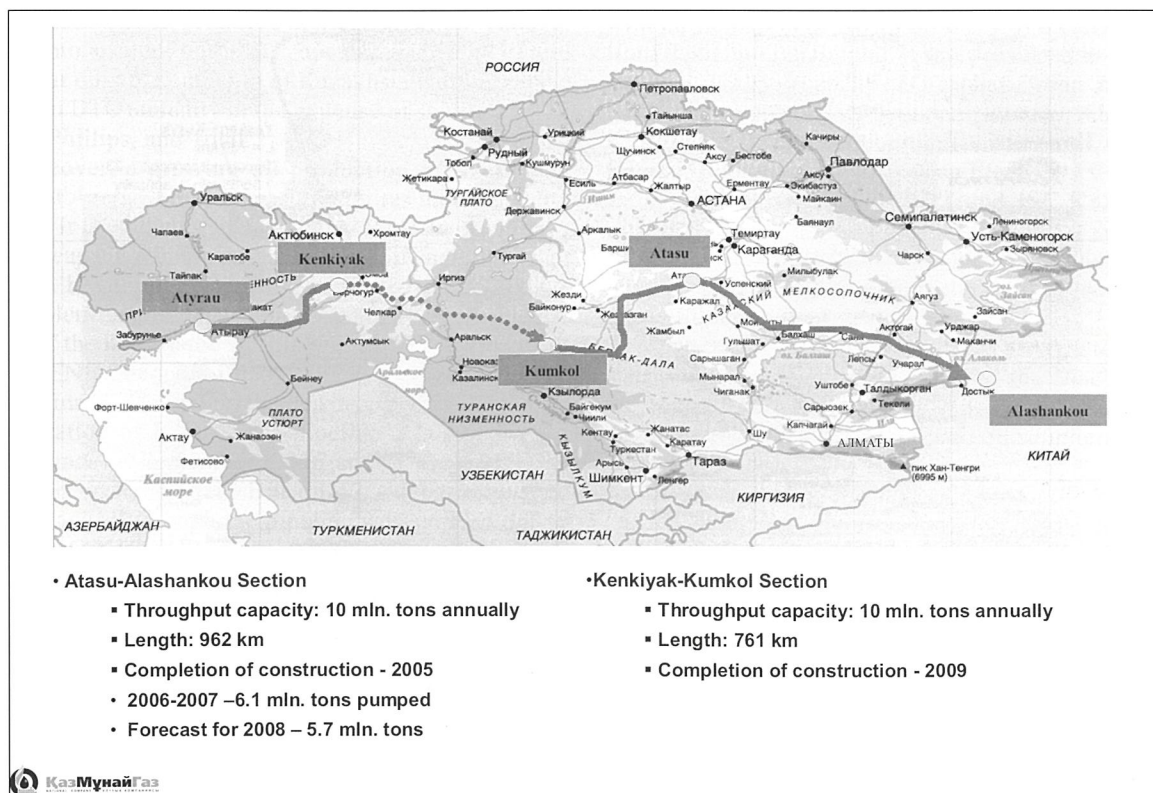
plus of 1,75 percent - share KPV), will have access rights to capacities of CPC at a rate of 14,3 mln ton a year taking into account the expansion project<sup>1</sup>.

However, at present CPC is completely loaded, and the mode of loading CPC is not regulated by MEMR. The shareholder companies have quotas on its capacity and obligations on deliveries. In the first quarter of 2009, CPC shipped approximately 8,765 mln ton, that is 20,5 percent more than for the related period of a previous year. In 2008 shipment made up 31,47 mln ton against 32, 612 mln ton in 2007.

It is necessary to underline that the expansion of CPC to 67 mln ton a year (including 50 mln ton a year for Kazakhstan oil) is crucial for Kazakhstan taking into account projected increase of production of hydrocarbons and possible opening of new perspective oil deposits. The first phase of expansion assumes modernisation of existing pumping stations, at the second and third phases five new pumping stations will be constructed. Implementing the first phase of the project is planned for 2011, the second - for 2012, the third - for 2013. With the expansion of CPC, it is supposed that additional volumes of oil will be directed to Burgas-Aleksandroupolis pipeline where Russia plays the major role.

Being guided by a principle of a diversification of export routes KMG in cooperation with China implements the construction of Kazakhstan-China oil pipeline opening an exit to the Chinese market. The length of the oil pipeline makes up about 3 thousand km. The project was divided into 2 stages, the first of which had already been accomplished (Atasu-Alashankou oil pipeline).

### Kazakhstan-China Oil Pipeline



Source: JSC NC KazMunayGas



In December, 2005 the construction of Atasu-Alashankou oil pipeline had been completed, and since July, 2006 oil deliveries to China has been started. Starting from the operation beginning, over 10,2 mln ton were pumped (for 12 months of 2007 - 4,8 mln, for 7 months of 2008 - 3,3 mln ton). Currently, the implementation of the second stage of the Kazakhstan-China oil pipeline project is being conducted - building oil pipeline on site Kenkiyak-Kumkol, with the lengths of 761 km and diameter of 813 mm, with throughput of 10 mln ton a year.

Recently announced project of Kazakhstan Caspian Transportation System (KCTS) is designed for the export of increasing volumes of oil produced mainly on Kashagan and Tengiz across the Caspian Sea then through the East-West Transport Corridor to the international markets. The route starts in the Kuryk port at Kazakhstani side of the Caspian Sea then it crosses the Sea and goes further to Baku-Tbilisi-Ceyhan pipeline and/or to the other oil transportation systems located within the territory of the Azerbaijani Republic (AR). At the first stage KCTS capacity is scheduled to make up 500 thousand bbl/day (23 mln ton a year) with further increase up to 750-1200 thousand bbl/day (35-56 mln ton a year).

According to preliminary estimations the first stage of the project will require USD 1,8 bln. That included: terminal construction at the Kuryk port (USD 0,6 bln), new tankers building (USD 0,5 bln), terminal and interconnector construction at Azerbaijani side (USD 0,7 bln).

The project should be implemented under cooperation of KazMunayGas and SOCAR<sup>2</sup>. On 16 June, 2006

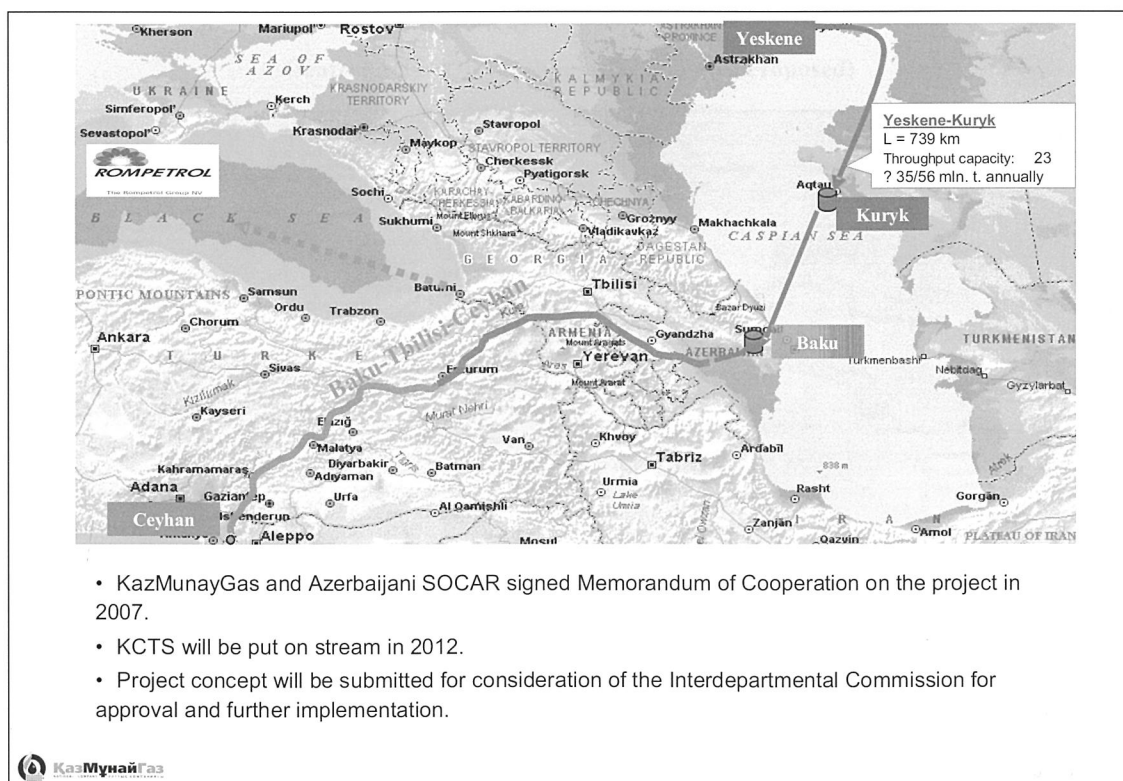
the Presidents of Kazakhstan and Azerbaijan signed the Agreement on assistance and support of oil transportation from the Republic of Kazakhstan across the Caspian Sea and the territory of the Azerbaijani Republic to the international markets through the BTC system. Also, the cooperation with Caucasian countries develops within the frameworks of Protocol of the Meeting of Minister of Transport of AR, Minister of Economic Development of Georgia, and Minister of Transport and Communications of RK on the issues of transport policy coordination, signed in Tbilisi on 24 May in 2007.

Further, the Multilateral Arrangement on International Transport referred to the Development of Europe-Caucasus-Asia Corridor (TRACECA) was ratified with the Law of RK N 196 of May 7, 2001. As it was marked above in May, 2008 the Law of the Republic of Kazakhstan N 35-IV "On the Ratification of Agreement between the Republic of Kazakhstan and the Azerbaijani Republic on the assistance and support of oil transportation from the Republic of Kazakhstan across the Caspian Sea and the territory of the Azerbaijani Republic to the international markets via the BTC system".

In August, 2007 Bilateral Agreement on Strategic Cooperation in Oil and Gas Sector and the Memorandum on Mutual Cooperation on the Trans-Caspian Project were signed by JSC KazMunayGas and SOCAR in Astana within frameworks of an official visit of the President of Azerbaijani Republic to Kazakhstan.

As it comes from the documents signed by the presidents the new oil transportation infrastructure the oil

### Kazakhstan-Caspian Transportation System Project



Source: JSC NC KazMunayGas



terminals on Kazakhstani and Azerbaijani sides of the Caspian Sea fall under the regulation of the Agreement, however Eskene-Kuryk oil pipeline being in fact an integral part of Kazakhstan Caspian Transportation System is considered to be a property of Kazakhstan.

Eskene-Kuryk pipeline will be constructed within the technical corridor with already operating Uzen-Atyrau pipeline what should reduce the cost of the construction. The capacity of oil loading terminal in Kuryk should make up 5 mln ton.

As it is indicated above the implementation of the KCTS contains the expansion of Transcaspian transportation. To maintain the projected transportation volumes it is scheduled to use heavy deadweight tankers with the capacity up to 63 thousand ton. Thus Kazakhstan intends to build 7 large-capacity tankers for the transportation of 35 mln ton of oil annually. Furthermore, the expansion of tanker transportation requires the enlargement of Kuryk port infrastructure and oil transfer facilities: storage capacities, pump facilities and oil marine terminals.

The part of KCTS system is located within the territory of Azerbaijan where the oil delivered from Kazakhstan should be loaded into the system of export oil pipelines. At present Azerbaijan has three export oil pipelines: Baku-Tbilisi-Ceyhan, Baku-Supsa, and Baku-Novorossiysk.

In 2007 BTC had reached its projected capacity that made up 1 mln bbl a day. The share of ENI, ConocoPhillips, INPEX, and Total in total made up 15 percent share in BTC Co. All of them participate in PSAs in Kazakhstan. Thus, those companies are potential consignors and investors of Eskene-Kuryk oil pipeline and KCTS project. Also, Chevron has 8,9 percent share in BTC Co. Chevron and INPEX use their shares in BTC for the transportation of oil produced in the Azerbaijan. Though, taking into account that BTC capacity makes up 50 mln ton a year only 6,25 mln ton of Kazakhstani crude can be loaded to BTC annually at the expense of shares of ENI, ConocoPhillips, and Total.

Moreover, a growing oil production in Azerbaijan mostly at Azeri-Chirag-Gunashli requires more capacity of BTC. It is evident that even today BTC does not have enough capacity for the Kazakhstani oil including that one will be supplied with the projected KCTS. Thus, the problem of the expansion of BTC System capacity is one of the keys to the fulfillment of KCTS project. At present ENI, ConocoPhillips, INPEX, and Total conduct a preliminary research on the expansion of BTC.

Operation of Baku-Supsa pipeline was stopped for maintenance in September, 2006 and in May, 2008 its operation was restarted. But on 12 August export of Azerbaijani oil through the pipeline was stopped due to events in Georgia and was restarted in October. In 2007 49 thousand ton of AIOC's<sup>3</sup> oil were transported via the pipeline. In 2008 407 thousand ton of crude were exported via Baku-Supsa. As of January - February SOCAR has exported 1,72 mln ton of crude. Azerbaijan is negotiating for the increase of Baku-Supsa pipeline capacity. On its side Kazakhstan shows its interest to provide funding for the expansion of the pipeline.

The other possible route for Kazakhstani oil transit through Caucasus is Baku-Novorossiysk oil pipeline. It runs from the Sangachal Terminal near Baku to the Nov-

rossiysk terminal at the Black Sea coast in Russia. The Azerbaijani section of the pipeline is operated by SOCAR and the Russian section is operated by Transneft. Projected capacity of the pipeline makes up 7 mln ton a year. In the Soviet period the pipeline was used for the delivery of the oil from West Siberia to the Azerbaijani refineries. After the breakup of Soviet Union the pipeline had not been in operation. The operation of the oil pipeline has been restarted with a commercial production at Azeri-Chirag-Guneshli field. On 6 December, 2006, after dispute over natural gas supplies from Russia, Azerbaijan announced that it will stop the exports of Azeri oil through the Baku-Novorossiysk pipeline starting on 1 January 2007. Although SOCAR continued to decrease oil supplies through the Baku-Novorossiysk pipeline, AIOC had stopped using the pipeline since April of 2007. SOCAR stopped oil supplies through the pipeline in February of 2008.

Besides, pipeline and tanker transportation the Baku-Batumi railway section plays a key role in the transportation of Kazakhstani oil within the territory of Azerbaijan. In addition to oil products more than 3 mln ton of oil are transported via the route annually. This route has a great significance for the Kazakhstani oil producers as they use it for the transportation of the crude that has not been loaded into BTC (4-5 mln ton a year).

In 2006 JSC KazTransOil purchased a share of Naftrans Capital Partners Co that had a controlling share of Naftrans Terminals. The latter owned a number of oil transportation assets in Georgia including Batumi oil terminal and Petrotrans Co operated within the oil and oil products shipment business.

Batumi oil terminal (BOT) was established in 1883 with participation of Nobel brothers who carried the oil from Baku through Batumi. It was privatized in 1999. The terminal was in ownership of Greenoak Group. Along with BOT this group's assets included Naftrans, Alegratrans, Petrotrans, Greenoak Shipping, Tamara I & II, Greenoak Capital, Batumitex, and Adjarian Electricity Company.

In September of 2006 BOT and JSC KazTransOil established Batumi Terminals joint venture. Since 2008 BOT had been owned by JSC NC KazMunayGas that purchased its assets as well as the right of management of the Batumi port.

Theoretically this transaction has brought to Kazakhstan a number of valuable assets at the Black Sea. As the Batumi port has a strategic geopolitical location it could open up for the Kazakhstani oil suppliers a highly demanded access to the Black Sea.

However, this asset is under the threat of a systematic under loading. In 2006 BOT transferred 11,7 mln ton of crude. As of May, 2007 in comparison with May, 2006 from 1,403 mln ton BOT decreased the crude and oil products transfer by 48,8 percent to 717,5 thousand ton. In 2008 the transfer fell to 7,15 mln ton (by 24,8 percent in comparison with 2007). Moreover, oil and oil products transfer of JSC Batumi Oil Terminal in January-August of 2009 fell to 3,97 mln ton (by 26,6 percent in comparison with the same period of 2008). Thus, in 2009 the transfer volume might make up only 40-50 percent of the one in 2007.

The main supplier to BOT is ExxonMobil. It intended to transport 10 mln ton of oil during five years by railway



from Azerbaijan to Georgia. However, after the Baku-Tbilisi-Ceyhan had started its operations oil transportation by railway through Georgia was declined.

The other cause of a dropping oil transfer volumes at BOT are the problems with the tariff regulation in Azerbaijan. Actually, BOT could not sign with Azerbaijan subcontracts for oil transportation from Kazakhstan and Turkmenistan. SOCAR had started up an oil terminal in Kulevi, which played as a competitor to BOT. In 2009, SOCAR stopped its export via Baku-Batumi railway.

Also, because of Azerbaijani transportation tariff policy TengizChevroil had redirected its export via railway to Odessa although initially it should follow the Aktau-Baku-Batumi direction. In March of 2007 Greenoak Group released its statement where it announced that since 2005 Azerbaijan had been consistently raising the railway tariffs and requested "to stop practicing a monopolist approach and competition restriction in a favor of the domestic enterprises".

Thus, during recent years the competitiveness of the transport corridor has been artificially decreased with appliance of a certain tariff policy by Azerbaijan. Since 2005 the railway tariff on the oil transportation from Kazakhstan to the Black Sea coast had been increased by USD 5,5 of which only 10 percent went to Georgia. Previously, crude oil transportation via Baku-Batumi railway made up 500 thousand ton a month, currently it makes up only 100 thousand ton a month.

However, at present the competition restrictions from the Azerbaijani side plays as a considerable obstacle for further diversification of the Caspian oil deliveries to

international markets. Thus, the development of KCTS should be based on a careful analysis and estimation of the alternatives. Also, a sound legal basis should underlie all the activities on the project. Firstly it should imply clear provisions of competition and tariff regulation applied by transit countries.

In turn, Kazakhstan's hydrocarbons transportation policies are aimed on the development of Transcaucasia Corridor to sustain an overall energy security and maintain the interests of oil exporters, importers, and transit countries. Evidently, Kazakhstani presence in oil and gas assets of Georgia and Azerbaijan may serve as a factor supporting the improvement of the transportation system towards the principals of a non-discrimination access and competitive and transparent tariff policies corresponding to the main provisions of Energy Charter.

Iran is also considered to be a potential direction of the supply of Kazakhstani oil to the global market. Among the other options of Caspian oil deliveries KazMunayGas considers the project of Kazakhstan-Turkmenistan-Iran oil pipeline. As it is known, KMG, Total, JNOC, and INPEX are conducting a preliminary research on the matter. One of the options considered is the delivery of oil from Tengiz field to the Aktau port, further via tankers across the Caspian Sea to the Iranian port Rashi and then via 1500 km long oil pipeline to the terminals on the Harg Island in Persian Gulf. However, at present only the first stage of the project that includes tanker transportation from Kazakhstani terminals to Iranian port Neka is considered as a feasible option.

Besides the projects of reconstruction of existing and construction of new oil pipelines within the Caspian and

### Bosporus Bypass Options



Source: US Government. DI Cartography Center



Caucasian regions Kazakhstan considers its participation in some transportation projects outside the region. As it is mentioned above JSC NC KazMunayGas through its subsidiaries has recently purchased a number of assets abroad. Among them are BOT and the Rompetrol Group N.V. Moreover, the Kazakhstani authorities and KMG seem to be studying and estimating *pro and contra* of the Republic's participation in the projecting and construction of a number of oil pipelines within the Europe.

At present the Bosphorus and Dardanelles are overloaded with a heavy traffic of tankers and other vessels following from the Black Sea to the Mediterranean Sea. The requirements of security of navigation and environmental protection entail the limitation of the traffic, what leads to some constraints to the shipment of Kazakhstani oil via the sea corridor. Therefore, among others Kazakhstan considers a possibility and conditions of its participation in the construction of Burgas-Alexandroupolis and Odessa-Brody-Plotzk-Gdansk oil pipelines.

However, as it is seen, the other options where Kazakhstan is able to play a greater role and obtain a higher synergy should not be excluded from the consideration. For instance, with the purchase of the Rompetrol Group N.V. and the construction of Midia Marine Terminal (Petromidia refinery) near the Constance port (Romania) Kazakhstan might increase the synergy of those assets with the participation in the Constance-Trieste oil pipeline project.

Midia Marine Terminal provides oil transfer in both directions. Its projected capacity makes up 16-24 mln ton of crude a year with a possible increase up to 45- 48 mln ton. Its construction was completed in 2008. The cost of the project made up USD 100 mln.

The Rompetrol Group intends to use Midia Marine Terminal for a direct delivery of oil to Petromidia refinery (4 mln ton in 2009). The share of Kazakhstani oil (Urals) in the supply makes 70 percent. There are the Tengiz oil (delivered through BOT), CPC-blend (delivered from the Novorossiysk port), and other light oils.

According to TH KazMunayGas the projected capacity of Midia Marine Terminal (24 mln ton a year) can be reached several months after the start-up of the facility. The current capacity of Petromidia refinery makes 4,3-4,4 mln ton a year. The current domestic demand in Romania makes 12 mln ton a year. Thus, Midia Marine Terminal might provide an additional oil supply to the European markets. Also, TRG made a proposal on the integration of KMG Group's trade and logistics schemes within the Black Sea region what might fasten together the ports of Midia, Odessa, Batumi, Novorossiysk, and Ilichevsk and raise the performance of the entire supply chain.

As Petromidia refinery is connected to the Romanian pipeline system, Romanian authorities do not reject the idea of supplying the oil transferred through Midia Marine Terminal to the projected Constance-Trieste oil pipeline. The capacity of the latter should make up 8 mln ton a year. The cost of the construction is estimated at USD 1,2 bln. Kazakhstan has not made any decision on this matter yet. It was announced by KMG that Midia Marine Terminal was considered to be used only for the supply to Petromidia refinery and possibly to the Romanian domestic market.

However, as like as in the Caspian region the implementation of any oil transportation projects in the regions of the Black and Mediterranean Seas is aggravated with a vast array of political and economic constraints provoked with a sturdy competition among the producing, consuming, and transit countries.

In March of 2007, in Athens (Greece) Russia, Greece, and Bulgaria signed the agreement on the project of construction of an oil pipeline that should run from Burgas in Bulgaria to Alexandroupolis in Greece. The document has been ratified by the parliaments of Russia and Bulgaria. However, Bulgaria has a choice of participating in a competing project - the Burgas-Vlora oil pipeline. It is projected to run through the territory of Macedonia to the Albanian port Vlora. The project was mainly supported by American Macedonian Bulgarian Operation Co.

Almost at the same time in April of 2007 Ministers of Energy of Romania, Serbia, Croatia, Slovenia, and Italy signed the agreement on construction of a 1 400 km long Constanta-Trieste oil pipeline that also should provide the delivery of Caspian oil to the European markets. As it was set in the signed agreement the construction of the pipeline would be scheduled for 2009-2012. Estimated cost of the project is USD 3,5 bln with the capacity of 90 mln ton a year. The idea of Constanta-Trieste pipeline construction is supported by European Commission as the project is aimed to reduce "the energy dependence" of European countries from the supply from Russia and Middle East.

However, the start-up of the Constanta-Trieste may contradict with the interests of Ukraine which promotes the development of the other route for the Caspian oil flowing to Europe via the Black Sea. In case of the Constanta-Trieste would be constructed Odessa-Brody pipeline might lose its significance. The turn plans of its oil shipment to the European direction might be threatened or even canceled. Thus, some Ukrainian experts propose that the Odessa-Brody should be operated by a consortium with the Kazakhstani participation. Being involved in this project Kazakhstan would provide the shipment capacity for the pipeline what would seriously support the competitiveness of the route. Construction of Odessa-Brody pipeline was completed in 2002. Its projected capacity is 14 mln ton of crude a year. At present Odessa-Brody pipeline is reversely shipping oil - from Brody to Odessa.

The projected oil pipelines will increase the shipment capacity of the Black Sea region from 50 mln ton to 150 mln ton a year. Formally, in case of an open competition with the better terms and conditions are provided by the shipper to oil suppliers it has the bigger success. However, the feasibility of all of those projects vastly depends on the shipment capacity of CPC. Russia plays a major role in CPC project, thus it has negotiated to direct to the Burgas-Alexandroupolis the extra volumes of oil considered to be shipped through CPC after its expansion.

During a long period Russia has been blocking the CPC expansion project. Finally it has turned to the expansion. However, as the result the oil produced by Chevron, Statoil, ConocoPhillips, and Total at the Caspian Sea will flow through CPC rather than via BTC system. What more, this let Russia to keep control under



a large share of Caspian oil shipped to the cost of the Black Sea and direct it within the most preferable way which is the Burgas-Alexandroupolis. So, logically this lessens the feasibility of the other transportation projects within the Europe: Odessa-Brody-Plotzk, Ceyhan-Samsun, Burgas-Vlora, and Constanta-Trieste. As a result of negotiations on CPC expansion in its turn Kazakhstan bares an obligation to ship its oil via the Burgas-Alexandroupolis.

Though, the Kazakhstan's intention to diversify the directions of its oil supply running to the European market is implemented in a complex environment full of rivalry and contradictions among the suppliers (Russia and Azerbaijan), consumers, and transit countries (Azerbaijan, Turkey, Ukraine, and others).

Thus, it is seen that the problem of Caspian oil transportation gets a higher significance within the international community. In spite of fact that a number of aforementioned projects have already been negotiated and in some cases agreed, a detrimental combination of geopolitically and economically driven factors might threaten the implementation of them.

At the present export capacity of Kazakhstan makes up to 60 mln ton of oil a year. And it is considered to be increased significantly during the next decade. However, there is a severe risk that the transportation capacities would not be able to meet the challenge of a growing production. By the middle of coming decade if the development of a large-scale oil off-shore fields in the Caspian region and particularly in Kazakhstan corresponds to the plans, the region annually will inject into the world oil production 250 mln ton of crude more.

Tengizchevroil (TCO) has already considered Transcaspien transportations a supplementary export for Tengiz oil. The capacity available at CPC does not fit TCO's demand for shipment that follows the growth of the company's production.

All necessary technical and economic assessments of the project including the construction of terminals in Kazakhstan and Azerbaijan and development of tanker fleet should be accomplished in 2009-2010. To meet the start up of the commercial production at Kashagan the construction of tankers should be scheduled for the nearest future. As more, a number of issues related to the services provided by Azerbaijani terminals for non-Azeri vessels should be considered and resolved.

The expansion of export infrastructure at Kazakhstani side requires 2-3 years. From this perspective the delay of commercial production at Kashagan may be seen as a favorable condition. However, the impression of much time stretching ahead might be a highly cost mistake. Even today Tengizchevroil has to redirect some of its crude to the less attractive way to the Odessa. The company has been using this route prior to the start-up of CPC. Karachaganak Oil Operating B.V. (KPO) started construction of a new railway loading depot to redirect a part of its oil to the railway, as it had faced the limits of export pipelines shipping capacities.

In 2008 oil transferred through the Aktau terminal was shipped to: Makhachkala – 4,5 mln ton, Baku – 2,7 mln ton, Neka – 1,7 mln ton. As indicated above at first stage KCTS should provide the transportation of 23 mln

tons of crude a year with further expansion up to 35-56 mln ton. Due to growth of production at Azeri-Chirag-Guneshli field BTC with its 50 mln tons capacity will be fully loaded. Thus, an additional 15 mln ton export capacity is still required.

The lack of available shipping capacities at BTC has forced MEMR of RK to consider the other alternatives as such as Baku-Supsa pipeline even in this turn Kazakhstan is more exposed to the Azerbaijani tariff policies. To have access to the Baku-Supsa Kazakhstan should get the permission of AIOC. Today the pipeline is loaded with only 24 percent of its shipment capacity. Azerbaijan is interested in a complete exploitation of the pipeline. And, if Kazakhstan invests in the expansion of the pipeline capacity AIOC would grant its permission.

Besides the problem of the availability of export shipment capacities, the issue of security and sustainability of oil supply running through the Caucas gets a high significance. Because of the threats of terrorism and local conflicts all over the world oil companies should stretch their expenses for the security purposes. Due to Georgia-South Ossetia conflict occurred in August of 2008 and the emergency situation at BTC within the territory of Turkey emphasized again the vulnerability of Transcaucasia Energy Corridors. Daily loss of SOCAR and the State Oil Fund of AR caused by stop of BTC's operation made up USD 50-70 mln. Overall loss of Azerbaijan and foreign participants of Azeri off-shore oil projects made up USD 500 mln. Also, the Government of RK had to redirect the oil flows shipped through BOT to the domestic market.

During the recent years the problem of Caspian oil transportation gets a higher importance within the international community. In spite of fact that a number of new transportation projects have already been negotiated and in some cases agreed, a detrimental combination of geopolitically and economically driven factors might threaten the implementation of them. Thus, Kazakhstan's intention to diversify the directions of its oil supply running to the European market is implemented in a complex environment full of rivalry and contradictions among the suppliers (Russia and Azerbaijan), consumers, and transit countries (Azerbaijan, Turkey, Ukraine, and others).

By the middle of coming decade if the development of a large-scale oil off-shore fields in the Caspian region and particularly in Kazakhstan corresponds to the plans, the region will annually inject into the world oil production 250 mln ton of crude more. However, there is a severe risk of that the transportation capacities will not be able to meet the challenge of a growing production. If all the plans of export infrastructure expansion perform as they are scheduled the export shipping capacity will correspond to the growth of production at oil fields of Kazakhstan. However, taking into consideration a probable threat of delays and other constrains the presumptions about the fast expansion of oil export capacities should be made cautiously.

Political and economical constrains within the Caspian and Caucasian regions put under the threat the sustainability of Transcaspien and Transcaucasia energy corridors. Thus, a comprehensive and balanced policies and measures are required from international community to



reduce vulnerability of energy corridors and their exposure to these threats. Kazakhstan consistently demonstrates its commitment to an open dialogue with any parties stranded on mutual trust and “win-win approach”. President of Kazakhstan stated: “We has initiated and we will continue

the implementation of the approach based on the openness of the natural resources management policies aimed on the provision of transparency and sustainability in cooperation with transnational corporations and our neighbors within the region”.

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<sup>1</sup> At present, shares of participation in CPC are distributed as follows: Russia - 31 percent (taking into account 7percent share recently sold by Oman), Kazakhstan - 20,75 percent (taking into account KPV), Chevron, Caspian Pipeline Consortium Co - 15 percent, Lukarco B.V. - 12,5 percent, Rosneft-Shell Caspian Ventures Limited - 7,5 percent, Mobil Caspian Pipeline Co - 7,5 percent, Agip International (N.A.) N.V. - 2 percent, BG Overseas Holding Limited - 2 percent, and Oryx Caspian Pipeline LLC - 1,75 percent.

<sup>2</sup> State Oil Company of Azerbaijani Republic

<sup>3</sup> Azerbaijan International Operating Company



# Cooperation Between Kazakhstan and the Shanghai Cooperation Organization as a Factor in the Development of Foreign Economic Activity Today

MARAT NARIBAEV,

*Ph.D. in Economics, Director of the International Cooperation Department at the Satpaev Kazakhstan National Technical University (Almaty, Kazakhstan)*

The Shanghai Cooperation Organization (SCO or Organization), which was created in order to strengthen regional security, enhance good-neighborly relations, and encourage multi-vector and multifaceted interaction among the member states, has become a major regional structure with broad opportunities for establishing mutually beneficial relations in the commercial and economic sphere. The immense territorial, human, raw material resource, and transport-transit potential of the states participating in this Organization is an important factor of successful cooperation in this area. The SCO Secretariat and specialized economic institutions aim to promote cooperation in such vectors as foreign trade, investments, transportation and communications, energy, bank relations, agriculture, the environment, and the scientific-technical and social spheres.

Within the SCO, Kazakhstan has succeeded in achieving results that are promoting the development of the foreign sector of its own economy and its gradual integration into the world economy. However, there are several problems and unresolved issues in the Organization's activity that are hindering the development of foreign relations and putting the brakes on Kazakhstan's foreign economic activity. Keeping in mind that the development of relations with the SCO meets the country's interests and is extremely promising for its foreign economic activity, economic cooperation with the Organization to be strengthened.

## I. KAZAKHSTAN AND THE SCO: MAIN RESULTS AND PROBLEMS OF COOPERATION

When carrying out its foreign economic activity, Kazakhstan strives to present itself as an active and full-

fledged member of the SCO. This is confirmed by the nature of its participation, position, and the results the country has achieved during the undertakings carried out by this Organization.

**1. Kazakhstan's participation in SCO documents.** Kazakhstan is a party to the Organization's founding, program, and regulating documents.

**1.1. The declaration on the founding of the SCO** was passed by the heads of the member states on 15 June, 2001 in Shanghai. The Organization aims to enhance mutual trust and good-neighborly relations among its partner states, encourage effective cooperation among them in various areas, and promote joint efforts to maintain peace, security, and stability in the region. According to its Declaration, the Organization, enjoying immense potential and broad opportunities for advancing mutually beneficial cooperation among the member states, can ensure the development of cooperation in the commercial and economic sphere and its diversification on bi- and multilateral basis.

**1.2. The SCO Charter** was signed in June 2002. This document, being the Organization's charter, sets the next: development and encouragement of efficient multifaceted regional cooperation, promotion of comprehensive and balanced economic growth and cultural development in the region, coordination of approaches during integration into the world economy, and development of relations with other states and international organizations.

In order to promote cooperation, the SCO countries shall not only exchange legal information, but also expand the sphere of interaction.

**1.3. The memorandum on the main vectors of regional economic cooperation and on creating favorable**



**conditions in trade and investments** was signed at the first meeting of heads of government of the SCO states in Almaty in September 2001 and forms the basis for establishing its economic component. It stipulates that the development of trade and investments will be ensured by bringing the economies of the member states closer together on the basis of complementarity, as well as by carrying out cargo and passenger transport operations, including transit, developing checkpoint infrastructure, harmonizing technological and commodity standards, exchanging regulatory and legal information, removing trade barriers, and attracting investments.

The protocol to the memorandum notes that strengthening of commercial and economic cooperation will not only promote the economic development of the member states, but also, which is extremely important, will maintain regional security and stability.

**1.4. The program of multifaceted commercial and economic cooperation among the SCO member states** was approved by the Council of Heads of Government in September 2003. The document envisaged the solution of several important tasks, including creating conditions ensuring that all economic entities have equal opportunities and guarantees in production activity, drawing up joint programs in commercial and economic cooperation, creating a favorable investment climate, developing interbank cooperation and financial relations, further developing transportation and communication infrastructure, improving customs procedures, and rendering assistance in establishing contacts between economic entities in business. It should be noted that it was the Kazakh side that prepared the first version of this Program, which was taken as the basis for further examination.

**1.5. The action plan for implementing the Program of Multifaceted Commercial and Economic Cooperation among the SCO Member States**, passed in September 2004, was the logical continuation of the development of the Organization's contractual-legal basis. Within the framework of this plan, special working groups were created and began functioning to develop electronic trade, customs cooperation, cooperation in applying technical regulations and standards, transit potential, and investment interaction. In compliance with the economic cooperation priorities stipulated earlier, the document also envisaged more than 120 joint projects.

**1.6. Declarations of the heads of states.** The last one is the **Dushanbe declaration of the heads of SCO member states** adopted on 28 August, 2008 during the Organization's regular summit. The document notes that the SCO is in favor of broad cooperation in resolving resource support problems and achieving global development goals, overcoming the technological gap between countries, and eradicating poverty by providing all the states with equal access to the advantages of globalization.

Whereby in the conditions of the world financial and economic crisis, it is particularly important for the member states to carry out a responsible fiscal policy, exercise

efficient control over the movement of capital on their territory, and ensure food and energy security.

**1.7. Participation of Kazakh structures in drawing up documents determining the cooperation mechanism in the SCO.** The participation of analytical and administrative structures in drawing up drafts and proposals for amendments and addenda to the "Criteria for Accepting New SCO Member States," "On the Status of Dialogue Partner," and "On the Status of Observer" provisions can be considered an important result of Kazakhstan's activity in the SCO. Such an important document as the Asian Energy Strategy was drawn up by the Kazakh analytical structure.

Kazakhstan has signed a total of more than 30 documents within the framework of the SCO.

**2. Holding the Organization's summit in Kazakhstan.** A meeting of the heads of the SCO member states was held in Astana in July 2005, during which it was decided to establish an institution of permanent representatives of the member states under the SCO Regional Antiterrorist Structure (RATS) and approve a Concept of Cooperation in Fighting Terrorism, Separatism, and Extremism and a Provision on Permanent Representatives of the Partner States under RATS.

At the end of the summit the Astana declaration of heads of state was adopted, which indicates that the SCO member states will consistently expand their cooperation in the economic vector in order to raise the potential of the fight against terrorism, separatism, and extremism, being guided in doing so by the Program of Multifaceted Commercial and Economic Cooperation.

**3. The activity of the Kazakhstan representative as SCO secretary general** is an important element of the country's active and full-fledged participation in the Organization. Since January 2007, the Kazakhstan representative has occupied the post of secretary general. During this time, two of the Organization's summits have been held: in Bishkek (2007) and Dushanbe (2008), a meeting of the Council of Heads of Government in Tashkent (November 2007), and several other planned undertakings, during which the Bishkek and Dushanbe declarations, joint communiqués, and an intergovernmental agreement on cooperation and mutual assistance in customs affairs were signed. Moreover, new structures and the staff members of the RATS Executive Committee were approved.

**4. Opening of the Khorgos International Center of Border Cooperation. The Khorgos International Center of Border Cooperation (Khorgos ICBC)**, created in 2005 between Kazakhstan and China, plays an important role in commercial and economic cooperation among the SCO countries. According to experts, the ICBC will become one of the basic elements in the region's infrastructure in this sphere.

**5. Kazakhstan's participation in the SCO's economic institutions.** Kazakhstan is a member of the SCO's Business Council and Interbank Association.



**5.1. The SCO Business Council (SCOBC)** was created in Shanghai in June 2006. It is supposed to perform expert work within the Organization and draw up recommendations in promising vectors of interstate commercial and economic cooperation.

Kazakhstan has been taking active part in the SCOBC's various undertakings. Mechanisms have been drawn up for regulating and coordinating commercial and economic cooperation and investment issues are regularly discussed.

**5.2. The SCO Interbank Association** was created in compliance with an agreement on interbank cooperation signed in Moscow in October 2005 by authorized representatives of the banks of the SCO member states. It envisages interaction in financing and participation in investment projects. This form of cooperation is recognized to be the most effective and flexible.

However, there are several problems in Kazakhstan's foreign economic activity within the SCO.

**1. The Organization's internal contradictions** which hinder Kazakhstan's full-fledged cooperation with the SCO include:

- Kazakhstan's uncoordinated cooperation with the SCO states;
- differences in approaches and mechanisms for liberalizing foreign trade and investment activity;
- the presence of EurAsEC and other integration economic structures in the region that undermine the SCO's influence in this sphere;
- China's commodity expansion with respect to Russia and the Central Asian countries, which threatens to their economies;
- the absence of balanced economic cooperation in the SCO countries.

These contradictions are generated by the political interests of the Organization's strongest member states and their unwillingness to compromise when resolving commercial and economic cooperation issues. So there is a greater danger of stagnation.

**2. High differentiation of the level of economic development of the SCO countries.**

An important factor undermining Kazakhstan's economic cooperation with the SCO countries is the different level of their development. The highest average annual rates of economic growth were noted in China where they reached more than 11%. Then come Kazakhstan and Russia with 10% and 8%, respectively.

Tajikistan, Uzbekistan, and Kyrgyzstan have the lowest indices with 7%, 6%, and 5%, respectively. This causes a shortage of goods in the markets, which has a negative effect on the countries' trade cooperation.

This situation is hindering integration on the way to achieving the economic level of the world market. So experts, considering it is necessary to accelerate development of the infrastructure component, say that the efforts of such regional nations as Russia and China in the infrastructure development of their territories are expanding the domestic markets and markets for neighboring Central

Asian countries (including those that do not have access to the sea), which are experiencing obvious difficulties in adapting to globalization. Large national companies and banks of Russia, the Central Asian countries, and China are capable of significantly enriching cooperation among the three sides. There is an obvious need for large collective infrastructure development projects. This requires a SCO bank of development, a joint investment committee, or something else along these lines.\*

**3. Obstacles to the development of Kazakhstan's foreign economic relations with other SCO members.**

The situation that has developed in economic cooperation among the SCO countries can be examined on the basis of four main indices dash the state of customs procedures, environmental protection, unification of standards, and mobility of business. It leaves much to be desired.

Several measures must be taken to correct the existing situation. For example, according to an expert forecast, increasing expenditure on improving customs affairs by only 10% will increase the trade volume among the countries by more than 10 billion USD.

There is also a great difference between the plans declared in the basic documents and their implementation in practice, which is hindering and complicating the development of the Organization's foreign economic relations. The cooperation mechanisms are still underdeveloped and need further work.

**4. Kazakhstan's insufficient use of the region's transportation and transit potential.** Kazakhstan is not using the region's transportation potential to its fullest benefit. Transit routes going to China's eastern regions and Russia's northern and western regions are not being used.

Several other factors also play a negative role:

- Kazakhstan's insufficient interaction with other countries of the region in raising the transit potential;
- cargo shipments around the region are very slow and poorly coordinated;
- incorrect tariff policy regarding cargo shipments;
- unsatisfactory technical state of transportation means;
- low technical level of railroads in the region.

These factors are preventing Kazakhstan from enhancing integration of the region's transportation system and fully developing foreign economic activity.

**5. Scarcely efficient work of Kazakhstan's state structures in cooperation with SCO.** When evaluating the level of Kazakhstan's participation in the SCO, attention is drawn to the scarcely efficient work of the country's state structures and their poorly organized activity with respect to implementing the adopted decisions and carrying out planned undertakings. The proposals and recommendations of the Kazakh side are not being clearly formulated in order to be submitted to the SCO Secretariat for further examination.

In general, these problems are hindering the development of Kazakhstan's economic activity in the SCO and slowing down diversification and an increase in competi-



tiveness of the national economy. This requires defining the prospective vectors of development and the country's activity within the Organization.

## II. PROSPECTIVE DEVELOPMENT VECTORS OF KAZAKHSTAN'S FOREIGN ECONOMIC ACTIVITY WITHIN THE SCO

**1. The prospects for Kazakhstan's further cooperation with the SCO** should be examined from the viewpoint of the abovementioned cooperation problems and following strategic tasks:

### 1.1. Intensification of regional processes:

- acceleration of the regional integration processes as an important factor in undermining the negative manifestations of globalization;
- overcoming economic degradation, resolving social problems, and achieving social stability in the region's countries;
- assistance in ensuring regional security in Central Asia;
- observing national interests in cooperation with the leading countries in the SCO.

### 1.2. Raising Kazakhstan's role and place in regional economic cooperation with the SCO:

- preserving strategic partners in the SCO;
- raising economic potential and long-term mutually advantageous cooperation with the region's countries;
- carrying out a policy aimed at intensifying regional integration;
- attracting funds from other Organization member states for implementing economic projects in Kazakhstan.

### 1.3. Assisting sustainable economic growth and raising economic competitiveness:

- retaining stability in the region and assisting the politically weak SCO states, including in the economic sphere;
- sufficient exploitation of the country's potential by stepping up foreign economic activity;
- expanding Kazakhstan's participation in regional division of labor and cooperation by means of its diversification;
- protecting the SCO countries from the influence of foreign economic crisis phenomena, as well as their consequences;
- further strengthening of Kazakhstan's relations with the SCO countries and expansion of its participation in regional structures.

In August 2008, a summit was held in Dushanbe and in October of the same year a meeting of the SCO Council of Heads of Government in Astana. After these meetings, the most promising vectors in the republic's development were defined they are listed below.

**1. Development of Kazakhstan's interaction in the transportation sphere.** The growing role of the transportation sphere for the SCO is explained by the following factors:

- the activation of foreign relations and strengthening of the SCO states' economic interdependence;

- the increase in the volume of cargo shipments both to the domestic and to the foreign markets;

- the significant increase in the number of passenger transport operations due to the expansion of economic and cultural-humanitarian relations.

In order to further develop the country, it is extremely important to expand its access to the foreign markets, including to the SCO countries. This task can primarily be solved by means of more rational use of the region's transportation and transit potential and by forming a market of transportation services. This requires adopting the following measures.

**1.1. Development of transit and transportation corridors.** The most priority transit directions are the following:

- China-Kazakhstan-Russia-the EU countries;
- China-Kazakhstan-Uzbekistan-Turkmenistan-Iran-Turkey;
- Kazakhstan-Turkmenistan-Iran-Pakistan.

Putting each of these routes into operation will raise the diversification of transit flows and make it possible to increase the volume of freight and passenger movement through the republic, which promises great economic profit.

**1.2. Completion of a coordinated economic policy in transportation in the SCO region.** In order to accelerate transport operations and lower their net cost, a coordinated policy much be drawn up in this area. This requires solving three important tasks.

1.2.1. A coordinated tariff policy in transport operations should be carried, that is, tariff rates must be lowered. It would be expedient to unify them and apply them throughout the entire transportation expanse of the SCO.

1.2.2. With respect to customs relations, the procedure for crossing the internal borders of the SCO and registering documents for all types of transportation means should be made as simple as possible.

1.2.3. A unified taxation system for transportation means and services should be developed for increasing the efficiency of cargo and passenger transport operations.

**1.3. Creating a SCO cooperation program in transportation.** In order to form a unified market of transportation services in the SCO region an interstate cooperation program should be drawn up containing a set of different projects. This document should envisage:

- creating joint ventures for carrying out high-quality cargo and passenger transport operations;
- raising the level of vehicle service, primarily overland;
- introducing scientific-technical cooperation projects aimed at creating satellite and computer movement control systems and ensuring its security;
- organizing joint production of different transport means, as well as the spare parts for them on the basis of production cooperation;
- expanding transport cooperation on the basis of the latest scientific achievements.



This program should also envisage improving national legislation regarding transportation, as well as participation in it not only of the SCO countries, but also of other states.

## **2. Development of joint activity to protect the economy of the SCO countries from the influence of foreign economic threats and overcoming their consequences.**

The crisis processes occurring in the European and American financial markets are dictating the need for adopting measures to combat them not only at the national but also at the supranational level. In this respect, the economic protection of the SCO countries must be ensured.

In order to accomplish this, the Kazakh side proposes creating a **Regional SCO Center for Monitoring the World Financial Markets and Macroeconomic Processes**. An important place in the activity of this center should be occupied by the development of financial assessment methods. Constant monitoring is required of the dynamics of change in the indices of economic cooperation and the state of financial indices in the stock markets.

This Center should establish development forecasts both for individual markets and for the world economy. When an unfavorable forecast is obtained, the Center could make corresponding proposals and recommendations and compile joint action plans for protecting the economy of the Organization's countries from negative foreign influence and for overcoming the possible consequences. Moreover, it would be expedient to involve the analytical structures of other countries in this process.

## **3. Kazakhstan's participation in innovative and technological development projects.**

Keeping in mind the leading role of innovative and technological development during diversification of the economy and an increase in its competitiveness, the country's foreign economic activity in scientific research must be stepped up.

In this respect, Kazakhstan is interested in carrying out joint Research and Development (R&D) with the participation of Russia and China, as well as in cooperating with them in the space research sphere.

### **3.1. Development of R&D.**

Realization of this vector should begin with talks among the leaders responsible for scientific and innovative activity. A SCO Council for Scientific Research Cooperation should be created that will coordinate the efforts to create new scientific development and innovative technology to manufacture high-quality technical products.

These developments should promote not only an increase in the economy's competitiveness, but also the solution of many tasks in foodstuffs, energy, the environment, and so on.

### **3.2. Manufacture of high-tech products.**

The manufacture of high-quality products must be streamlined by means of joint developments and technologies. For example, a joint Kazakh-Chinese-Russian venture for manufacturing sets of parts for microprocessor technology and complex electronics, including household appliances, could be opened on the basis of the existing Alatau infor-

mation technology (near Almaty). This would provide the opportunity for creating new brands.

The volume and quality of the products manufactured should meet not only domestic demand, but also ensure the export of goods to Russian regions and Central Asian republics bordering on Kazakhstan.

## **3.3. Cooperation in space research**

A qualitatively new and promising vector of Kazakhstan's activity in the SCO could be space research. In this case, not only traditional cooperation is important with Russia, but also with China dash a space power with high potential.

Kazakhstan must also step up development of a **Program of SCO Cooperation in Space Research and Space Use**. Kazakhstan could already participate in such a program using the available potential in this sphere. In the future, it would be expedient for the Kazakh side to include the following tasks in the joint program.

1. Implementing a plan for creating a Kazakh satellite and carrying out a wide range of work in geophysical probing of the land surface of the SCO region.
2. Jointly creating contemporary communication and wide-range telecommunication satellites.
3. Participating in the commercial servicing of international satellite systems, including INMARSAT, NORD, and NAVSTAR.
4. Studying and using progressive world space monitoring technology for the region's natural and territorial complex.

## **4. Optimization of the functioning of the SCO.**

Intensifying cooperation in order to strengthen the SCO can be carried out in the following vectors.

### **4.1. Reduction of contradictions and obstacles.**

Within the framework of this vector, the following questions must be resolved:

- carrying out monitoring in the development of economic relations (customs, business dynamics, coordination of standards, and so on);
- improving the mechanism of economic relations of the region's countries by precise state regulation of foreign economic activity;
- coordinating economic cooperation issues in close cooperation with other cooperation vectors;
- establishing of rules and provisions ensuring the adopting of decisions on the basis of the principle of consensus.

Due to the negative influence of the various contradictions and obstacles, optimization of the procedures and mechanisms of the SCO's activity deserves special attention.

### **4.2. Improvement of the control mechanism over the Organization's functioning.**

This process should be aimed at strengthening the planning, coordinating, and monitoring functions of the control mechanism.

A) The plans for various undertakings must be approved as a mandatory procedure by competent structures of the member states, including by a joint group of experts of the SCO Secretariat.



B) In order to strengthen the planning function of the control mechanism, the corresponding bodies and structures of the countries must be authorized to take control over determining the time limits for carrying out the undertakings, as well as allot the necessary funds for this.

C) The Secretariat and other SCO bodies must be made responsible for coordinating the carrying out of undertakings and their results.

D) The monitoring function of the Organization's control mechanism shall consist of monitoring during the carrying out of planned undertakings, analyzing possible mistakes, and identifying their reasons. Expert groups, in turn, shall create efficient proposals for eliminating problem situations.

**4.3. Expansion of cooperation with international and regional organizations.** Expanding and intensifying comprehensive relations with large international economic and financial organizations, as well as integration associations, such as the UN and its structures, the Islamic Development Bank, the Economic Cooperation Organization, the EurAsEC, and APEC, should play an important role in raising the efficiency of the SCO's activity. This was envisaged in Item 8 of the declaration of the heads of the SCO member states adopted in 2008 in Dushanbe.

In so doing, the SCO's cooperation with the indicated structures should be oriented toward their rendering financial assistance to the Organization's highest priority projects in different spheres. Efforts should also be joined to develop a joint action to resolve social stability and economic development issues in the region.

**5. Improvement of the activity of Kazakhstan's state structures participating in implementing cooperation with the SCO.**

The need for improving Kazakhstan's foreign economic activity requires that the country's ministries and other state structures raise the efficiency and coordination of their activity.

For this purpose, there are plans to create a special **Council for Developing Foreign Economic Activity** under the republic's government responsible for coordinating the activity of state structures and various interdepartmental commissions for commercial and economic cooperation with foreign countries and international organizations, including the SCO.

This Council should consist of the deputy heads of departments responsible for cooperation with the SCO or the heads of their departments, as well as experts, researchers, and specialists from other spheres. The Council should examine the entire set of issues: developing proposals and plans, carrying out undertakings, and control over their performance.

On the whole, the Council should ensure efficient and qualified development of this set of issues of Kazakhstan's foreign economic activity in the SCO.

In conclusion it should be noted that the development of the prospective vectors of Kazakhstan's interaction within the SCO examined in this article will make it possible to raise the efficiency and productivity of the country's foreign economic activity. This will promote the resolution of such important issues as making more efficient use of the region's transportation and transit potential, increasing stability in the economy in the conditions of the world economic crisis, developing pertinent vectors of scientific research, assisting innovative and technological development, accelerating diversification, and raising the international competitiveness of the country's economy.

\* See: A. Sapitskiy, A. Salykova, *Ekonomicheskaya regionalizatsiya i problemy ShOS (teziy)*. ShOS: stanovleniye i problemy razvitiya, Documents from an international conference, Institute of Management, Economics, and Forecasting, Almaty, 2005.



# Problem of the Terrorism Definition: to the Question of the Expediency

LESIA KARATAYEVA,

*Ph in History, Academic Secretary of the KazISS under the President of the Republic of Kazakhstan*

One of actual problems of the counteraction to the terrorist threats at the present stage is co-ordination of efforts undertaken by the states on a multilateral basis. However the process of collective counteraction is braked owing to differing perceptions by the states of those or other subjects potentially able to be carried to terrorists. For example, and Russia, and the European Union recognize struggle against terrorism as one of key priorities of the activity. In Moscow and Brussels converge in the terrorism definition, but thus differ in what organizations to recognize as terrorist and what are not. EU does not include the organizations operating in the North Caucasus in the list, and the Russian Federation ignores the most part of the terrorist organizations which disturb the European Union [1].

For a number of the countries various definition of concept terrorism is characteristic. Such state of affairs is characteristic and for the countries of the Central Asia. The terrorism definitions at the national level by the states of the Central Asia are a little various: for Kazakhstan and Kyrgyzstan the terrorism is first of all «illegal, punishable act» [2]. For Uzbekistan and Tajikistan - «violence or threat of its application» [3]. For Turkmenistan the terrorism is first of all «a policy and tactics of actions» [4].

The quite natural question: why the world community is not in a condition to give common acceptable definitions to the terrorism. For the sake of justice it is necessary to tell that the factors, causing such state of affairs, can be both objective, and subjective character. It is possible to carry to objective factors cultural, civilized, religious distinctions of factors of the counterterrorist system, and a difference of ethical paradigms determined by them. Subjective factors can be presented unwillingness of the states to connect accurately designated formula.

However it is considered that the working out and the subsequent obligatory fastening in the international legal base of the standard concept of the terrorism are pledge of successful struggle against the terrorism. Thus terrorism researchers try to put in several lines of all definitions, which were taking place in the history, terrorism displays. At detailed studying of history of terrorism it becomes clear that it is impossible to make it. In this connection there is a question on continuation expediency of attempts of universal classical formulation of terrorism definition.

Formulation process of terrorism definition became already a subject of researches. For example, in 1984 by A.Schmid and A.Jongman more than hundred most known

definitions of terrorism were analyzed for the purpose of revelation of those factors which lay down in a basis of these definitions [5]. Researches of similar character also D.Takrah [6] and L.Katrich [7] have carried out.

Considering the results received by researchers it is possible to mark out the following, typical for definitions, the factors defining terrorism:

- the violence made in political aims;
- goal-setting;
- psychological impact;
- illegitimate or criminal character;
- dependence on mass media;
- discrepancy of object of violence with object of influence.

Thus, such factors as criminality of character of actions, dependence on mass media, a difference between the target audience and the object of violence appear in definitions created after September 11, 2001.

With a view of the definition of possibility of universal terrorism formulation and its expediency, it makes sense to correlate the above mentioned factors with the available information concerning acting or acted terrorist groups in a historical context.

**The first factor** – the violence made in political aims. As a whole the terrorist practice always was based on violence application, and as tactics of actions, was a consequence of power asymmetry display of the parties. Other issue as the term “violence” is defined. It can be political and social and political, physical, and also psychological etc. For example, the terrorist group Black Panthers from the moment of occurrence and before Martin Luther King’s murder did not apply physical coercive actions, practising generally psychological terrorism in relation to representatives of police. A number of such known organizations as Irish Republican Army (IRA), Fatah, and Palestine Liberation Organization (PLO) articulated unpleasant coercive actions during the certain periods. The Kazakhstan legislation includes in the list of terrorist organizations Hizb ut-Tahrir which is not inclined to coercive actions, and specializes on the ideological propaganda of Islamic fundamentalism, and also religious and political extremism. Organization activity is certainly anticonstitutional, but it is not based on the violence.

The second component of the given factor is the political aims pursued by terrorists. Admitting the fact of such purposes presence in activity of overwhelming number of the terrorist organizations, it should be noted that a number of the organizations of such purposes does not articulate.



For example, the notorious Japanese organization Aum Shinrikyo which made two acts of terrorism in the territory of Japan did not put forward any political aims. To the organizations which did not articulate political aims (in their narrow understanding), it is possible to ascribe and such American organizations considered terrorist, as Ku Klux Klan (KKK) and the Church of the Creator.

And at last, the terrorism future is connected with actions in the virtual space more and more. The cyber terrorism is capable to bring a much bigger damage of national, regional and global safety, rather than the acts of terrorism which are carried out in the real space. But whether "collapse" of information-communicative systems falls under the classical concept of the violence? Moreover, available precedents of computer terrorism testify that, as a rule, hackers do not pursue any political aims.

**The second factor** – goal-setting. The assumption that certain interested groups create the developed infrastructure of training camps, difficult financial schemes, propagandistic and recruiting structures, scientific laboratories, reconnaissance subdivisions etc., without having any purposes, contradict common sense and logic. Therefore practically all researchers agree in their definitions with the presence of the goal-setting at terrorists. Divergences are observed concerning what purposes are pursued by terrorists. As L. Katrich marks, researchers allocate the following purposes: moral alienation of the masses from the government, a domination establishment, intimidation, submission, achievement of political changes, normal existence infringement of the society, deduction or conquest of state power, achievement of psychological effect, and instability creation in the democratic countries [7.-P.22]. Notably we observe a certain mixture of the purpose and motivation concepts. In certain cases the matter is the purpose, as the end result of struggle, in others – about the purposes of concrete actions.

Without going into the further theorization concerning various approaches of the researchers to the formulation of terrorism definition, we will note from the viewpoint of put question by us on possibility of the common definition formulation, the given factor is the shakiest. The estimation of the pursued purposes by this or that group directly is connected with the ethical standards, estimating subjects. As a consequence the parties cannot come to a common opinion concerning that, this or that grouping is terrorist or not.

Also it is necessary to pay attention to that fact that recently after the commitment of the terrorist act not only any political demands are made, but also responsibility for the terrorist act is not assumed by anybody. In this case it is possible to assume the presence of the latent purposes at terrorists, but conclusions of such plan are poorly verified.

**The third factor** – psychological influence. The given factor can act as independent, and to be a component of terrorists' goal-setting. Considering etymology of the term "terrorism", it is necessary to recognize that the psychological influence by the intimidation and the creation of horror and despair atmosphere is a terrorism basis. During the evolution of terrorism the objects of psychological influence also underwent changes. At the moment the peace citizens act as the objects who frequently are not participants of acceptance process of political decisions. In spite of the fact that psychological influence is a terrorism integral part, it should be noted that per se the fact of influence on consciousness of people does not testify to presence of a terrorist component.

**The fourth factor** – illegitimate or criminal character. The illegitimacy of terrorism is explained that the monopoly for legitimate application of violence belongs to the states. As it is known terrorists are actors of system of the international relations, but non-conventional. The given factor also does not promote creation of the general list of terrorists as definition of legality degree of actions of this or that organization is a prerogative of the national states. A classical example of presence of opinion divergences concerning organizations reference to terrorist, are disputes about HAMAS. On the one hand long time HAMAS occupied the top lines in lists of the terrorist organizations, and on the other hand the party came to power a legal way. It is necessary to remind also that in 1994 Yasser Arafat received the Nobel Prize of the world.

The individual question represents the presence of criminal character. On the one hand term application "criminal" automatically expands a circle of acts which can fall under the concept the terrorist. On the other hand it is very difficult to trace and prove communications of the terrorists with the criminal structures. It should be kept in mind also, what not all terrorist organizations have criminal character in its classical gangster understanding, and also are financed as a result of criminal activity.

**The fifth factor** – dependence on mass media. The given factor especially has been actualized last decade. It is connected and with the globalized processes, and with the development of Information and communication technologies (ICT). The modern terrorism possesses a number of the peculiar features distinguishing it not only from the terrorism of the last centuries, but also from the terrorism for the most part of the 20th century. One of such features also is serious dependence of terrorists and efficiency of their actions from the realization possibility of the maximum presence at an information space. In other words a dominant role in achievement by terrorists of necessary effect plays mass media, as an information repeater. Filling the information space, both local, and global, the information on the committed terrorist act, mass media has an effect on the mass consciousness and leads the action of intimidation to the logic end. Thus, considering virtual "the world drying" target audience of terrorists has global character.

In the information space occurs some kind of PR terrorism, considering that fact that at PR there is no plus or minus sign, it is possible to tell that in this case for terrorists there is no difference, the information in the digest format is handed over or any estimated information is represented, and what estimations. Whether the information of the "neutral" plan reflecting only the fact of come true act of terrorism (a geographical binding to the concrete territory can and not to be) is given, whether the analytical calculations in the television and radio broadcasts about the terrorism essence are given, whether the population is informed on the next successes of special services in the concern of neutralization of terrorist groupings, in any case, there is a filling of the information space by the information on terrorism, its presence at our life and its threat.

However the dependence of terrorism on mass media has been starting to be formed in the last third of the 20th century. The terrorist organizations of the last centuries did not test such dependence. On the other hand, in the conditions of society transformation in the postindustrial or information, what processes do not depend a little on their display in the information space. It is difficult to define what the cause is, and what the effect is, but dependence



of terrorism on mass-media is closely interconnected with the following factor.

**The sixth factor** – the discrepancy of the violence object with the influence object. In A.Jatsko's definition, it sounds so: «Act of terrorism – action which gets different forms of the violence, feature in that what the object of the violence unessentially is the direct victim» [8].

The matter is that, making violence over the group of people or destroying any objects of an infrastructure, the terrorists do some kind of «message» the addressee of which are more broad masses of people and the government. The given factor also is characteristic feature of the modern terrorism. However at the formulation of the universal terrorism definition, the support on the given factor will be generalization.

Thus, attentively studying the history of the terrorist activity it is possible to draw a conclusion that the purposes,

methods, target audiences and dependences of terrorism during the various historical periods were various. In turn, the definitions of terrorism developed by experts in various years, also it is separated and depends on the characteristic features of the terrorism of that period in which definition was formulated.

Dynamics of transformational processes, characteristic for the modern societies determines also terrorism modifying. Any definition already “tomorrow” or “the day after tomorrow” will cease to be adequate to a situation. On the practical plan, from the point of view of elaboration of the common list of terrorists, elaboration of the criteria list is represented to more logical, certain percentage conformity to which will give the chance to carry this or that organization to the terrorist. Thus the verification process should lean in a greater degree against the quantitatively measured indicators, than on morally-ethical.

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# The Features of the Ethnic-religious Identification of Today's Kazakhstani Youth

AIDA BALAYEVA,  
*Deputy Mayor of Astana City*

**F**or providing security of any state the position of the young citizens of this state represents the special importance because through certain time these young people will manage the country, they will come to key positions in economy and business, culture and education, etc. The article is based on the results of the research which was conducted from September 5 till October 5, 2007 in all 14 regions, Astana and Almaty cities. 1 550 Kazakhstan young people at the age from 18 till 29 years of old were questioned, selection was made on two parameters: settlements and the social and professional status of a respondent.

The basic theme of the research was a definition of the youth's attitude to religion. After tragic events of 2002 in New York religious extremism (i.e. covered with religious terminology) became the most dangerous form of threat for national security.

First of all, the research group was interested in the general attitude of the Kazakhstani youth to such social phenomenon, as religion. It is necessary to notice that in a society there are two extreme views on estimation of the «youth and religion» correlation. Somebody believes that all today's youth has hit in a religion, others think that the young people are not interested in religion in any way and they have wallowed in drug addiction, alcoholism and other sins. The research showed primitiveness of these ideas. Certainly, today's youth (as, however, «yesterday's» and «the day before yesterday's») is different. There are both true believing, and inveterate swindlers among young people. But just the sociological research allows catching tendencies in the youth environment.

It has shown that the modern youth estimates religion's role in a society more positively than the senior generation. In percentage terms most of all among the young people has appeared to consider that the religion's influence on a society grows and it is good – 44, 1 %. There are much fewer people, who have other point of view. At the same

time, it is also necessary to pay attention to that almost a third of questioned people have found it difficult to define its position on this issue.

Thus, we can make two preliminary conclusions: the first one is that religion's influence grows in a society every year, the second – the youth has positive attitude to the growth of religion's influence.

For more differentiated idea about opinion of Kazakhstani young people we will consider the ethnic aspect.

As it has appeared, these ethnic groups have more positive attitude to the religion's role in a society: young Uzbeks – 82,7 %; Uigurs – 71,5 %; Tatars – 57,7 % and Kazakhs – 56,9 %. Less positive are: Germans – 31,8 % and Ukrainians – 38,5 %. The main cause of difference is concluded, probably, in features of «east» and «western» mentality which prevail in these ethnic groups. If for the «east» mentality authority of seniors, traditions of culture (including religions), collectivism are more expressed values, but for the «western» mentality individualism, individual freedom, deliberate choice are as the same.

The other circumstance which has been found out during the sociological research is a religious identification of Kazakhstani young people. As a whole 77,3 % questioned people introduced themselves as believers. It is, certainly, a very high percent and this circumstance should be taken into account by a state in carrying out of youth policy. 19% of Kazakhstani young people are not believers but they have positive attitude to religion: they adhere to devotions by tradition or simply respect religious feelings of believers. The others 3,8 % refer themselves to atheists or agnostics.

Students introduce themselves as believers more than others – 86,4 %, who live in the South Kazakhstan oblast (region) – 90 % and Kyzylorda oblast – 82,5 %, and in Almaty city – 84,6 %.

It is necessary here to have in view a duality of possible consequences of enthusiasm of youth by religion in the



context of problems of security. Certainly, any true religion teaches to good, peace, patience and morals. However fanatics using religious rhetoric can use the youth in its purposes far from the peace religiousness.

At the same time, it is necessary to pay attention to that religious identification of the youth can be designated as "superficial": among believers the overwhelming majority – 66,6 % - is made by so-called "passive" believers. They do not participate actively in the life of a religious community, but introduce themselves as believers. Therefore, when the matter concerns general religiousness of the youth, it is necessary, of course, to take into account this circumstance.

In an ethnic cut the most number of believers are among young Uzbeks (93,1 %), Uigurs (85,7 %) and Kazakhs (78,3 %). It is necessary to pay special attention to the position of young Uzbeks and the Uigurs, 32,2 % and 28,6 % of them introduce themselves as active believers.

Other tendency is connected with an increase of a share of active believers among young people of Kazakhstan. So, if among 26 – 29-year-old people they make up 8,4 %, and among 23 – 25-year-old people – 11,2 %, among 18 – 22-year-old people they make up already 13,4 %. Thus, in the course of time the share of active believers among the youth of Kazakhstan starts to increase.

In the regions there are more active believers in the south, and there are fewer believers in the north. So, in the South Kazakhstan oblast they make up 20,3 %; in Almaty oblast – 18,4 %; Zhambyl oblast – 15,7 % and Almaty city – 14,6 %. While in the Pavlodar oblast none respondent noted a position of active religiousness, in the Kostanay oblast – 1,1 % and in the North Kazakhstan oblast – 1,5 %.

The reason, most likely, is in that circumstance which we have already marked; - a prevalence of ethnic groups in the population of the southern regions for which "east" type of mentality is typical.

At the following step of concrete definition of religious identification of the youth we will analyze, being based on the data of the sociological research, an issue of faith identity of the questioned people.

The results were expected. Despite the cases which have become frequent in the last years transition from one faith to another one, and also recognition of an incorrectness of deducing of religious identity from ethnic, nevertheless, practice makes it clear that the majority of Kazakhs, Uzbeks and Uigurs adhere to Islam, and Russians, Ukrainians and Byelorussians adhere to Orthodoxy. Therefore it is not surprising that among the Kazakhstani youth the most are adherents of Islam – 63,4 %, and on the second place – Orthodoxy – 22,3 %.

In a context of providing national security an issue on positive or negative attitude of the youth to such a phenomenon as change of religion i.e. how far it is tolerant or not-tolerant gets special sharpness. This issue is very difficult and causes ambiguous reaction in a society. One part consisted of the representatives of Islamic and ortho-

dox faiths, national patriots and "statesmen", demands to forbid proselyte activity of the new religious associations, being based on idea of existence of "native", "ethnic", "paternal" religion and necessity to adhere only to it. Another one consisted of, basically, legal experts and liberal politicians of the western sense representatives of the new religious associations considers a principle of "freedom of conscience" and opportunity of every person to choose its belief to be of paramount importance. It is necessary to realize, of course, that possible erosion of ideological integrity of a society can not avoid creation of a danger for stable and safe development of a country.

As a whole, it has appeared, that among the Kazakhstani youth the first position has a bigger support: 45,4 % questioned people have chosen the answer concerning change of religion by the near relation: «I will be against: a person should adhere necessarily to religion of ancestors, its ethnos». 35,9 % of respondents have chosen the second position and they declare: «I will not be against: each person has the right to a freedom of worship».

At the same time it is necessary to notice that the difference between positions makes less than 10 % and if to consider that 18,6 % have answered that it is indifferent and not known for them, what position they could take in potentially critical situations and the conclusion about approximate equality of both forces as supporters and opponents of "free change of religion" arises.

Among those who considers that a person has not the right to change the religion given from a birth there are more workers of the government (55,4 %), agriculture (53,5 %) and businessmen (52,1 %), and also inhabitants of village (51,9 %) and men (50,9 %). On the contrary, workers of trade and services sphere (46,5 %) and industry, building, transport and communication (43,2 %), and also inhabitants of a capital (40,4 %) and women (40,7 %) are for freedom of change of religion.

Distinction in the given criterion in geographical sense is seen: inhabitants of the southern and western regions are for "national" religion, and in the northern regions they against it. In Zhambyl oblast supporters of "religion of ancestors" make up 75,5 %, in Kyzylorda oblast – 68,3 %, in the South Kazakhstan oblast – 59,3 %, Atyrau oblast – 56,3 %, West Kazakhstan oblast – 53,2 % and in Almaty city – 53,1 %. And, on the contrary, for a principle of "freedom of conscience" in Akmola oblast – 53,3 %, Kostanay oblast – 52,2 %, and also in Aktobe, Pavlodar and the North Kazakhstan oblasts – on 50 % each.

In the ethnic aspect significant distinction is also seen. Young Uzbeks (69 %) and Kazakhs (56,6 %) are more supporters of "ethnic" religion, and Germans (72,7 %), Koreans (66,7 %) and Tatars (61,5 %) are for freedom of conscience.

Thus, the analysis, which has been carried out according to the sociological research, has allowed coming to the following conclusions. The youth believes that religion influence increases in a society and estimates it as the positive fact.



Secondly, two thirds of the young people introduce themselves as believers, and almost the fifth part of them has positive attitude to religion and believers. Besides, the younger respondents are more positive to religion.

Thirdly, passive believers are the most part of believers.

Fourthly, among young Uzbeks and Uigurs there are more active believers.

Fifthly, Islam and Orthodoxy have the greatest number of followers to religion.

Sixthly, there is a considerable distance between carriers of "east" and "western" mentality in their attitude to

religion. The first ones are more religious and are less tolerant to religion change. The second ones are less religious and more tolerant.

Seventhly, Uzbeks and Kazakhs, inhabitants of the southern and western regions, men and inhabitants of village are supporters of a position of existence of "native" religion, and Germans, Koreans and Tatars, inhabitants of northern regions; women are supporters of freedom of conscience.

Of course, these conclusions should be taken into account while conducting state youth and religion policy.



# The Japanese Studies in Kazakhstan: Religious Situation in Japan During the Reign of Tokugawa Dynasty (1603-1867)

LAILA BALAKAEVA,

*Head of the Department of Japanese Studies at the KazNU named after al-Farabi, Associate Professor*

The period from the middle of the XVI-th up to the I-st half of the XVII century is characterized in Japan as a struggle for the unification of the country and establishment of the political predominance of Tokugawa family. The initiators for the reunion of the country were the following feudal lords from the central part of the Honshu Island – Oda Nabunaga, Toyomi Khiduese and Tokugawa Iyusu.

In the year of the internal wars the status of the Buddhist Church changed (since Buddhism penetrated into Japan from India through China in the VI- VII centuries), when it served as the mainstay at first for the Imperial and later on for the reinforcement of the military-feudal power. The abbeys (monasteries) which were the large land-owners began to contrapose themselves to the secular feudal lords. Having at their disposal considerable armed forces they began an active involvement in the internal fights and in that way were impeding the unification of the country. After starting the struggle for the reunion of the country Oda Nabunaga decisively pushed out against the militant Buddhist priesthood; he began burning the monasteries and temples and confiscating the ecclesiastic land property. The same policy with regard to the Buddhist church was pursued by Toyomi Khiduese and Tokugawa Iyusu. By the moment of the completion of the unification of the country the Buddhist priesthood did not constitute any threat to the central power. Its political role was practically eliminated. The Buddhist church became an obedient tool in the hands of the central government in the matter of reinforcement of its dominance.

Concurrently there was special attention paid to Shinto as one of the incentives on the way of unification of the country, but this process did not last long due to the fact that Tokugawa shoguns embarked on the eradication of Shinto

as an independent religious teaching. The reason for that campaign was its close link with the Emperor and the latter was driven back by the shoguns and was converted into an honorary captive. The Emperor was performing primarily the ritual functions: while the earthly (prosaic) problem like the country management was entirely carried out by the shoguns (legally they were considered to be loyal to the Emperor) and their ramified bureaucratic apparatus).

Properly speaking, the Emperor was esteemed as the direct descendant of God and was worshipped in accordance with Shinto ideology which had been the original Japanese religion. But the official religion in the Tokugawa Japan was not Shinto but Buddhism which was subdivided into numerous trends, sects, schools. The thing is that after prohibition of Christianity as per the Shogun Decree dated 1614 in compliance with which Christianity was announced to be a «demoniac and destructive» teaching and the «State's antagonist», while Buddhism in Japan turned out to be the exclusive integral and systematic doctrinal statement. The latter had its own cosmology, epic requirements, canons, and was characterized like a stable ecclesiastic and parochial system, whose parameters could be contraposed to Christianity.

As a method for Shinto downfall its dissipation in Buddhism was selected. It was accepted that in compliance with the Decree issued by Tokugawa emperor the Shinto priests were supposed to get registered as congregants of the Buddha temples and abide by the Buddha rituals. The majority of Shinto shrines and temples were converted into Shinto-Buddha houses of God with the predominance of Buddhist components in their architectural styles and interior design. Often as their relics inside of the Shinto temples Buddhist divinities were displayed. There were often cases when in these temples sacramental ceremonies were performed by the Buddhist priests.



In fact Buddhism recovered from the blows made upon it by Oda Nabunaga and Toyomi Khiduese. Tokugawa Iyusu even returned a part of the confiscated wealth to the temples. But Buddhism began to lose its significance as the official ideology of the ruling circles just like it started to lose its intellectual and spiritual might. It was Confucianism which became the official ideology of that period of time. The reason for such a sudden decline of Buddhism remains inexplicable. A. K. Reischauer after scrutinizing and making a thorough review of this issue outlined the rivalry between the neo-Confucianist teachings and the conviction of certain academic schools that Buddhism had been introduced from the outside and was incompatible with the purely national Shinto cult. The Japanese government circles were less interested in Buddhism and consequently it more and more turned into the religion of the grassroots, who had a vague idea of its best philosophic achievements and past glory. Even the brightest Buddhist minds were not able to alter the situation and improve it somehow. The core of the reason is that the Buddhist life philosophy being the generation of the weary civilization commotion did not possess enough constructive power at that critical point. Some of the Emperors of Tokugawa dynasty even treated Buddhism with disgust and considered Confucianism applicable and more acceptable for them and they were sure that it had to be overviewed and revised since some of its teachings were excessively categorical.

Such a negative attitude towards Buddhism and an aspiration to revise the feeling to the classical Confucianism and its essays created a situation which amazingly reminded of the one which occurred in Europe during the Reformation Period. Fortunately this situation did not entail any religious skirmishes or serious persecutions (if not to mention those Christians who were persecuted not for the religious but mainly for other reasons), but from the other side the political influence of Buddhism and the medieval power of the abbeys was declining.

The official State ideology was Confucianism presented in the interpretation by Zhu Xi or Chu Hsi, Chinese scholar. It is most likely that Confucianism was more applicable for the country administration, which at that moment had not completely recovered after the civil wars and the ideology was more appropriate for the maintenance of order and discipline to guarantee security for the ruling circles. The uppermost concept of Confucianism was justification and defense of the privileged supremacy of the ruling classes which allegedly was established by the Heavenly hierarchy according to which the junior should submissively obey the senior and the inferior should comply with the over-ranking ones. The core of this teaching was the concept of an obligation and loyalty of the junior to the superior which was expressed in the following five form of human relationships with regard to the State and the family, more specifically: between the governor and the subordinate, the father and the children, the husband and the wife, the elder and younger brother

ers and between the friends. Zhu Xi-ism added up into Confucianism a philosophic grounding by highlighting two inceptions in all the things around: «Lee» which was a reasonable creative power and «Tsi» which implied the passive items corresponding to the spiritual and sensual human aspirations. It should be noted that the spiritual origin was reviewed as a positive encouragement of the progress while the sensual was considered as a negative point impeding the movement onward. This was an exclusively humane teaching, extremely intellectual and adjusted for the public needs. It lacked any metaphysics, any mysticism which did not fit into the conscience of pragmatic Japanese.

These philosophic and political aspects were advanced and were mainly developed and it had never become a religion. The main people's religions were Buddhism and a bit overshadowed Shinto.

Buddhism, Confucianism and Shinto were peacefully co-existing which favored the fusion of the adopted religious and philosophic systems and local religious customs and faiths. This fusion was carried out in different ways. One of the basic ideas was a concept which represented Buddhism, Confucianism and Shinto in the form of different stages of the life of a human being and the society in general: the Shinto sphere represented the past, the nation's and the government's origin while Confucianism represented the present, the moral aspects of the civic management and Buddhism embodied the future and after-life existence. Different Buddhist sects adhered to various Syncretic forms.

The period of time commencing from the middle of the XVI-th century up to the middle of the XVII-th century was named by the Japanese researchers as 'The Christian century' since it was the brightest event in the spiritual life of the country and which was marked by the encounter of the two cultures – the Japanese and European civilizations.

The first contacts between the Japanese and European cultures were made in the middle of the 16-th century. In 1543 on the Kusu Island there appeared the first Portuguese merchants and they were followed by the Jesuit missionaries. Francisco de Xavier was the first Spanish Jesuit who arrived in Japan with the purpose of preaching Christianity. Later on he was followed by other missionaries – representatives of different Catholic institutions such as: Franciscans, Dominicans and Augustinians. The preaching of these missionaries was successful and by the end of the XVI-th century there were hundreds of thousands of those who had been converted into Christianity. The most prudent historians defined the maximal number of the Christians by that time as 600 000 persons, while the majority of the scholars assume that there were more than one million people. The total population by the start of the XVII-th century amounted to about 26 mln people.

Such successful start for Christianity and to be more precise for Catholicism at the beginning of the century



can be explained by a number of reasons. We have mentioned already that at that period of time in Japan there was a powerful religious unrest and within Buddhism itself there appeared different sects. The brand new religion surrounded with so much glittering splendor and brilliance as compared to Buddhism was more influential and impressed more the susceptible Japanese. The first Jesuit institution which had arranged by the first Japanese mission did not spare any resources to ensure its flourishing.

The Portuguese tradesmen were preaching Christianity through the Jesuit mission but since their primary target was the commerce development – and the Portuguese were heavily supported by the local numerous dimes (princes) who were willing to benefit from that trade activities with the Portuguese merchants and therefore the Japanese followed the Jesuit preaching and forced the inhabitants of the property to accept the new faith. The main location for the dissemination of the new faith was the Kyushu Island from where the new teaching began spreading all over up to the northern provinces.

If the energetic penetration of the European tradesmen had not encountered the obstacles on their path then the situation could have been changed, but the attention of the Shogun authorities was attracted by another aspect of the foreigners. The commercial contacts with the abroad, the appearance of firearms and other promises of the European merchants and missionaries galvanized among the Kyushu Island's tradesmen a desire to get separated from the central government. That was the start for the separatist movement occurrence. In 1637 in Japan there was an uprising under the leadership of Simabara held when thousands of Christian adherents in the Khisen province on the Kyushu island against the Shogun oppression and as a consequence of which there was a severe surveillance over Christianity established. Since that time it was prohibited to import any Christian literature, to promote any emigration of Japanese to other countries as well as to promote their repatriation. The rebellion was suppressed.

The country which for decades had been subject to numerous murderous feudal contentions and conflicts was reunited under the aegis of Tokugawa shoguns with sword and fire and was facing now the threat of breakdown and transformation into a European countries' colony. At that point the central government of Japan banged the door and shut down the country for the contacts with the aliens. Under penalty of death it was prohibited to allow any foreigner to enter the country, it was vetoed to disseminate and preach Christianity, it was taboo for the Japanese to leave the country for overseas and it was barred to build ships for the open sea travelling. Scanty commerce was preserved only with the Chinese and Dutch merchants which was carried out through the built trading posts of Nagasaki city.

From that moment on no quarter was given to anyone. Christianity was eradicated with the sword and fire, and the adherents of Christianity if they did not disavowed

were subject to execution. In 1639 Christianity in Japan was completely eradicated and only 80 years later it had found its first adherers.

But still there is another standpoint. Severe persecutions of the Christians by the authorities, ostracism of missionaries, a strong-willed determination to shut down the country offered a suggestive way to explain the failure of Christianity in Japan by promoting purely historical circumstances. However, as the further developments show, the situation in reality was much more complicated. Even under the conditions of assured and sheltered liberty of speech (partially right after the Meiji Restoration – «明治維新» in 1867; and completely with the end of the World War II) Christianity could not enable to provide a sufficient reinforcement for itself in the country. Consequently one can conclude that the problem was not linked to certain historical conditions but mostly to the general cultural environment. Many reasons against Christianity outspoken in the XVII-th century remain to be topical even these days.

The principal arguments versus Christianity can be subdivided at least into three groups: 1) Christianity as a system of values was incompatible with the fundamental principles of the Japanese culture; 2) occurrence of the internal contradictions within the Christian dogmatics; 3) non-performance by the Christians (predominantly by the missionaries) of ethic religious norms.

In the given publication we have reviewed the first group of arguments as the most significant ones from the point of view of comprehension of the nature of the arising cultural rejection.

The basic grounding for the discomfort and anxiety of the Japanese 'government officials' was their firm belief that dissemination of Christianity would undermine the integration and stability of the country since the main idea of Christianity was the commitment for God versus the bureaucratic-and-military and domestic hierarchy. Therefore the disregard of this fundamental element of Shinto and Confucianism entailed the interchange of the dynastic lines in Europe which was luckily avoided by the Japanese. Therefore the Japanese remained extremely negative to those items stipulated in the Scripture where the significance of the blood relations was depreciated. Also for the maintenance of the social order the recognition of confessions practice was acknowledged to be destructive. As per the opinion of many Japanese the indulgence (remittal) by a priest led to the increase of criminality and disruption of the moral foundations of the society.

The Christian concept of the Sole Creator was subject to the severe criticism. And in compliance with the Japanese visualization the heavens and the earth were not created whatsoever and therefore had neither the beginning nor the end. Consequently the Christian cosmological pattern of comprehension was rejected.

Another stumbling block for the Japanese was the anthropocentrism of Christianity. The opposition of the animal world to the humans is not so distinctly expressed as compared to the western culture. In accordance with



the Japanese module the human being is a particular manifestation of the all-round life stream.

The principal religions in Japan during the period of the reign of Tokugawa dynasty remained Buddhism and a bit overshadowed Shinto while the official State ideology was Confucianism interpreted by Zhu Xi or Chu Hsi (朱熹), Confucian (Chinese) scholar.

During Tokugawa reign in Japan there was an integral system of life philosophy built and in accordance with that

concept the humans felt obliged to the surrounding nature, were bound for God's grace, were grateful to the parents and ancestors for the gift of life, and they felt bound to obey their political governors. Japan underwent a lot of changes which occurred during the reign of Tokugawa dynasty (which was terminated in 1867), however the majority of the spiritual values which had been developed at that period still continue to impact the Japanese society even nowadays.

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# “Soviet Legacy” of Political Legitimation in the Process of the Post-Soviet Democratization

LYAZZAT TUNGATAROVA,

*Ph.D., Associate Professor at the International Information Technologies University*

**T**he problem of political legitimating appears to have been remaining for a long time as one of the most interesting on an extent of mankind history, since the statehood formation. The reference to the given theme is represented today as rather updated and hard transit period, as a fight between “the right of a force» and the «force of the right» endured on all post-Soviet area. These processes are connected with an elimination of a negative legacy of Soviet “command system” - an alienation of the power from the person and the person from the power; it also involves consideration with needs of the enforcement of the legal and political culture.

It is quite natural that in the post-Communist and Post-Soviet countries, developing a civil society and “rule-of-law state” (“pravovoe gosudarstvo”) meet the considerable challenges interfaced with a change of substantial aspect of the political legitimacy, therefore all the processes anyhow connected with legitimacy of the power, become the objects of steadfast attention of politicians, scholars, all ordinary citizens - all who are not indifferent to the destiny of their state, prospects of its development and future.

As it is known, the legitimacy as the special social and legal phenomenon means:

- firstly, “comprehension” by the dominating subject the right to rule and dominate, the possibility and ability to carry out the power and dominance;
- secondly, acceptance and perception of the power, recognition of the dominance by the dominating subject as legal and lawful one.

Thus, the political legitimacy is formed as a whole in the process of its legitimation, directed on the statement of its “legal and fair” acceptance within frameworks of the law. In case if the authorities’ activity does not justify society expectation, does not provide and protect its interests, does not establish a balance between the state and private interests, legitimacy crisis could occur that might lead to the de-legitimation and finally to the loss of the power by the dominating subject. Disintegration of Soviet Union in this case is an example of the sharpest legitimation crisis, through which the Soviet power in the name of its dominat-

ing subject – Communist Party of the Soviet Union - lost its legitimacy and led to the state disintegration.

That’s why the issue of Soviet influences in the current process of political reforms on the post Soviet area.

«In the conditions of the post-Communism, the legitimacy represents an issue in several major senses.

Firstly, it is a question of historical return to the legitimacy practice after the long-term domination of the illegitimate — “self-legitimate” — authorities;

Secondly, it is an issue about artificial implantation (by means of the purposeful propaganda or planned ideological activity) of that system of values which should develop historically (in culture, traditions, language, customs, etc.) and which creates legitimation basis and legitimacy potential of the newly political system./1/.

Practically everywhere the new states authorities should consider the experience of the «Soviet legitimacy». It is an issue of an availability of a legitimacy potential in a society — ideological moods, level of individual’s consciousness, the general values — all an “amalgam” of the diversified principles of the post-Communist power and a new political mode of legitimacy.

Thus it is necessary to consider an influence of previous Soviet experience and first of all, owing to the developed circumstances, the specificity of the party-state Soviet power, has become important. Specificity of the Soviet power nature allowed “combining” in a certain degree the various types of legitimacy and legitimation, and in certain cases compelled to “elaborate” its own, specific kinds of the both.

It is helpful to know not only the reasons of its failure (de-legitimacy and de-legitimation of political power), but to point out whether there was any Soviet legacy in the post Soviet process of political power legitimacy.

The analysis of this political legitimacy and legitimation crisis, which preceded disintegration of Soviet Union is actual and interesting because in a certain measure it allows to clear a situation developing now (in this respect) on the post-Soviet area.

Disintegration of Soviet Union led to the formation of the new independent states. The starting point of its Post-



Soviet development was formally identical. During the Soviet period the one and the same official ideology and the official institutional system were dominated. The declarative purposes, which the new post Soviet independent states put as the goal in their Constitutions, are very close if not identical - democracy, human rights, market economy. Nevertheless, the results of the Post-Soviet development are very different.

If to make a start from an estimation of political and a civil freedom on a scale from 1 to 7, of all countries of the world which are exposed every year by the American non-governmental organization «Freedom House» since 1972 on the basis of rather complicate procedure, where 1 means - maximum democracy, and 7 - the maximum totalitarianism, it appears that the general estimation of the USSR in 1991 had 4 (both on political, and civil freedoms) /2./

«Thus, the USSR as a whole was estimated as being a halfway from totalitarianism to democracy. On that point it had died. Further a process of political development divergence of the ex Soviet republics» begins, or it is more true to say - proceeds, for it has already begun «inside» the «Gorbachev's "USSR"» /3./

All three Baltic States actually in the end of the Soviet epoch almost created political systems where power rotation was carried out within the «fair play» limitations of stable democratic elections. In these countries the political opposition and parties in power had interchanged the positions several times, and never persons and parties in power had tried to turn away their political opponents from, using illegal methods or changing the legislation. In Tajikistan, Kazakhstan, Kirghizia, and even in Belarus nevertheless there was a real legal opposition, the political system was organized through the way that they practically could not come to power as it used to be in Soviet Union. In Uzbekistan the legal opposition now practically is not present, and there is only so called «pseudo-multi-party system». And in Turkmenistan there is no any of it.

Turkmenia and the Baltic States are two poles of Post-Soviet political development. In the Soviet period in these countries the formal institutional structure was identical. From the point of view of D.Furman «Now they are so different that even to compare them senselessly». The reason of so striking divergence D.Furman sees in civilization distinctions - from the point of its origin of Muslim, or Christian civilization. As he points out, «if post Soviet countries in some years could become either such as Turkmenia, which is according to freedom estimation equal to Libya, Saudi Arabia and the North Korea, or such as the Baltic States which estimation of freedom is equal to the one of Britain and Switzerland, that means that the factor of the general Soviet legacy practically has not constrained and directed their development» /4 /.

On the other hand, the similar argument does not explain existing distinctions in political modes of Turkmenia and, for example, Azerbaijan and Kazakhstan if to correlate them on civilization - Islamic - origin. Besides that the argument of such correlation demands the additions and specifications (the level of influence, as well as the «nature» of Islam practically in all former Soviet «Muslim» republics considerably differs), it also does not explain «the Belarus phenomenon» - why has this «Christian/Orthodox» (on civilization sign) republic appeared in the same line with

former Soviet (but Muslim) «colleagues». Besides, the «civilization» factor does not explain the various nature of political modes within one - in this case religious - civilization in such countries, as Southern and the North Korea, until recently - East and West Germany, etc.

Most likely, it is possible to agree with D.Furman's conclusion that it «is one of factors of the political development which impact could be modified by the action of other factors». /5/.

Among the other factors which have affected on Post-Soviet «democratic» divergence, on what place is possible to put «the Soviet legacy» in terms of its Soviet type political power and the practice of its legitimacy?

The overwhelming majority of experts in «the Soviet» Central Asia agree with the fact that «in the course of the twentieth century Central Asia was able to achieve a certain social and economic progress ... solely because of the totally nonmarket character of the Soviet economy. Over the decades, enormous resources were pumped into the region: in the final analysis, these investments enabled Central Asia to reach a high level of economic and social development.» /6/

If Soviet «economic contribution» to development of the Central-Asian republics does not raise the doubts (that as in a whole is fair for all former Soviet republics), it isn't quite natural to track political «consequences» of this contribution. Current development of the given region in many respects depends on the economy which «had been made from without» /Ibid/ during the Soviet period. If «not market character of the Soviet economy» promoted formation of the reached economic level of the Central Asian states, may we consider as one of the influential factors the legacy of the political system that referred to the «not market character of the Soviet economy»?

Following the Weberian tradition, Z.Bauman defines «Soviet» type of political leadership as the fourth ideal type of authority, namely «partynomial». It is characterized by futuristic legitimation, by loyalty to the party as the ruler building the ideal society, and by teleological determination of the macro-social processes. /7/.

Legitimacy of this original type of political power - representing a product of merging the state and party in power - had character of fake legitimacy.

For our research it is important to underline, that this type of authority has no full legal basis. It was the rule outside formal law. /radaev? /"The Soviet model was based on the myth ... in which there could be no scope for formal accountability procedures" /8/

Having assumed the right «to speak on behalf of people» («displaced sovereignty») and having put this statement in the Soviet Constitution, the communistic ruling elite not «troubled itself» by the legitimation in the accepted sense of this concept. «In its basis it was so-called «self-legitimacy» of party - its ideology - based on the belief in «scientific validity» domination.

The power of party administrative personnel, as certain type of bureaucracy («totalitarian bureaucracy» by J.Davydov's definition received in many works under the name «Partapparat» or the «Party nomenclature»), began to enlarge in the process of Communist party power consolidation in the country.

When Bolsheviks came to power after the October revolution they proclaimed the newly formed state as



the state of proletariat dictatorship. «In practice, at small number of proletariat and its ideological immaturity, party leaders came to the power; they also made the new government. Thus, party dictatorship was been established. Party bureaucracy power was raised over bureaucratic state machinery, which was that form of government which received subsequently the name of "partocracy»/9/.

The growth of the bureaucratic party apparatus, quickly taken the form of totalitarianism, was promoted by the strength of the role of party nomenclature. «It is necessary to note that monstrous expansion and strengthening of state powers – not at all a product of "malicious will" come of party leaders» /10/. This was the objective consequence of initial orientation of planned regulation of an economy and society.

According to Bolshevik ideology, the private property and market economy relations were rejected. «However, to do it in practice was not possible, and it was only possible to transform it. As A.Averintsev marked, "the state – named «public»- property, was nothing but the ugliest form all the same private property» / 11/.

Proclaimed due to ideological reasons the private property rejection led to the «enormous work of economy regulation which in the market economy operates through its own mechanism, was shifted on administrative personnel» /12 /

The USSR formally was proclaimed as the state of the workers and peasants, but in fact it was the monopoly in resource distribution that was the crucial matter in the establishment of power. In the Soviet-type system the use of power was basically inefficient in economic terms, and pursued non-economic goals. But it was real dominance. "In the Soviet-type society, highly concentrated political and economic power has no substantial institutional limitations. It has been institutionalized as 'bare' power and direct control over social resources."

Party membership gave the chance to access the power structures (to be the member of CPSU nomenclature), but not guaranteed the success. This membership was the first essential step toward the Soviet sort of power, which mostly expressed as the access to the sources and enjoying the privileges. " /13/

The initial point of nomenclature as the social structure was provided by the range of professional groups, assuming their different decision-making capacities.

The largest share, relatively speaking, of power capacities in the Soviet-type system was accumulated by the ruling strata of high and middle-rank nomenclature members including, first of all, the political (party) leadership and, secondly, the senior full-time functionaries and managers of the party and state. They included the secretaries of party committees, high-rank government officials, the heads of security and the military, the leaders of Supreme Soviets and heads of Soviet executive committees, the officially appointed leaders of all-union and republican public organizations, creative unions, and academies of sciences; and the chiefs and managers of the large state-run enterprises, research institutes, educational and cultural institutions and etc.

It was very mixed stratum, differed inside from their access to the mentioned resources of the power which determined the "volumes" of power.

In terms of capacities that they had, in order to operate the power, being the members of that ruling stratum (it is not right to define it as class, because of mostly inconstant contain and "means of recruitment") the content of power relations, namely, included, among the other: the monopoly in the allocation of resources and produced products; the control of access to information; the opportunities to permit or prohibit the other kinds of activities and even to "authorize" economic rules and the possession of personal influence over people and events.

Possessing the right to control and reallocate the financial, material, labour and information resources, a social actor was capable, as a rule, of making other people his subordinates /14/.

The power of party/state authoritative bodies was absolute domination. The domination based on charisma of the ruling party and so called party/state nomenclature operated by this "machine" exploring people's beliefs for the rightness of the existing order. 'Partynomial' authority had excluded the existence of power in the form of autonomy... Conflicts of interests among groups and individuals had been resolved by the creation of the system of fear. But very often social actors, being objects of ideological manipulation, perceive these interests as their own /15/.

Soviet nomenclature could be named as Soviet elite and the 'behavior' of this elite should be understood through its dual nature – on the one hand, for party members at the higher levels, the commitment to the regime was serious: it was their regime, and they identified with it in an unreserved way. And from another, as much as the real mechanism of their power was derived from another source, the party nomenclature had to declare the need ideological cliché (of "proletariat dictatorship", "class struggle", "victory of communism", etc..) as one of "the game's rule". The basic purpose was to preserve the Marxist-Leninist regime through the people's belief that CPSU is the real representative of the proletariat. That's why the legitimation of the Communist Party as a ruling force for nomenclature was much more important, than their sincere or doctrinal commitment. For the ruling elite of the Soviet Union it was more essential if masses believed that Central Committee of CPSU composed of true believers in Marxism-Leninism.

The regime could derive no legitimacy from its economic performance or from popular consent.

Clearly, the Soviets profoundly feared anything that would subvert their ideological legitimacy, meaning their very title to rule, which brought us to the "paradox". On the one hand, an economic system doomed to work badly. On the other hand, an expansionist and assertive foreign policy backed by the regime's enormous success in creating military might and attaining superpower status.

So its claim to rule should rest on its performance in the arena of foreign affairs, where it was possible to mobilize patriotic and nationalist feelings on its behalf. Without continuing, demonstrable successes in foreign policy, the Soviet Union would have lost its legitimacy more sooner than it happened. Soviet leaders were interested to suppose that Marxism-Leninism was the legitimizing creed of the Soviet system.

Comparing the reasons of Baltic people's de-legitimation of Soviet power, it is possible to underline the other



crucial factor. The Baltics (with the exception of Latvian) had never considered the World War Two as the Great Patriotic War contrast to the other Soviets. The victory of the Red Army had greatly strengthened the legitimacy of the Soviet ideology within the Soviet Union. It was the other bold sample of "charismatic transition" – when the heroic victory of the Soviet people was transited to the CPSU as its achievement.

The victory of the war is the most impressive factor of the Soviet power legitimacy that has been explored by now through the Post Soviet politicians. As one of the most characteristic samples could be the procedure of the first inauguration of V. Putin. All the process might be used as a manual for establishing the political image with the culmination when V. Putin addressed with the Soviet times appeal "Comrades !" (which was annihilated by B. Yeltsin after the collapse of the USSR) to the guard..

Interestingly, that V. Putin likes to appeal to the Soviet symbols. Besides the assumption it might be his personal incline, it's also possible to presume that it is an attempt – knowingly or not - to overcome the lack (or through some versions – crisis) of the political legitimacy that is characteristic for almost all the Post Soviet regimes except the Baltics.

Coming back to the issue of Soviet legacy of "nomenclature legitimation", it is important to notice that this type of authority had no full legal basis. It was rule outside formal law. /16/

Now on the almost all territory of the former USSR, we can see that political Parties have been getting to be a kind of the same strata and political membership are giving not the responsibility to participate in decision-making process on the different stages of party activity but the extra "chances" to have access to "privileges" (such as to avoid the rules or breach the laws).

This question concerning the CIS countries could be risen – first of all – because of one more important reason.

The outstanding Russian economist and the ex-Prime Minister of Russia E. Gajdar, characterizing the Post Soviet reforms, marked that: «The institutes, which were necessary for creating the market economy, assumed by the Western analytics as something given, eternally existing. Meanwhile only in the 90<sup>th</sup>, such fundamental institutes as - private property institution, the free pricing, the competitive environment, the financial markets, bank sector, a labour market and etc - were not in presence earlier in the post-Socialist countries. /-/. And in some cases they were not neither in practice, but nor also in historical memory of the people. The last matter is – the characteristic feature for the vast majority of post-Soviet area. » /17/.

Obviously, that not only economic institutions, but the necessary political ones were absent in practice and in historical memory of the Central Asian people. And as in the economy, in political sphere, all post Soviet states faced the problem to start reforms using the experience they had. In case of Central Asia, the new institutions include the establishment of an effective legislation as the need instrument of the market economy as it was done in Baltic States – they started the process of democratization with the reinforcement of their pre Soviet Constitutions.

As the contest to the other Soviet republics, the Baltics had had their political institutions before they were incorporated into the Communist political system. Above that because of the assessment of 1940, they hadn't experienced such practice of the other part of the USSR where political institutions had been implemented ideologically since 1920s. The other Soviets were "brain-washed" much more and at least for 20 years longer.

Through the other words, for the majority of Post-Soviet republics, in particular republics of the «Soviet Transcaucasia, Central Asia and Kazakhstan», the experience political institutionalism, received «during their stay» in political system of Soviet Union, was if not the first such historical experience, but in anyway, influential enough.

In favour of the given statement says that fact the Post-Soviet world, (the Post-Soviet world without Baltic States) shows the CIS countries certain similarity with that "world", which D. Furman named «the Gorbachev's USSR» - to be exact various models of overcoming of those problems and challenges that "perestroika" policy had revealed.

As it was already marked, development of the given region in many respects depended on the Soviet economic and political system. In the conditions of absence of other statehood and political experience, «Post-Soviet Central Asia» can be an example of a statement that a post-Communist society can really back on the previous traditions and skills of the past - pseudo-legitimate political rule.

In that case the Baltic States succeed to confirm the people's sovereignty. Not surprisingly, that the Baltic States had succeeded in their path to the democracy much more effectively than their "neighbors" from the former Soviet Union. Among them they were the first ones that started during the short time of Gorbachev' "perestroika" to claim the sovereignty through the demands to reveal the contest of so called "Molotov-Ribbentrop Pact". Baltic movements of "People's Front" - as a contest to the other Soviet republics - were organized and united by the idea of non legitimate nature of Soviet rule. Though the other part of the Soviet Union started to put the CPSU legitimacy under the question, from the beginning of M. Gorbachev's "perestroika" the Baltics were much more radical in their political claims. As far as the Soviet constitution had no any procedure description of the declared right to cessation, the Baltics were trying to realize it, proving the illegal status of the Soviet power.

At that time (the end of 1980s) and that case they were the only three Soviet republics that had the matriculate sovereignty to represent their people's will.

It was specific case among the other Soviet republics - most of them still suffer from the lack of "statehoodness".

Back when the political science was only emerging, Niccolo Machiavelli wrote that to rule and to keep power for a sovereign in a new state is more complicated than in one which had already been established and possessed certain traditions.

Dramatic circumstances, under which the leadership in the new independent post-Soviet states has changed, may serve as an illustration of this statement.

To understand what sovereignty is, one cannot stop by finding out who *has* the powers of a sovereign. The sover-



eignty is a political concept and thus bound to the process of questioning of *who should be* sovereign, which tries to provide certain justifications for a political authority where such authorities were previously unquestioned. The point here is that the moment of *questioning* itself – the intellectual vacuum instead of previous unquestioned traditions, which the scholar tries to fill in, forms the integral part of every political concept. It is the contest – dispute – over its exact meaning, which can be present only if the consent and some self-evident social truth between the arguing parties already disappeared.

The actions of Baltics towards their independence were both solid and remarkably legal. They wanted to stress their legal right to doubt the legitimacy of Soviet power – as every sovereignty that is able to create its law and legal system, it was crucially important to follow the rule. The principle of the RULE OF LAW was tried to follow as much as possible (nowhere on the area of the Soviet

Union one could watch the same respect to the legitimacy and legality: we can remind the fact from the Russian elite fighting for power when one its part ordered to attack the house of Russian parliament by tanks).

The higher rate of Baltic political culture has prevented their states from the “bad legacy” of the Soviet politics that influenced the other ex Soviet states.

For the rest former Soviets it means to solve the task of overcoming “the gulf between systems that enjoy the formal attributes of democracy, including constitutions enshrining the principle of the separation of power, and practices that fall short of genuine constitutionalism” /Russia and its Constitution. Promise and Political Reality. Ed. By G. Smith and R. Sharlet. Boston, Martinus Nijhoff Publishers., 2008.P.1/ For the Central Asians constructing an affective legislation, independent court system, real Constitutionalism may be equal to the building of a new nationhood.

#### Notes:

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7. Bauman, Zygmunt. Officialdom and Class: Bases of Inequality in Socialist Society. In: Parkin. Frank. The Social Analysis of Class Structure. London Tavistock Publications, [N. Y.]: distr. by Harper Row Publishers, Barnes Noble Import Division. 1974. P. 134-140
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# Информация о Казахстанском институте стратегических исследований при Президенте Республики Казахстан

Казахстанский институт стратегических исследований при Президенте Республики Казахстан (КИСИ) был создан Указом Президента Республики Казахстан 16 июня 1993 г.

С момента своего возникновения основной задачей Казахстанского института стратегических исследований при Президенте Республики Казахстан как государственного научно-исследовательского учреждения является научно-аналитическое обеспечение деятельности Президента Казахстана, руководящих органов страны.

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За время существования КИСИ экспертами института издано более 150 книг по международным отношениям, проблемам глобальной и региональной безопасности. Институтом издается четыре журнала: «Қоғам және Дәуір» (на казахском языке), «Казахстан-Спектр», «Analytic» (на русском языке), «Central Asia's Affairs» (на английском языке). Научно-аналитический журнал «Қоғам және Дәуір», научный журнал «Казахстан-Спектр» и информационно-аналитический журнал «Analytic» включены в перечень научных изданий Коми-

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Более подробную информацию о КИСИ можно получить по адресу:

Республика Казахстан, 050010, Алматы,  
пр. Достык, 87<sup>«б»</sup>  
Тел.: +7 (727) 264-34-04  
Факс: +7 (727) 264-49-95  
E-mail: office@kisi.kz  
<http://www.kisi.kz>



# Information about the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan

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and Science of the Republic of Kazakhstan of the Ministry of Education and Science of the Republic of Kazakhstan for publication of primary scientific results of dissertations.

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More detailed information about KazISS can be received to the address:

The Dostyk Avenue, 87"b"  
050010, Almaty  
Republic of Kazakhstan  
Tel: +7 (727) 264-34-04  
Fax.: +7 (727) 264-49-95  
E-mail: office@kisi.kz  
<http://www.kisi.kz>