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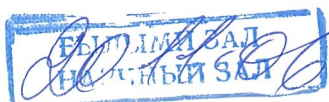
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Kazakhstan's Development Strategy in the Globalization Process: Ideological Foundations

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The efficiency of establishing and developing a state depends, to a certain extent, on the development course chosen by the country's government and political elite. An ideological policy adopted by the political elite and backed by a wide range of population groups is a guarantee of the state's successful development.

The need for a national ideology is driven, above all, by the importance of consolidating Kazakhstani society into a single civil community. This ideology is needed to mobilise society to make a qualitative jump and breakthrough to new socio-political conditions. Rapid modernization, without which Kazakhstan will not be able to join the world's most developed countries, demands a strategy and ideological justification.

The impact of globalization processes on ideology is controversial, but that does not mean that globalization prevents the development of national ideology. Globalization simply sets additional requirements for the content and form of state ideology. In essence, these additional requirements mean that ideology should not lead to a nation's isolation from the international community, but should harmoniously combine national requisites and general human values and aspirations.

A national ideology should be natural and innate to a nation; rather than being alien to a nation, it should be derived from its everyday life. President Nursultan Nazarbayev's state-of-the-nation address *Kazakhstan on the Threshold of a Breakthrough in its Development: Kazakhstan's Strategy to Join the World's Top 50 Most Competitive Countries* says: "It is necessary to harmoniously take into account both general laws of building democratic and prosperous states and important cultural and historical qualities and traditions in our society."

In terms of economic relations, a basis for formulating a national ideology has already been established. Market awareness has already overtaken the minds of almost all able-bodied people, who help to improve the needs and social standards of Kazakhstani citizens. In addition, people's confidence in their well-being is increasingly linked to the country's prosperity.

Since liberal institutions remain weak, our country has just begun to formulate its ideology in terms of socio-political relations. The fact that political processes in Kazakhstan

have become complicated in recent years has led to the emergence of new political entities in the country's political arena, and this has become an important push for the further democratization of Kazakhstani society. The fact that most Kazakhstani citizens understand the need to move towards an open democratic society can serve as a political basis for formulating a Kazakhstani national ideology.

In historical and cultural terms, the situation is more complicated as it is difficult to advance a national ideology that takes into account the traditions of various ethnic groups, which is key since Kazakhstani society is multiethnic and multi-denominational. In addition, Kazakhstani society remained fragmented for a long time for various reasons. For most people, self-identification according to ethnicity prevailed over self-identification as citizens. However, there have been positive trends in this area that reveal optimistic prospects for turning Kazakhstani into a society that transcends ethnicity. This is a suitable basis for building the Kazakhstani national ideology.

An important factor in understanding the Kazakhstani national ideology is to understand the President's vision. Back in 2001, he put forward a number of principles for a national ideology, including ethnic equality, the creative role of the titular ethnic group in developing statehood, the liberalization of the economy through the development of small and medium-sized businesses, and religious tolerance.

In this context, the President's state-of-the-nation address *Kazakhstan on the Threshold of a Breakthrough in its Development: Kazakhstan's Strategy to Join the World's Top 50 Most Competitive Countries*, which offered a comprehensive approach to reforming economic, political and public institutions, is a keynote document containing serious ideological potential. The address is a basis for going on to formulate and specify the main ideological aspects chosen by Kazakhstan when it obtained independence.

The Kazakhstani President's 2006 address, like his other speeches, is distinguished by a systemic and consistent approach to the process of modernizing Kazakhstani society, and logically continues and supplements the strategic policy on the state's development specified in the *Kazakhstan-2030 Strategy*. The key priorities of the recent address, aimed at Kazakhstan joining the world's most competitive and developed countries, are another step in fulfilling Kazakhstan's strategic objectives.

Delivering his annual address at a joint session of Parliament, the President noted that Kazakhstan was entering a new stage of socioeconomic modernization and political democratization. Indeed, stabilisation of the country's socioeconomic and socio-political situation makes it possible to focus attention on further, more successful integration of Kazakhstan into the world economy and the development of new economic and socio-political institutions in modern Kazakhstani society, and to identify the best means and methods of strengthening these institutions.

An important new idea for contemporary Kazakhstan is the concept of competitiveness. This extremely meaningful concept signifies the ability of Kazakhstanis to respond to modern challenges and to occupy their place among the leading countries worldwide. Turning Kazakhstanis into a competitive nation is a topical issue and an important ideological move.

The main components of the new ideology ensuring Kazakhstan's competitiveness are as follows:

Firstly, the main precondition of a modern and dynamically developing society is a competitive and open market economy based on respect for and the protection of private property and the contractual relationship, and the initiative and entrepreneurship of all members of society. Moreover, a developed market economy, which is interacting harmoniously and in a mutually beneficial manner with the world economic space, is a necessary condition for developing a democratic state.

Secondly, special attention is given to the social sphere. There is emphasis on building a socially-oriented society that gives special attention to the elderly and young people, and ensures high living and social standards for all strata of the country's population.

Thirdly, Kazakhstan is building a free, open and democratic society. Last year, the country launched the discussion of a national programme for political reforms, announced by the President in his February 2005 address. This programme offers a comprehensive approach to reforming state, political and public institutions.

Discussing the further democratization and modernization of the political system, the President said: "We shall continue large-scale political reforms in the country to boost the efficiency of the political system and the form of government in Kazakhstan."

Fourthly, there is the need to consistently create and strengthen a law-based state built on political checks and balances. The President believes that one of the reasons for our delusions is that the government's liberalism is perceived simplistically as weakness and an inability to veto the "frol-ics" and "whims" of wilful status seekers.

Indeed, democratic rights and liberties should not be understood as anarchic permissiveness; in contrast, the es-

sence of democracy is manifested in strict and meticulous observance of the law and democratic rules and norms, and in terms of respect for civil rights and liberties. That is why it is important to establish a strict system to protect rights while developing democratic traditions. The President's address says: "We should finally strictly punish any violation of the law; there should be accountability for slander, bribery and violence, and if need be, certain laws should be reconsidered."

Fifthly, there is the need to further maintain inter-denominational accord and civic peace in our country. It is important to develop the centuries-old traditions, language and culture of the ethnic Kazakh people, ensuring interethnic and inter-cultural accord and the progress of all of the people of Kazakhstan. Kazakhstan now guarantees and ensures the full equality of all religions and develops the best traditions of Islam and other world and traditional religions.

The country now has all the preconditions to hold a fully-fledged dialogue and ensure stability and steady development, including the latest initiatives advanced by Kazakhstan's leadership, such as proposals to create an international headquarters for inter-denominational dialogue, the Eurasian charter of inter-denominational peace and accord, signed by heads of state, and the Second International Congress of Leaders of World and Traditional Religions in Kazakhstan. The address says: "The international community has already recognized our consistent policy of maintaining tolerance and inter-denominational and inter-cultural accord between all of the ethnic groups living in our country, which represent the whole people of Kazakhstan. This is a nation that is actively building a modern and competitive secular state. That is why I would like once again to confirm Kazakhstan's readiness to act as a centre of international inter-cultural and inter-denominational dialogue, especially when we have already accumulated such experience."

Sixthly, our country is now a full-fledged and responsible member of the international community, and Kazakhstan is fulfilling important functions to maintain geopolitical stability and security in the region.

Thus, the main strategic priorities and aspects of the address, which are the basis for Kazakhstan's state policy, can serve as the main components for building a Kazakhstani national ideology. The development strategy offered by the President is without any doubt a complete ideological document that should direct our country's future development. Consolidating the whole of Kazakhstani society, strengthening citizens' identification as such (i.e. as citizens) and solving the important socioeconomic and political problems of strengthening the state – this strategy will help strengthen Kazakhstan's position in the globalizing world.

International and Regional Organizations and Their Role in Ensuring Security in Central and South Asia

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It is well known that the regions of Central and South Asia were closely interrelated historically. In the present, the economic and geopolitical processes dynamically taking place in Eurasia have put new challenges before the countries of this region, and the solutions are only possible with a joint approach. Trade and political relations between the countries of South and Central Asia have still not fully developed because of geographical, economic and geopolitical factors. At the same time, mutual interest is growing. Objectively speaking, this interest is due to a number of related problems of economy and security. It undoubtedly includes both "old" and "new" issues. As a whole, they are related to the situation in Afghanistan, Indo-Pakistan relations, the policies of Russia and of the US, activation of Iran, mutual relations with a more common regional neighbor, i.e. China, the problems with development cooperation in energy, transportation and other sectors.

The presence of huge economic and cultural potential and vast human resources make South Asia one of the most preferable partners for the countries of Central Asia and one of the corner stones in the potential system of international security. At the same time, progress in these spheres is possible through the formation of an effective system of security that can fulfill present-day requirements. The security in the South Asian region depends, in the first place, on India, on its relations with the countries of the Middle East and South-East Asia. The problems faced by this Great Power will naturally worry its neighbors. It can be said with almost full confidence that problems faced by Powers such as India have global character, and thus their solution will affect not only their immediate neighbors, but also distant surrounding countries.

From the very beginning, India has been taking an active part in the processes of the Conference on Interaction and Confidence Building Measures in Asia (CICA) to allow it multilateral interaction with the countries of Central Asia. For Kazakhstan, this is a very important aspect of the bilateral relations. Beside this, Delhi has shown interest in the "Shanghai process" right from the time of the formation of the Shanghai Cooperation Organization (SCO), and India has been an Observer country in SCO since 2005.

PROBLEMS AND PERSPECTIVES OF CICA

The idea of the Conference on Interaction and Confidence Building Measures in Asia (CICA), about which the Kazakhstan President N. Nazarbaev spoke at the UN General Assembly session during the October 1992 UN forum, was the first global initiative by the young Kazakhstan. Asian countries, which do not have very good relations with each other, are in many cases carrying the burden of historical problems, caused by their colonial past and present-day ethno-religious, economic and cultural-civilizational differences. The Kazakhstan Foreign Office thinks that in this case the CICA is an initial step towards the formation of a comprehensive security structure in Asia. The realization of this idea could become the basis for creating a Eurasian, and, later, a global security system. It could also activate the processes of economic, cultural and social revival in Asian countries.

Kazakhstan considers it significant that the idea of the convening the CICA conference received support from a number of big Asian countries, including those who the political climate in the continent depends on, and international organizations (UN, OSCE, LAS - League of Arabian States). In 1993, consultations between the experts of Ministries of External Affairs of Asian countries started taking place. During the period from 1995-2000 nine meetings of the Special Working Group (SWG) were held in Almaty. Key discussions were held about the drafts of the basic documents of the CICA – "The Procedural Rules of CICA", "Declaration of the Principles of Mutual Relations of Member-Countries of the CICA", and "Structure and Institutions of the CICA".

The meeting of the Deputies of the Foreign Office, conducted by the Ministry of External Affairs of Kazakhstan on February 7-8, 1996 in Almaty, in which 23 Asian countries were represented, showed that there are significant differences in the approaches of these countries. In accordance with the memorandum, distributed by the Kazakhstan side, a Standing Contact Group was formed on a voluntary basis comprising of the representatives of the embassies of the participating countries, accredited in Almaty. The Contact Group was entrusted with the following tasks: holding con-

sultations, exchanging views, evaluation of the documents of the Conference with the involvement of the scholars of Asian countries and international organizations when the CICA is not in session. In October 1998 an International Colloquium on the matters of the CICA was held in which 24 experts from 12 countries took part, including non-members. This Colloquium helped to widen the horizon of future prospects of CICA, as did meetings of senior officials.

A meeting of Foreign Ministers of the participant countries of the CICA took place on September 14, 1999 in Almaty. The Kazakhstan President N. Nazarbaev also took part in this Ministerial meeting. This meeting resulted in the signing of the Declaration of Regulating Principles of Relations between the Member-Countries of the CICA. The document, consisting of 8 parts, includes the basic principles of ensuring international security: respecting the sovereignty and rights of participant-countries; protection of territorial integrity; non-interference in each other's internal affairs; the peaceful solution of disputes; non-use of force; disarmament and control on arms and weapons; cooperation in social, trade-economic and cultural-humanitarian spheres; respect for fundamental human rights in accordance with the principles of the UN and international law. According to Kazakhstan, a juridical foundation of the system of Asian security was laid. At that time the member-countries of the CICA were: Afghanistan, Azerbaijan, China, Egypt, India, Iran, Israel, Kazakhstan, Kirgizistan, Pakistan, Palestine, Russia, Tajikistan, Turkey and Uzbekistan, and the observer-countries were: Australia, Indonesia, Japan, Korea, Mongolia, Ukraine, the USA, Libya, Vietnam, Thailand and Malaysia. Besides these countries, the UN, OSCE and LAS are represented in the CICA as Observers.

Macroregional initiatives on creating an Asian system of security were proposed by a number of countries (including the erstwhile USSR) in the second half of the last century, but they failed because of a number of reasons. Some of the initiatives failed because they were too comprehensive and as a result suffered from being too declarative and lacking "threadbare" questions, that would bring together all the participants. The main hindrance in the implementation of some of the other initiatives were the very strict conditions for their realization, which the conflicting parties with their different political and economic systems were not prepared for in the first place. The stumbling block in the implementation of the third type of initiative was the geostrategic rivalry of World Powers aggravated by global ideological differences.

The Declaration of Regulating Principles of Relations between the Member-Countries of the CICA (signed by the Heads of Foreign Office of member-countries of the CICA on September 14, 1992) lacks an imperative approach, but this inevitably leads to the declarative character of a number of principles in such a case. At the same time the following were resolved as being the main objectives of the CICA: the widening of the spheres of common interests amongst countries with different foreign policy concepts and solution of issues, relating to all the countries in the Asian region. In our opinion, here lies one of the main threats to the CICA process. By following numerous wishes and conditions of the participants of the CICA, this idea may turn into the usual duplication of the Declarations of the basic principles of the functions of the UN. The other aspect of the problem, in the absence of direct confrontation of World Powers, is the competition of medium and small countries, nursed by their regional ambitions, which may also include their foreign policy initiatives. In the President of Kazakhstan's

view, this Declaration is just "the skeleton of the process" and the next task is to "put some flesh on it" [1].

According to Astana, during the working meetings the Kazakhstan side proposed some new principles that would give impulse to the CICA process. One of the problems at the stage of preparation of joint documents is a difference in the vision of the solution to some problem by the concerned sides, or an absence of common problems amongst various countries. To solve this problem, work was carried out to prepare a catalogue of Confidence Building Measures at regional and sub-regional levels. The purpose of this catalogue is that the participating countries will have the possibility to choose and concentrate on the solution of a wide range of issues and problems, the solution of which is relevant to them. The participant-countries have the right to choose solving which problem should get priority. The problems under the reference are: disarmament and arms control; confidence building measures; the fight against international terrorism, narcotics trade and illegal circulation of fire arms and nuclear materials; the problems of refugees and so on.

One more important aspect is the attempt to rely on the principle of collective security so far as the activities of the CICA are concerned. The concepts of collective security with a rigid bloc-based approach, which were typical during the period of two World Wars and the confrontation of World Powers, are no more relevant and, according to the propagators of the idea of the CICA, they reflect a bygone era. In other words, the collective security presupposes that all the sides will be interested in the process of the CICA not with the purpose of protection from a third country, but with the purpose of maintaining peace and stability, and resolving existing problems and taking preventive action so as to avoid possible conflicts. For example, this approach has been reflected in the Declaration of principles. The Declaration clearly states: "the member-countries emphasize that any bilateral or multilateral military agreements should not be directed against any third side, and they should not harm the security interests of other countries" [2].

After the Ministerial meeting, the Kazakhstan Ministry of External Affairs, spelled out some basic aspects of its activities, taking into consideration the basis already formed by the CICA: 1) the military-political dimension of security; 2) economic cooperation; 3) interaction in humanitarian sphere and in the sphere of human rights. For example, the problem of unresolved territorial disputes is one of the main problems for most of the countries in this region and it dominates their relations with their neighbors, making it difficult to form an atmosphere of trust and cooperation in Asia. The subcontinent abounds in "hot spots" caused by territorial claims, and this problem is a threat for all Asian countries without exception, and made even more so because there are different religious, ethnic and cultural groups in practically every country. As an example, Shanghai Agreements were cited as a solution to such problems within the framework of the CICA [3]. One more important aspect of the activity of the CICA is the problem of disarmament and the control of arms and weapons. The arms race, including the problem of nuclear weapons, still remains and has instead become more active at regional and sub-regional levels.

The most complicated work, generally, is in the "adjustment" of positions and the working out of an effective mechanism for the realization of the CICA's objectives. As has been said above, Asia is an extremely mixed region, with a variety of political and economic systems, and a prevalence of ethnic, cultural and civilizational differences. At present,

the world is moving along the path of regional integration. Examples of effective economic regional integration in the North American continent (NAFTA), in Europe (EU), and in South-East Asia (ASEAN) are evidence of their powerful positive influence on the formation of regional systems of security. Of course, at present, Asia is very much fragmented geopolitically, but, in principle, the idea of the CICA is meant for the future. It is necessary to start this organization functioning by creating effective mechanisms.

Experience of the functioning of regional organizations such as the OSCE and the Organization of Islamic Conference (OIC) could be useful in the formation of the future structure of the CICA. The question of optimum integration with world political-economic structures is an important one for Kazakhstan as well as for the other countries of Central Asia. The first step in this direction will be the creation of a wide-ranging communication network which will provide outlets to the world centers of transport and communication.

A special role in ensuring security in Asia lies on the shoulders of the big regional powers: China, Japan, India, Iran, and Turkey, and also on the regional associations: the League of Arab States (LAS), OIC, ASEAN and others. Mutual interest and economic expediency could form the basis for the formation of a system of Asian security. Simultaneous economic, cultural and political development of Asian countries is not one of the main sources of threats to the security of the subcontinent. The above-mentioned organizations having mainly economic aims promotes to a great extent the strengthening of mutual confidence between the peoples and countries of Asia and also helps to promote their social and political equality.

Thus, the idea of the CICA is very close to the strategy of developing the transportation network of the countries in Central Asia. We feel that to a great extent these two ideas are complementary to each other – the idea of the CICA as a geopolitical strategy at the level of the continent, and the local steps Kazakhstan is taking to create foundations for subregional and regional cooperation. Taking this into consideration we can conclude that communication infrastructure and trade and economic cooperation will really push Asian countries to active interaction and confidence building measures.

At the moment, the different models of comprehensive Asian security can remain only as good intentions unless the functional powers of the CICA are clearly defined. The effectiveness of this organization will depend to a great extent upon how much wide-ranging and influential its executive will be. The world experience of the functioning of this type of organization shows that their activities are directly related to an effective mechanism of influencing the participant-countries of the organization. It is not possible within the Special Working Group (SWG), in essence, to have some mechanisms of influence on the participants of the CICA. It appears to us that SWG is only an intermediary arrangement which is meant to create a base for the formation of a fully-fledged organization.

Only after solving this organizational problem can the idea of the CICA be taken to the next stage in the near future – the stage of determining the basic fundamentals and concrete mechanisms of influence.

Their essence can be briefly summed up in the following two closely interrelated elements of economic cooperation:

- firstly, the expansion of transport-communication systems in the Asian subcontinent;

- secondly, the deepening and diversification of trade and economic contacts of Asian countries.

Naturally, this significant work is meant for the future. Expansion and diversification of trade and economic contacts between the countries of Asia, in fact, will activate well-tested and sufficiently effective economic mechanisms for solving regional problems. In this matter, obviously, a very scrupulous and careful approach is required because the wrong decisions will only aggravate old conflicts and give birth to new ones. The situation in Afghanistan clearly confirms this.

Thus, after the Ministerial meeting, the participant-countries of the CICA took the decision to hold a Summit in the autumn of 2001. Before the Summit meeting in November 2001 the Kazakhstan side tried to bring about a consensus on the positions of different sides. In 2001, the Minister of External Affairs E. Idrisov and his Deputy K. Abuseitov visited the countries of Asia with the purpose of reaching a consensus on the documents that were being prepared for signing, and, as special emissaries of the President of Kazakhstan, to personally deliver the invitation to the Heads of States and Heads Governments to participate in the Summit. In the opinion of the propagators of the CICA, the most appropriate time for holding the Asian Summit had come [4].

The Kazakhstan experts have put forward the idea of forming a cooperative structure of security in the continent based on the principle “New Regionalism”. For example, at present, in Asia there are regional structures that are based on geographic principles - ASEAN, SAARC, and OSCE - which have spread the sphere of their activity to Central Asia. There are organizations based on different political and economic aspects of international life – the LAS (League of Arab States), the OIC (Organization of Islamic Conference), and the ECO (Econometric Society).

At the same time, in the opinion of K. Abuseitov, the CICA is a structure like that, whose activity is based, firstly, on the expansion of spheres of common interest amongst the states with different foreign policy concepts and, secondly, on the solution of the problems, related to all of the countries in the Asian region. Here lies the main purpose of the CICA and this very fact is determining the growing dynamics of the development of this Conference as a multilateral forum. Different sides have come to the view that it is important to work out a joint reply to the new threats of security and, in the near future, take confidence building measures as the main goals of the activity of the CICA. The CICA participants agreed to work on the catalogue of Confidence Building Measures, which the member-countries will have the right to choose from and apply these confidence building measures on both a bilateral and multilateral basis.

The member-countries of the CICA were skeptical about the question of the necessity of institutionalizing the CICA until preliminary questions as to its functioning were answered. All the sides agreed that regular meetings would be organized at the level of Heads of States and Heads of Governments and at the level of Foreign Ministers. It was presumed that the President of CICA will be elected from the member-countries on a rotation basis for a period of three years. The formation of the Secretariat of the CICA was also planned [5]. These and other issues became the subject of discussions in Almaty during the meeting of the Working Group from 4 to June 9, 2001. The other important topic was the problem of agreeing to the draft of the final document of the planned Summit of the CICA. During the discussions on the draft of the document differences arose in the positions of different sides on a number of points in the document [6].

At the same time, the CICA Summit which was first planned from 8 to 10 November 2001 was postponed to the year 2002. Kazakhstan Foreign Office commented: "given the conditions of the recent problems of international terrorism, we could not sacrifice the possibility of discussion and taking decisions on other very important problems of regional security and stability which have been recorded in the Almaty Document, and focus the attention solely on the problem of terrorism and as a result transform the Summit into an antiterrorist forum."

"It is clearly necessary to understand that the CICA is much wider than the problem of terrorism. This forum should form the basis of a unique mechanism for strengthening confidence, facing the challenges of modern times, the establishment of multilateral and mutually profitable cooperation of Asian countries in the sphere of security and disarmament, and in socio-economic and humanitarian fields. We do not have the right to lose the conceptual basis of this initiative" [7]. At the same time, it is obvious that the main reason for postponing the Summit was the anti-terrorist campaign launched under the aegis of Washington in the wake of the terrorist attacks of September 11, 2001 in the USA. In Autumn 2001, many of the participant-countries of the CICA, who are neighboring countries to Afghanistan, waited with tension to see what turn the events in Afghanistan would take. Hence, postponing the Summit was fully justified. Otherwise, the Summit would have taken place without proper representation and with poor results.

On June 4, 2002, during the first CICA Summit of the Heads of States and Heads of Governments, the "Almaty Document" and "The CICA Declaration about the Elimination of Terrorism and Promotion of Dialogue between Civilizations" were signed. Astana thinks that using the opportunities provided by the SCO and O-TCS (Collective Security Treaty Organization) will be fruitful and important for the CICA process. During the first Summit Kazakhstan proposed that the observer countries – Japan, Malaysia, Vietnam, Indonesia and Thailand - should become full members of the CICA, which would make the organization successful as a continental structure process [8].

In the Almaty Document, the CICA has been declared as a forum for dialogue, consultations, decision-making and implementation of measures on the basis of consensus on problems related to security in Asia [9]. Besides this, the participating countries declared that "they consider the CICA as a unique Asian forum that includes countries of different cultures and traditions, making it one of the most important mechanisms for carrying forward the dialogue of civilizations and cultures. The participating countries of the CICA intend to develop this dialogue comprehensively and actively, taking into account that Eurasia was not only the cradle of some of the greatest world civilizations, but also served as a bridge between them" [10].

The Almaty Summit Conference on Interaction and Confidence Building Measures in Asia (CICA) of the Heads of States and Heads of Governments held on June 4, 2002 was the result of ten years work by Kazakhstan to realize this initiative. The visits of Kazakhstan leaders abroad, the regular work by the Special Working Groups (SWG), the missions of special envoys, conferences of working groups, meetings of diplomats, international conferences and seminars of scholars and experts - all these measures, which began in 1992, were directed towards activating the process of the CICA.

In December 2005, a meeting of SWG was held in Almaty to study the Catalogue of Confidence Building Measures in three dimensions and in the light of new challenges and threats. Besides this, the most important question was the formation of the Secretariat of the CICA, and the matters of its technical and financial maintenance [11]. At present the basic material itself, which could become the departure point for future talks, is of great significance.

The most important question at present is that of the organizational formation of the CICA. To a great extent, the effectiveness of the CICA will depend upon the authority of the executive of the organization. It is not possible to create some mechanisms of influence on the participants of the CICA within the framework of the Special Working Group (SWG). Undoubtedly SWG is, essentially, an interim arrangement, which will form the basis for setting up a full-fledged organization. The organization should function on a regular basis and consist of responsible members from the participant-countries of the CICA, who will be able to take decisions.

It would be advisable to elect the Secretary General of the organization from the members of the Committee to hold the position in rotation for a period. Opinions of scholars and diplomats from the participant-countries of the CICA will be required in determining the functional responsibilities of the Secretariat and its Secretary General.

In our opinion, without a regular Secretariat of the CICA the whole process cannot make progress. Efficiency and a time-frame, preparation of a Catalogue of Confidence Building Measures, and the functioning of the principles of collective security are only possible when the structure of the CICA has been formulated. The organized establishment of the CICA includes questions of finance, scientific-analytical (academic) provisions, consultations, expertise for taking decisions, selection of the place for headquarters and so on. It is obvious that with the establishment of the secretariat and participating countries taking interest in it, the CICA can become a forum for dialogue among interested parties, with the chance of becoming an international institute of normalization in the future. Delivering his speech at the first Summit of the CICA in 2002 the President of Kazakhstan N. Nazarbaev said, that "much has already been done within the framework of Shanghai Cooperation Organization, and this organization can become an active instrument that provides security and confidence in the vast territory of the Asian continent" [12]. Thus, Astana thinks that the CICA process can also get support from the other actively developing macroregional structure, i.e. Shanghai Cooperation Organization (SCO).

SCO: A NEW DIRECTION FOR MULTILATERAL INTERACTION OF THE COUNTRIES OF SOUTH AND CENTRAL ASIA

The formation and functioning of the SCO and other institutes has been attracting the attention of experts and observers more and more. Obviously, the main reason for this is that prior to the SCO a process was initiated leading to an agreement to settle a whole set of problems relating to the former Soviet-Chinese boundaries, something unprecedented for the Asian subcontinent. Different Asian countries contiguous to the zones of the "Shanghai process" have evinced special interest in the activities of the SCO. Presently the countries of Asia are interested in the SCO, while the attitude of the West and, in particular, the USA, can be

characterized as watchful. The EU, NATO, the USA, and the countries of the APR (Asia-Pacific Region) are trying to determine the potential vectors of the activity of the SCO. Will this organization be carrying elements of the blocs that are typical of the "Cold War" era, or is it meant to solve non-traditional challenges and threats, and problems of trade and economic cooperation? What is its potential for integration? All of these are the key issues for the future interaction of the players in the space of Central Eurasia. The fact that such powers as the PRC and RF are members of one and the same organization with the absence of the USA is something remarkable in the system of present-day international relations. Considering the involvement of Moscow and Beijing in practically all international-political processes in Europe and Asia, interest towards this structure is naturally very high from the countries of the Asia-Pacific Region (APR), South Asia, Middle and Near East, as well as the European Union and, of course, the USA.

From the beginning of 2004, the Shanghai Cooperation Organization started functioning in Beijing, the capital of China. In Tashkent, the Regional Antiterrorist Structure (RATS) of the SCO began functioning. The Secretariat of the SCO in Beijing, according to general opinion, should become a sort of generator of the idea of cooperation between participant-countries and represent the Organization in the world arena, and regulate closer interaction with other international bodies. The coordination of the activities of the "Six Nations" for ensuring security in the Central Asian region and the promotion of trade and economic cooperation in the space of the SCO is also the responsibility of this Secretariat.

Since the St. Petersburg Summit of the SCO, many experts have from time to time raised the question of the expansion of this organization, and at that time Pakistan, India, Iran and Mongolia were mentioned as the most likely candidates. The Rules and Regulations of the SCO envisage different stages of the participation in the organization: partner in dialogue, observer and full member. The interest that a number of countries from the APR, Middle East, Central and South Asia have in this organization is fully understandable. From the point of view of geopolitics, the SCO is developing as an economic, as well as military-political structure. According to a number of observers, out of the member-countries of the SCO Russia had shown interest in the participation of India. Beijing would not be against the participation of Pakistan in the SCO. A provisional plan of mutual relations of the member-countries of the SCO with other international organizations and countries was signed during the meeting of Ministers of Foreign Affairs of the member-countries of the SCO held in Moscow on 23 November 2002. In his meeting with the Russian President Vladimir Putin in Moscow in February 2003 the President of Pakistan Pervez Musharraf expressed his interest in participating in the SCO [13].

The first observer country admitted to the SCO was Mongolia at the Summit held in Tashkent on 17 June 2004. At the SCO Summit in Astana on June 5, 2005 India, Iran and Pakistan got the status of Observers. Thus, the President of Mongolia Nambaryn Eikhbayar, the First Vice President of Iran Mohammad Reza Aref, the Prime Minister of Pakistan Shaukat Aziz, and the Minister of External Affairs of India K. Natwar Singh participated in the SCO Summit in Astana as guests. In their congratulatory speech addressed to the new observers the leaders of the SCO countries drew special attention to the significant po-

tential of the SCO. The Kazakhstan President emphasized, that the meeting of the leaders of member-countries and observer-countries of the SCO represents half of humanity. The Kazakhstan President said that the security of Central Asia directly depends upon properly coordinated actions by the member-countries of the SCO in the fight against new challenges and threats [14].

As a result of the meeting, the leaders of the member-countries of the SCO signed seven documents. As a continuation to perfecting the mechanisms of multilateral cooperation, work on creating a Development Fund (Investment Bank) and setting up of the Business Council of the SCO has been completed. The important documents that were signed are: the Concept of Cooperation between the Member-Countries of the SCO in the Fight against Terrorism, Separatism and Extremism and the yearly Declaration by the Heads of the Member-Countries of the Shanghai Cooperation Organization. The Summit demonstrated the decisiveness of the SCO countries to continue the strategy of deepening the coordination and strengthening the parts of this Organization – Secretariat and Regional Antiterrorist Structure (RATS). International legal direction has become an important component of the activity of RATS. For this purpose regular contacts have been strengthened not only within the SCO, but also with the corresponding structures of international organizations, like the UN, OSCE, ASEAN, and the EU. There is also cooperation with the UN in the fight against narcotics and crimes [15].

India, Pakistan, Iran and Mongolia acquiring observer status in the SCO was the result of the logical development of this international structure. For example, Mongolia has two geographical neighbors: China and Russia. They are the key foreign economic partners of Ulan-Bator. Even though Mongolia is diversifying its foreign ties, obviously, Beijing and Moscow remain leading players. Moreover, the status of observer for Mongolia does not impose on it the responsibilities that permanent members of the SCO have to carry out. The strategy of balancing gives a chance to Ulan-Bator to maintain certain parity as a small country.

Iran would like to activate its interaction with the SCO in view of the fact that Teheran is one of the important players in the Middle East, in Central Asia and in the Caspian region. For Iran the potential membership of the SCO will be one of the means of getting out of international isolation and developing trade and economic ties in the continental direction. Some of Moscow and Beijing's approaches to the problems of international and regional security are suited to Teheran at a macroregional level. In particular, the rejection of the US strategy of expanding and strengthening its control in Eurasia. The main aims of the SCO, which its founders have put before themselves, are also shared by Iran. Teheran showed interest in the activities of the SCO right from the moment of its formation. Of course, all the three Eurasian powers (the PRC, IRI, and RF) have different levels of mutual relations with Washington and with each other. At the same time, Teheran, Beijing and Moscow are united by their common interests so far as their mid-term as well as long-term goals are concerned, i.e. maintaining stability in the vast region that is Central Eurasia and preventing the US from realizing its strategy of "geopolitical pluralism".

From the moment the SCO was formed, India and Pakistan showed great interest and right from the beginning expressed their intention to participate in its activities. The measures on the solution of border problems, something

unprecedented for the Asian subcontinent which from the beginning formed the basis of "Shanghai process", were welcomed in Delhi and Islamabad with great interest. The goals, which the founders of the SCO have put before themselves, namely the problems of regional security and trade and economic cooperation, are generating increased interest in India and Pakistan. Both the sides are striving not to allow mutual unilateral strengthening and are participating in the activities of the SCO also with the aim of mutual restraint. Pakistan has said that it intends to become a full member of the SCO after the Astana Summit. In turn, Delhi is showing no less interest, and, as some Indian experts of international affairs think, India would like to be invited to the SCO, which, according to them, is more honorable and prestigious, rather than open expression of one's wishes and probably future expectation, or even a hypothetical refusal.

The solution of the tasks placed in the CICA Summit in Astana were on the agenda for the Council of Heads of Governments of the Shanghai Cooperation Organization held in Moscow on October 27, 2005. Beside this, the member-countries of the SCO and observer-countries gave suggestions on the development of economic cooperation within the framework of the organization. Inaugurating the meeting of the Council of Heads of Governments of the SCO, Russian President Vladimir Putin emphasized that this meeting unites the leaders of the countries representing more than 3 billion people, i.e. more than half of humanity [16]. India, China, Pakistan and Iran took interest in the projects in the sphere of energy and transport. Besides this, Prime Minister of the State Council of China Wen Tsyabao revived China's proposal on the formation of a free trade zone in the future. In the same meeting Pakistan Prime Minister Shaukat Aziz informed that his country intends to achieve full membership of the SCO. He emphasized that Islamabad is putting stress on aspects like economic cooperation, ensuring energetic security and the fight against terrorism. According to Shaukat Aziz, the SCO cannot be considered as counterbalance to other international organizations. This is an organization, which is following purely constructive goals and is trying to strengthen the influence of this region in world affairs. At the same time, this does not exclude interaction in the sphere of defence between concrete countries, participating in the activities of the SCO, in particular, on a bilateral basis. Of special significance for Pakistan is mutual action in solving the problems of energy supply and energy security. Shaukat Aziz said that at present Pakistan seems to be in the centre of an "energy link" in South Asia. Thus, the proposed energy corridor of the region, the planned gas pipeline from Iran to India, has to pass through Pakistan. According to the Pakistan Prime Minister, the realization of this project will not only be an important contribution to the economic development of South Asia, but will also significantly help the process of bringing the countries of this region closer politically [17].

The South Asian region as a whole, India in particular is experiencing a huge deficit of energy. This factor has to a great extent generated the interest of the countries of this region in multilateral and bilateral cooperation with the countries of Central Asia. In 2005, India and a company, PRC put in tenders to buy the huge Kazakh petroleum company "Petro Kazakhstan". Though the tender went to the Chinese company CNPC, India could participate in other energy projects in future. The Indian Minister of Energy

participated in the annual exhibition of "Petroleum and gas" in October 2005 in Almaty. Groups of Indian specialists are studying various possibilities for the transportation of hydrocarbons from the Caspian region to India. Delhi is showing interest in the construction of a gas pipeline from Kazakhstan through Turkmenistan, Afghanistan and Pakistan to India. It is one of the most expensive projects, but, according to Indian experts, even then it is feasible as it has been supported by the Asian Development Bank [18]. While Delhi is showing interest in the energy resources of Central Asian countries, the countries of this region are attracted by the big market, technological and communication possibilities of India. In view of the above-mentioned facts, in our opinion, the chances of "Southern" (including "Iran") routes of transportation for Caspian energy resources have definitely increased. India is interested in a stable supply of energy raw materials. Besides this, the developing countries of the South Asian Association for Regional Cooperation (SAARC), in which the leading role is played by Delhi, are potentially big consumers of hydrocarbons in Central Asia. The other possibility of laying the Central Asia-Indian Ocean pipeline through Afghanistan has not been ruled out for future consideration. The approaches of India, Iran and Russia to the post-conflict development of Afghanistan are quite similar. Transportation through Afghanistan to the ports in the Indian Ocean objectifies the interest of Central Asian countries for faster stabilization of the situation in this country.

Thus, the strategic character of the relations of India with some regional powers is capable of exerting vital influence on the regional balance of the interests in Central Asia.

We know the role that Russia plays in the system of the regional security of Central Asian countries. Our region still retains its geostrategic importance for Moscow. Considering the close trade and economic and military-political ties of Delhi and Moscow, the countries of Central Asia situated between them become zones of special interests to Russia and India. Although the growth of cooperation between the Central Asian countries and Delhi is still far from its potential, considering the economic growth of India, its potential role in the global economy and politics, India is a big partner for the countries of Central Asia and one of the influential centers for forming a symmetrical structure of balance of the interests of regional powers. As there are no border, territorial, religious and ethnic contradictions, India and the countries of Central Asia have a yet unrealized potential for cooperation in future.

As has already been stated, neighboring with the Peoples Republic of China is going to play a special role in regional security. Despite the differences in the positions of Beijing and Delhi, Russia and China, according to the well-formulated expression by the famous Russian Indologist, Director of the Centre of Indian Studies of the Institute of Oriental Studies, Russian Academy of Sciences A.A. Kutsenkov: "For Russia, as well as for India, China is not a choice, but destiny." There are a number of new challenges on which the common stand and points of closeness have already been marked on the line of Moscow-Delhi-China; these are: stability and security in Central Asia, opposition to international terrorism, narcotics trade, and not making efforts to form a unipolar world dominated by one centre. In this context "the Gujral Doctrine" by the Minister of External Affairs of India, in many cases answers the foreign policy approach of Central Asian countries.

In the context of regional security, the relations with one more Asian Power of the Central Asian countries and India have a positive potential in their perspective. Considering the internal political evolution of Iran and the liberalization of social life, the activeness of Teheran in Central and South Asia will be one of the main parameters of the potential system of balance of interests. Moreover, the economic requirements of the Powers surrounding Central Asia will promote mutually beneficial projects in the spheres of transportation, communication and trade. The positions of Teheran and Delhi in Asia have much in common, and considering the establishment of a constructive partnership with Russia, it is quite possible that a new triangle of strategic interests (Moscow-Delhi-Teheran) may emerge.

Agreement between Iran, India and Russia on the creation of "North-South" transport corridors, and Kazakhstan and other Central Asian countries joining them will definitely strengthen this direction of cooperation.

Thus, India's participation in the process of the CICA is a political channel of interaction, and as an observer-country in the SCO, it is also a political, and – in perspective – an economic channel as well. A number of big trade and economic projects within the framework of multilateral cooperation and international organizations, which India, Kazakhstan and other countries of Central and South Asia are represented in, are capable of exerting a positive influence on the regional and international security and stability in this vast zone.

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Kazakhstan's Security Strategy: A Model for Central Asia?

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THE IMPORTANCE OF SECURITY

How is Kazakhstan doing? When foreign politicians, businessmen, scholars, or journalists ask this question they usually refer to the growth rate of its economy, the degree of openness of its political institutions, the fairness of its elections, or such social indicators as public health or the education of its children. NGOs issue "scorecards" ranking Kazakhstan's performance in these areas against that of many other countries.

And yet, to some extent these are all dependent variables. However, important performance in each of these areas may be, countries rarely rank high by these measures unless they have first established conditions of security and peace. It is true that good political institutions and a thriving economy are important factors in making security sustainable. But to achieve progress in the political and economic spheres in the first place, national security is often the *essential element*.

It is no accident that the OSCE's famous Helsinki Agreement of 1975 spoke of three components or "baskets" of successful modernization – political reform, economic renewal, and national security – and then affirmed that they are all interrelated. Or that President Nazarbaev, in his Kazakhstan 2030 report, identified "the security of the nation and the preservation of its state" as a *precondition* for advances in these other areas.

Among the new states of Central Asia, today Kazakhstan is clearly the most secure. Its rate of GDP growth is also the highest—higher, one might argue, than can be explained simply by the abundance of its oil and gas resources. Only time will tell how fully Kazakhstan succeeds in translating these favourable conditions into open and democratic political institutions. But if the Helsinki formula of the inter-relatedness of reforms is correct, then its prospects in the sphere of democratization are also high.

In light of this, it makes sense to delineate the foundations of Kazakhstan's security today, and to ask to what extent that security is sustainable. If it is, then the country's prospects in the other areas are strong. If not, we may look back on the present time as a moment of good fortune framed by difficult and painful eras.

SECURITY THREATS: REAL OR IMAGINED?

Before launching this enquiry, it is necessary to address the thesis that in the security sphere Kazakhstan is simply

lucky. Unlike its three southern neighbors, it is located some distance from Pakistan and Afghanistan and the dangers that have long emanated from them. Compared to Uzbekistan, it has few of the great religious centres that attract the attention of Islamic extremists elsewhere and which breed marginal elements of internal opposition to the mainstream Sunni practices. And its rich resources give Kazakhstan's government an income stream sufficient for it to address basic security and social needs.

These considerations have led several otherwise competent observers simply to ignore security when they assess the state of Kazakhstan's development.¹ But such analysts confuse effect with cause. Kazakhstan today *is* relatively secure, but the threats it has faced over a decade and a half of independence are nonetheless real, and daunting by any measure.

When it gained independence in 1992 Kazakhstan faced formidable security challenges from its northern neighbor. These arose from its long, un-delineated and open border with Russia, its Slavic majority population at the time of independence, the concentration of that population in areas adjoining Russia, a tradition in Russia that saw Kazakhstan as an extension of the Slavic heartland and not really as part of Central Asia, and the natural desire of all imperial powers to re-establish their influence over former colonial dependencies.

Kazakhstan's eastern neighbor posed similarly grave threats to the new state. China was acutely aware that ethnic Kazakhs and other non-Han peoples in its Turkic-majority province of Xinjiang might look longingly at the independent state being established just across the border. Nor had memories faded of the Soviet-China face-off in the 1960s that had left the un-delineated Kazakhstan-Xinjiang border heavily fortified and bristling with huge air bases like the one in Taldy-Korgan. Immediately after independence Kazakhstan moved quickly (with American assistance) to rid itself of nuclear weapons, only to see the Chinese continue nuclear testing at Lob Nor, a mere 300 km from Kazakh territory. Finally, when the Chinese allowed trading across the border, Kazakhs watched nervously as Han Chinese quickly sidelined Kazakh traders, flooded markets with their products, bought up valuable assets, and even began settling illegally in trading centres near the border.

¹ See, for example, Martha Brill Olcott, *Kazakhstan: Unfulfilled Promise*, Washington, 2002, which has no chapter on foreign policy or national security.

Nor was all quiet on the un-delineated borders with Kyrgyzstan and Uzbekistan, in spite of cordial inter-governmental relations. Members of the Islamic Movement of Uzbekistan managed to penetrate half way across Kazakhstan in 1999, even as institutions in the Gulf States began pouring money and religious teachers into the country. Refugees from Tajikistan's Civil War also poured into Kazakhstan, posing a sufficient threat that offices had to be established in every Kazakh Hakimat or governorship to monitor their activities. And at the same time Kazakhstan's territory became a major north-south transit route for drugs (and eventually AIDS) from Afghanistan.

FIRST STEPS TOWARDS A STRATEGY: RUSSIA AND CHINA

It is not surprising that the new Kazakhstan government moved quickly to establish good relations with the Russian Federation. This was not, as some have claimed, because Kazakhstan had only reluctantly accepted independence.² In fact, Kazakh citizens had been the first in any non-Russian republic to pour out on the streets in protest, when Gorbachev fired a Kazakh governor and replaced him with a Russian who knew nothing of Kazakhstan. Rather, the new government understood that bad relations with Russia would be a dangerous folly, and that good relations were essential if the economy was to survive the trauma of the collapse of Soviet industries.

Kazakhstan moved quickly to translate this affirmation into concrete policy. With only some 25,000 troops of its own, this made good sense. First steps were to sign an agreement (1992) to come to each other's defence if attacked, and to regularize Russia's continued use of the military-space facilities at Baikonur. Then Kazakhstan joined the collective security pact of the Commonwealth of Independent States, which between 1999 and 2005 was transformed into the new Collective Security Treaty Organization (CSTO) that also includes Armenia, Belarus, the Kyrgyz Republic, and Tajikistan. During the early 1990s, fear that Maoist ideology would lead to Chinese expansionism was still strong in some quarters.³ In 1992, Russia therefore volunteered to pay 80% of the cost of maintaining joint Kazakh-Russian patrols on the border with China. And in 1996, Kazakhstan and Russia, along with China, Kyrgyzstan and Tajikistan, agreed to measures to increase trust on the border, including the withdrawal of forces from a 100 km zone on either side.

Even as it worked diligently to place its relations with Russia on a solid basis, Kazakhstan was not blind to potential dangers from that quarter. Thus, when Russian chauvinists talked of appending Kazakhstan's northern Slavic-majority provinces to the Russian Federation, President Nazarbaev responded by moving the capital to the remote yet central town of Tselinograd (now Astana), a mere 350 km from the Russian border. Moreover, Russian military doctrine in the 1990s defined the country's defence perimeter as the former external borders of the USSR. This had the effect of reducing

the long Russian-Kazakhstan boundary to something much less than an international border between sovereign states. Without raising this issue directly, Kazakhstan championed the delineation of its border with Russia, which was accomplished amidst general acclaim.

More recently, when President Putin called for Russian co-nationals living in Kazakhstan and other former Soviet republics to "come home," ethnic Kazakh nationalists of the Ult Tagdyry ("Fate of the Nation") movement cheered. But the Government of Kazakhstan, realising that this would destabilize the country, responded by further supplementing its many measures to accommodate the needs of its Slavic minority. Finally, while the new CSTO already includes separate joint military activities between Russia and Belarus (200,000 troops) and with Armenia, Kazakhstan has continued to resist calls to move in this direction.

Nonetheless, the fact that Kazakhstan's army in August 2006 participated in Central Asian war games organized by the CSTO, along with Russia, Tajikistan and Kyrgyzstan, suggests that the various balances may not be easy to maintain in the future, especially in the face of relentless pressure from Russia for further integration and militarization. Obviously, further steps in these directions would upset several important balances and call the entire strategy into question.

For the same reason that Kazakhstan worked to establish cordial relations with the Russian Federation, it toiled to broaden and regularize its relations with the People's Republic of China. President Nazarbaev, in his broadside *Kazakhstan 2030*, stated clearly that Kazakhstan's motivation was the same in both cases. He then went on to declare that "Kazakhstan salutes China's policy that is directed against *hegemonism*, and [which supports] friendship with neighboring countries." In February 1995, Beijing responded to an initiative from Kazakhstan by affirming that it would never wield a nuclear threat against non-nuclear states. Over the following years Kazakhstan and China delineated their mutual border and signed a series of agreements opening transport and trade between the two countries. When in 1996 China initiated what later became the Shanghai Cooperation Organization, Kazakhstan immediately established itself as one of the most enthusiastic participants. The decision to build an oil pipeline directly from Kazakhstan to China confirmed this new relationship.

The same combination of eagerness and prudence that characterizes Kazakhstan's relations with Russia prevails in its dealings with Beijing. Ties with Beijing, after all, are not an end in themselves but, as Nazarbaev puts it, a means "to preserve our independence and territorial integrity."⁴ It has cooperated with the SCO in anti-terror activities and in the promotion of open markets but has vowed to resist any tendencies within that organization to promote the interests of its largest members. Publicly, the government of Kazakhstan has linked its support for the SCO to the "universality" of its mission, i.e. the support of free trade and struggle against terror. In the same spirit, even as it supports trade with China, Kazakhstan has imposed a tough border regimen to prevent illegal immigration.

From this brief review it is obvious that Kazakhstan's relations with Russia and China initially grew by a "step by step" process, and in accordance with general notions about

² As President Nazarbaev, quoting General Lebed, told former Polish dissident Adam Michnik, "He who did not weep for the USSR has no heart, but he who wants to resurrect the USSR has no brain." Adam Michnik, ed., "Sparring with the Kazak President," *Gazeta wyborcza*, September 28, 1996, reprinted in *Transitions on Line*, June 15, 1997.

³ Andrey Grozin, "Russia-Kazakhstan: Problemy natsional'noi besopasnosti," *Tsentral'naia Azia i Kavkaz*, 1999 no. 3-4, pp.76.

⁴ President Nursultan Nazarbayev, *Kazakhstan 2030*, Almaty, 1997; also <http://www.kazakhstanembassy.org.uk/cgi-bin/index/145>.

security that were obvious to the Kazakhstan government. Inevitably, the development of these separate relationships posed the question of the relationship between them. Over time, there gradually arose the possibility that each could be used to balance the other. An early and ingenious manifestation of this line of thought was Kazakhstan's establishment of a Conference on Interaction and Confidence-Building Measures in Asia, first convened in 1996. For the first time, Kazakhstan stepped forth as an Asian state, boldly convening such major powers as China, India, and Indonesia. Politely but firmly, Kazakhstan reminded Moscow that it is an independent country, free to position itself as it wished in the world of sovereign states. Other initiatives along the same line soon followed.

MINISTER OF FOREIGN AFFAIRS TOKAEV SUMS IT UP

Finally, in 1997, Kazakhstan's Minister of Foreign Affairs, Kassymzhomart Tokaev, published a large volume in which he explicitly set forth the principle underlying these various actions and initiatives.⁵ The goal, he said, was to use China to *balance* Russia, and Russia to *balance* China. Rather than choose between the two relationships, or to calibrate the degree of Kazakhstan's closeness to each major power vis a vis the other, Tokaev proposed that Kazakhstan seek two roughly equal partnerships and to manage the relationship between them in such a way as to affirm its own sovereignty and independence. In a bold stroke he recast the normal meaning of *strategic partnership* as it applies to developing states. Instead of being a single relationship which becomes the backbone of security policy, Tokaev used it in the plural. Kazakhstan's policy henceforth was to have multiple strategic partners. The challenge for Astana is to balance them in ways that are mutually beneficial, that minimize or curtail the worst tendencies of each partner, and that in the end strengthen the sovereignty and independence of Kazakhstan itself. Because each strategic partner is seen as complementary to the other, both relationships, and the relation between them, must be based on trust. All this requires delicacy and art.

ADDING A THIRD LEG TO THE STOOL: THE UNITED STATES

For all the benefits that the double strategic partnerships brought Kazakhstan, it soon became clear that the arrangement fell short on three points. First, it provided no break on the possibility that China, whether alone or with Russia, might still at some future point emerge as a new hegemonic presence in Central Asia. Second, it provided inadequate buffering against the aspirations of Russia's Gasprom, which had earlier tried unsuccessfully to route through Russia all Kazakh gas and oil headed for China and was now actively opposing Kazakhstan's stated intention of joining the Baku-Ceyhan pipeline. Third, it failed to acknowledge or embrace the potential of the United States' presence in the region. Even before the terrorist attacks of September 11, 2001, Kazakhstan had moved towards embracing the U.S. as a third strategic partner.

There was already much in the Kazakhstan – U.S. relationship to build on. In 1995, the United States, working

⁵ Kassymzhomart Tokaev, *Under the Banner of Independence*, Almaty, 1997.

through the OSCE, had joined Russia, China, and Great Britain in affirming Kazakhstan's sovereignty. Not only had the U.S. been a negotiator and guarantor of the agreement between Kazakhstan and Russia on the fate of Kazakhstan's nuclear warheads but it had pre-paid \$2 billion for the enriched uranium they contained and granted a further \$311 million for converting Kazakhstan's missile silos. More importantly, Kazakhstan had participated actively in NATO's Partnership for Peace Program and used it to revamp its Soviet-type military along American lines. Meanwhile, the U.S. energy firms had become the largest foreign investors in Kazakhstan's economy.

As early as in 1997, President Nazarbaev declared in his development plan, *Kazakhstan 2030*, that it was time to deepen relations with "the main democratic industrial states, including the U.S."⁶ This initiative culminated in the establishment of a third Strategic Partnership agreement, this time with the United States. As Kazakhstan took this step, Foreign Minister Tokaev formally associated his country with the American and western effort to open transport and trade routes to South Asia across Afghanistan and Pakistan.⁷

BALANCE, AND WHY IT WORKS

Today, the security strategy of the Republic of Kazakhstan rests on the three pillars of its strategic partnerships with China, Russia, and the United States. Linking these three pillars is the concept of *balance*, the achievement of which at any point in time is the main tactical challenge.

This strategy is impressive for at least four reasons. First, it is a strategy and not simply a fog of high-flown rhetoric. It provides clear goals and first principles for action, yet allows of diverse tactical solutions. Second, it doubtless gains strength from the fact that it evolved through an organic process, with many adjustments along the way; yet in the end it can be precisely stated in remarkably few words. This leaves Kazakhstan space for tactical maneuvering, but without giving the impression that tactics are usurping the place of strategy. Third, it frankly acknowledges the realities of Kazakhstan's geopolitical position on the Eurasian landmass and in the globalized world, opening the way to productive relations with all three of the main forces acting on the country. And fourth, *it is not against anyone*. To a degree that is rare or nonexistent in the modern world, Kazakhstan seeks to secure its sovereignty and tranquillity through positive rather than negative measures. Paraphrasing the famous American foreign policy dictum, "To be a friend of [Kazakhstan] you do not need to become an enemy of anyone else."

The successful implementation of this strategy requires an unusual degree of professionalism on the part of Kazakhstan's officials and diplomats. On a day-to-day basis they function in a whirlwind of controversy. What to do when a Russian strategic partner invites forty percent of your population to emigrate across the border, when a Chinese partner complains bitterly that Kazakh and Uyghur citizens of Kazakhstan are stirring up unrest in PRC territory, or

⁶ Set forth also by Kassymzhomart Tokaev, *The Foreign Policy of Kazakhstan in the Process of Globalization*, Astana, 2000.

⁷ Address of Kassymzhomart Tokaev in Kabul, April 2006, see Niklas Norling, ed., "First Kabul Conference on Partnership, Trade and Development in Greater Central Asia, April 2006," Conference Report, CACI-Silk Road Studies Program, Uppsala and Washington, 2006, pp. 8-12.

when an American partner hands you a report criticizing your last two national elections? Worse, how do you handle outspoken domestic voices that vehemently support or attack these statements from partners abroad? And finally how do you address the genuine crises that arise daily, many of them threatening to undermine the effectiveness of the country's security strategy or the fundamental concepts on which it is based?

To their credit, Kazakh officials from the president down have generally worked to calm the waters, even when stirring up a mood of impending crisis might bring them short-term gains. They have tended not to cry "Wolf!" even in the face of serious provocation. By so doing, they have avoided tactical over-reaction, which has in turn strengthened and legitimized the security strategy.

Whatever skills Kazakhstan's ministries of Foreign Affairs and Defense may bring to the implementation of this strategy, in the end security depends as much on domestic as international factors.⁸ Critics at home and abroad have argued that the chief threats to Kazakhstan's security arise from within its borders, specifically from widespread corruption, an inchoate and in some ways barely functioning party system, an insufficiently free press, flawed elections, the persistence of poverty in an increasingly prosperous country, widespread avoidance of taxes⁹, and a persisting centralization of power with too modest a role for self-government.

This is not the place to evaluate each of these charges. Many are convinced they are well-founded and argue vociferously that the government is acting too slowly to address them. Others, however, argue just as strongly (but mainly within the halls of government and business offices) that the government has in fact moved effectively on the reform front, and would have courted social instability if it were to have moved faster. Supporting their position is the fact that legal, institutional, and economic reform did not wait for the full development of the security strategy, but proceeded deliberately beginning in the early 1990s. Pointing to the delicate relations among economic, ethnic, regional, and clan forces, defenders of the government want the reform process to continue but counsel caution and steadiness in its execution.

Whichever side is right, it is hard to avoid two conclusions. First, the government is proceeding with the same caution in domestic affairs as it has in its foreign relations. Some may argue that its caution amounts to an embrace of the status quo. The key to this caution, however, is the same notion of *balance* that lies at the heart of Kazakhstan's strategic concept. Neither in its foreign nor its domestic affairs is Kazakhstan willing to allow a "winner take all" policy to take hold. Instead, the government pursues a constant balancing between contending forces, whether they are rival political factions, economic blocs, large clan groupings (*zhuzes*), or social classes.

Second, Kazakhstan's strategic policy is creating the domestic security and stability that allows reform to go forward. The citizens of Kazakhstan will decide whether

or not reforms are proceeding to slowly. Those who claim they are must nonetheless tip their hat to a national security strategy which is creating the preconditions for the faster domestic evolution they desire.

KAZAKHSTAN'S STRATEGY: A MODEL FOR ITS NEIGHBORS?

It is no secret that the security strategies of the new Central Asian states have been in constant upheaval since they became independent sovereignties in 1992. This can be attributed in part to the inexperience of the newly-minted statesmen.

With the exception of a handful of officials who had gained experience as diplomats under the USSR, most ministers were new to their jobs. Few had any in-depth knowledge of history, and their understanding of international relations rarely extended beyond the ideological verities propounded by Marxism-Leninism.

Still more it must be blamed on the conflicting interests and approaches of powerful neighbors, international organizations and "interested parties" from near and far. Barely had the new states adopted flags than the international press announced the start of a "new Great Game." This British quip of a century earlier came to describe what occurred when Russia, China, the West and other powers began contending for influence over countries with which they had been blissfully unconcerned only a few years earlier.

Speaking diverse tongues of the Turkic and Persian language groups, with different cultural, political and even psychological heritages, the new countries shared only two things in common: their centuries as neighbors on a highly diverse geographical territory and their common experience under Russian colonial rule and Soviet hegemony. Nonetheless, they all faced enormous security challenges that had many commonalities among all five new states.

The Kyrgyz Republic

Kyrgyzstan's security concepts evolved in parallel with Kazakhstan's, but with one important difference. Under President Akaev Kyrgyzstan declared itself "the Switzerland of Central Asia," but without adopting a specific security strategy that emulated Swiss neutrality. Finding itself unable to disengage from the many pressures arising from the international community, Kyrgyzstan improvised a series of relationships with Russia, China, and the West. Pursued in an ad hoc fashion, these relations nonetheless contained the elements of Tokaev's principles, even if they lacked a coherent formulation. Concentrating more and more on domestic political institutions, Kyrgyzstan inadvertently allowed security strategy to slip out of its central place. In spite of the efforts of several highly educated Ministers of Foreign Affairs, the Kyrgyz Republic never solved its strategic challenge.

Tajikistan

Tajikistan fell into a bloody civil war shortly after independence and subordinated security policy to mere survival for a decade. In the years since 1999, it has generally followed the same path blazed by Kazakhstan, beginning with a one-sided focus on its relation with Russia but then gradually broadening it to include Iran, China, the United States and, more recently, Afghanistan and India. Without a clearly formulated strategy to guide it, the Tajik government has improvised. Some of its tactical moves have been

⁸ Zbigniew Brzezinski, quoted by Erlan Karin, "Vnutripoliticheskie aspekty natsional'noi bezopasnosti. Kazakhstana," *Tsentral'naia Asiiia i Kavkaz*, 1999, no.3-4, p.80-ff.

⁹ The Almaty Association of entrepreneurs estimates that 80% of companies pay no taxes. Nurlan Amerkulov, "Sistemnye ugrozy bezopasnosti kazakhstana i puti ikh preodoleniia," *Tsentral'naia Asiiia i Kavkaz*, 1999, no.3-4, .pp.88. ff., 92.

brilliant, opportunistic strokes that have fundamentally changed the country's place in the geopolitical landscape. But the fast pace of change to its south has until very recently prevented the kind of careful reflection that could give rise to a systematic strategy.

Turkmenistan

Under President Niyazov, Turkmenistan moved swiftly to adopt and apply a security strategy based on non-alignment. Deriving from the long practice of the Turkmen tribes as they moved precariously across the territory between Shi'ia Persia and the Bukharan Emirate, with its traditional Sunni faith, this strategy was intended to isolate Turkmenistan from the security threats engulfing the region. Unfortunately, it required that others accept Turkmenistan's declaration of neutrality. Russia's Gasprom took it instead as an unwelcome declaration of independence. Turkmenistan's links with Taliban Afghanistan isolated it from its Central Asian neighbors, while a mounting drug trade, in which local officials were often complicit, caused the West to look askance. Notwithstanding these distinctive features, Turkmenistan, too, has groped towards a strategy of balance, even though it has avoided enshrining them with strategic partnership agreements. Like Tajikistan, it sees its southern neighbors as important collaborators, with Iran, Afghanistan, and Pakistan first among them.

Uzbekistan

By its large population, centrality in the regional transport network, many Soviet-era industries, and oasis-based traditions of rule, Uzbekistan can reasonably claim to be the geopolitical heart of Central Asia. Nowhere in Central Asia has security strategy been accepted as more important to national life, nowhere has it been developed with greater boldness by more competent men, and nowhere has it, in the end, encountered more formidable problems and setbacks.

For many years Russia pursued a single-minded goal of regaining influence over what had been the heart of Russian rule in the region. Uzbekistan countered with a Strategic Partnership with the United States, which was signed in 2002.

Unlike Kazakhstan, which pursued security, economic, and political/legal reform simultaneously, Uzbekistan quite reasonably insisted on placing its sovereignty on a secure basis before turning to thoroughgoing domestic reform. It never got to the latter issues, however, and gradually alienated the United States and other western powers for what they considered its slow pace of change.

Frustrated over a relationship that had been mishandled on both sides, Uzbekistan sharply cut back its ties to the West, signed the very agreements with Russia that it had long opposed, and reached out simultaneously to China. Its Strategic Partnership with the United States remains in force, however, and the Uzbek government is currently groping to find and affirm some new basis for its key strategic relationships with the external powers that affect its security. The United States is doing likewise. And while it has joined the Russian-sponsored CSTO, it has refused to involve itself in joint CSCO military exercises in Central Asia beyond the status of observer.

Afghanistan

Like Uzbekistan down to 2005, Afghanistan has based its security doctrine on a single strategic partnership, the United States. Given the fact that it was the U.S.' interven-

tion against the Taliban regime that opened the way to the creation of the new government, and given the unwillingness of other major states to assume the risk, responsibility, and expense that a strategic partnership implies, this is quite understandable. European countries, working through NATO, have also become major guarantors of the Afghanistan's security, and have thereby entered into a quasi-partnership with Kabul.

The Afghan government has used these arrangements as a kind of umbrella that allows it safely to expand relations in every direction. Working in parallel with Afghanistan's strategic partner, Japan has become a major donor, as has India. Chinese investment has also increased. By appearing as an observer at a 2006 meeting of the Shanghai Cooperation Organization Afghanistan signalled its readiness to participate in that group. But it has been careful to balance this emerging relationship with active collaboration with a number of other international groupings, among them the six-nation Central Asia Regional Economic Cooperation (CAREC) founded by the Asian Development Bank and the South Asian Association for Regional Cooperation (SAARC), which is oriented towards trade heading towards India and Southeast Asia rather than the North. Thus, in a manner appropriate to its circumstances, Afghanistan, too, is pursuing a multi-vector policy of balance.

The question of whether or not Kazakhstan's strategic doctrine has relevance to other countries in the region of Greater Central Asia must be approached from the basis of their concrete experience to date, briefly summarized above. Three conclusions flow from this experience: first, with the partial exception of Uzbekistan until 2005, no country has attempted to base its security strategy on a single relationship or strategic partnership. Second, with the exception of Turkmenistan, no country has attempted to remain non-aligned and to stand aloof from international engagement. Third, by a process of trial and error, all of the countries have groped towards a policy of balance, through which they aspire to play one power off against the others and thereby maintain their own sovereignty and autonomy of action.

This being the case, it is evident that Kazakhstan's approach has relevance for the entire region. The core of this relevance is, first, the notion of *multiple strategic partnerships* (a "multi-vector" approach, in the language of Astana) with all the main powers affecting a given country's sovereignty, and, second, the concept of *balance* among these various commitments, with each regional state engaging in tactical maneuvers as necessary to preserve that balance.

One might argue that Kazakhstan's implementation of this strategy falls short of the rhetoric, for instance, that its recent military activities with the CSCO directly undermine the larger principle. But Kazakh officials would respond by pointing to the fact that they have also sent peacekeepers to Iraq and are expanding their involvement with NATO, and that the CSCO actions represent an application of the principle of balance rather than its erosion.

That the other regional states have moved de facto towards an approach similar to Kazakhstan's is important but insufficient. For they have done so as a result of continuous solo tactical maneuvers, with the strategic end never stated. This practice, which can be defended in terms of the interest of each country in its own sovereignty, has the negative effect of encouraging the very forms of "zero sum" thinking that a sound security policy should seek to eliminate. Bluntly, this endless maneuvering without any clearly articulate strategic goal thus perpetuates the "Great Game mentality" rather than

forcing it to wither. Granting that each country may identify different countries as unavoidable partners and arrive at different agreements with them, it remains important that the principle of *balance among diverse external powers* be clearly articulated as a strategic goal. Only in this way will those external powers grow to respect it.

A NEW BASIS FOR INTRA-REGIONAL COOPERATION?

If other states in the region were to adopt the key elements of Kazakhstan's security concept, it would sharply reduce the spirit of ceaseless competition and gaming that now prevails across Greater Central Asia. The goals of individual countries in the security area would no longer be in doubt. Commonalities both between their goals and between the tactics through which they are pursued would be evident to all.

This in turn would improve the environment for cooperation in other areas besides security. Following the absorption of the Central Asia Cooperation Organization into the Russian sponsored CSCO, both Presidents Karimov and Nazarbaev have called for a new structure for cooperation among the Central Asian states that is purely regionally-based.¹⁰ Intra-regional trade is already increasing rapidly, especially that involving Kazakhstan, and a welter of countries and international organizations, including China, the European Union, India, Iran, Japan, Russia, the United States, the Asia Development Bank, the Economic Cooperation Organization, the Organization for Security and Cooperation in Europe, and the Shanghai Cooperation Organization are all working to expand both regional and continental transport and free trade. By introducing some strategic clarity into the security realm, the environment for cooperation in other realms would be greatly enhanced.

THE NEED TO ADD MORE LEGS TO THE CHAIR

Whatever virtues one may ascribe to Kazakhstan's security strategy, it is incomplete. True, it now embraces the three major forces that Kazakhstan considers relevant to the country's security. But the situation is not static and could change significantly over time. Even from the vantage of the present, it is obvious that at least three further powers will eventually have to be fitted into the puzzle.

The European Union has until recently maintained only a passive presence in the region, marked mainly by its TACIS program and the long moribund TRASECA venture in the transportation sphere. This is already changing, as Caspian energy and prospects for continental trade increase. Similarly, Japan has consistently been among the most generous donors to development projects in the region. Its trade there has grown sharply, and it, too, is interested in energy resources. The "Japan Plus Central Asia" consultative forum has already engaged heads of states and ministers, and indicates Japan's intention of moving forward in its regional activities. India, too, is fast developing as an economic and even security presence in the region, beginning from practically nothing a half decade ago. The booming economy, coupled with the opening to transport and trade created by

¹⁰ Marat Yermukanov, "Central Asian Union: Nazarbayev's Pipe-dream Or Viable Scheme?" Central Asia-Caucasus Analyst, 31 May 2006.

the establishment of the new government in Afghanistan, unleashed a new era in India's engagement with a region where "Hindu" (actually both Hindu and Muslim traders from India) had been active for a millennium.

In assessing the position of these countries, the changing position of the United States should be borne in mind. Over the past two years the Americans have reassessed their involvement in Central Asia and concluded that their interests there are "serious and long-term" in nature.¹¹ This affirmation, embodied in the Silk Road II Act which is before Congress at time of writing, is consistent with the thrust of U.S. policies and programs from the time of the collapse of the U.S.S.R. down to 11 September 2001. For several years after that date, however, the Department of State took the position that the U.S.' presence in Central Asia was defined solely in terms of the war against al Qaeda and the Taliban in Afghanistan and would cease when those operations were completed. Intended initially as a concession to Russia in order to secure that country's support for the anti-terrorism effort, statements of this sort created a geopolitical vacuum which Russia and China hastened to fill. More recent policies have reversed this position, reaffirming the U.S.' long-term involvement in the region and the diverse reasons for it. Prominent among them are the desire to support moderate and politically open states with Muslim majority populations, the development of alternative sources of gas, oil, and hydroelectric power, and the hope of opening the region as a peaceful and prosperous land-bridge between Europe and Asia. On this basis, the United States is gradually drawing together the many strands of its policy in the region to form a coherent and sustained partnership with the countries of Greater Central Asia.

The question, then, is whether the European Union, India, and Japan, decide actively to back their economic engagement in the region with measures affecting security and governance. Will the European Union or its separate members be willing to make long-term commitments that are relevant to the region's security? Will India move ahead with a robust Central Asia policy even before it gains easy access to the region by resolving its dispute with Pakistan over Kashmir? Will Japan broaden the mandate of its "Japan Plus Central Asia" initiative to include security? Since security no longer refers simply to foreign and military affairs, and embraces also trade, social development, and political openness, one might conclude that all are already "on the scene" and therefore that the regional governments should factor them into the security equation, along with China, Russia and the United States. However, neither Kazakhstan nor other countries of Central Asia have as yet taken this step. But they should. As they do so, what began as a single post and then turned into a three-legged stool will evolve into much sturdier bench with four, five, or even six legs.

THE DUTIES OF STRATEGIC PARTNERS, OR HOW TO WORK IN "CONCERT"

To this point, this analysis has focused first on Kazakhstan and then briefly on the other states of Greater Central Asia. It has affirmed the value of multiple strategic partnerships and of a correct balance among them. However, it has scarcely touched upon the strategic partners themselves, and

¹¹ Silk Road II Act, 109th Congress, Second Session, Document No. S-2749, 4 May 2006.

when it has done so it has treated them more like outside irritants than as real partners.

There is a good reason for this. Great power competition in Central Asia has been real and relentless. China maintains the largest foreign embassies in most of the Central Asian States, has broken Russia's monopoly on the export of oil and gas, and now dominates trade in such products as cloth and building supplies that were formerly a purely Soviet domain. Russia has exerted powerful pressure bring the new states back into the sphere of Russian influence and control, employing its powerful Gasprom to dominate energy exports and other state-controlled firms to buy up assets—all in the name of what Anatolii Chubais calls an emerging "liberal Empire" that may in fact not be very liberal. And the United States has emerged not only as the major investor in Kazakh energy but also in possible export routes to the West, avoiding Russian territory.

Faced with these and other such formidable and self-interested friends, the states of Central Asia have understandably treated them as immutable facts. Central Asian statesmen have endeavoured to maneuver deftly among them but never dared to believe that they could influence, let alone change, the behaviour of the major powers themselves.

Yet this is not the case. In some respects Kazakhstan has already signalled to its main partners the acceptable limits of their behavior: namely, the big powers cannot impinge on the sovereignty of the new state or treat it as anything but an equal. Uzbekistan has been effective from the start in insisting on the same boundaries. However, it is vain to think that a government in Astana, Bishkek, Dushanbe, Kabul, or Tashkent could manage to prevail on such points in a two-sided relationship. This is where the "multi-vector" approach makes sense, for it makes the same demands on several strategic partners and makes compliance with that demand a condition of the relationship as a whole. In short, the multi-vector approach creates leverage where leverage would otherwise be nonexistent.

Will all this suffice to constrain any of the great powers in their behaviour towards Central Asian countries either singly or as a group? Probably not. As long as a "zero sum" thinking prevails in any one global capital, as it surely does today, it will foster analogous actions from other quarters.

Is there any way to get around this problem of self-serving and destructive behavior of great powers in Central Asia? What we have seen since the collapse of the USSR gives no grounds for optimism. However, this is not the whole story. The situation in which Central Asian states find themselves is not unprecedented in human affairs. Nor, importantly, is the position of the contending major powers without precedent.

The basic feature of the latter is that if any one of them seeks to push its advantage to the hilt, it will call forth a strong response from one or more of the others, and possibly all together. As a result, the only way by which any one state can maximize its interests is to recognize and act within certain limits and constraints. In the end, this leads to a situation in which all external powers consent (however

reluctantly) to practice self-restraint in their dealings with the region *so long as others do so as well*.

This condition is what in the nineteenth century was called a "concert," i.e. an informal understanding among major powers to participate in a relationship based on both mutual-restraint and self-restraint. Such a relationship among major powers acting in Central Asia was first proposed in the year 2000, in a paper commissioned by the U.S. Department of Defense and published by the Central Asia-Caucasus Institute and the Atlantic Council of the United States.¹² Over the past decade and a half Central Asia has moved haltingly and unconsciously towards the creation of such a "concert" among major interested external powers. Today it is far from complete, with willful and even aggressive actions being the norm from some quarters. Such actions can be the more vexing when they are justified and legitimized by a national ideology in the major power. Yet like it or not, every major power has to some extent been forced to acknowledge the interests in the region of one or more other powers, and the restraints which those interests impose.

What are the next steps towards the expansion and strengthening of this emerging "concert"? Certain actions are required from the Central Asian states themselves. First, they must all follow the practice of Kazakhstan (and also Uzbekistan) and formulate and adopt clear security strategies. Spontaneous moves or improvisations, even when brilliantly executed, give rise to more, not less, great power rivalry. Second, they must ask whether a "multi-vector" approach with multiple strategic partnerships might be appropriate for them and, if so, act on it. Third, they must then work adroitly and quietly to balance the various partnerships and to direct them into productive channels. Fourth, they must be prepared always to "calm the waters," avoiding stand-offs and points of crisis from which the Central Asian countries always lose out in the end. Fifth, they must acknowledge that, as they build up multiple relationships, they are educating their major-power partners on the ground rules which must be observed if the relationship is to thrive. And, finally, they must make the coordination of these multiple relationships a subject for regular discussion among regional presidents and foreign ministers, so that their separate actions strengthen the sovereignty and viability of all the regional states as well as their own.

The major powers must also take steps towards the strengthening this "concert" on behalf of the national security of the states of Greater Central Asia and of their own interests there. At the very least, they should add the topic of their mutual interests and relations in Central Asia to the agendas of regular bilateral conversations at various levels. This essential step will, over time, prepare the way for wider conversations, and finally for discussions among all major interested external powers, including all those cited above and also Iran, Korea, Pakistan, and Turkey. Finally, it goes without saying that such a meeting must include the Central Asian states themselves, lest the major powers continue their bad practice of planning for, rather than with, the new states of Greater Central Asia.

¹² Charles Fairbanks, S. Frederick Starr, C. Richard Nelson, Kenneth Weisbrode, Strategic Assessment of Central Eurasia and the Caucasus, Atlantic Council of United States and Central Asia-Caucasus Institute, January, 2001, pp. 128 ff.

Geopolitics and Security in Central Asia: the Position and Role of the Shanghai Cooperation Organization

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Of course, it would be too declamatory to maintain that the Central Asian countries are acquiring a special significance in the international relations system, but we cannot deny the increased attention the global actors are focusing on them, mainly due to the geostrategic and economic potential of the region. The situation is complicated by the spasmodic development of certain processes in some of the region's countries, the roots of which can be found in political and economic problems, as well as in the abrupt changes that have been occurring in the Central Asian states since the day they acquired their independence. Along with this, a few particularly obvious trends should be noted, including the growing impact of security threats and challenges, which could lead to a dramatic reduction in security in the region and its transformation into what we could call the Asian Balkans. The main reasons for this are the military-political situation in Afghanistan, the aggravated political processes, and the socioeconomic tension in several Central Asian republics.

Among the threats which have already become traditional, we will note international terrorism, drug trafficking, destabilization, the spread of hostilities to contiguous territories, illegal migration, and the problem of refugees, the spread of religious extremism, and the possible establishment of military-dictatorial pro-Islamist regimes in the Central Asian states. Along with these, new threats to regional stability and security were manifested in the events of 2005 which drew the increased attention both of the region's countries and of foreign players – the change in power in Kyrgyzstan and the situation in Andijan. Of course, these events did not cause the situation in Central Asia to spiral out of control, but they were a warning sign to its states and neighbours, giving them reason to think seriously about how to deal with the growing snowball of regional problems.

The revved-up integration processes in Central Asia were a reaction to all these threats, with the emphasis on military-political cooperation and ensuring security. After all, due to the transnational nature of these threats and the low level of independence of each of the Central Asian republics,

the region's problems cannot be resolved in isolation. Of course, thanks to the multilateral initiatives of recent years, a regional security system is beginning to form which, to some degree, is making it possible to overcome certain problems. However, it cannot be said that these processes are yielding effective results.

Against this background, we should single out the significance of the Shanghai Cooperation Organization, which is taking unusual approaches toward resolving the problems of the Central Asian countries, including regional security. According to the SCO member states, the current threats in this sphere come from the five evils: extremism, terrorism, separatism, drug trafficking, and illegal migration of the population. The SCO's integration efforts are primarily aimed at jointly combating these threats. But at the same time, economic cooperation is gradually beginning to develop within the framework of the organization [1].

* * *

On the whole, the evolution of the SCO is characterised by relatively high development rates, as well as a high level of mutual understanding and solidarity among its participants. Taking into account the fact that, until recently, China was conducting an isolationist foreign policy, and all the Central Asian republics, including the organization's member states, were closed off from the outside world by the Iron Curtain, their ability to reach a stable level of trust in each other is impressive. This is shown in particular by the joint military exercises carried out for the first time in history with China, which, along with other factors, makes it possible to consider the SCO an unusual formation.

The Republic of Kazakhstan was interested in creating a similar structure with the participation of Russia and China, since this meets its interests in building a multi-vector foreign policy and maintaining the balance of power in the region. In its foreign policy strategy, the Republic of Kazakhstan is striving to assume the position of a Central Asian integrator, and as practice shows, our SCO partners are responding positively to many of our republic's initiatives. An example of this is the summit of its member states

which was held on July 4, 2005 in Astana and which opened a new stage in the organization's development. The positive outcome of the July meeting, as many experts emphasize, was ensured not only by increased cooperation in the fight against terrorism, but also by the first practical steps toward trade and economic cooperation. In our opinion, it is interaction in the development of the national economies and social sector that will create the real foundation for the fight against terrorism. For it, as we know, is propitiously developing under conditions of progressing poverty.

At a meeting of the Council of Heads of the organization's countries, a Declaration of the Heads of SCO Member States and a Concept of Cooperation in the Fight against Terrorism, Separatism, and Extremism were adopted [2]. What is more, priority tasks were confirmed at the summit, including the development of relations with other political and trade actors, as well as the main areas of activity of the law enforcement bodies and defence ministries. Questions were also discussed about the further development of mechanisms and measures necessary for having an adequate response to situations posing a threat to peace and security.

The adopted concept notes that the SCO member states will hinder the preparation and carrying out of terrorist acts on their territory, including those aimed against the interests of other states. This, as well as the agreement on the procedure for organizing and implementing joint antiterrorist measures in member states, will give the activity of the Regional Antiterrorist Structure (RATS) a clearer and more targeted focus.

Another extremely important topic at the summit was the deployment of the U.S. and NATO military contingent in the Central Asian republics, which could essentially be characterized as an event of geopolitical proportions. It should be noted that the statement made on this problem was probably initiated by Moscow and Beijing, the two regional nations primarily interested in the withdrawal of the U.S. and NATO armed subdivisions from the region. After all, after 9/11, when Washington began to carry out its plans to deploy military units in certain Central Asian republics, the SCO was still not strong enough to fill the geopolitical vacuum and act as a guarantor of security for the entire region. In other words, taking into account the subsequent development of events, it was a little late in its organizational formation. And since this structure, as a mechanism for ensuring the secure development of the Central Asian countries in close cooperation with the Russian Federation and China, was essentially formed after the U.S.'s entry into the region, it is now primarily trying to catch up.

When analyzing the results of the organization's summits, as well as statements made in the format of bilateral meetings of the member state leaders, the following program theses can be seen in them: the absence of any intention to build another military bloc; the striving to reduce unilateralism in international relations; the rejection of a hegemonic policy; and the non-acceptance of unipolarity.

It is understood that this scope of activity in the SCO is inherent only in Russia and the China. At bilateral meetings, their leaders repeatedly emphasized that they do not accept the superpower syndrome and interference in the affairs of other countries under the guise of human rights and humanitarian efforts, and they are also against imposing the standards of certain countries on others. There is no doubt that in this context, the finger is primarily being pointed at the United States, as well as at the stances of the Russian Federation and China. It stands to reason that these

two regional nations have no burning desire to see, if not military adversaries, at least geopolitical rivals in the form of the U.S. and NATO so close at hand.

We would remind you that during the first stage, Beijing and Moscow supported the Washington-led antiterrorist campaign of 2001. But the U.S.'s subsequent geopolitical campaigns in Eurasia – the long-term deployment of military bases in Afghanistan and the Central Asian republics, and the military campaign in Iraq, assessed today as intervention – have aroused the concern of both China and Russia, as well as of other countries in this area. Beijing and Moscow are united by long-term goals ensuing from their interest in ensuring stability in the vast expanse of Central Eurasia. Against this background, the manifestation of unilateralism in Washington's actions will be "quietly" blocked by carrying out a strategy of geopolitical pluralism. And from this viewpoint, the SCO's future as an international player may appear ambiguous [3].

Naturally, the Russian Federation and China do not want relations with the United States to deteriorate, but at the same time, without making any rash moves, Moscow and Beijing are trying wherever possible to clamp down on Washington's military-political presence in the region, and in the future to diplomatically push the U.S. bases out of its countries. A logical extension of Russian-Chinese policy in this area (by means of the SCO) was the July summit in Astana. For example, the third section of the declaration adopted at it notes in particular that the SCO supports and will continue to support the antiterrorist operation in Afghanistan. Based on these goals, several of the organization's countries offered their land-based infrastructure for temporary deployment of the military contingents of the coalition states. But in its next item, the declaration points to the desire of certain SCO countries to have these military bases removed from Central Asia.

A diplomatically phrased paragraph in the document says: "Taking into account the completion of the active combat phase of the antiterrorist operation in Afghanistan, the SCO member states consider it necessary that the relevant members of the antiterrorist coalition take a decision on the deadlines for the temporary use of the above-mentioned infrastructure facilities and military presence on the territory of the SCO member states" [4]. Despite the careful phrasing, its meaning is obvious – the SCO, primarily Beijing, Moscow, and Tashkent, do not want the U.S. military to stay in the region. Of course, these sentiments are not intended to trigger off any radical changes in the balance of power in Central Asia. And although this request did not arouse a particular response, negative repercussions of the statement made at the summit were not long in coming, which was most noticeable with respect to Uzbekistan. After the May 2005 events in Andijan, it began to demonstratively distance itself from the West, since the insistent demands of the world community, in particular the EU and the U.S., that this event be investigated began to increasingly irritate official Tashkent. And as early as July, it demanded that Washington withdraw its armed forces from the republic within six months [5]. We would remind you that the U.S. has been using the base in Khanabad since 2001, from the first days of the combat action of the antiterrorist coalition against the Taliban movement in Afghanistan. Incidentally, Tashkent's decision was voiced after the U.S. Secretary of Defense Donald Rumsfeld received assurances from Kyrgyzstan and Tajikistan that Washington could continue using its military bases in these countries [6].

The White House promised to withdraw its troops from Uzbekistan within six months, but in the summer, the EU tried to adopt sanctions against Islam Karimov's regime, and it is presumed that these attempts will be intensified. Admittedly, the U.S. has already withdrawn its subdivisions from Uzbekistan, but they have not entirely left the region. In this respect, it can be said that Tashkent essentially did not achieve anything by taking this tough stance, but only demonstrated the indeterminate and instable nature of its foreign policy.

As for Kyrgyzstan, it cannot permit itself such incautious steps today. On the one hand, its military bases an important source of revenue for the state budget - official payments for the use of the Gansi air base located in Manas amount to 50 million dollars a year - and on the other, it is undesirable for Kurmanbek Bakiev's current fragile regime to spoil its relations with the West. In this way, Washington will not leave this base as long as it is needed there. What is more, the mass media have been publishing information that the United States is granting Kyrgyzstan an interest-free loan of 200 million dollars [7], and this is essentially equal to 60% of the country's annual budget revenue.

And another thing, Bishkek refused to allow Beijing to deploy subdivisions of the China armed forces on its territory, this decision motivated by the fact that it has no intention of turning the country into a military-political testing ground for foreign contingents, that is, it is clearly taking steps toward the West. And Washington's relations with Islam Karimov's regime, on the contrary, are tending toward further aggravation, which could ultimately cause disagreement between two SCO member states, Uzbekistan and Kyrgyzstan, the relations between which are not distinguished by profundity and trust as it is. It is thought that Bishkek is in danger of being strongly swayed by foreign influences. The current government will only have perfunctory power, while all the domestic processes will be regulated by foreign forces. In our opinion, Kurmanbek Bakiev's regime should conduct a more cautious policy and think about the consequences of its every step.

It appears that Tajikistan will not oppose the U.S. military presence in the region either, which is also due to the significant financial support Washington is rendering it. For example, in 2005, the United States allotted the republic 44.5% of all the funds it offered in the form of foreign aid for financing programs in democracy, reform of the legal system and social sphere, defence of the state border, strengthening of the security structures, and so on [8]. In this way, Dushanbe is unlikely to protest against the U.S. military presence in Central Asia, at least in the foreseeable future. Admittedly, as Uzbekistan's recent experience shows, an alternative might appear unexpectedly.

Kazakhstan had to support the statement initiated by the SCO at the summit in Astana. Otherwise, all the integration efforts of our republic would have fallen by the wayside, and this, of course, does not meet its interests. Due to the multi-vector nature of its foreign policy, Kazakhstan is developing military-political cooperation both with the SCO member states and with the West, in particular with NATO. If the country took a hard-line position regarding deployment of U.S. and NATO armed forces in the region, this would contradict Astana's policy with respect to the balance of power. The republic's leadership understands the importance of regulating the situation in Afghanistan and positively evaluates the efforts of the antiterrorist coalition. After all, Afghanistan is a bone of contention and source of

threat not only to Kazakhstan's national security, but to all the countries in the region. At the same time, military cooperation with geopolitically polar structures harbors a potential danger for Kazakhstan, since some Central Asian republics may interpret this policy ambiguously. And although this question is not urgent yet, taking into account the possible prospects, it should be kept in mind.

Many experts believe the SCO's statement was made to show that the organization's members, which differ in the nature of their regimes, have the same negative approach to the presence of the U.S. and NATO military bases in Central Asia. But, in our opinion, it is premature and rather dangerous to make such equivocal assessments, and this statement has another meaning. The SCO's proposal to the states of the antiterrorist coalition, the basis of which is formed by the U.S. and NATO, is probably more an expression of its own geopolitical significance, comprehension of the organization's power and influence in the region, which is giving it grounds for taking independent action in resolving its problems, including in fending off the threats to its security. Its accumulated political-legal and military-political experience is making it possible for the SCO to counteract these threats under its own steam, therefore the presence of foreign contingents in the region simply does not make sense.

Experts note that an important part of the organization's activity is the fight against non-traditional challenges and threats, the use of gentle methods of collective security, a demonstrative rejection of forming blocs, and support of consultations and talks as a means of resolving mutual problems [11]. But all the same, the SCO will probably be forced to develop and strengthen its military-political potential, possibly as a geopolitical tool in the rivalry with foreign players.

The organization's prospects largely depend on the foreign policies of China and Russia, which are not necessarily related to the Central Asian countries. Due to the fact that Russia does not currently possess sufficient economic resources to maintain its geopolitical influence in Central Asia, Moscow is sharing part of the responsibility for regional stability with Beijing. At the same time, no one wishes to see the SCO transformed into another military tool used for realizing the geopolitical ambitions of certain countries - that was not what it was intended for.

* * *

Another historical event during the meeting in Astana was that three of the largest Asian states - India, Iran, and Pakistan - joined the common efforts of the SCO countries in the struggle against terrorism and in ensuring stability and economic development. At this summit, the noted states joined the SCO as observers. Mongolia received this status in 2004 [12].

Their joining the organization will hypothetically make it the largest integration structure in the world, which will change the political, economic, military, and cultural architectonics on the European-Asian continent. In other words, an unusual alliance of nation-states and civilizations is being created, and this is the main difference between the Shanghai Cooperation Organization and other regional formations. But it is still premature to talk about its actual enlargement, since the regulatory-legal base of the SCO has not been entirely formed and the process of consolidating the current member states has not been completed. There are several contradictory questions here, which it is unfortunately very hard to find the answers to today.

Firstly, Iran, India, and Pakistan are showing an increasing interest in economic cooperation with the Central Asian republics, particularly in the sphere of trade, transportation, power engineering, and energy resources. From this viewpoint, the noted states could become incorporated into the SCO structure, which could lead to changes in some parameters of economic contacts. But in so doing, ground is being tilled for conflictive rivalry among the above-mentioned three countries, on the one hand, and between Russia and China, on the other, which are just as interested in the region's market. This could lead to a breakdown in the organization's mechanisms.

Secondly, South Asia, to which Iran, India, and Pakistan belong, is an even more contradictory region than Central Asia, with its rather acute and complicated differences of opinion and confused and protracted conflicts. Therefore it is very likely that as a result of these states joining the SCO, other accents in the organization's activity will also shift, with possible distraction of attention toward the problems of South Asia. In this event, the SCO will not be able to make targeted use of its resources, which are rather limited anyway. And this, in turn, could give rise to new conflicts, which the Central Asian republics will also be drawn into.

Thirdly, India and Pakistan have nuclear weapons, and Iran is trying to obtain them, so their entry into the organization could lead to a breakdown in the balance of its internal structure. And in this context, their integration into the SCO is very problematic. What is more, India has not joined the Nuclear Non-Proliferation Treaty (NPT), and the SCO countries declared that observation of the non-proliferation conditions is one of the most important principles for ensuring peace. The SCO could gain the reputation of a structure gathering nuclear states under its wing: on the one hand, Russia and China, on the other, India and Pakistan. And this will all happen against the background of Iran's attempts to create its own nuclear weapons. In the event this scenario pans out, the SCO could become more of a source of threat itself to international security than a tool for fighting it.

Fourthly, Iran is following its own domestic and foreign political course, which is quite difficult to coordinate with the stances of the organization's members. What is more, the SCO could be drawn into a geopolitical conflict with the U.S. After all, relations between Teheran and Washington are extremely tense, and in light of the statements made at the summit in Astana, the organization could assume the stance of an anti-American bloc. In other words, Iran's entry into the SCO could also be complicated by a whole slew of other problems.

And finally, fifth, a very serious problem is the rather tense relations between India and Pakistan, and Iran and Pakistan. What is more, all these countries are interested in geopolitical domination in Central Asia, which is also aggravating their relations with the region's countries, as well as the Russian Federation and China. If we take an objective view of the desire of Islamabad and Delhi to join the SCO, an element of rivalry can also be seen even in this aspect, neither state wants to yield to the other in the political, economic, or military sphere. Before major positive changes appear in the relations between these countries, the SCO could become a victim of their multitude of contradictions and conflicts. What is more, the Central Asian republics, Russia, and China will also be forced to fight against the Islamist forces of Iran and Pakistan within the SCO format, since manifestations of religious extremism in the region are largely associated with these countries.

In this way, taking into account the enormous impact Iran, India, and Pakistan joining the SCO will have, the question arises of whether it is capable of handling this enlargement within its current framework. The organization simply cannot work realistically in this composition. After all, it has taken enormous efforts to normalize relations today and overcome the barrier of mistrust between China, Russia and the Central Asian republics.

However, if we hypothetically assume that Delhi, Islamabad, and Tehran will expand the format of their participation in the organization, conditions will arise for reducing the conflict potential in the region, including between potential SCO participants, since they are clearly interested in its transformation into a permanently functioning structure which has an impact on international processes. According to several experts, expanding the geographic framework of the SCO will help to strengthen its economic and military-political potential, which will have a beneficial effect on multilateral cooperation and interaction in the region. But in so doing, a set of other problems might arise which are wider in scope and currently not characteristic of Central Asia. In all likelihood, in the mid-term, the countries with the status of observer in the organization will not be able to become its permanent members due to the primary importance of the tasks aimed at building up the SCO's internal strength.

The question is how long they will accept this status, although resolution of this question will not have a significant influence on the development of the SCO. Today, it has entered a latent geopolitical standoff against the West by challenging U.S. interests, and this means that this question will be a hidden bone of contention for quite some time to come in forming the region's geopolitics. In this case, ill-considered enlargement of the organization, particularly by including states that are polarized to each other, is introducing additional contradictions into its strategy and could lead to a slowdown in the cooperation processes and to internal groups created on the basis of opposite geopolitical and other priorities being formed within the SCO.

Nevertheless, the SCO has enormous potential and good chances of creating a regional security system equivalent to current international-political realities and trends in the future, which will become one of the centers of the global security system taking shape, an intermediary link between global and subregional levels. Of course, we will only be able to talk about this with complete confidence in time, since the organization is still in its youth.

What is more, it should be kept in mind that there is a real danger of the organization transforming into an incompetent structure which only perfunctorily unites its members, which have opposite economic and political goals, and becoming yet one more "paper-and-pencil" association in the world, including in the post-Soviet space.

As we have already noted, today the Shanghai Cooperation Organization is encountering serious challenges, and this is increasing experts' scepticism as to its efficiency. On the one hand, the internal trends holding back the strengthening of relations in all the designated areas must be overcome. On the other, the organization is entering into the difficult process of forming Central Asia's geopolitics. In particular, we should note NATO's firm intention of including the region in a new system of cooperation, in which relations between the Central Asia and the North Atlantic Alliance would be distinguished by a more constructive nature than at present.

The increased U.S. military presence in the region after 9/11 has led to the fact that the SCO is not playing a lead-

ing role in Central Asia in ensuring security and in the fight against terrorism. But according to the outcome of the summit in Astana, it can be noted that the organization is willing to assume responsibility even in light of the geopolitical changes going on around the region.

It is thought that in order to resolve the range of current problems in the near future, the SCO should make a qualitative leap in one of two directions: either toward forming a military-political bloc, which will actually, instead of theoretically, maintain security in Greater Central Asia, or toward creating a full-fledged regional political-economic alliance along the lines of ASEAN. But the SCO is not a military bloc, something that is emphasized in every way by all its member states. Here we need to pay attention to the unusual composition of the organization. Only if it can draw up a specific regional strategy and, most importantly, put it into practice, without it remaining at the level of bureaucratic paperwork, will this regional structure be able to provide answers to the transnational challenges facing its participants and play a dominant role in forming the region's geopolitics.

There is quite widespread justified opinion in the expert community that today only the SCO and no other international formation is capable of providing the Central Asian states with the opportunity to create the most suitable model for interaction with each other and with the main foreign centres of power in order to ensure security and development. The organization is presenting the regional players with the most preferable and attractive mechanism precisely because it is forming conditions for supporting stable political regimes in Central Asia and creating a favourable economic climate and safe environment in the military-political respect [13].

As many observers note, the SCO is today playing a very important role in ensuring regional security in Central Asia. It has launched and is improving a mechanism of interaction among the military departments, is holding meetings

of the defence ministers of the member states, is engaging in talks of General Staff delegations, and is carrying out bilateral and multilateral antiterrorist exercises. The summit in Astana clearly demonstrated that the organization is today assuming the position of a mature alliance confident in its own strength which is already beginning to manifest its political ambitions and diplomatically making complaints against its opponents.

Participation in the SCO is giving the region's countries the opportunity to strengthen their own security, diversify channels of cooperation with the huge regional players, primarily the U.S., China, and Russia, and expand their influence on regional processes. According to official Astana, under the conditions currently existing in Central Asia only an international organization encompassing all the region's countries and aimed at resolving its specific problems can efficiently oppose the above-mentioned threats. Correspondingly, the search for an optimal balance of interests, harmonization of the main areas of foreign, economic, and military policy in Central Asia, and a real assessment of the possibilities of all the members involved in this project should become imperative in the SCO's activity in the region.

The organization's member states should use their political, economic, and military resources to strengthen national security, state independence, and regional authority. The history of international relations proves that there is nothing stable and eternal in the world of politics, everything is based on temporary national interests. Proceeding from this, the SCO can become a catalyst for building a platform of constructive cooperation among the countries of the region to meet all the vicissitudes in geopolitical development that come their way.

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Kazakhstan's Recent Foreign Affairs: 2005

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During 2005, Kazakhstan's foreign policy and its participation in international affairs developed dynamically in all of the key traditional areas. This development included Kazakhstan's participation in international organizations (including regional organizations), such as the U.N., OSCE, CIS, EurAsEC, and SCO, and its cooperation with such structures as NATO, the OIC, and ECO. Moreover, the republic strengthened its bilateral relations with Russia, the CIS states as a whole, the Central Asian countries in particular, the U.S., the PRC, the countries of the European Union, the Muslim East, the APR, and Southeast Asia. Even so, specific features distinguished this past year; the domestic political factor had a strong impact on Kazakhstan's international status. I am referring to the country's Presidential election, which attracted intense attention from several international organizations and individual states to Kazakhstan's domestic policy.

KAZAKHSTAN AND RUSSIA

The first half of 2005 was characterized by unprecedented activity in relations between Kazakhstan and Russia. For example, in January, Russian President Vladimir Putin made a working visit to Almaty. During his informal meeting with Kazakhstan's President Nursultan Nazarbayev, a broad range of questions was discussed regarding the development of bilateral relations and preparations for the forthcoming visit of Kazakhstan's head of state to Moscow. The informal format of the meeting was conducive to discussing the upcoming Presidential election in Kazakhstan, and the Russian Federation's support of the election. At the same time, this visit was also prompted by the events in Ukraine; in particular, Putin and Nazarbayev needed to develop a joint stance on the future of the Common Economic Space (CES).

Soon thereafter, Nazarbayev made an official visit to Moscow, during which several intergovernmental agreements were signed with Putin on the results of the talks, including the Treaty on Delimitation of the Kazakh-Russian State Border. Moreover, an agreement was reached on regulating issues relating to developing mineral deposits and operating engineering structures, supply lines, and other infrastructure facilities that cross or run alongside the state border, as well as resolving problems of storing and using biological resources, water use, and environmental protection by means of separate agreements. An intergovernmental agreement was also signed on creating a Kazakh communication and broadcasting satellite, called KazSat. Both sides emphasized that Russia was Kazakhstan's "eternal strategic partner and eternal neighbor given by God".

The next meeting between Putin and Nazarbayev took place in May in Cheliabinsk, where they discussed questions of cooperation within the SCO and EurAsEC. At the beginning of June, extensive and painstaking work was completed on delimitation of the world's longest land border, more than 7,500 km long. The heads of the two states then held a meeting at the beginning of July, following the SCO summit, which ended in the signing of four agreements on power engineering.

Cooperation in the military-strategic sphere also continued. At the end of October, Russian Defence Minister Sergei Ivanov said that the Russian government intended to sign new memorandums to the Russian-Kazakh intergovernmental agreement on use by the Russian Federation's Armed Forces of four test grounds in Kazakhstan.

Thus, Kazakh-Russian relations were extremely active in 2005: there were eleven summit meetings, and Moscow rendered full political support to Nazarbayev with respect to the Presidential election in Kazakhstan.

Admittedly, there were also some sensational events and provocations in bilateral relations. For example, at the beginning of October, a Russian magazine published an article stating that Moscow supposedly had secret plans to create a single state out of Russia and Kazakhstan. However, both the Kazakh and Russian foreign ministries denied such a plan.

KAZAKHSTAN WITHIN THE CIS

As in the past, the Republic of Kazakhstan took an active position in the post-Soviet expanse. But the emphasis of the republic's interests began to shift from the CIS to more compact integration structures, such as the EurAsEC and the CES. Paradoxically, the past year was marked by the intense development of relations with the CIS countries that experienced the so-called Colour Revolutions—Georgia, Ukraine, and Kyrgyzstan—although Kazakhstan has always been strictly pro-Russian and prone to criticizing the colour coups. Energy problems provoked the interest of these and other CIS countries in cooperating with Kazakhstan. This was a concern not only of the Orange Republic, but also of the integrationist republics.

In May 2005, President of Belarus Alexander Lukashenko visited Kazakhstan. His talks with the leaders of Kazakhstan led to the signing of a series of intergovernmental agreements, including agreements on cooperation in developing the fuel and energy complexes of both countries. Yet most importantly, the leaders of Kazakhstan and Belarus made a policy statement to the effect that in the event that Ukraine refused to take part in the creation of the CES, this process would go on without Kiev's participation. Reporters assessed this statement as a warning signal to Ukrainian President Viktor Yushchenko.

At the end of May 2005, Yushchenko made an official visit to Kazakhstan, during which a series of bilateral documents was signed. Nazarbayev gave his Ukrainian colleague the clear understanding that the questions interesting Kiev—oil and gas deliveries—could not be resolved without Moscow. In mid-November, Nazarbayev made an official return visit to Ukraine. The joint statement and Road Map signed by the heads of these states were aimed at strengthening cooperation in the transportation, fuel and energy sectors, the agro-industrial complex, and the aerospace industry.

The development of Kazakh-Georgian relations was strongly influenced by the completion of the Baku-Tbilisi-Ceyhan (BTC) pipeline. At the end of March, Georgian President Mikhail Saakashvili made an official state visit to Astana. During this visit, several mutual agreements were signed. At the beginning of October, Kazakhstan's President made an official return visit to Georgia, during which several bilateral documents were signed. The main outcome was the adoption of a Joint Communiqué expressing a mutual desire to further cooperate within the framework of the main export pipeline project, Baku-Tbilisi-Ceyhan, as well as to cooperate regarding deliveries of Kazakh gas to Georgia and the efficient use of the potential of the Caspian port of Aktau (Kazakhstan) and the Black Sea ports of Poti and Batumi (Georgia). In addition to the summit meetings, relations between the heads of various departments were also developed, particularly in the power engineering area. A key issue was the price to be paid for Kazakh gas, an issue that required additional agreements between the two sides.

Kazakhstan maintained traditional ties with Azerbaijan. In May, Kazakhstan's President made a state visit to Baku, during which an agreement was signed on strategic partnership and alliance relations, and agreements were amended on the main principles of cooperation in petroleum machine-building and in free trade.

Official Astana's concern about the situation in neighboring Kirgystan rose dramatically after the March events in Kirgystan. Kazakhstan played an important role in stabilizing Kirgystan's political situation, rendered it urgent economic assistance, and established good relations with the new political leadership of this state. Nazarbayev participated in the inauguration of Kirgystan's new President, Kurmanbek Bakiev, who made several visits to Kazakhstan, as did Kirgystan Prime Minister Felix Kulov. For example, in October, Nazarbayev participated in discussing a host of economic issues, and agreements were reached on cooperation in the fuel and energy sphere and on the joint use of water resources. Furthermore, questions relating to Kirgystan labour migrants residing in Kazakhstan were resolved.

Official Astana actively participated in multilateral meetings of the leaders of the post-Soviet republics, including in the Moscow meeting of heads of EurAsEC member states, at which there was discussion of forming a common customs fee for the community and coordinating viewpoints at the talks on joining the WTO. In August, Kazakhstan took part in the work of a CIS summit, held in Kazan. A controversial issue was the election of the new CIS Chair. It was presumed that Kazakhstan's President Nazarbayev would replace Putin in this post. Perhaps the Tajikistan and Uzbekistan delegations did not support his candidacy. Whatever the case, due to the upcoming Presidential election in Kazakhstan, Nazarbayev turned down the offered post.

At the beginning of October, Kazakhstan took part in the meeting held in St. Petersburg of the heads of member states of the Central Asian Cooperation Organization, during

which a decision was made regarding its joining ranks with the Eurasian Economic Community. Moreover, at this same meeting, the Republic of Kazakhstan supported Uzbekistan's appeal to join the EurAsEC.

RELATIONS WITH THE WEST

Official contacts between Kazakhstan and the U.S. became more active during the second half of the year. But as early as May, the situation was potentially fraught with deterioration. At that time, talking at an International Republican Institute assembly, the U.S. President said that Washington would actively assist the Colour Revolutions, even as two well-known Kazakh opposition figures were in the audience, including the future candidate for the president of Kazakhstan.

On August 22, 2005, Kazakhstan's Foreign Minister Kasymzhomart Tokaev visited the United States, where he held talks with U.S. Secretary of State Condoleezza Rice. After expressing satisfaction with the level of cooperation and constructive dialog reached, Rice declared the White House's unconditional support of the program announced by Kazakhstan's President for full-scale socio-political reforms, as an optimal development model for other Central Asian countries. In addition, Rice emphasized that Kazakhstan has all that it takes to play a key role in the region. In turn, Mr. Tokaev confirmed official Astana's fundamental interest in expanding mutually advantageous cooperation with Washington and its adherence to the democratic course of reform.

Furthermore, during this visit, on August 25, Mr. Tokaev met with U.S. Secretary of Defense Donald Rumsfeld and they discussed the development prospects for bilateral relations in the military-political sphere and questions relating to cooperation in settling regional conflicts and strengthening security and stability in Central Asia and the Caspian region.

In October, U.S. Secretary of State Rice arrived in Kazakhstan. During her meeting with Nazarbayev, problems of regional policy and economic questions were discussed, and the upcoming Presidential election in the Republic of Kazakhstan prompted a discussion of the democratization of Kazakhstan's society. As Rice noted, Kazakhstan is in a difficult region, but the U.S. believes that the republic could become a fulcrum for the development of other Central Asian states, and she expressed the hope that the Presidential election in Kazakhstan would be fair and open.

At the beginning of November, a meeting was held in Astana between General John Abizaid, Commander of the U.S. Central Command, and Kazakhstan's Defence Minister Mukhtar Altynbaev, during which questions were discussed of international (including regional) security and the present state and future prospects for bilateral cooperation in the military sphere. The Pentagon representative said that Washington does not intend to deploy a military base in Kazakhstan unless a tense situation arises in one of the Central Asian states and the government of that republic invites the U.S. Armed Forces to come in. And finally, on December 20, U.S. CIA Director Porter Goss visited Kazakhstan and held a series of meetings with officials.

Unofficial contacts also have great political significance in bilateral relations with the United States. For example, in September, former U.S. President Bill Clinton visited Kazakhstan. During his meeting with Kazakhstan's President Nazarbayev, the former head of the White House expressed the opinion that Kazakhstan has every reason to accept the post of OSCE Chair in 2009. Analysts evaluated this unexpected visit by Bill Clinton as a signal that Washington supported Nazarbayev's

candidacy in the upcoming election of the president of Kazakhstan. In October, former U.S. Secretary of State Henry Kissinger made a private visit to the republic. He said that his meeting with Nazarbayev gave the United States reason to positively evaluate the efforts being made by official Astana to further democratize society, and he emphasized Kazakhstan's significant economic and political progress.

During the year, several conferences devoted to Kazakhstan were organized in the U.S., at which extremely well-known U.S. representatives answered journalists' questions. Among them were former Presidential candidate and ex-commander of NATO troops in Europe Wesley Clark, former FBI and CIA Director William Webster, former advisor to U.S. Secretary of Defense Richard Perle, First Vice President of the National Committee on Foreign Policy Donald Rice, Assistant Secretary of State for European and Eurasian Affairs Ariel Cohen, and others.

As for the other Western states, active relations with Great Britain should be noted. For example, in March, the British Ministry of Trade and Industry assumed responsibility for rendering support to build a nuclear technopark in the town of Kurchatov. In September, a delegation of Kazakh Parliamentary Deputies, headed by Majilis Chairman Mukhamedzhanov, went to London, and in October, the British-Kazakh Parliamentary Group made a return visit to Kazakhstan.

Contacts were also developed with other EU countries, including the Central and Eastern European states. A representative Polish delegation came to Kazakhstan in April. During the delegation's visit to Almaty, Kokchetav and Astana, Kazakh-Polish economic forums were held, demonstrating that Kazakhstan is becoming one of Poland's important economic partners in Central Asia. The number of Polish companies interested in cooperating with Kazakhstan is increasing. At the same time, Polish businessmen have noted several barriers barring access to Kazakhstan's market.

It should also be noted that Kazakhstan is continuing to develop ties with the European Union as an organization. At the beginning of February, the third meeting of the European Union-Kazakhstan Subcommittee on Justice and Law and Order was held in Astana. At the beginning of April, participants in the 6th meeting of the Republic of Kazakhstan-European Union Cooperation Committee in Brussels discussed the prospects for interaction between the parties in the energy and transportation sphere, as well as regarding TACIS programs. At the end of October, EU special representative for Central Asia Jan Kubish made a working visit to Kazakhstan. During his meeting with the President of Kazakhstan, they discussed possibilities of further developing trade and economic cooperation, Kazakhstan's membership in the WTO, and issues relating to the upcoming election of the president of Kazakhstan.

At the initiative of several Deputies of the European People's Party-European Democrats (EPP-ED), on November 10, there were hearings in the European Parliament, which were attended by a delegation from Kazakhstan, on the upcoming election of the president of Kazakhstan. The ensuing discussion focused on the political situation, freedom of the press, and development of the institutions of a civil society in Kazakhstan. An EU statement was adopted as a result of the hearings, which noted in particular that the European Union appreciates the responsibility Kazakhstan has assumed to hold a free and fair election.

Other international organizations were also interested in the course of the 2005 election in Kazakhstan. For example,

on November 10, the Caspian Information Centre (CIC) presented a report in London on the election campaign in the republic. Its main conclusion was that Kazakhstan, after achieving success in its economic reforms, has reached an important stage in its democratic development.

KAZAKHSTAN'S CONTACTS WITH ASIAN COUNTRIES

In May, Foreign Ministry representatives of Kazakhstan and China held bilateral consultations and a meeting of the Secretariat of the Committee on Cooperation between the Republic of Kazakhstan and the PRC. At the beginning of July, on the eve of the SCO summit, PRC Chairman Hu Jintao made an official two-day visit to Kazakhstan. Key issues of bilateral cooperation, as well as urgent international problems (including regional problems), were discussed within a small group and at an enlarged session. Jintao and Nazarbayev signed a Declaration on Strategic Partnership and several other documents on expanding interstate relations, and came to terms on creating favourable conditions for further intensifying ties in such spheres as trade, the economy, power engineering, transportation and finances.

On September 1, bilateral talks on Kazakhstan joining the WTO were successfully concluded in Beijing, and a statement was signed on completion of the talks regarding access to Kazakhstan's goods and services market from the PRC under mutually acceptable conditions for both sides.

Cooperation with Japan also continued. In November, a statement was signed on completion of the talks between Astana and Tokyo on access to Kazakhstan's goods and services market, which in itself designated completion of the talks between the two countries regarding Kazakhstan's membership in the World Trade Organization.

At the end of May, during an official visit to Kazakhstan by Turkish Prime Minister Recep Tayyip Erdogan, several documents were signed in Astana, including an inter-parliamentary agreement on cooperation in the struggle against international terrorism. At the end of official bilateral meetings held in June in Geneva, Astana and Ankara reached agreements on completion of the talks regarding Kazakhstan's entry into the WTO.

In November, King of Jordan Abdullah II bin al-Hussein made an official visit to Kazakhstan, during which the decision was made to create a joint economic commission, and bilateral documents were signed, primarily regarding cooperation on cultural issues. But due to the terrorist acts that took place in Jordan's capital on November 10, King Abdullah II cut this visit short.

ATTITUDE TO INTERNATIONAL ORGANIZATIONS

In 2005, the Shanghai Cooperation Organization occupied an important place in Kazakhstan's foreign policy. As its Chair, Kazakhstan organized a meeting of the Council of Foreign Ministers of the member states (CFM SCO) at the end of February to discuss questions of maintaining stability in the SCO expanse, the Organization's international activity and urgent problems, and stepping up efforts to advance Tashkent's initiative to create a partner network of multilateral associations in the Asia Pacific Region. At the beginning of June, the second meeting of the secretaries of the Security Councils of the Organization's member states was held in Astana on security and stability in the

SCO expanse and in neighbouring regions, as well as on strengthening cooperation in the fight against terrorism, separatism and extremism.

The tenth anniversary meeting of the heads of SCO member states, held on July 5 in Astana, was a major international event. At this summit, Iran, India and Pakistan joined the Organization as observers. The participants in the anniversary meeting signed a total of seven documents, including a concept of cooperation in the fight against terrorism, separatism and extremism, and came to terms on interaction in preparing and holding joint antiterrorist exercises, training and qualification-raising seminars, and on exchanging work experience. The main outcome of this geopolitically significant summit was the SCO Declaration, in which the question was raised of how long the U.S. bases should remain in the Organization's Central Asian member states.

At the end of October, a regular meeting of the Council of Heads of Government of the SCO Member States was held in Moscow with Kazakhstan's participation. Several documents were signed as a result. During this meeting, talks were also held between the delegation heads and Russian President Putin. Moreover, PRC State Council Premier Wen Jiabao made a statement in which he offered 900 million dollars for the implementation of joint development projects. Official Beijing essentially stated its willingness to provide a line of credit for the entire economy of the SCO countries to transform this military-political structure into an economic organization. But Moscow and Astana had a cool response to this suggestion.

Kazakhstan has been actively supporting the work of the United Nations. In particular, at the end of January, a meeting was organized in Kazakhstan of the Antiterrorist Committee of the U.N. Security Council (ATC U.N. SC). Its participants discussed urgent questions relating to the fight against terrorism: improving the international tools for its suppression, including the interception of illegal financing; putting regional antiterrorist centres to work; combating the illicit circulation of arms and drugs; intensifying cooperation between corresponding national and international structures; and ensuring the security of air and sea ports. In addition, within the framework of the ATC U.N. SC meeting, the government of Kazakhstan and U.N. Drug and Crime Control Department (UNDCD) signed five documents on technical and advisory assistance in the fight against drug abuse and the illicit circulation of drugs.

At the end of February, Kazakhstan's government, in the form of the country's Foreign Ministry, and the U.N. departments signed joint action plans for 2005-2009. During this period, the U.N. departments will orient their efforts in three mutually related directions: reducing poverty, improving basic social services, and carrying out democratic state administration. At the end of March, a U.N. International Assembly was held in Almaty, which reviewed the question of the role of international organizations (including regional and sub-regional organizations) in carrying out the Almaty Action Program (AAP) for the developing countries without access to the sea. On November 1, the U.N. General Assembly unanimously adopted a resolution initiated by Kazakhstan, called International Cooperation and Coordination of Activity Aimed at the Rehabilitation of the Population and Environment, and Economic Development of the Semipalatinsk Region in Kazakhstan, which called on the international community to render the republic assistance in ensuring economic growth in this area.

As for cooperation with the OSCE, in mid-February, its current Chair, Foreign Minister of the Republic of Slovenia Dimitrij Rupel, visited Kazakhstan and held consultations with

representatives of the Senate and Majilis of Parliament, the Security Council, the Foreign Ministry, business circles, political parties and NGOs. In September, high-level consultations were held in Vienna of the OSCE member states, during which questions were reviewed regarding reforming the Organization and improving its activity. Foreign diplomats supported President Nazarbayev's initiatives aimed at further socioeconomic and political modernization of Kazakh society.

Our republic also participated in drawing up recommendations for the Group of Prominent Political Officials of the seven OSCE countries on a concept of reform for the Organization. The Kazakh delegation head Rakhmat Aliev said at this meeting that the Republic of Kazakhstan adheres to democratic values and upholds a gradual (evolutionary) liberalization of the political system, closely linking this process with continuing socioeconomic reforms. Among other important prerequisites, the delegation head cited the need to ensure a broad public dialog, including the constructive role of nongovernmental organizations and the mass media during democratic development, and called on the participants of the forum to support Kazakhstan's initiative to hold an International Conference on an Inter-Confessional and Ethnic Dialog in Kazakhstan in 2006. Additionally, Rakhmat Aliev directed attention to the need to ensure humanitarian security in the OSCE expanse and observe a rational balance in fighting the terrorist threat, on the one hand, and protecting fundamental human rights and freedoms, on the other. In this context, he mentioned official Astana's practical actions that have unilaterally liberalized the visa requirements for several OSCE countries.

Kazakhstan has also been maintaining close contacts with the North Atlantic Alliance. In particular, in February, a conference was held in the republic on planning a Working Program of NATO Partnership, organized by the Allied Command Transformation. At the end of June, at a meeting held in Brussels of the North Atlantic Council in the NATO-Kazakhstan format, Kazakhstan's Deputy Foreign Minister Askar Shakirov put forth a Presentational Document of an Individual Action Plan of Partnership between the Alliance and the Republic of Kazakhstan. This document set forth official Astana's conceptual approaches to the development of relations with NATO, including in the sphere of international security (including regional), and touched on questions of practical cooperation in strengthening Kazakhstan's defensibility. Representatives of the NATO leadership and member states highly praised the current level of partnership with Kazakhstan, noted its leading role in strengthening regional stability, and expressed interest in closer interaction on urgent problems of international and regional security.

At the beginning of October, Robert Simmons, NATO Secretary General's Special Representative for Central Asia and the Southern Caucasus, visited Kazakhstan. He met with representatives of government bodies: Parliamentary Deputies, the Secretary of the Security Council, the Minister of Defence, the Minister for Emergency Situations, and the Deputy Foreign Minister. According to Simmons, successful use by Kazakhstan of the Alliance's experience in training servicemen, as well as in the sphere of improving interoperability, is serving as a positive example for other NATO partner states. Sending Kazakh specialists to work in the Euro-Atlantic Disaster Response Coordination Centre could be of great value in this process. Furthermore, the sides discussed urgent problems of regional security. On behalf of NATO, Simmons expressed gratitude for Kazakhstan's active support of the efforts of the antiterrorist coalition.

On October 26 2005, President Nazarbayev signed the Law on Ratification of the Security Agreement between the Republic of Kazakhstan and the North Atlantic Treaty Organization. The agreement is aimed at reinforcing the parties' mutual obligations to protect sensitive information exchanged when interacting within the NATO Partnership for Peace program. And in mid-December, Robert Simmons made a statement that, at the beginning of 2006, the Alliance intends to sign an individual action plan with Kazakhstan on this program. In regards to Kazakhstan, special emphasis was made on military reform and raising the country's combat-readiness.

Kazakhstan also participated in the work of the Asian Cooperation Dialog (ACD) by joining such documents as the Islamabad Declaration and the Islamabad Initiative on Economic Cooperation in Asia in April. Furthermore, during his visit to Islamabad, Kazakhstan's Minister of Foreign Affairs Tokaev held bilateral meetings with Thai Vice Premier Surakiart Sathirathai and the heads of the foreign policy departments of Pakistan, China, Japan, Vietnam, Oman, Mongolia and Sri Lanka.

At the beginning of June, a regular meeting was held of the Secretariat of the Congress of World and Traditional Religions, in which 23 members of different religious associations from Iran, Egypt, Saudi Arabia, Indonesia, Pakistan, Great Britain, France, Russia, China, Mongolia, Israel, and other countries took part. Kazakhstan and foreign theologians also participated in the meeting.

At the end of September, the Third World Kazakh Kurultai (Congress), in which President Nazarbayev participated, was held in Astana. More than 300 delegates from 32 countries near and far came to the congress, including delegates from China, Austria, Norway, the Czech Republic, Italy, Singapore and Egypt.

On October 8, an international symposium called Kazakhstan – Strengthening International Cooperation for Peace and Security was held in Ust-Kamenogorsk with the participation of Kazakhstan's President Nazarbayev. Also participating in this symposium were Under Secretary of State for Arms Control and International Security Robert Joseph, President of the NATO Parliamentary Assembly Pierre Lellouche, Extraordinary and Plenipotentiary U.S. Ambassador to Kazakhstan John Ordway, U.S. Senator Sam Nunn, well-known media magnate and founder of the Nuclear Threat Initiative (NTI) Ted Turner, and NTI member Susan Eisenhower (granddaughter of U.S. President Dwight Eisenhower).

During 2005, Kazakhstan continued to act as the centre for preparing the Conference for Cooperation and Confidence-Building Measures in Asia (CICA). In mid-December, a meeting of the Special Working Group (SWG) for developing CICA confidence-building measures was held in Almaty regarding economic, humanitarian, and environmental dimensions, as well as new challenges and threats. Representatives of the member states of this organization also took part. The proposals prepared at the meeting on applying confidence-building measures were consolidated and formed the basis of the report for the Committee of Senior Officials of the CICA.

THE ELECTION FACTOR AND KAZAKHSTAN'S INTERNATIONAL STATUS

At the beginning of 2005, a discussion was launched in Kazakhstan on making changes to the election legislation. This problem immediately acquired a clear international context; in particular, the Permanent Council of the Organization of Security and Cooperation in Europe asked the

republic's leadership to bring the new version of the law into accordance with OSCE standards. As for the U.S., it did not have a unanimous position. A split developed between the State Department, which in the person of Deputy Assistant to the Secretary of State for European and Eurasian Affairs Laura Kennedy talked about the succession of Washington's policy toward Kazakhstan, and Congress, which insists on toughening it up. However, when comparing the thematic data presented by various nongovernmental organizations, on the one hand, and by Kazakhstan's officials, on the other, the European Parliamentary Deputies gave preference to the NGO data, which were clearly oppositional. As a result, the European delegates called for closer cooperation with the U.S. in drawing up a joint policy in the Central Asian region.

In April, a law was adopted in the republic on national security. The West retained its critical attitude toward the measures undertaken by Kazakhstan's leadership in this area. According to the OSCE and the European Commission, corresponding amendments to the country's legislation might violate human rights, that is, not correspond to international standards of democracy. Kazakhstan's intention to chair the OSCE in 2009 was also a reason for pressure. A permanent U.S. representative of this organization made it understood that in return for the privilege of occupying this "Chair", Kazakhstan would have to accelerate political liberalization. In May, foreign representatives participated in a discussion of the draft law on the activity of international NGOs in the republic and the reports of these organizations on corruption and freedom of speech in Kazakhstan.

At the beginning of the summer, the policy of the United States and the West as a whole toward Kazakhstan began to gradually, but very perceptibly, evolve toward a softening of assessments and criticism of the existing regime. In particular, Washington confirmed its course toward retaining good relations with Astana. Condoleezza Rice suggested continuing military aid to Kazakhstan, substantiating her initiative with the interests of U.S. national security.

Nor has China remained a neutral observer of current events. PRC Chairman Jintao expressed his country's concern by talking about the right "of nations to choose their own development path".

But a turning point in election history was the visit by Kazakhstan's Foreign Minister Tokaev to the United States in August. By that time, it was known when the Presidential election would be held. On August 19, the Kazakhstan Constitutional Council announced that the election would be held in 2005. In this respect, Condoleezza Rice, as was mentioned above, told the head of Kazakhstan's Foreign Ministry that the program of full-scale socio-political reforms announced by Kazakhstan's President is an optimal development model for other Central Asian states. The OSCE also changed its view. Its leaders stated that Kazakhstan is striving to establish itself as a democratic state. Representatives of the European Parliament, Deputies of the British Parliament and members of the U.S. Congress made similar statements.

On December 4, 2005, the Presidential election was held in Kazakhstan, and the country's current President, Nursultan Nazarbayev, sustained victory. This election campaign aroused a great international response: more than 1,600 international observers and 400 journalists from 27 countries were present at the election. Numerous representatives from the CIS and SCO noted small technical flaws, but admitted that the Presidential election took place at a highly organizational level. At the same time, observers from the OSCE pointed out that the election did not meet several OSCE obligations and other international standards of democratic voting.

The Development of Parliamentarianism in Kazakhstan as a Key Institution in the Democratization Process in the Country

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One of the main elements of democracy is the existence and functioning of parliament – a supreme legislative body. Parliament's role is in passing laws, representing and harmonizing various interests of society, adopting political priorities, distributing resources, which have a direct impact on people's lives, and, above all, monitoring the activities of the executive. Parliament serves as a counterbalance to the executive and represents voters in state policy. In essence, parliament is the main forum for discussing state policy issues, finding compromise and reaching consensus.

Parliament plays a crucial role in establishing and consolidating democracy because it gives ordinary people the right to get involved in adopting political solutions which will define their future lives. Parliament is also responsible for ensuring the supremacy of law, protecting human rights, ensuring transparency in state governance and implementing the state's international obligations¹.

I believe that there are grounds to suggest that over the years of independence the development of parliamentarianism in Kazakhstan has become an inevitable part of the country's political system. However, when the country gained its independence our parliament did not have any experience in building parliamentarianism. It searched for it slowly and tried to find a balance of public interests and adopt a system of checks and balances in state governance. It is precisely in that time legal foundations were built to ensure successes in liberal reforms started².

I believe that parliament's objective is to ensure a sustainable and dynamic development of the country and stability and progress in all the sphere of society's life. This strategic objective can be implemented if parliament uses all available political and legal means that are based on Kazakhstan's constitution.

¹ V. Usanov. Dividing Powers as Basics of Constitutional System and Its Role in Forming Parliamentarianism // Gosudarstvo I Pravo. 2005 No 12 P 14

² Kazakh President Nursultan Nazarbayev's address in the opening of the Kazakh parliament. http://www.akorda.kz/page.php?page_id=33&lang=1&article_id=904

In 2006, Kazakhstan's parliament marked the 10th anniversary of its establishment. These were the years of searching for the basics of parliamentarianism. Over these years parliament has carried out the colossal job of creating a legal basis for Kazakhstan's statehood. Thanks to this, Kazakhstan has managed to show itself in the international community as a state and the Kazakhstan's people have managed to turn into a nation united by values common to everyone³.

As a result, the state now has all the necessary resources – natural, labor, intellectual, production, financial and other – for sustainable development. The country's sustainable development means that its economy is developing well in a way that can ensure the harmonious development of society, the well-being of people and the implementation of social and environmental programs. In this regard, parliament fulfills its lawmaking function, ensuring the necessary strategy of society's development and a legal platform for market reforms for Kazakhstan's sustainable development as an independent and modern democratic state.

THE DEVELOPMENT OF PARLIAMENTARIANISM IN KAZAKHSTAN AND ITS ROLE IN GUARANTEEING POLITICAL STABILITY IN THE COUNTRY

Based on the national legal traditions, Kazakhstan's parliament reflects the Eurasian type of our statehood and combines Western and Eastern values. The roots of Kazakhstan's supreme representative body go back to the 1930s when in 1938 the republic's first Supreme Council was elected to carry out representative and lawmaking functions. Central and republican party bodies imposed a strict political control over its activities. Elections to the Kazakh SSR Supreme Council did not offer any choice of candidates and this reduced its legitimacy. The history of genuine parliamentarianism started with the break-up of the USSR and Kazakhstan's sovereignty in 1991⁴.

³ O. Mukhamedzhanov. Decade in humanity history is just a moment// Kazakhstanskaya Pravda. 20 January 2006.

⁴ Ibid.

Of course, while analyzing the activities of the country's parliament we should bear in mind the fundamental fact that in a short period of time Kazakhstan went through a political process which took decades or even centuries in developed democratic countries. Indeed, in a short historical period Kazakhstan made a colossal progress from a nominal council of people's deputies to a professional bicameral parliament. It also established foundations for a market economy, civil society and democracy.

It is also obvious that successes in this regard were achieved thanks to a policy aimed to consolidate progressive political forces and protect the interests of various population groups. That is precisely why the country managed to avoid social tension and political shocks and ensure stable economic growth and people's prosperity.

Compared with countries that have long democratic histories, parliamentarism in Kazakhstan is very young and it seems that it should be brought in line with the world standards. However, despite numerous pieces of external advice to create, copy or import a certain ideal model of parliamentarism, in Kazakhstan this institution is developing according to its rules and laws to achieve goals stage by stage. The efficiency of parliamentarism's development in Kazakhstan is driven by an organic unity of its modern state and historical preconditions. Time has shown that only that model which has been tested by the country's development and takes account of economic and social specifics and the people's mentality can be ideal for our society.

From developing its concept, legislative and constitutional foundations and factual establishment, the bicameral parliament in Kazakhstan fully aims to fulfill the task of regulating public relations efficiently. Kazakhstan's parliament, undergoing complex evolution, has become professional and proved its legitimacy as a body which created the legal basis of reforms and strengthened political stability, peace and interethnic accord. It has become a legitimate field for political openness and the lawmaking process itself became a means of legalizing and coordinating the political interests of various political forces⁵.

At the moment, the priority political task is to develop Kazakhstan dynamically as a state adherent to democratic values which are as important as economic success and people's well-being. It is not just necessary to have developed democratic institutions in the country but also economically feasible because it is beneficial to be in a responsible dialogue with society. However, democratic reforms should in no way lead to undermining stability.

It is known that in the whole world the productive activities of parliament have always been and remain the key condition for political stability in society. The legal basis created in the country by parliament makes it possible to regulate practically all the spheres of public relations. Constant efforts by parliamentarians to improve the efficiency of laws produce these results when the system itself contains public tension and prevents instability factors.

As a result, I believe that parliamentarism developed in the right way in Kazakhstan and its foundations are based on the system's timely reaction to even little disturbances, which may hypothetically lead to a growing tension and threats to stability. I think that this role of a political and legal coordinator of socioeconomic and political processes is being successfully played by Kazakhstan's parliament. Stability is achieved because the main sense and content of the parliamentary powers delegated by the constitution are in making laws which have permanent and long-term effect.

⁵ S. Dyachenko. Lawmaking Activities of Parliament as Condition for Political Stability in Society and State's Sustainable Development // Prospects for Kazakhstan's Parliamentarism as Important Institution of Democratization and Country's Sustainable Development. Astana, 2005, P 110

The main reasons for relying on the constitution are given in President Nursultan Nazarbayev's state-of-the-nation address: "I believe that the stability of the constitution is the stability of society. Poorly-thought through changes will create chaos in the country... Before proposing amendments to the constitution we have to carefully learn what is already there⁶." That is why it is necessary to fully make use of the constitution's existing potential, which also determines the lawmaking practice aimed to achieve the goals of stable development. In this sense, I want to note that the establishment of Kazakhstan as a law-based state demands that the stability of lawmaking and the efficiency of law observance should be strengthened further. The question arises: can all this be achieved if the constitution, the main guarantor of stability in society and the legal system, is always changed? This question is a rhetoric one.

Without a stable constitution it is impossible to put legislation in order at all. But chaos, including in lawmaking, always leads to distortions and violations. World practice proves this. If a law contradicts the constitution then it is found unlawful and revoked. That is why constitutional lawmaking demands extra carefulness and thoroughness because any change in its provisions has an impact on the entire society and the state itself. The revision of the constitution driven by a political situation is a straight way to a constitutional crisis and shattering the foundations of the state.

Obviously, the principles and provisions of the current constitution of Kazakhstan give parliamentarians all the opportunities to improve the lawmaking process in the country. Moreover, it aims at this and demands that deputies should further improve the legal system in the state.

The key problems in improving the lawmaking process at the moment, such as improving the timetable of drafting laws, ensuring scientific, expert and resource bases, improving relations between the branches of power, strengthening relations with civil society and adopting the best international lawmaking standards, can be solved well without amending the constitution. There is no need to change the constitution or its chapters regarding the lawmaking process, at least, not in the near future.

There is now need to concentrate efforts on creating legal conditions and mechanisms to carry out political reforms stage by stage, whose format was defined by the president, strengthen the results achieved and develop the economy further and modernize state governance. However, I believe confidence is growing in society that there is a need for an extremely careful approach to the entire set of issues relating to political reforms. The chairman of the Mazhilis, Oral Mukhamedzhanov, has rightly noted that we have all the rights to mistake in the sphere of political changes, especially to hastiness⁷. But on these important lawmaking issues we cannot be extremely cautious and adopt conservatism either, which may lead to stagnation.

Kazakhstan's modern parliament has a bicameral structure which includes the upper chamber Senate and the lower chamber Mazhilis. The Senate is made up of deputies with two deputies elected by the legislative bodies of each oblast, Almaty and Astana. Seven senators are appointed by the country's president.

The Mazhilis is made up of 77 deputies. Sixty-six deputies are elected in single-seat constituencies, which are formed

⁶ President Nursultan Nazarbayev's state-of-the-nation address Kazakhstan on Way of Rapid Economic, Social and Political Modernization. February 2005. [http://www.akorda.kz/page.php?page_id=32&lang=1&article_id=52]

⁷ O. Mukhamedzhanov. Prospects for Kazakhstan's Parliamentarism as Important Institution of Democratization and Country's Sustainable Development. // Prospects for Kazakhstan's Parliamentarism as Important Institution of Democratization and Country's Sustainable Development. Astana 2005 P 4.

on the basis of Kazakhstan's territorial and administrative structure and have similar numbers of voters. Ten deputies are elected on the party ticket according to the system of proportional representation in the entire territory of Kazakhstan.

Elections to the Mazhilis are based on a general, equal, direct and secret ballot. These elections are held no later than two months before parliament ends its work. Elections to the Senate are based on an indirect secret ballot. Half of the senators have to stand in elections every three years and elections are held no later than two months before their powers end. The term of senators is six years and Mazhilis deputies five years⁸.

The work of Kazakhstan's parliament is based on sessions. A parliamentary session consists of joint and separate meetings of the chambers, the bureaux of the chambers, standing committees and joint commissions of the chambers.

Parliament now endorses the central budget and reports made by the government and the audit committee for monitoring the implementation of the central budget and makes amendments and addenda to the budget. Parliament can either approve or reject the government's programs and express no confidence in the government.

In May 2005, President Nazarbayev, aiming to make use of the constitution's potential and carrying out stage-by-stage political modernization of Kazakhstan's society and state and increasing the role of parliament, signed the decree *On Measures to Further Use of the Potential of the Constitution of the Republic of Kazakhstan*. Above all else it aims to create conditions for more efficient fulfillment of parliament's representative and lawmaking functions⁹.

In line with the decree, the ministers of the socio-economic bloc are appointed after preliminary discussion of their candidacies in relevant committees of the Mazhilis and the Senate, and the heads of Kazakhstan's diplomatic missions after preliminary discussion of their candidates in the relevant committee of the Senate.

In addition, the president recommended that the Mazhilis hold consultations with the Senate on decisions to appoint the chairman, deputy chairman and members of the Central Electoral Commission. The chairmen of the chambers are also recommended that they appoint corresponding members of the Constitutional Council after discussing their candidacies at plenary sessions of the chambers.

This means that parliament's role in the political and government processes is consistently being strengthened and time will show how efficient the parliamentary "sieve" in forming the personnel policy of high-level executives is. However, no-one should doubt the movements in this sphere. It is very obvious that the decree significantly expanded the functions of the legislative in appointing a number of state executives. This will definitely boost the authority and significance of parliament in our society's political life. In addition, the mutual responsibility of parliamentarians and executive bodies over the state policy will grow and parliament's role in monitoring the implementation of the central budget will grow and the selection of members of the Central Electoral Commission and the Constitutional Council and diplomats will become stricter and more public. All this and the current administrative reform should increase the efficiency of the activities of the state apparatus¹⁰.

⁸ The Constitution of the Republic of Kazakhstan. Almaty: Zhety Zhargy 1998 P 70

⁹ The president's decree *On Measures to Further Use of the Potential of the Constitution of the Republic of Kazakhstan*, No 1568, 4 May 2005

¹⁰ Ye. Turanov. *New Decree // Kontinent*. 2005. No 10 18-31 May. P 17

LAWMAKING AS FACTOR IN DEVELOPING POLITICAL PROCESS

The high levels of dynamics of the development of parliamentarianism in our country demands constant attention to the main problems of relations between power branches, the role and place of structures and bodies involved in lawmaking, and to the efficiency and stability of the whole parliamentary process.

It is nothing but precisely the system of dividing powers tested by world practice that regulates political issues in order to establish constructive relations between political forces, public institutions and state structures. It is directly linked to the stability of the entire lawmaking practice, starting from adopting a timetable for drafting laws, choosing political and sectoral priorities, defining the topicality or urgency of draft laws, to signing laws and monitoring the efficiency of their application.

Particular attention should be drawn to the opening up of all the possibilities of modern lawmaking so that it makes it possible to combine state and public regulation to adopt such an aspect of developing lawmaking that stabilizes the entire process of improving a public organism.

In its unofficial form the lawmaking process starts long before wording a draft law and its submission to the Mazhilis. It originates from the public's understanding and special bodies and structures' demand for the legislative regulation of certain relations in eliminating gaps, irregularities and contradictions in the existing legislation. As a result, at the initial stage the lawmaking process has a clear public nature.

Then draft laws are prepared by relevant government structures and specialists and are initiated by deputies. Deputies take an active part in discussing draft laws and represent voters' interests by working in sectoral standing committees and political factions. In its turn, parliament as a complex multi-component body has other different relations with various state and public institutions and public organizations. Such a wide representation formed in the lawmaking process creates an efficient mechanism to coordinate the interests of various political entities and solve contradictions emerging in society timely.

Deputies of both chambers employ this practice and I think there is an understanding that the wider the public basis for discussing draft laws, the better and more efficient are laws. Therefore, these laws will be efficient over a long period of time.

In quantitative terms, parliament's work can be expressed in the following figures: over the decade of the professional parliament of Kazakhstan, 1,722 draft laws submitted to the Mazhilis were discussed widely; 1,450 of them were initiated by the government and 272 by deputies; 1,284 draft laws were signed by the president into laws and expanded the country's legislative basis.

The Statistics of draft laws submitted and adopted by parliaments and signed by the president (January 1996-September 2006)¹¹

No	Number of draft laws	Initiated by the government	Initiated by deputies	Total
1	Submitted	1,450	272	1,722
2	Approved and sent to the Senate	1,267	110	1,377

¹¹ The Kazakhstan's parliament's information and analytical centre's data.

3	Adopted as laws and signed by the president	1,119	85	1,284
4	Rejected by the Mazhilis	44	9	53
5	Recalled by initiators	87	100	187

Deputies sent 55 enquiries to the Constitutional Council. The first parliament sent about 600 enquiries to ministers, the second parliament 2,400, whereas this parliament sent over 1,000 enquiries in two years of its activities alone.

It is important to note that parliament initiated amendments and addenda to the country's constitution to improve the system of checks and balances of the branches of power, democratize their activities and expand political rights and liberties of citizens. Over these years, a number of very important codes have been adopted; for example, the *Administrative Offences Code*, the *Criminal Code*, the *Civil Code*, the *Budget Code*, the *Land Code*, the *Tax Code*, the *Customs Code* and others. All this and many other important components of parliamentary activities make it possible to conduct economic reforms in the country comprehensively and efficiently.

We can say with confidence that discussing and adopting important laws without involving all the public forces means that the adopted course of modernizing the power, economic growth and social development comes under threat. With regard to this, it is important and timely to introduce necessary changes to those laws which have a direct impact on preserving sustainable development and make the lawmaking process efficient.

The **first** thing which should draw priority efforts from Kazakhstan's parliamentarians is to introduce changes to a set of constitutional laws relating to the government system, mechanisms and relations between the branches of power to make their activities efficient.

For this, it is necessary to analyze the entire lawmaking practice to establish gaps and shortcomings in lawmaking regulation and inefficiencies in lawmaking. On this basis it is important to clarify priorities in improving legislation and draw strategic aspects and tactical means of achieving goals of the efficient legal regulation of public processes.

Due attention should also be paid to coordinating relations and constructive cooperation between the legislative and the executive. Shortcomings in organizing the lawmaking process are the existing disparity in relations between the branches of power. It is no secret that parliament's opponents from executive structures, with which there should be cooperation to improve the quality of lawmaking, always have many opportunities to "red tape" draft laws initiated by deputies through useless correspondence and dragging with conclusions or producing negative ones. I believe the victims of such approach were many important draft laws which have an impact on people's trust. The matter is in draft laws *On the Protection of Consumers' Rights*, *On Veterans*, *On the Protection of Maternity and Childhood* and others, rejected by the government. I believe that in terms of topicality and social significance these draft laws were better than those drafted by the government.

It is no secret either that ministries and departments often want to fill in their draft laws with their narrow-departmental and personal interests in detriment of society as a whole, whose interests parliament should protect. That is why it is necessary to overcome the trend of "corporative selfishness" which leads to contradictions in laws and unevenness in the lawmaking process and hinders parliamentarians' attempts to take part in long-term planning, and as a result, reduces the efficiency of laws.

The **second** thing that demands same attention is the timely adoption of amendments to socioeconomic laws, which ensure the continuation of market changes and also preserve social guarantees. This is a hard task and transitional states always face this problem. World experience shows that contradictions in the interests of capital and the interests of people have always been catalyzers of public instability and coups d'état, revolutions and regress.

In any case, priority should be given to social needs and people's demands. This is also demanded by the constitution which declares Kazakhstan a social state. I believe that in this connection, it is necessary to pay particular attention to improve laws to satisfy the interests of vulnerable population groups, observe the principles of social justice and the possibility of implementing each citizen's potential.

The **third** important thing from the point of preserving stable development is to adopt amendments to laws relating to national security and the activities of state bodies in this sphere. There are increasingly more external threats and these are becoming more unpredictable and dangerous, and that is why there is a need for more efficient legal mechanisms to counteract international terrorism, religious extremism, drug trafficking, illegal migration and other phenomena that do not only have an impact on the peaceful life of border regions but also pose threat to the stability of domestic political relations in general.

I think that these are some ways for the practical implementation of tasks set for the legislative in Kazakhstan. I believe that by implementing them efficiently we can achieve stability in the progressive development of the Kazakh society. An unbiased analysis of a possible scenario which will be developing in the country and around it in the near future given modern threats and challenges to dynamic and sustainable development forces us to believe that the strong state power in Kazakhstan will continue to serve as the main condition and guarantor of the country's stable economic and social development in the near future. The full format of political reforms and the modernization of the political system identified by the head of state cannot be implemented without a strong executive power which is able to guarantee real progress towards a fully-fledged democratic system.

PARLIAMENT'S ROLE AND PARTICIPATION IN KAZAKHSTAN'S FOREIGN POLITICS

Parliamentary diplomacy currently plays the role of enabling dialogue between parliamentarians, aiming to help protect peace and human rights and strengthen cooperation between peoples and developing representative institutions of power. Kazakh parliamentarians have managed to make a significant contribution to both establishing the country as an independent, democratic and dynamically developing state and boosting Kazakhstan's international reputation.

At the moment, Kazakhstan's parliament is actively developing inter-parliamentary cooperation with many countries, especially with Russia and CIS countries, the EU, the USA and China.

A positive example of the efficiency of inter-parliamentary diplomacy in bilateral cooperation is that on November 16, 2005 the Mazhilis and Russia's State Duma simultaneously ratified the Kazakhstan-Russia Border Treaty in one day¹².

Specific results of the Kazakh parliament's involvement in interstate relations also were the ratification of a number of agreements with China, Uzbekistan and Kirgystan on delimiting borders. This helped increase trust and develop friendly relations and equal cooperation between the independent states in the Central Asian region.

¹² Reports by the Kazakhstan Today news agency on 17 November 2005.

The results of the Kazakh parliament's international activities can also be seen in adopting new laws based on the experience of developed countries and holding international conferences and seminars on topical modern issues.

Constant relations have been established with authoritative international organizations such as the UN, the OSCE, NATO and others.

The Kazakh parliament pays particular attention to multilateral cooperation within international parliamentary associations such as the International Parliamentary Union, the CIS Inter-Parliamentary Assembly, the Eurasian Economic Community Inter-Parliamentary Assembly, the Parliamentary Assembly of the Council of Europe, the OSCE Parliamentary Assembly, the Parliamentary Union of the Islamic Conference Organization, the Asian Forum of Parliamentarians on Population and Development and other regional parliamentary associations¹³.

Important aspects of inter-parliamentary cooperation are the harmonization and improvement of national legislations within multilateral consultations. Kazakh parliamentarians make a significant contribution to the activities of many working groups and commissions on harmonizing legislations in trade and economic cooperation and ensuring security within regional organizations.

Using inter-parliamentary associations as an important rostrum for communicating to foreign members of parliament, Kazakhstan's parliament discussed important international issues and made a number of initiatives, which attracted the international community's attention.

Over 200 model laws and recommendations which deputies from Kazakhstan's parliament took part in drawing up are currently being used in CIS states. Kazakhs took the lead role in drawing up 30 of them. International links that have been established are permitting Kazakhstan's parliament to use the potential of international experience in its work, and also share its own experience.

For example, 12 groups have been set up in the Mazhilis to cooperate with the parliaments of 40 states, and all interested parties have been informed about their establishment. The main aims of inter-parliamentary dialogue are to discuss economic, political, scientific, technical and cultural collaboration. Some experience has been gained in the sphere of exchanging information and experience in the practice of applying the law and in lawmaking. It is worth mentioning that nine members of Kazakhstan's parliament have been awarded the Community Order for their active participation in the work of the CIS Inter-Parliamentary Assembly, and 35 deputies have been awarded certificates of honor¹⁴.

With a view to further boosting economic integration with neighboring states, Kazakh parliamentarians are working actively within the Eurasian Economic Community. The simultaneous ratification of the Agreement on a Single Economic Space by the parliaments of Belarus, Kazakhstan, the Russian Federation and Ukraine can be counted as a specific achievement of this work.

The CIS Inter-Parliamentary Assembly's adoption of a resolution supporting Kazakhstan's bid to chair the OSCE in 2009 can be counted as an indication of Kazakhstan's international authority. It is worth mentioning that many foreign parliamentarians have come out in support of Kazakhstan's bid, including members of the OSCE Parliamentary Assembly and PACE.

It is obvious that the success of this bid would be proof of international recognition of Kazakhstan's achievement in building democracy. At the same time, chairing the OSCE would also mean increased responsibility for Kazakhstan to move forward with political liberalization, defending human rights and preserving inter-ethnic and inter-religious accord.

It is important to note parliament's active work to provide legislative grounding for Kazakhstan's bid to join the World Trade Organization, bringing national legislation in the spheres of defending intellectual property rights, foreign trade, technical regulation and other points into line with WTO standards.

Parliament is in many ways laying the groundwork to create conditions to integrate Kazakhstan into global political and economic processes.

However, it seems that the potential for inter-parliamentary cooperation is far from being used to the full; at this stage we face priorities of boosting relations at the parliamentary level and playing a more active role in the work of inter-parliamentary organizations, thereby influencing the resolution of problems facing the international community.

The work of Kazakh parliamentarians indisputably plays an important role in Kazakhstan's foreign policy. Kazakhstan's parliament has now gained certain experience of inter-parliamentary cooperation and also defined its place and role in the system of interstate relations. The work of Kazakh parliamentarians is also helping to boost the country's international image as a serious and reliable partner.

DEVELOPING KAZAKHSTAN'S PARLIAMENTARIANISM: PROBLEMS AND PROSPECTS

Developing parliamentarianism in modern-day Kazakhstan goes hand-in-hand with resolving complex issues in all areas of the country's economic, socio-political and socio-cultural life. Despite the obvious economic successes, the achievement of a stable financial system, a real rise in public living standards and the assurance of a social security system, a whole range of issues connected to assuring further steady growth in these areas remain unresolved.

It is essential to point out that the development of Kazakh parliamentarianism is moving forward in the context of further boosting and developing the legislative's political authority. Taking account of the obvious need to further boost statehood, the development of parliamentarianism in the foreseeable future will most likely be directed in the following areas:

- transferring the center of gravity above all else to legislative activity, which should be carried out more professionally and be closely tied to society's development needs;
- boosting the role of blocs within parliament as a means of expressing the wishes of groups of politically-oriented voters;
- investing parliament with wider and more effective controlling functions within the boundaries of the Constitution;
- boosting the role of parliament in using the mechanism of forming a government based on a parliamentary majority¹⁵.

Realizing these initiatives would take parliament's potential to influence the executive to a new level. This would also allow the level of trust and understanding between parliament and the government to be increased, and furthermore deputies would carry a certain degree of responsibility for the state of affairs in the country.

¹⁵ S. Shakirbayev. On Issue of Strengthening Parliament's Role in Kazakhstan's State Governance // Analytic 2005 No 6 P 46

¹³ A. Volkov. Inter-Parliamentary Cooperation with foreign Countries as Key Mechanism in Promoting National Interests in Ensuring Kazakhstan's Sustainable Development // Prospects for Kazakhstan's Parliamentarianism as Important Institution of Democratization and Country's Sustainable Development. Astana 2005 P 224.

¹⁴ S. Dyachenko. On Role of Inter-Parliamentary Links in Globalization // Diplomaticeskij Kuryer. 2006 No 2 PP 253-254.

However, developing parliamentarianism and boosting its role in the country should and will take place within the existing model of a presidential republic, which has historically proven its effectiveness.

Deputies have a lot of work ahead of them to really succeed in boosting the legislative's authority, making sure that not only the politically active trust it, but that social groups who are politically passive do so too. In order to achieve the aim set out, there is a need for an improvement in legislative activity, but there should also be an expansion and improvement of parliament's representative functions, its functions of controlling the enactment of legislation, its constituent and managerial functions and its forecasting and coordination functions¹⁶.

However, we can already talk about a new format for further collaboration between the executive and legislative, and about their effective cooperation in lawmaking. When such consolidation between the legislative and the executive is fully achieved, it will be possible to talk about a leap forward in the reform of the political and legal system of modern-day Kazakhstan.

As part of democratic modernization, Kazakhstan needs to systematically develop its institution of parliamentarianism and boost the role of parliament in running the state. The main aim here will indisputably become to boost parliament's representative, legislative and controlling functions.

Intense constructive work is currently under way to further improve legislation and improve the quality of laws. According to some statistics, the Justice Ministry alone rejects or returns for further work up to 10 per cent of legislative documents, and up to 14 per cent of draft laws are returned to the government from the Mazhilis or recalled. The reason for this is weak conceptual work on the draft laws that come in. Numerous deficiencies in judicial procedure are also obvious, including discrepancies in individual legal standards, unclear prospects when it comes to applying the law, and so on.

In boosting the effectiveness of parliament's work, it is also important to guarantee the constitutional right of each deputy to put forward a legislative initiative, which they can use to instigate draft laws themselves at their own discretion. Deputies, who are linked to the regions and to voters by many threads, occupy a certain political position and are in possession of knowledge about a specific situation. If deputies, members of political parties, draw up draft laws, put them forward for debate and use the laws to push through their parties' central ideas, this can certainly be qualified as boosting parliament's political role and as an opportunity to represent the interests of various social groups, and also guarantee that timely and necessary laws are adopted.

Many politicians, parliamentarians and lawyers have in recent times quite justifiably proposed expanding the powers of deputies' factions working in parliament for political parties, which indicates that this institution is gaining ground.

There are currently registered in parliament deputies' factions of the Otan political party and the Agrarian-Industrial Union of Laborers (AIST). A number of deputies' groups have also been set up such as Yenbek, Auyl, Aymak, Damu and the Otbasy deputies' group on population and development and the deputies' group on holding the 2014 Winter Olympics in Almaty.

The most varied of proposals are currently being put forward – from giving the factions the right to initiate legislation to boosting the status and power of their leaders. One group of deputies has already initiated the draft law *On Amendments and Addenda to the Constitutional Law On Parliament and the Status of Its Deputies* and the law *On Committees and Commissions of the Parliament of the Republic of Kazakhstan*, concerning that matter. It would seem necessary to give the green light to these draft laws¹⁷.

Work undertaken in 2006 by the **State Commission to Draft and Concretize a Program of Democratic Reforms**, chaired by President Nazarbayev, is indicative of the prospects for practical reforms of parliament. During the commission's work, recommendations are being accepted as to which specific problems and in what areas work to democratize Kazak society should be pursued. Boosting the role of parliament has been identified as a priority.

Proposals to boost the powers of parliament in budget planning and in control over its fulfillment have been one result of the efforts of the State Commission's working groups. An active discussion is under way about radical reforms of the legislative. The State Commission has heard a proposal to boost the number of Mazhilis deputies to 134, of whom 67 would be elected in single-seat constituencies and 67 by party list. It has also been proposed to increase the number of Senate deputies to 68, with three elected from each region, Almaty and the capital, and also to give the president the right to appoint 20 senators by individual list¹⁸. Time will tell what will happen in practice.

However, it is not change for change's sake that is required today nor subjective assessments by politicians, but further development of legislation, which should develop grounded in the demands and requirements of the public. The aim, then, should not be to boost the number of deputies but to boost the effective work of parliament in making the well-being of the country and its people grow. It is not the number of deputies that is important of itself but the quality of each deputy's work in reflecting the interests of their voters and of society as a whole. You must agree that the effectiveness of parliamentarianism lies not in the number of members of parliament nor even perhaps in the number of powers the legislative enjoys but in the manner in which they are applied and the responsibility of parliament itself¹⁹.

The main point here is that the practical results achieved in the sphere of democratic reforms in the six months the State Commission has been working are quite obvious, as is the tendency of further moving towards increasing democracy in Kazakhstan's society.

Proposals to improve the institution of parliamentary hearings will be introduced in this parliament. Parliamentary hearings on topical issues involving the functioning of the state along with invitations to parliamentary questions so that representatives of various ministries and departments can speak could be described as simply an informal means of influencing the executive. A parliamentary decision ensuing from parliamentary hearings bears the nature of a recommendation and does not as a rule oblige anyone to anything.

The reason for this state of affairs lies in an absence of tools or procedures to prepare questions for parliamentary hearings. It seems that what is required is amendments and addenda to legislation regulating the legislative procedure, to give a new legal status to parliamentary hearings. It is also essential to initiate further parliamentary hearings on particular topics and for standing committees to hold meetings in regions with broad representation from NGOs, public associations, scientific figures, local councilors and representatives from the regions. It would be effective to attract broader representation to deputies' groups examining draft laws from specialists in the given issue. The expediency of setting up an institution of parliamentary investigation, which has shown its effectiveness in many countries, should also be examined.

Legislation should also be improved in the areas of expanding the powers of parliament by, as mentioned, allowing it to take part in forming the government by parliamentary majority, boosting parliamentary control over the national budget, decentralizing the running of the state and forming

¹⁶ Ye. Konoovich. Political Reforms: To Democracy Through Stability // *Kazakhstanskaya Pravda* 7 December 2004

¹⁷ A. Zholshybekov. Party Faction – Status and role in Parliament // *Kazakhstanskaya Pravda* 7 April 2006

¹⁸ Reports by the Kazinform news agency on 23 August 2006

¹⁹ S. Kari. Tent-Camp Fuss // *Megapolis* No 49 12 December 2005

institutions of local self-government, gradually introducing elected rural and district mayors and also amendments and addenda to the rules by which parliament and its chambers operate.

What has been said does not, of course, embrace the whole spectrum of problems involving improvements to the legislative process. Some of them have long existed; others emerge as society develops. They require thorough study and practical measures need to be drawn up to put into practice proposals to remove shortcomings.

There are quite a few problems, then. It should in no way be supposed that we have reached the apex in lawmaking and that nothing further can be achieved. Adopting good laws is, in its way, an art which is constantly being improved in every country in the world. The main thing is that attention should be paid to how a law is prepared. The language of the law should be to the utmost clear, precise and accessible. It should be comprehensible to those whom it directly affects. We currently have a unique opportunity to put to positive use the best of world experience, adapting it to our realities. The political reforms that have been started are a solid basis for speeding up the rate of democratic progress in Kazakhstan.

* * *

At the dawn of independence Kazakhstan, as a young independent state, faced the serious challenges of on the one hand needing to boost itself socio-economically and politically and boost discipline in running the state, and on the other of conducting liberal democratic reforms. It is now possible to list some indisputable results of this policy.

First, a legal basis has been created in Kazakhstan which assures equal rights and freedoms for all the country's citizens, irrespective of their ethnic or religious affiliation. President of Kazakhstan Nursultan Nazarbayev has stressed many times that inter-ethnic and spiritual accord, cultural pluralism and tolerance are the basis of the progress of the society and state of Kazakhstan, and this is clearly applied in practice.

Second, a unique and effective mechanism to apply national policy and have inter-ethnic dialogue has been created in Kazakhstan in the form of the Assembly of Kazakhstan's People.

Third, dialogue between different cultures is genuinely established in the country, and Kazakhstan has basically established itself as a multi-cultural society with common values and aims. The culture of the ethnic Kazakh people, with its many centuries of tolerance and its openness to innovation, is undoubtedly the core of the cultural integration that has been achieved.

Fourth, a balanced language policy is pursued in Kazakhstan.

Fifth, spiritual revival and – most importantly – inter-confessional accord and tolerance are assured in the state.

I consider that the formula for Kazakhstan's success basically lies in the fact that Kazakhstan's leadership has placed the main emphasis in the strategy for nation-building

and carrying out modernizing reforms on pursuing a policy of gradual democratization and releasing the initiative of its citizens, irrespective of their ethnic and religious affiliation, and assuring economic growth and well-being exclusively through competition.

As a result of this, the mass consciousness has changed over the years of independence. There has basically been an invisible revolution of the mind, linked to the destruction of old stereotypes and the generation of new democratic values and a new political and legal culture.

It is indisputable that parliament has played a key role in these achievements. Kazakhstan's parliament is today a professional senior body of power with established traditions of lawmaking, the aim of which is to create a precisely-balanced legislative base to carry out the program of reforming all areas of life set out in the long-term strategy Kazakhstan-2030 and in the president's addresses to the people of Kazakhstan.

In the process of developing a democratic society and improving the level of political culture, the role of parliament in the country's political life is being boosted. Its numbers are being increased, its controlling functions are being reinforced, more opportunities are being provided for lawmaking initiatives and the responsibility of the government to parliament is growing. This is a direct consequence of the development of political parties and other institutions of a civil society²⁰.

Productive work by parliament is throughout the world a guarantee of political stability. An obvious example of this is the work of Kazakhstan's parliament. I am convinced that the main meaning and content of the work of Kazakhstan's parliament should lead to the adoption of legislative acts which work stably and durably. The effectiveness of the legislative should be assessed not only by the number of legislative acts adopted but above all by their effect on the steady development of society. Finally, we come to the last point. The effectiveness of parliament in a presidential republic lies not in the number of powers parliament enjoys but in the manner it uses them and the responsibility of the representative body.

Summing up the conclusions of the work of the first decade of parliament in Kazakhstan, there are all grounds to conclude that parliamentarianism in its Kazakhstan's form and with all its achievements and failings has become an inherent part of Kazakhstan's political system²¹. The valuable experience of parliamentary work accumulated allows us to progress to a higher level of political development.

All this permits us to state that the country's parliament will continue to act as a consolidated political force, capable of successfully resolving the tasks set for it by history. It is also very important that parliament should preserve and improve the level of trust it enjoys among Kazakhstan's society. There is only one way here – to strive to the utmost to make sure legislative work actively facilitates the resolution of the problems faced by the country, to make sure it is effective and, at the end of the day, to make sure it assists in improving the social state of Kazakhs.

²⁰ M. Kopeyev Prospect for Developing Parliamentarianism: Kazakhstan and Foreign Experience // Liter 8 September 2006

²¹ O. Mukhamedzhanov 10 Years in Mankind's History – Just a Second // Kazakhstanskaya Pravda 20 January 2006

Labor Migration and Remittances in Central Asian Countries: New Challenges and Solutions

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LABOR MIGRATION AND REMITTANCES: GLOBAL CONTEXT

According to a report published by the International Organization for Migration, over the past 30 to 40 years, the number of labor migrants in the world has grown by 150% and was estimated to total 185-192 million people as at the beginning of 2005, or 2.9% of the world population¹. Correspondingly, the volume of remittances by labor migrants has also grown.

Migrant remittance, as the International Organization for Migration defines it, generally, is a cash transfer made by a labor migrant from a destination country to their relatives in a source country. This can also be investment, deposits or donations in a source country, i.e. it covers all the financial flows related to migration².

According estimates made by the World Bank, remittances sent by official channels totaled \$126bn in 2004. Their volume occupies second place after foreign investment placed in developing countries, which totaled \$165bn in that year, and significantly exceeds the international development aid given to these countries. The world leaders in terms of receiving remittances in 2004 were India (\$23bn), Mexico (\$17bn) and the Philippines (\$8bn)³.

There are two types of money transfer used by labor migrants: *official* and *unofficial*. *Specialized international money transfer systems and national money transfer systems are used* as official channels. The most popular international systems are Western Union, MoneyGram, Travelex Worldwide Money Ltd, VIP Money Transfer and some others that have been working globally independently for many decades. Each country also has its national transfer systems – banks and other financial organizations dealing with money transfers from their country to another.

Apart from official channels, there are *unofficial* channels to transfer money such as migrants themselves bring-

ing money or sending it with their friends, relatives, train attendants and couriers and the *hawala* system.

According to UN data, the share of unofficial transfers exceeds 40% of the global volume of remittances by migrants. For example, in Pakistan until recently only a fifth or a sixth of the total remittances were received through official channels and in other countries this figure varies from a tenth to a half⁴. Many Afghans and Tajiks sent their money using the unofficial *hawala* system. Following the September 11, 2001 terrorist attacks in the USA, unofficial transfer systems have drawn the international community's attention as they could be a channel used to transfer money for subversive and terrorist activities.

According to the Russian Central Bank, the total volume of official money transfers made by individuals from Russia using Russian banks and transfer systems totaled \$3,233m in 2003⁵. However, the Russian finance minister said that in 2003 that "\$12bn was taken out of the country most of which was remittances by labor migrants"⁶.

A study by the World Bank showed that the earnings of labor migrants and their remittances in terms of the share of GDP played a significant role in reducing poverty. On average, a 10% growth in money transfers' share of GDP leads to a 1.6% cut in the number of the poor. A 10% growth in labor emigrants' share of the country's total population leads to a 1.9% cut in the number of the poor in that country⁷.

LABOR MIGRATION IN REGIONAL CONTEXT: KAZAKHSTAN AS CENTRE OF CENTRAL ASIAN MIGRATION SYSTEM

A regional migration system formed in the Central Asian countries in the 2000s, in which Kazakhstan is a country which receives labor migrants and other countries

¹ World Migration 2005. Costs and Benefits of International Migration. IMO, Geneva, 2005. Vol. 3. IMO World Migration Report Series. P 13

² IMO and Remittances. Definition, Scale and Importance of Remittances: <http://www.iom.int>

³ World Migration 2005. Costs and Benefits... P 269

⁴ G.I. Glushchenko. Money Transfers – Factor of Innovative Development of the World Financial Infrastructure// Voprosy Statistiki, 2004, No 8, P 37.

⁵ Nezavisimaya Gazeta, 2005, 8 August.

⁶ G.I. Glushchenko. Money Transfers – Factor of Innovative Development... P 37.

⁷ Richard H Adams Jr and John Page. International Migration, Remittances and Poverty in Developing Countries. World Bank Working Paper No 3179, 19 December 2003.

– Kirgystan, Tajikistan, Turkmenistan and Uzbekistan – are “source” countries. Russia remains the main destination country for the CIS countries and is the center of the post-Soviet migration system⁸.

The formation of a regional migration subsystem in Central Asia is caused by the unevenness of economic development, unbalance in the regional labor market, differences in the demographic potentials of the regional countries, the liberalization of migration rules, geographical closeness and other factors. The main “attracting” factors in Kazakhstan were the improvements in the country’s socioeconomic situation, the growth in wages and the growing demand for labor. These factors and external “driving out” factors in other Central Asian countries – excess labor resources, low pay, unemployment and poverty – have made Kazakhstan a regional destination for labor migrants.

Since Kazakhstan has a visa-free regime with all the CIS countries (except Turkmenistan), migrants arrive legally, but upon arrival they work without concluding labor contracts, i.e. become illegal workers or, as the IOM defines them, migrants with “unregulated status”⁹. Labor migration in Kazakhstan (and in Central Asia in general) has a mainly unregulated nature.

According to various expert estimates, unregulated labor migration in Kazakhstan in 2004–2005, was from 300,000–500,000 to 1 million people a year¹⁰. The latest estimate was made by President Nursultan Nazarbayev’s speech delivered in September 2004 in which he said: “About 1 million illegal labor migrants come to Kazakhstan from neighboring countries every year”¹¹. Labor migrants account for 25–35% of the labor force in Kirgystan and Tajikistan¹².

Along with regionalization processes, modern labor migration in Central Asia is increasingly more subject to global trends: destinations are diversified, developed countries are becoming the main destinations, world labor markets are evolving, secondary labor markets are being set up in destination countries and other trends. The growth in the volume of remittances by labor migrants to Central Asian countries and their growing role in improving their families’ living conditions is also one of these global trends.

Various studies¹³ show that migrants’ households spend remittances on buying consumer goods, and this makes the problem of using remittances for development topical. It is

⁸ Ye. Sadovskaya. Labor Migration in Kazakhstan in the 2000s: New Trends. Almaty, 2005. Also, Labor Migration in Central Asia: Forming Regional Migration System or Globalization Process? Moscow, 2005 (in print).

⁹ For a Just Approach towards Labor Migrants in Global Economy. International Labor conference, 92nd session, 2004. IMO. Geneva, 2004, P 11.

¹⁰ Ye. Sadovskaya. Labor Migration in Kazakhstan in the 2000s...

¹¹ Kazakhstanskaya Pravda, September 8, 2004

¹² Ye. Sadovskaya. Labor Migration in Kazakhstan in the 2000s... Also, Labor Migration in Central Asia... Ye. Sadovskaya. Labour Migration and Its Impact on Social Stability in Central Asia, published in Towards Social Stability and Democratic Governance in Central Eurasia. Challenges to Regional Stability/ Ed. by I. Morozova. NATO Science Series. IIAS, Leiden, the Netherlands, 2005. PP 206–228

¹³ Ye. Sadovskaya. Labor Migrants’ Remittances in Kazakhstan.// Labor in Kazakhstan. 2006. No 4. Also, Labor Migrants’ Remittances and Their Role in Migrants’ Households in Central Asian Countries// Tsentralnaya Aziya I Kavkaz. 2006. No 2. Also, Labor Migration in Kazakhstan in the 2000s...; Labor Migration in Central Asian Countries, Russia, Afghanistan and Pakistan. Survey. The European Commission, IMO. Almaty, 2005 (co-authorship); Labor Migration from Tajikistan. IMO. The Shark Scientific Research Center. Dushanbe. 2003

necessary to carry out thorough research into the volume and methods of remittances and their role in households’ lives. This article analyzes these problems and makes some recommendations.

MONEY TRANSFER SYSTEMS AND THE LEGAL REGULATION OF CURRENCY TRANSFER IN CENTRAL ASIAN COUNTRIES

In Kazakhstan and in other Central Asian countries, and in the CIS in general, there are a number of transfer systems – Specialized international transfer systems, Russian banks’ transfer systems and national transfer systems.

Apart from Specialized international transfer systems (Western Union, MoneyGram and others), Russian transfer systems also offer transfer services: Anelik, Fast Post, Contact, Migom, PrivatMoney, Unistream and others. They are based on Russian banking and non-banking credit organizations and specialize in transfers within the CIS, although some are expanding their activities to non-CIS countries.

Many Russian major banks and their branches carry out cross-border transfers, for example: Bank Moskvyy, Vneshtorgbank, Rosbank, Rozbiznesbank and others. For instance, in 2005, Rozbiznesbank had 740 service centers in Russia, 166 in Kazakhstan, 121 in Kirgystan and 75 in Tajikistan and used the Contact or Migom system.

Thanks to the development of international and Russian transfer systems, a widespread and quite efficient transfer system has been established in Central Asia. In 2005, about 30 commercial banks offered transfer services in Kazakhstan: ATF Bank, Alfa Bank, Valyut-Tranzit Bank, Kazkom-mertsbank, the Bank of China in Kazakhstan, the People’s (Halyk) Savings Bank, Neftebank, Texakabank and others. These commercial banks either set up transfer systems themselves or sign agreements with international transfer systems. The media have reported that there are about 870 Western Union shops in Kazakhstan.

A total of 16 commercial banks and 10 authorized banks carry out cross-border money transfers in Kirgystan and Tajikistan respectively. Uzbekistan’s Khamkorkbank, Uz-zhilsberbank, People’s Bank, National Bank, Trastbank, Biznesbank and others transfer money to/from Uzbekistan. These banks cooperate with international and Russian transfer systems and banks.

The growth in the number of transfer systems improves competition and the quality of services and reduces transfer charges. Specialized international systems have similar charges (on average 1.5–3% and over, depending on the sum transferred) and processing times – from 10–15 minutes to 3–24 hours.

The activities of banks and international transfer systems are regulated by national law: laws on currency regulation and currency control, on national banking systems, government resolutions, instructions and orders by central banks.

For example, Kazakhstan has adopted the Law *On Currency Regulation and Currency Control* and other laws to set rules for individuals (residents and non-residents) for making payments and transferring money¹⁴.

In Tajikistan, these issues are regulated by the *Civil Code*, the Law *On the National Bank of Tajikistan*, the Law *On Currency Regulation and Currency Control* and other laws relating to banks’ opening and operating accounts for legal entities and individuals.

¹⁴ <http://www.nationalbank.kz>.

Laws in each country set rules for currency operations, including making payments and transferring money, which ban currency operations with accounts of individuals (residents and non-residents) relating to entrepreneurship, investment or property rights. Individuals, residents or non-residents, can deal with currency operations (payments or/and money transfers) by opening, or not opening, a bank account in authorized banks for one-off transfers.

Each state regulates the limit for payments or/and money transfers by individuals, residents or non-residents. In Kazakhstan, an equivalent of \$10,000 can be transferred or paid with or without opening a bank account. In Tajikistan, this figure should not exceed \$2,000. However, non-residents can receive an unlimited amount of foreign currency from foreign countries. In Kyrgyzstan both residents and non-residents can transfer and receive an unlimited amount of foreign currency, and bringing foreign currency in and taking it out of the country is not subject to restrictions unless it is declared at customs posts.

International agreements are an important component of the legal basis that regulates currency transfers. Member states of the Eurasian Economic Community – Belarus, Kazakhstan, Kirgystan, Russia and Tajikistan – have signed a number of significant multilateral agreements to strengthen legal foundations for intergovernmental cooperation in the sphere of the movement of people, goods and capital across the borders.

After the September 11, 2001 terrorist attacks, the main aspect of the legal regulation of transfers was to ensure the transparency of financial systems to prevent the legalization of criminal revenue and the funding of terrorism. A Eurasian group was set up on October 6, 2005 to do this; the group involves Belarus, China, Kazakhstan, Kirgystan, Russia, Tajikistan and Uzbekistan.

The Eurasian group aims to play an important role in ensuring the reliability and safety of financial systems of the region's countries and integrating them in the international system of preventing money laundry and terrorism funding¹⁵.

DYNAMICS AND VOLUME OF REMITTANCES IN CENTRAL ASIAN COUNTRIES

Russia remains the main destination country for labor migrants from all Central Asian countries and it is the largest source of remittances. According to the Russian Central Bank, in 2004, \$3,532m, or 64% of the total \$5,534m transferred by individuals, was sent to the CIS countries. In the first half of 2005, the total remittances from Russia totaled \$3,054m¹⁶.

The estimates of the volume of money transfers in **Kazakhstan** have been made since 2000. Graph 1 shows the dynamics of money transfers by individuals, residents and non-residents, to/from Kazakhstan in 2000-2004. The quarterly dynamics of transfers to Kazakhstan from foreign countries changed significantly. According to the National Bank of Kazakhstan, transfers to the country stood at \$53.5m in 2004 and a total of \$344.5m for 2000-2004¹⁷.

According to National Bank of Kazakhstan data, the volume of money transfers by residents and non-residents from Kazakhstan stood at \$74.3m in 2000 and grew by 50-

100% a year over the next five years. In 2004, the volume of transfers totaled \$805.8m, i.e. grew by 10.8-fold between 2000 and 2004 (Graph 1).

Graph 1. The dynamics of money transfers by residents and non-residents from/to Kazakhstan in 2000-2004 (million \$)

Note: data on the left axis are quarterly figures and on the right axis are yearly figures.

Transfers are made by citizens of Kazakhstan according to the following schemes: parents to student children and adults to elderly parents. For example, according to the National Bank of Kazakhstan, about \$0.5m worth of transfers from Kazakhstan to Russia are made to pay for education and medical services in Russia. Among the senders are businessmen and specialists on business trips, tourists and foreign citizens temporarily residing in Kazakhstan who transfer money for private purposes.

A significant amount of transfers are made by individuals from Kazakhstan to China, Russia and Germany – these countries account for about 58% of all the transfers. National Bank experts believe that part of the transfers to China and Germany may be linked to payments for goods imported to Kazakhstan by shuttle traders, although the country's legislation bans currency operations connected to investment and entrepreneurship.

There has been no national study in Kazakhstan to estimate the volume of funds transferred by foreign workers and specialists arriving in the country for work, but the annual dynamics of transfers by official channels show that they account for a significant part of the transfers.

The dynamics of money transfers to foreign countries shows seasonal fluctuations which increase in the third quarter and reach maximum in the fourth quarter (September-November), which is the seasonal end of labor activities and the payment of wages and falls in the first quarter after labor migrants return to their countries (Graph 1).

Defining the volume of remittances demands that various factors should be taken into account such as the spheres of labor migrants' activities, the average wage, the frequency of transfers, the average size of transfers to source countries, the level of the development of money transfer infrastructure and others¹⁸.

Let us consider the following means of transferring money. An opinion poll carried out under research into labor migration in Kazakhstan by the author in 2005* showed that migrants used various means of sending money home. Most of them, 41.2%, bring money themselves or send it with friends (23.9%) or relatives (14.9%). Only 17.6%, i.e. less than a fifth part, regularly send money by post or money transfer systems.

According to National Bank of Kazakhstan data for 2005, residents and non-residents transferred \$1,158m from Kazakhstan. Given all the aforementioned factors, cautious

¹⁸ Ye. Sadovskaya. Methodological Problems of Defining Volumes of Remittances in Central Asian Countries. (unpublished).

* The poll was carried out by the method of personal standardized interviews in April-May 2005 and involved 255 people. Respondents were chosen by the method of "avalanche" and were purposeful and homogenous. The poll was carried out in Almaty, Shelek and settlements in Shelek District in Almaty Oblast, Shymkent and settlements in Zhetisay District in South Kazakhstan Oblast.

¹⁵ <http://www.eurasiangroup.org>.

¹⁶ <http://www.cbr.ru>.

¹⁷ <http://www.nationalbank.kz>.

estimates of the annual volumes of remittances from Kazakhstan in 2004–2005 could vary from \$0.5bn to \$1bn. However, research should be continued into establishing precise data on money transfers to/from Kazakhstan.

Kirgyzstan has started to assess remittances by its citizens working in foreign countries, and estimates suggest that the figure exceeded \$120m in 2003¹⁹.

According to National Bank of Kazakhstan data, individuals transferred \$774,000 from Kazakhstan to Kirgyzstan. However, the author's research established that even low-qualified workers from Kirgyzstan earn \$800–1,500 and over each season working in tobacco fields. Studies showed that most migrants send their money by unofficial channels through friends, relatives, train attendants or take it themselves.

In general, using data on official transfers and assessing the volume of unofficial transfers, we can suggest that at least \$0.5bn was sent by migrants from Russia, Kazakhstan and other countries to Kirgyzstan. For comparison, the country's GDP stood at \$2bn in 2004–2005. As a result, remittances account for about 25% of Kirgyzstan's GDP. The dynamics of growth in money transfers to the country in the past few years significantly exceeded the dynamics of annual foreign direct investment and official international development aid in Kirgyzstan²⁰ (Graph 2).

Graph 2. The Dynamics of GDP, foreign direct investment and money transfers in Kirgyzstan in 1999–2005 (% on previous year)

The volume of official transfers made by individuals, according to the National Bank of **Tajikistan**, totaled \$256m in 2003. However, experts estimated remittances to be far larger because they took into account unofficial money transfers and exports of goods – expensive home appliances and clothes²¹. In 2003, the volume of money transferred to Tajikistan by official channels alone accounted for 23.3% of GDP. According to Tajikistan's National Bank, \$260m was transferred to the country in 2004.

Experts believe that it is very hard to estimate the volume of money transfers in **Uzbekistan**. According to estimates, remittances, including bringing money personally and importing goods, were at least \$400m in 2003²².

THE ROLE OF LABOR MIGRATION AND REMITTANCES

The results of some opinion polls carried out in the region's countries in the 2000s show that remittances by labor migrants (migradollars) play an important role in improving households' living conditions.

The opinion poll carried out among labor migrants in Kazakhstan in 2005 showed that migradollars earned in Kazakhstan were mainly spent on foodstuffs – 55.7% and new clothes – 47.2%; 30.3% of respondents said that money earned in foreign countries made it possible to buy only the

necessities; 22.5% said it enabled them to pay for treatment and buy medicines; 25.5% said they used their money to support their parents and children.

The way of spending remittances varies from country to country. For example, poorer labor migrants from Uzbekistan and Kirgyzstan spend their earnings on the priority everyday needs – food – 56.7% and 63.3% and clothes – 46.5% and 54.1% respectively. Migrants from Tajikistan, who have been living in Kazakhstan for many years (according to research, 71% of them have been coming to work in Kazakhstan for five consecutive years), sent money to support their relatives (47.1%), pay for treatment (35.3%) and buy expensive goods.

In general, labor migration and remittances in Kirgyzstan, Uzbekistan and Tajikistan have many positive economic and social effects. Thanks to the emigration of their citizens, source countries partly solve the problem of labor surplus and ease unemployment. For example, en-masse labor migration eases tension in the local labor markets in Osh and Dzhahalabad Oblasts in southern Kirgyzstan. Migrants' families receive remittances and improve their living conditions; some migrants save money to set up their businesses and others improve their qualifications and acquire new skills from working under market conditions and apply them when they return to their countries.

Labor migration also has negative effects for both the destination countries and source countries. For example, employers in Kazakhstan benefit from using cheap labor which does not demand social protection and even low wages enable labor migrants to ensure proper living conditions in their countries. On the other hand, evading taxes in Kazakhstan (these are a significant source of funds, given the scale of labor migration) brings economic damage at a local level and transfers capital and labor to the shadows. This leads to large-scale violations of the rights of labor migrants.

A criminal component still exists in labor migration: according to estimates, about 10% of revenue from migrant labor is channeled into drug trafficking in Tajikistan²³. Transfer systems used to fund terrorist activities and launder illegal revenue are attracting greater attention. However, the criminal component and the remittance of money from destination countries to source countries, where this money is playing an increasingly significant role in national economies, should be treated separately; solving this problem demands special legal regulation.

More and more qualified specialists from regional countries are going abroad to work and this has a trend of turning into irreversible intellectual emigration. The brain drain always has medium- and long-term consequences for the economies of source countries. These countries also experience negative demographic consequences because male migrants leave their families.

CONCLUSIONS AND RECOMMENDATIONS

Globalization trends have been becoming stronger in Central Asia since 2000: on the one hand, capital, technology, goods and services are penetrating quickly to the most remote corners of the region. On the other hand, the emigration of labor from these countries is growing and this encourages the development of communications and money transfer systems. Transfer systems enable migrants' families to receive remittances from abroad.

¹⁹ Slovo Kirgyzstana. 27 January 2004; Kirgyzstan: Problems of Labor Migration and Possible Approaches to Forming Policy. Bishkek. 2004. P 22

²⁰ Ye. Sadovskaya. Labor Migrants' Remittances... Also, Labor Migration in Kazakhstan in the 2000s...

²¹ Labor Migration in Central Asian Countries... P 47

²² Uzbekistan: Problems of Labor Migration and Possible Approaches to Forming Policy. Survey. Tashkent. 2004. P 31

²³ Labor Migration in Tajikistan... P 97.

The poorest households in various parts of Central Asia spend migradollars on the necessities: goods, clothes, medicines and support for parents and children. When migrants save large funds they spend their savings on buying houses or flats or repairing them and paying for education, but the share in migradollars of these migrants is insignificant.

Remittances are a serious factor in reducing poverty in source countries such as Kirgystan and Tajikistan where, the UNDP estimates, the level of poverty is 44.4% and 60% of the total population respectively. Labor migration plays a positive socio-political role and has an impact on stability in Central Asian countries and the region in general.

Remittances account for a significant part of GDP (25% and over) in some Central Asian countries, for example Kirgystan and Tajikistan, and, according to some estimates, they exceeded official international development aid and foreign direct investment in these countries.

The author's research showed that at the moment labor migration and remittances in Central Asian countries are mostly a strategy of survival not development. According to the survey, many labor migrants intend to continue to work abroad, which means remittances will only increase. That is why it is important to continue to study the role of remittances and develop programs to use them efficiently to develop both destination and source countries.

Kazakhstan has no state program to use remittances efficiently, for example to develop small businesses, because it is a destination country and money is remitted *from* Kazakhstan not *to* it.

However, this does not play down the role of labor migration for both destination and source countries. Destination countries should evaluate their contribution to create an econometric model to assess the economic expediency of labor migrants, something that it is very important in order to understand the role of migration and it may serve as a component of developing businesses in Kazakhstan itself and promoting tolerance towards immigrants.

Since there are shortages of labor in Kazakhstan it is necessary to draft measures to encourage foreigners to develop their businesses in the country and obtain citizenship (simplifying procedures to obtain work permits, encourag-

ing foreigners to run businesses in Kazakhstan, offering tax breaks, simplifying procedures to obtain citizenship and other measures).

The modern level of transfer services, above all, reducing charges and time, the possibility of transferring money without opening a bank account and increasing the number of transfer centers, has won the trust that labor migrants have in this way of sending money. This helps cut shadow cash flows and improve transparency in the banking sphere.

Only an insignificant number of labor migrants are currently using official money transfer systems in Kazakhstan because many of them are low-qualified workers, who have never used banking services. Transfer systems should be improved further: the number of transfer centers should be increased, charges should be reduced and a promotion campaign should be carried out among migrants and the locals.

Central and commercial banks and international transfer systems should offer information support to executive bodies to train labor migrants in making cross-border money transfers.

Official money transfer systems should be developed in a way that they do not become channels to launder illegal revenue.

Since remittances account for a significant part of GDP, source countries should regulate labor migration and develop efficient money transfer systems. Migrants should be given incentives to invest in small and medium-sized businesses and they should also be able to receive low-rate loans to develop productions and carry out social and economic projects in local communities. Another measure to encourage investment in development can be the transfer of money not in cash but it into bank accounts for migrants and encourage them to pay fees for medical insurance, education and mortgages and projects in local communities²⁴.

Bilateral and multilateral interstate cooperation should be developed further to regulate labor migration to prevent illegal and unregulated labor migration. Central Asian countries are now putting efforts to create jobs and develop economies in source countries to solve spontaneous labor migration.

²⁴ World Migration 2005. Cost and Benefits... P 273.