

# Modern Kazakhstan in Global World After Independence

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**Abstract**—The article deals with the problems of political and economic processes in Kazakhstan since independence in the context of globalization. It analyzes the geopolitical situation and self-positioning processes in the world after the end of the "cold war". It examines the problems of internal economization of the Republic for 20 years of independence. The authors argue that the reforms proceeded in the economic sphere have brought ambiguous and tangible results. Despite the difficult economic and political conditions facing a world economical crisis the country has undergone fundamental and radical transformations in the whole socio-economic system.

**Keywords**—Globalization, Kazakhstan, integration, economic processes, financial crisis, multi-vector.

## I. INTRODUCTION

IN 2011, the Republic of Kazakhstan celebrated the 20th anniversary of independence. After the collapse of the Soviet Union the country had to find its location in the global system of international relations, to formulate their national interests, foreign policy strategy, to establish diplomatic relations with other countries, to engage in dialogues with leading international organizations, and to create favorable conditions for socio-economic and domestic policy reforms.

Today we can say that Kazakhstan has managed fulfill almost all foreign policy problems faced in front of the newly independent state. During the 20 years of independence, Kazakhstan has taken a worthy site in the world political and economic system, strengthening state sovereignty and territorial integrity. The Kazakhstani government established diplomatic relations with 138 countries of the world; Kazakh diplomatic missions are open in 73 of them. In turn, the Republic accredited diplomats to 107 countries, as well as representatives of regional and international organizations [1].

There are two principles in the foundations of the foreign policy strategy of Kazakhstan: *multi-vector* and *Eurasianism*. According to N.A. Nazarbayev, the President of Kazakhstan, *multi-vector* means 'to develop friendly and foreseeable mutual relations with all countries, which plays a significant role by representing our country's practical interest in world affairs [2]. Kazakhstan, which is a geographically European nation with

multi-ethnic and multi-religious composition of the population due to its geopolitical location and economic potential, will not become isolated on narrowly regional problems.

The outside world in the early XXI century has changed. The Republic of Kazakhstan is looking for his location in a new world order. Over the years of independent development the foreign policy of Kazakhstan has conceptually shaped and strengthened its international prestige.

## II. KAZAKHSTAN IN A CHANGING WORLD

Today, the world is undergoing tremendous changes. Advances in technology and global means of communication, an increasing rate of capital flows around the world, changes in consumer demand and security became the factors of economic interdependence of countries of the world. The phenomenon of globalization makes Kazakhstan to find new forms of expression in foreign affairs. This led to a reorientation of foreign policy in dealing with economic problems.

The Fate of many nations and governments is decided today not in the race arms or ideological confrontation, but in world markets. Competition between states has become more civilized, but it does not become less sharp. Creating conditions for the most conducive to the entry into the world economy for Kazakhstan, there are urgent tasks of the economic component of foreign policy.

In XXI century national interests of Kazakhstan is largely due to the realization of its economic priorities. This compels led to the globalization of the world economy, the economic security of the country in a developing financial crisis in different regions of the world and the evolution of international relations, in which the share of the economic component increases while political-military component falls.

At the current stage of development of Kazakhstan, economic component of its foreign policy should promote the following objectives:

1. Mobilizations, large-scale investments in the economy of Kazakhstan from the industrialized countries of the West, Asia and the Middle East, as well as international financial institutions;
2. Attraction of separate states and international organizations to provide practical assistance to Kazakhstan in solving economic problems, as well as the problem of providing access to the global communications;
3. Participation in the information exchange with foreign countries and international associations on scientific, technical, cultural and humanitarian cooperation, legal reform, the combat against crime and terrorism [3].

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Since 1992, when the Soviet Union collapsed, Kazakhstan has put forward a liberal democracy and the free market system. The foreign political activity began anew after the formation of the new republic. After the collapse of the USSR confrontation between East and West, the cold war has been much diminished. In these conditions the republic began to carry out its foreign policy in close cooperation with those countries that adhere to the principles of liberal democracy. In the first years of independence, Kazakhstan has been seen as a poor, unpromising country by the international community, which lies on the side of civilization. But this view began to change when in 1992 it has headed for economic development, which was based on the export of natural resources, and actively deployed around the world in foreign trade.

As in the 'cold war' confrontation between East and West was weakened, Kazakhstan has taken its place among the market economic relations. It has made every effort to expand its foreign relations, strengthening ties with Russia, the U.S., China, EU, Asian and other countries. Gradual trade, economic and political ties with these countries were growing stronger, therefore, the scale of external relations was increased. Currently, the Republic is recognized around the world not only because of the scale of the natural resources, but also to the successful participation of major international organizations.

After independence, Kazakhstan has made a huge effort to win the image of the world on the problem of the destruction process and the use of nuclear weapons. For taking out all nuclear warheads inherited from the Soviet Union, it declared that the country would be a nuclear-free zone, and the Semipalatinsk nuclear test site was closed forever. It was a great victory in the peaceful policy of the Government of Kazakhstan.

The most important event in the foreign policy of the sovereign Kazakhstan in the last decade was the OSCE summit in Astana in 2010. It wore a breakthrough character - in fact, for the two days of the organization managed to get out of the institutional impasse in which it remained for more than ten years.

Effort on the government's foreign policy has been realized by being the OECD Presidency in 2010. The task was not to Kazakhstan to meet OSCE standards, but to create new ones that would meet the current realities and interests of countries-members of the organization, with the help of those who see in the OSCE effective mechanism for the maintenance of stability and security. Though this is not possible, then at least it can try to establish some basis for the emergence of the future [4].

In parallel with the chairmanship of Kazakhstan in the OSCE in 2010, it headed the Shanghai Cooperation Organization (SCO). Guided by the 'Shanghai Spirit (mutual trust, equality, respect for cultural diversity and the desire for common development), Astana has focused its efforts not on national priorities, but on issues of interest to all members of the organization in the field of security, trade, economic and cultural and humanitarian cooperation.

In 2011, Kazakhstan undertook chairmanship of the Council of Foreign Ministers "of the Islamic Conference (OIC)" (From July 2011 - The Organization of Islamic Cooperation - OIC).

OIC is the largest in the Islamic world, uniting in its composition 57 states with a population of over 1.5 billion people.

Kazakhstan's diplomatic efforts are now focused on expanding its involvement in the international community and its increasing role in the international arena. Kazakhstan currently supports communication with almost all countries of the world and is making vigorous efforts to expand cooperation with each of them. Since its adoption by the UN in 1992 Kazakhstan persistently tried to get membership in organizations, function under the aegis the UN, as well as various specialized agencies of the UN. It managed to hold the World Economic Forum in 2013 and the "Expo-17" in 2017 in the capital Astana. Kazakhstan is also active in the field of economy, ensuring that the country moves into the category of developed countries, and begins to play a role on the world stage corresponding to its growing international status.

### III. KAZAKHSTAN'S ECONOMY IN A GLOBALIZED WORLD

Despite the difficult economic and political conditions in Kazakhstan experienced fundamental and scale transformations in the whole socio-economic system. Economic reforms in Kazakhstan can be divided into four stages.

The first phase covers the period between 1992-1993, that is, from the beginning of fundamental economical reform to the introduction of its own national currency. At this stage, the transformation of ownership through privatization, enhancing financial stability, accompanied by an unprecedented rise in inflation, hyperinflation, and passed into devalued accumulation of the population. The collapse of the national economy of the former Soviet Union have a significant impact in all sectors of the economy, decreased production of industrial and agricultural products.

The second phase covers the period of market reforms from 1993 to 1997, when the country introduced a national currency and started to form its own macroeconomic policies. This stage is characterized by the creation of the legal framework to regulate relations in the field of taxation, fiscal and banking sectors, foreign trade, the development of markets and market infrastructure. The main result of the second stage of reform was from fundamentally new economic policy, which led the transformation of a command economy into irreversible in market. The main elements of the new economic policy are: liberalization of the economy, based on the transition to management by market regulators, reduction of forms in state regulation of business, liberalization of foreign trade, openness of the country to foreign capital. Largely the process of privatization and decentralization has been completed due to practically applying the principle of free pricing in market.

The third stage of economic reform covers the period of 1997-2000. At this stage, there were an apparent growth of GDP, industrial production, investment and improvement of other important indicators. The very important thing was the decision making on the formation of the National Fund of the Republic of Kazakhstan, which allowed reducing the country's dependence on adverse changes in the price situation on the

world markets. These measures have yielded positive results. Since the second half of 1999 the Kazakhstan society steadily has moved to the stage of economic growth. This, in turn, contributes to further stabilization, steady growth of investment in the economy, the creation of the National Fund of Kazakhstan and the Development Bank of Kazakhstan. However, the global crisis that began in 1997 in Asia, although with some delay came to Kazakhstan increasing a negative impact on the economy. However, its negative effects were eliminated relatively quickly.

The fourth stage of the Kazakhstan economy has started since 2003 It is characterized by the beginning of a successful functioning of the institutions of a market economy in the country. The highlights in this period were on strengthening private sector, improving tax, investment and trade legislation allowing them to provide with free movement of goods and capital. Since 2003 has begun steadily to improve the socio-economic indicators. The inflation rate recorded only 6.4% in 2003 was the lowest in all the years of Kazakhstan's independence.

The result of all of the previous period was the development of Strategy of Kazakhstan's 50 most competitive countries in the world, in which the President of Kazakhstan N. Nazarbayev stated that "the foundation of a prosperous and dynamic society can only be a modern, competitive and open market economy, not confined only commodity" [5]. This phase also focused on accumulating reserves in the form of increasing the assets of the National Fund, which provided an opportunity not only to take measures to strengthen the position conquered in the course of reform, but also to conduct preventive measures to combat new and ever-greater global crisis that erupted in 2008.

Kazakhstan's economy has been fully ripe for its further modernization. The concretization of this idea is reflected in other subsequent regulations, especially in the Strategy of Industrial and Innovation Development for 2003-2015 [6]. The task priorities of a included set by of the Government have been considered as the realization of a unique geopolitical potential of Kazakhstan through the intensification of international trade and participation in the global division of labor, the formation of the new innovation and technology policy and the implementation of other priorities to enhance the attractiveness of the non-commodity sectors of the economy and the country's image as the best place for foreign direct investment. This should contribute to the strategic goal of raising living standards through sustainable growth and competitiveness of the economy of Kazakhstan in targeted and balanced action in key areas.

The past twenty years have shown the correctness of the principle of *multi-vector*, which allowed Kazakhstan to become an independent and authoritative state in the world community. Thus, according to the IMF, in 2010, GDP per capita recoded 9009 USA dollar, Kazakhstan is a leader among countries in the Caucasus and Central Asia. The same index in Turkmenistan was - 3677, in Uzbekistan - 1380, Kyrgyzstan - 643, in Tajikistan - 734, and Azerbaijan - 6008, in Armenia - 2840, Georgia - 2629 [7].

Some of the most important factors of economic growth are from as follows:

1. Effective government. The country's leadership has managed to independence (1991) to correctly formulate the basis of government economic policy, sustainable growth and development. The current government is now guided by these foundations which laid down 20 years ago, based on their basic components, as well as constantly developing and improving them.
2. National security. Maintenance of reliable protection of the country from external threats (in doubtless merit state) definitely helps to attract long-term foreign investment.
3. Global vision problems. The country's leadership has consistently showed heightened attention to its competitiveness in the global economic development. This course was adjusted depending on the changing situation in the world.
4. Weighted foreign policy. Kazakh diplomacy in recent years skillfully attracted allies and demonstrated flawless execution of agreements with other countries.
5. Investment in technology - the most profitable. Kazakhstan has concluded to invest in technology - the only right direction of increasing the level of expertise of the economy. Investments in the creation of modern technology are widely regarded as a priority.
6. Education - the first condition of progress. Based on many years of experience practically all sectors of Kazakhstan's society believe that education is a major component of economic success. It does not matter where young people received knowledge in their home country or abroad. To do this, there is a program "Bolashak".
7. High working capacity of the people. The collapse of the Soviet Union did not weaken the nation and seasoned country with patience, year after year, rising out of the crisis. People consistently demonstrated the qualities of performance, organization, and always had a positive impact, both on the economic development of the country and the growth of living standards.

#### IV. CONCLUSION

From the above it can be concluded that the major national interests and the main foreign policy objective of Kazakhstan is to preserve their traditional, global, and geopolitical function as uniting and stabilizing force in Central Asia. Ability to execute a given task depends, first, on whether it allows the material resources, and secondly, the political conditions in Kazakhstan-the political will of the leadership, social stability and international relations.

More specifically, the tasks of Kazakhstan's foreign policy which ensure its national interests are the preservation of the territorial integrity of the country on the basis of the interests of all ethnic groups in the country, providing an external environment conducive to the free inclusion in the world economy and politics; the protection of economic, social and human rights of its citizens to preserve and strengthen defense capabilities to the extent necessary to protect national security.

All these problems make it necessary to build a different relationship with the individual countries.

In this case, the entire foreign policy of Kazakhstan focused primarily on creating favorable external conditions for the long-term development, the modernization of its economy, and strengthening the country's position as an equal partner in the global markets. This approach is a natural basis for broad international cooperation, as the imperatives of development and modernization today have the initial value for all states without exception.

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