



Kazakhstan

Overview

Kazakhstan, a U.S. partner in areas such as counterterrorism, regional security, and nuclear nonproliferation, is a strategically situated country endowed with significant hydrocarbon and mineral resources. It shares long borders with Russia to the north and China to the east. Although sparsely populated, Kazakhstan is the world's ninth largest country by area. Previously a republic of the Soviet Union, Kazakhstan became independent in 1991. Since then, the country's authoritarian government has introduced significant market reforms, developed the energy sector, and moved to diversify its economy. Kazakhstan pursues a "multi-vector" foreign policy, seeking to balance relations with major powers while actively participating in international organizations.

Political Background

Government. Since independence, Kazakhstan's political system has been dominated by Nursultan Nazarbayev, 78, a former high-level Soviet official who became the country's first elected president in 1991. He was subsequently reelected four times, most recently in 2015, although none of these elections were deemed free and fair by international observers. Nazarbayev resigned as president in March 2019, but he maintains significant powers as head of Kazakhstan's influential Security Council and chairman of the ruling *Nur Otan* (Radiant Fatherland) party. He was succeeded by a hand-picked successor, Kassym-Jomart Tokayev. As First President and *Elbasy* (Leader of the Nation), Nazarbayev enjoys constitutionally protected status, including lifelong immunity from prosecution. His daughter, Senator Dariga Nazarbayeva, is now first in the presidential line of succession as Speaker of the Senate. Nazarbayev's family also dominates significant sectors of the economy.

Newly-elected President Kassym-Jomart Tokayev, 66, is a highly credentialed diplomat with significant international experience. Tokayev previously served as Prime Minister, Foreign Minister, and Speaker of the Senate, in addition to a stint as U.N. Deputy Secretary-General. He became acting president upon Nazarbayev's resignation and subsequently won a snap presidential election in June 2019 with 71% of the vote, although independent observers have questioned the integrity of this result. Tokayev is widely seen as a Nazarbayev loyalist and has emphasized continuity.

Kazakhstan's bicameral parliament is dominated by Nazarbayev's Nur Otan party. In March 2017, a series of constitutional amendments devolved some powers from the executive to the legislature. Observers note, however, that the parliament does not function as an effective check on presidential power. According to the Organization for Security and Co-operation in Europe (OSCE), elections in

Kazakhstan consistently fail to meet international standards of impartiality, integrity, and transparency.

Figure 1. Map of Kazakhstan



Source: CRS

Human Rights and Civil Society. Kazakhstan has a poor human rights record. The government justifies restrictions on civil liberties as necessary for preserving stability. According to the U.S. State Department, the government actively persecutes political opponents and stifles civil society groups and nongovernmental organizations. Kazakhstan's most significant human rights violations include the lack of free and fair elections; restrictions on freedoms of expression, religion, assembly, and association; and the absence of an independent judiciary and due process. Transparency International ranks Kazakhstan 124th out of 180 countries in its Corruption Perceptions Index.

Economic inequality and a perceived lack of government accountability have fueled grassroots discontent in recent years. In 2011, protests by oil workers in the western town of Zhanaozen turned violent, leaving at least 15 demonstrators dead and dozens injured after police opened fire. In 2016, large-scale protests broke out against proposed changes to the country's land code, which critics feared would lead to a Chinese takeover of Kazakhstan's agricultural land. In 2018 and 2019, there were multiple demonstrations by women protesting a perceived lack of support from the state for single mothers and families with many children. Nazarbayev's resignation and the June 2019 snap presidential election catalyzed further protests and calls for transition to a parliamentary system.

Kazakhstan at a Glance

Land area: 2,699,700 sq. km.; 1.6 times the size of Alaska

Population: 18.5 million (2019 est.)

Ethnicities: 67% Kazakh, 20% Russian, 3% Uzbek, 1.6% Ukrainian, 1.5% Uighur, 6.9% Other (2017)

Kazakhstan at a Glance**GDP (2017):** \$162.9 billion; per capita \$9,030*Data from World Bank and Kazakhstan's Ministry of National Economy***Economy**

Kazakhstan is Central Asia's most economically developed country. Its major exports include oil, coal, gas, uranium, and wheat. After a period of falling oil prices and currency devaluation tied to international sanctions on Russia, the country's largest trading partner, Kazakhstan's real GDP growth accelerated from an annual average of slightly above 1% percent in 2015-2016 to 4.1% in 2017 and 3.8% in 2018. This improved performance is attributable to greater oil sector output and more favorable terms of trade. Nevertheless, economic and fiscal dependence on oil exports renders the country vulnerable to external shocks.

Energy. Kazakhstan produces more than twice the energy it consumes domestically, according to the International Energy Association. In 2016, Kazakhstan was the world's 10th largest coal producer (and 7th coal exporter), ranking 16th for crude oil production (12th crude exporter) and 23rd for natural gas production (20th natural gas exporter). Kazakhstan's oil and gas resources attract significant investment from U.S., European, Russian, and Chinese partners. According to the U.N. Trade Statistics Database, oil accounts for 48% of Kazakhstan's exports by value.

Kazakhstan holds 12% of the world's uranium resources, and it has led world uranium production since 2009. According to the World Nuclear Association, the country accounted for 39% of world production in 2016. All of Kazakhstan's uranium is exported as of September 2017. In May 2016, Kazakhstan's state-owned nuclear energy company Kazatomprom and China General Nuclear Power Corporation agreed to a joint venture to build Kazakhstan's first fuel fabrication plant, with production slated to begin in 2020. Kazakhstan and Russia are currently discussing joint construction of a nuclear power plant.

Diversification. The government seeks to promote non-oil exports through ongoing structural and institutional reforms. The Kazakhstan 2050 Strategy, promulgated by Nazarbayev in 2012, aims to position Kazakhstan as one of the world's top 30 most developed economies by 2050, and officials are prioritizing transport and logistics development and modernization projects with neighboring countries, mainly aligned with China's Belt and Road Initiative. The government also seeks to turn Kazakhstan into a regional financial hub with the July 2018 opening of the Astana International Finance Center and the Astana International Exchange, a joint project with China.

Foreign Policy and U.S. Relations

Multi-vector foreign policy. Although Kazakhstan seeks to avoid alignment with any one power, the United States and Kazakhstan have a strong and wide-ranging relationship. In January 2018, then-President Nazarbayev met with President Donald Trump in Washington, DC, where the two leaders re-affirmed their commitment to a regional Trade and Investment Framework Agreement (TIFA) that was signed in 2004. (The TIFA includes the

other four Central Asian states.) Commercial deals totaling \$7.5 billion were also concluded, involving U.S. firms such as Boeing and General Electric.

Kazakhstan maintains close ties with Russia, which remains its largest trading partner. However, Kazakhstan is wary of its northern neighbor, particularly following Russia's annexation of Crimea. Kazakhstan has pushed back against Moscow's attempts to develop the Russia-led Eurasian Economic Union into more of a political union.

Kazakhstan is developing close economic ties with China, which is now Kazakhstan's second largest trading partner. Bilateral trade amounted to \$11.1 billion in 2017, and Chinese companies reportedly own about 25% of the assets in Kazakhstan's oil and gas sectors. Tensions persist in the relationship, in part due to resentment of Chinese migrant laborers in Kazakhstan as well as China's repression of Muslims—including ethnic Kazakhs—in Xinjiang.

Kazakhstan served as a non-permanent member of the U.N. Security Council in 2017-2018. Since 2015, the country's capital has hosted the Astana Process Syrian peace talks. Kazakhstan actively participates in NATO's Partnership for Peace and is also a member of the OSCE, the World Trade Organization, the Russia-led Collective Security Treaty Organization, and the Shanghai Cooperation Organization.

Counterterrorism and Security. An estimated 150-600 Kazakh citizens reportedly fought for the Islamic State (IS, aka ISIS/ISIL) in Syria and Iraq, but because many of them traveled to IS-controlled territories with their families, the estimated total number of IS-associated Kazakhs is closer to 1,000. In 2019, Kazakhstan repatriated several hundred of its citizens from Syria, primarily women and children, with logistical support from the United States. Kazakhstan also participates in the U.S.-led C5+1 regional initiative aimed at improving Central Asian security and prosperity, which has a counterterrorism component.

During Operation Enduring Freedom in Afghanistan, Kazakhstan granted coalition aircraft overflight rights, and in 2010 agreed to allow NATO to ship supplies through its territory. In 2018, Kazakhstan's government approved an agreement allowing the United States to transport non-military supplies through two ports on the Caspian Sea.

Nonproliferation and Foreign Assistance. When the Soviet Union collapsed in 1991, Kazakhstan was left with 1,410 nuclear warheads on its territory, but by 1995 it had turned them all over to Russia. Kazakhstan also destroyed nuclear-testing infrastructure at Semipalatinsk. The United States assisted Kazakhstan's denuclearization efforts through the Nunn-Lugar Cooperative Threat Reduction program.

The United States provided \$8.5 million in aid to Kazakhstan in FY2018. The State Department requested \$1.7 million in appropriations for aid to Kazakhstan each year for both FY2019 and FY2020. The primary focus of U.S. aid to Kazakhstan is security cooperation, particularly strengthening military partnerships and combatting weapons of mass destruction.

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