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**Chapter 1:**

**The economic situation of Kazakhstan during the last years of Soviet rule, and the transition to the market economy.**

## **Economic Structure of Kazakhstan Under Soviet Union**

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# **INTRODUCTION**

It is worth noting that one of the most important elements of state sovereignty is the foreign policy of the state. Foreign policy is the face of the state. Since its independence, Kazakhstan has been positioning itself as a neutral state for peacekeeping. As the center of Asia, the country uses a multi-vector policy to maintain relations with China, Russia, Central Asian countries and the European Union. One of the main questions of this diploma is how Kazakhstan’s relationship with the Europe evolved over time and how it is affected Kazakh's economy. The Republic of Kazakhstan, in turn, is attractive to Europe because of its geographical position as a transportation corridor connecting Europe and Asia and its natural resources. Thus, for the state of the republic, maintaining relations with Europe is a top priority. The beginning of relations can be considered the period from January 25, 1995, when in Brussels, President Nazarbayev and President of the EU Council L. Juppe signed an agreement on partnership and cooperation. In this thesis I have examined the Republic of Kazakhstan during the Soviet Union with a focus on the post-Soviet years and the period from independence to 2020.

This work aims to answer the next critical questions: How did the economic structure of Kazakhstan during the Soviet era influence the country’s foreign strategy for integration with the European Union after independence? In what ways has Kazakhstan’s economy benefited from its relationship with the European Union, and what impact have European Programs had on institutional reforms and economic diversification? In order to answer the following questions, the study is divided into 3 main chapters.   
 First chapter analyzes the main problems and challenges that Kazakhstan faced at the turn of independence. Particular attention is paid to the macroeconomic consequences of the collapse of the Union: decline in production, budget deficit, loss of external markets and destruction of established economic ties with other republics of the former USSR.

Statistical data on the growth and decline of the national product, inflation, foreign trade balance and balance of payments indicators are provided. The chapter also contains an analysis of the first steps in the transition to a market economy - price liberalization, privatization, creation of a national currency, and institutional reforms aimed at creating a competitive environment and attracting foreign investment. Thus, the first chapter forms the foundation for understanding the economic transformation of the country in the 1990s and prepares the reader to consider the processes of further integration of Kazakhstan into the world economy.

## **Economic Structure of Kazakhstan Under Soviet Union**

The 5 republics of Central Asia – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan spent the whole twentieth century under the governance of the USSR and the Soviet centralized economy. Over this period, the economies of these countries grew significantly. However, most experts argue that the Soviet Union's economy was mostly colonial. This economy was based on extracting natural resources such as oil, gas, gold, and metals. According to Mark Harrison, the Soviet economy could grow, but countries with centralized economies were gone. The Soviet Union had no future. Nobody wants to see this country return[[1]](#footnote-2).

Central Asian countries were part of the Soviet centralized economy for about 70 years from 1920 to 1991. With the collapse of the Soviet Union, the “command” economy no longer exists, which excludes future observations of its outcomes. During these 70 years, the centralized economy had a lot of reforms and changes. For instance, by the time of the collapse of the USSR in 1991, the countries in Central Asia reached a significantly higher level of social and economic development compared to the time that countries were operating before the joining of the Soviet Union. The urban population increased significantly, because starting from the 1930s, the USSR highlighted the policy of development because the government realized that they were behind hostile “imperialist powers”. In the seven Soviet decades, urbanization increased much further than in the previous millennium. The types of economic activity and sectors responsible for scientific and technological progress were formed and concentrated. Since the 1960s, the dominant share of GDP was generated there, and the majority of the population resided in urban areas[[2]](#footnote-3).

Although the USSR achieved economic success in Central Asia, these results fell short of its strategic expectations. The economy of the Kazakh SSR was based on agriculture, cotton production, and other agricultural crops, as well as extractive industries, including oil, natural gas, gold, and non-ferrous metals, which also included the unified Kazakhstan economic region. During the governance of the Soviet Union, it was significantly modified due to investments made by the Soviet Union and programs aimed at the modernization of this region. For instance, the program which was launched in the 1960s by Brezhnev under the control of Dunmukhamed Kunaev, focused on the transformation of Kazakhstan into a main industrial center of the Soviet Union, with a strong focus on mining, metallurgy, oil and gas extraction, energy production and heavy machinery manufacturing. Thus, from 1955 to 1990, around 45 cities were built, including industrial centers such as Rudny, Ekibastuz, Aktau, and Temirtau. By the 1980s, Kazakhstan provided a significant share of high-voltage equipment, rolling, and enrichment production throughout the Soviet Union[[3]](#footnote-4).

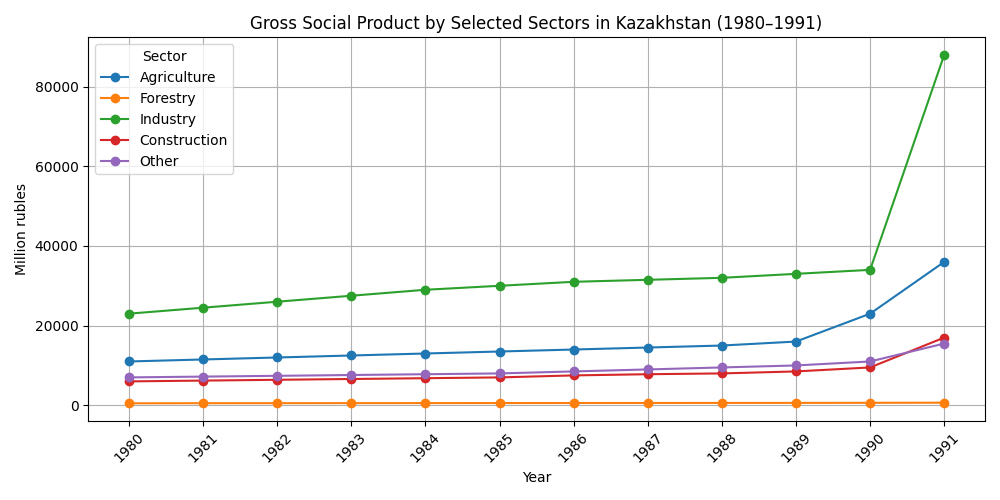
**Figure 1. National material product (NMP) growth, USSR and Soviet Central Asia, 1960–1983**Sources: Isaac Scarborough, Central Asia in the Soviet Command Economy, Oxford Research Encyclopedias (2021), <https://doi.org/10.1093/acrefore/9780190277727.013.504>.

Figure 1 represents the annual growth rates of the National Material Product for Kazakh SSR, including the USSR from 1961 to 1981. This indicator (NMP) was the Soviet statistical tool, similar to the Western concept of GDP but it doesn’t consider most service sectors and focused on material production. As we can see from the chart, the data for the Kazakh SSR varies significantly. Compared to the stable growth of the USSR, the Kazakh SSR experienced sudden increases and decreases. Significant economic changes began in the 1960s due to the Soviet government's implementation of a series of large-scale projects related to developing new lands in Kazakhstan. These projects included the construction of industrial plants, metal-processing facilities, and oil transportation infrastructure, primarily to support the extraction of resources and to improve industrial output. During the 1970s, the economy remained unstable, experiencing fluctuations in growth over periods. The earliest 1980s indicated that the NMP in the Kazakh SSR started to slow down, aligning more closely with the overall Soviet economic growth. This decline reflected the growth inefficiency of the Soviet Economic model, which was heavily reliant on heavy industry, agriculture, and centralized planning. As advanced economies around the world adopted more flexible and market-driven models, the Soviet system was not able to compete with modern economies, ultimately leading to the prolonged economic crisis that culminated in the collapse of the Soviet Union in 1991.

For 20 years, from 1960 to 1980, Dinmukhamed Kunaev headed the Kazakh SSR. During his rule, the economy of Kazakhstan diversified significantly, leading to better outcomes. For instance, over the 15 years, more than 1000 plants were built, including engineering facilities, metal processing, and oil enterprises. He had good relations with the leader of the USSR, which allowed him to shift the focus of Moscow to the development and industrialization of Kazakhstan. Nowadays, many political scientists agree that under Kunaev’s leadership, Kazakhstan has transformed and entered the top three largest economies among Soviet Republics. Moreover, the republic became a major oil supplier due to the discovery of new oil fields in the Caspian Sea region. According to this, three of the country’s largest oil refineries were constructed and still they continue to operate today[[4]](#footnote-5).

Moreover, it is important to highlight that the Soviet Union pursued a policy of "equalization." This meant providing support to the “poorer republics,” especially the countries of Central Asia, to ensure balanced and stable development among all Soviet republics. For instance, Central Asian republics, including Kazakhstan, were allowed to keep almost all (90–100%) of the sales taxes they collected (called turnover taxes)[[5]](#footnote-6). These countries also gained extra funding in the form of subsidies and investments from the central Soviet government. This financial support allowed them to boost their economic growth by developing key industries and infrastructure. In terms of infrastructure, new cities were built in the Kazakh SSR, as well as the Baikonur Cosmodrome, which still operates today. In addition, the Semipalatinsk nuclear polygon was launched, where around 468 nuclear tests were conducted. As a result, from 1976 to 1980, the Soviet Union's economy grew by about 2% per year, while the economy of the Kazakh SSR grew at a faster rate of 4–5% annually. This period of growth was especially strong during the leadership of Brezhnev and Dinmukhamed Kunaev (the leader of the Kazakh SSR). It is important to point out that since the economy was centralized, for the statements, soviet statistics used other indicators that were similar to the Western countries like general domestic products. For example, the following figure represents Kazakh SSR’s gross social production during the late Soviet period. It represents the structure of key sectors, including industry, construction, and agriculture.

**Example of Figure 2**



Sources: Scarborough, I. (2021). Central Asia in the Soviet command economy. Oxford Research Encyclopedias. <https://doi.org/10.1093/acrefore/9780190277727.013.504>. The data elaborated by me.

Gross social production is a statistical tool that the Soviet government used to measure national production. It shows the total value of all products produced in the physical production area only. The main difference between GSP and GDP is that GSP did not take into account the value of intangible spheres and focused only on the production of material goods. As we can see from Figure 2, the graph shows the evolution of the gross public product in the main sectors of the economy of the Kazakh SSR from 1980 to 1991. As was mentioned above, the republic’s industry dominates across all other sectors. This growth was due to the programs that the USSR implemented in Kazakhstan. As we can see, the growth was moderate and sharply increased in 1991 because this country became an independent republic, and the methodology of calculation changed as well. The second main area was agricultural development. This sector reflects steady growth every year, showing that there were active investments in agriculture during the last years of Soviet governance.

As far as the population is concerned, due to the development of Virgin Lands, millions of settlers came from Russia and other Soviet republics. Mostly, these people were highly educated, and by the end of 1980, non-Asians accounted for over 60% of the total population of Kazakh SSR. These people helped to promote industrial development but at the same time for Kazakhs, it was difficult to find a job leading to the limited participation of indigenous people in the economy. Moreover, after the collapse of the Soviet Union, all these educated people left the country, leaving a significant gap in skilled labor and hindering the country’s ability for the future modernization of its economy and integration into the global market.

**1.2 From Union to Nation: Kazakhstan’s First Steps Toward Independence and Reform**

The collapse of the Soviet Union on December 26, 1991, led to significant changes in the entire economy at the end of the 20th century. Kazakhstan, like the other republics, inherited numerous problems from the USSR, the main reason was the deep economic dependence on Moscow, which had its roots in the state planning system. One of Kazakhstan's most important problems in the early 1990s was the need to choose a path in the transition period. Moreover, this was not only a challenge for Kazakhstan but also for all other post-Soviet countries. The beginning and middle of the 1990s were marked by a wave of heated debates, filled with proposals for political transformation. As N. Nazarbayev pointed out: "Too many factors have become entangled: the objective crisis of the system, exhausting geopolitical competition, subjective mistakes by the country’s leadership... Without understanding this colossal rupture, it is impossible to orient ourselves in the present and, more importantly, to define our future"[[6]](#footnote-7).

Since the collapse of the Soviet Union, there has been sufficient time to determine the reasons and gaps in the system that led to the country’s collapse. One of the reasons was a budget deficit. As Nazarbayev pointed out, the arms race was one of the reasons. Experts estimated that more than 20 trillion dollars were spent on weapons between 1950 and 1991[[7]](#footnote-8). As for Kazakhstan, the technologies and enterprises transferred to the country were outdated compared to those in the West. For instance, the technologies developed in the Soviet Union were classified, which reduced the overall scientific and technical potential. Moreover, the economic stagnation during Brezhnev’s rule and the ensuing Gorbachev Revolution eventually led to the country’s disintegration. The Communist Party gradually lost its control, while the population did not see a future for the Soviet State. As a result, the Cold War, military spending, reforms (perestroika), economic decline, and inefficiency of policy led to the collapse of the Soviet Union by the end of 1991.

**Illustration 1. Map of Kazakhstan**

Изображение выглядит как карта, текст, атлас

Контент, сгенерированный ИИ, может содержать ошибки.

Source: <https://www.italkazak.it/wp-content/uploads/2012/06/kazakhst_map.pdf>

Kazakhstan gained independence on 16 December 1991, after the dissolution of the USSR. The country subsequently adopted the Constitutional Law on the Independence of the Republic of Kazakhstan. Based on the Constitution, the Republic of Kazakhstan is a unitary state with a presidential system of government. According to the Constitution, Kazakhstan is a democratic country where individual life, freedom, and rights are its highest values. The first capital city was Almaty, and the current capital is Astana; and the official language is Kazakh. An essential step towards economic sovereignty was the introduction of a national currency, the tenge, in Kazakhstan on November 15, 1993, which substituted the Soviet ruble and created an independent monetary system[[8]](#footnote-9). Since independence, the country has pursued a multi-vector approach, seeking equally good relations with its two major neighbors, Russia and China, as well as with Western powers such as the United States, the European Union, and Turkey. Kazakhstan is a multi-national country. Today, the country is deeply integrated into international processes and is a member of leading international organizations. Expo-2017 allowed the country to strengthen its position and recognition on the world stage. The government has established diplomatic relations with 180 states of the world. Kazakhstan is ethnically and culturally diverse. Over 100 nationalities are represented in its population. With an area of 2.7 million km², the country is the 9th largest landlocked country in the world. Its landscapes span the country from west to east, from the Caspian Sea to the Altai Mountains, and from north to south, from the plains of Western Siberia to the oases and deserts of Central Asia[[9]](#footnote-10).

**Illustration 2. National Flag of Kazakhstan**

Изображение выглядит как снимок экрана, текст, графический дизайн, Графика

Контент, сгенерированный ИИ, может содержать ошибки.Source: Alamy, [Flag of Kazakhstan - Alamy Image](https://www.alamy.it/foto-immagine-fahne-del-kazakistan-bandiera-kazakhstan-85829904.html?imageid=FF467D76-36AA-40AB-A367-70B33451243C&p=248391&pn=1&searchId=61ef190d206dbb226a89ebed76bc1a2a&searchtype=0)

During the years of independence, Kazakhstan has made a significant breakthrough in the creation of multi-faceted politics. On 2 March 1992, the country became a member of the United Nations, which allowed it to establish links with influential financial institutions such as the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the International Monetary Fund, and UNESCO. The new country became a member of the international forums, including the Conference on Security and Cooperation in Europe, the Organization for Regional Cooperation of Asian Countries, North Atlantic Council for Cooperation[[10]](#footnote-11).

1992 was an essential stage of preparation for the creation of the Basic Law - the first in the history of Kazakhstan's independence[[11]](#footnote-12). The Head of State presided over a meeting of the Constitutional Commission, where the draft constitution was discussed. Summing up, the President noted that there is still a lot of work to be done before bringing it to the national discussion. The main elements of the new Constitution would be its focus on the future, specifying the rights and obligations of the Republic's citizens, taking into account the country's current realities, and a clear legal foundation for all formulations, including those concerning state administration. No paragraph of the Constitution suggested that the President should cause discord, inflame the situation in society, or provoke confrontation. More than 3 million people participated in the discussion of the draft constitution, and over 18 thousand comments and suggestions were made. The Head of State called on deputies to a wise, considered, and constructive discussion of the draft Basic Law. On January 28, 1991, Nazarbayev delivered a speech at a ceremony of the Supreme Soviet forum dedicated to the adoption of the Constitution of the Republic of Kazakhstan. Congratulating the people of Kazakhstan on this event, the President pointed out that the establishment of a legal basis for statehood, transition to a qualitatively new stage of ensuring national independence, and real guarantees of civil rights and freedoms, began practical implementation of the construction of a democratic society, and a state governed by the rule of law[[12]](#footnote-13).

It is worth noting that before the October Revolution, Kazakhs were nomads. Their main occupation was cattle breeding. Currently, Kazakhs make up just over 40 percent of the population, Russians just under 40 percent, and the remaining 20 percent is distributed among other nationalities. The country has extensive natural resources. The development of oil, natural gas, and mineral production has attracted more than 40 billion dollars since 1993 and accounts for about 50% of the country's industrial production. The country also has reserves of uranium, chromium, lead, zinc, manganese, coal, iron, gold, and is an exporter of diamonds. Kazakhstan holds the 11th place in estimated oil and natural gas reserves[[13]](#footnote-14). The first place is held by Kashagan, which is the largest oil field in the world. Based on geologists' data, oil resources account for 4.8 billion tons. The second place is claimed by Tengiz. Tengiz is a large oil and gas field, 160 kilometers from the city of Atyrau, which was discovered in 1979. The extracted oil reserves are estimated to be from 750 million to 1.1 billion tons. The field contributes about 30% of the total national oil production. The third place is given to Karachaganak. This is an oil and gas condensate field located in the Western Kazakhstan region, near the town of Aksai. The reserves are valued at 1.2 billion tons of oil and 1.35 trillion cubic meters of gas. Attention is drawn to the fact that more than $20.6 billion has been invested since 1997. Based on revenues, for 2015, they amounted to 401.552 billion tenge and 6.795 billion tenge from gas sales[[14]](#footnote-15).

To better understand the economic conditions Kazakhstan faced immediately after gaining independence in 1991, it is useful to examine its economic position during this transitional period. The following table represents the Balance of Payments estimates for Kazakhstan in 1992. These figures reflect the country's early difficulties with trade imbalances, foreign financing needs, and structural weaknesses inherited from the centrally planned economy of the Soviet Union.

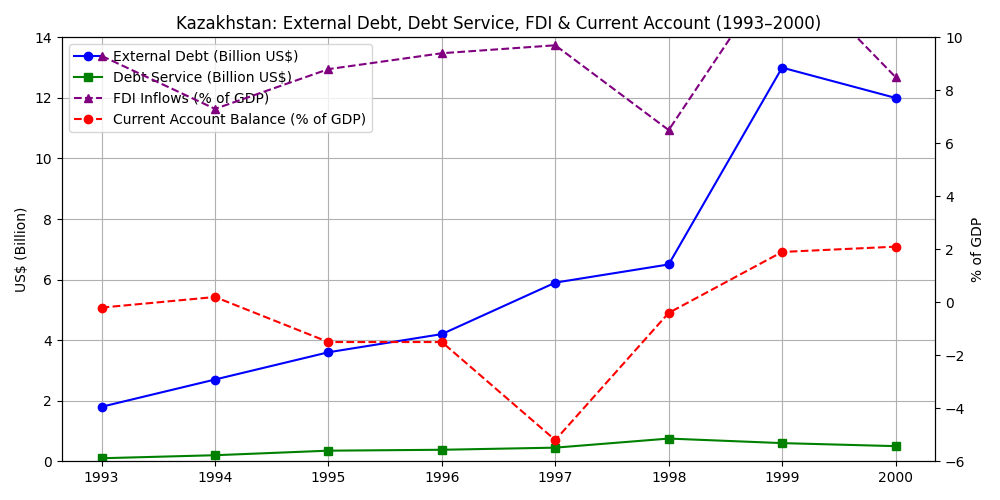
**Table 1. Balance of payments estimated for 1992.**

|  |  |  |  |
| --- | --- | --- | --- |
| Appellation | **Interrepublican trade** | **Currencies** | Total |
| **US$ mil** | **US$ mil** | **US$ mil** |
| **Merchandise Exports** | 6453 | 1546 | 7999 |
| **Merchandise Imports** | 8887 | 1608 | 10495 |
| **Non-Factor Services (net)** | -219 | -145 | -364 |
| **Resource Balance** | -2653 | -207 | -2860 |
| **Current Account Balance** | -2653 | -324 | -2977 |
| **Direct Foreign Investment** | 0 | 100 | 100 |
| **Long-Term Loans (net)** | 0 | -308 | -308 |
| **Disbursements** | 0 | 130 | 130 |
| **Repayments** | 0 | -438 | -438 |
| **Trade Credits** | 0 | 70 | 70 |
| **Errors and Omissions** | -276 | -75 | -351 |
| **Total Capital Account** | -276 | -213 | -489 |
| **Overall Balance** | -2929 | -537 | -3466 |
| **Total Financing** | 2929 | 537 | 3466 |
| **Increase (-) Net Reserves** | - | -70 | -70 |
| **Interenterprise arrears** | -145 | - | -145 |
| **Correspondent accounts** | 2783 | - | 2783 |
| **Exceptional Financing** | 0 | 607 | 607 |
| **Debt deferral** | - | 273 | 273 |
| **Arrears (+ is increase)** | - | 334 | 334 |

Source: The World Bank, (1993). Kazakhstan: The Macroeconomy and the Transition to the Market. A World Bank Country Study. The table elaborated by the author.

According to table 1, we can see that at the beginning phase of independence as a state, the country encountered a current account deficit due to the fact that imports exceeded exports, making the domestic economy weak to external shocks. In other words, the government spent more than it earned from foreign trade. The current account balance stood at -$2.977 billion USD, indicating that Kazakhstan was spending more abroad (on imports and services) than it was earning at the time. Only $100 million in direct foreign investment was received. This reflects the weak investor confidence in the immediate post-Soviet period. The capital account is also negative (-$489 million), showing more capital outflows than inflows due to early capital withdrawals and unstable economic expectations. Kazakhstan heavily depended on imports and pursued external sources of finance to cover the difference.

**Figure 3. Kazakhstan’s external Debt (1993-2000)**



Source: World Bank. World Development Indicators – Kazakhstan. The data elaborated by me.

This graph displays the key macroeconomic indicators of Kazakhstan in the first years of its independence from 1993 to 2000. It illustrates the country's financial and economic transition following the collapse of the Soviet Union. As time passed, the government began to borrow more external resources. The country’s external debt experienced a rise, increasing from 1.7 billion USD in 1993 to over 12.8 billion USD by 2000. At the same time, foreign direct investment continued to grow and hit a peak of 9.4% in 1999. This trend is explained by the fact that the country began to attract FDI using a mix of regulatory reforms, tax incentives, and a favorable investment climate. For example, one policy included a corporate tax exemption for 10 years. On July 5, 2018, the Astana International Financial Center was opened in the city of Astana with an independent judicial system and English law[[15]](#footnote-16). All these actions helped to increase the attractiveness for investors, increase external financing, thus ensuring rapid growth in sectors such as energy, mining, and infrastructure. As for the current account balance, it remained in deficit, reaching -5.5% of GDP in 1998 before improving to +2.0% in 2000.

In 1992, Kazakhstan had little understanding of a market economy and was heavily dependent on international organizations, such as the International Monetary Fund and the World Bank. After the collapse of the ruble zone in 1993, the government created its currency, the tenge, and established the National Bank of Kazakhstan to control domestic inflation. According to history, when all post-Soviet countries gained independence, they faced hyperinflation and a significant fall in output. In early 1994, the government developed a new stabilization program to gradually reduce inflation and implement reforms. The program focused on privatization and the building of new trade ties around the world. The country moved quickly to a trade liberalization regime, removal of import quotas, and unification of exchange rates. Between 1993 and 1997, the share of trade in GDP increased from about 58% to over 80%, reflecting growing openness. Kazakhstan also signed several free trade agreements within the Commonwealth of Independent States (CIS) and began the process of joining the WTO, finally becoming a member in 2015. In 1997, merchandise exports totaled $6.5 billion, and imports totaled $8.8 billion, resulting in a current account deficit of 3.6% of GDP[[16]](#footnote-17).

**Figure 3. Kazakhstan’s Inflation, GDP Growth, Revenue, and Expenditure (% of GDP), 1995–1999.** A graph of growth and revenue

AI-generated content may be incorrect.Source: World Bank. World Development Indicators – Kazakhstan. The data elaborated by me.

This graph presents macroeconomic indicators from 1995 to 1999. Inflation peaked due to price liberalization and the breakdown of centralized supply. However, in 1995, the government started to implement a comprehensive program with IMF support, focusing on monetary policy. As we can see from the indicators, these efforts reduced and stabilized inflation. While annual inflation was in triple digits in the early 1990s, by 1996 it was around 40%, with a subsequent decline[[17]](#footnote-18). GDP began to recover with structural reforms. 1998 was the first year of GDP growth since independence. As we can see, government expenditures declined significantly since 1996, indicating a tight monetary and credit policy. This was due to the fact that since the middle of 1994, the nation began to implement a stabilization program. In 1996, the National Bank of the Republic of Kazakhstan reduced the budget deficit to 2.4% of GDP. Such an achievement was due to severe cuts in government expenditure. The sharp decline in commodity prices in the same year caused a noticeable shock to the economy, which at that time was 50% dependent on oil and metal exports[[18]](#footnote-19). Moreover, the decline in government revenues is because the tax base was not formed as a result of the collapse of the USSR, and tax collection remained weak.  This forced the government to rely on one-off sources such as privatization revenues and foreign loans to finance expenditures. To optimize revenues, the government implemented a large-scale privatization program and created the legal and institutional framework for a market economy. New laws and institutions were adopted to support macroeconomic management. Thus, in 1999, the Budget System Law was adopted to modernize fiscal processes, and the off-budget funds were eliminated to increase transparency, and a special Ministry of Revenue was created in 1998 to strengthen tax administration. Many of the reforms were carried out under IMF supervision. By the early 2000s, the combination of monetary policy, fiscal adjustment, and institutional reforms managed to stabilize the Kazakh economy. Inflation was balanced, the national currency became convertible, and the foundations of a market economy were in place.

**Figure 4. Kazakhstan’s output 1992-1997.**

A graph of different types of sales

AI-generated content may be incorrect.

Source: International Monetary Fund, Republic of Kazakhstan: Recent Economic Developments, IMF Staff Country Report No. 98/84, August 1998, pp. 5-6.

The graph shows the dynamics of production in Kazakhstan during its first years of independence, categorized by economic sectors. For the base year, 1992 was chosen. Following this year, a decline was observed in all sectors of production, which highlighted the difficulties of transitioning from a centralized to a planned economy. The decline in agriculture and industry is attributed to the fact that the production of products relied on supplies of raw materials and components from other republics. After the collapse of the USSR, these links ceased, and price liberalization led to hyperinflation in 1992, which affected production as raw material prices rose sharply. The privatization of enterprises also had an impact, as the state subsidized loss-making enterprises by printing money, leading to hyperinflation. The most affected sector was construction, which fell by almost 50%. The decline was due to a decrease in investment in infrastructure projects and a decline in confidence among foreign investors because of the dissolution of the Soviet Union. Trade declined significantly from 1992 to 1994. However, in early 1994, trade began to increase due to the establishment of new trade relations with Western countries. Thus, in 1994, a partnership and cooperation agreement were signed with the EU, which opened access to European markets. There was also the establishment of direct trade links with China and Russia, which accelerated Kazakhstan's trade.

**1.3 Institutional and economic transition to a market economy and their results.**

The country’s government had two key tasks: stabilize the economy and carry out structural reforms. Thus, the transition to a market economy in Kazakhstan began on January 3, 1992, with the elimination of price controls for most consumer and producer goods. It allowed the introduction of market signals, meaning supply and demand now determine prices. These changes have created a real competitive environment for sellers. Moreover, the transition from a closed to an open market attracted new companies from other countries. These events created conditions of competition. Furthermore, the government was given the following main tasks: to create new reforms in order to privatize the economy, introduce a law to protect rights, reallocate public spending, create a budget for essential services, and provide a social safety net. The government's task was to create a stable macroeconomic environment through fiscal and monetary policy. For instance, the country made significant structural reforms, especially in price and trade liberalization, privatization, and restructuring of the enterprise and banking sectors[[19]](#footnote-20). The parliament focused on pension reforms, tax reform, expenditure policy, and public sector reform to consolidate the reforms more deeply. Thus, these reforms led to results, with inflation significantly reduced by 1998. GDP started to grow, and the external current account deficit decreased to 6.5% due to the acceleration in economic activity and a decline in international oil prices.

           However, macroeconomic stabilization will not lay the foundations for sustainable growth and generating employment. The success of the reform program ultimately depends on the government's ability to implement a comprehensive program of structural and sectoral reforms. The state undertook several stages of reform, which will be described in detail below.

The first stage of implementation by the government of Kazakhstan was a large-scale program to privatize state property. It started in mid-1997. Approximately 73% of all enterprises were privatized. The program was primarily based on mass privatization through cash auctions involving 1,297 companies. Private privatization has also attracted foreign investors to strategically essential industries, including oil, base metals, and telecommunications. Major deals included selling shares in Mangistaumunaigaz, Aktobe, and Kazakhtelekom and a concession to develop the Karachaganak gas field. The following table presents the quantitative numbers of privatizations by main sectors of the economy from 1994 to 1997, showing the absolute number of enterprises privatized and their share in the total amount of privatization for each year.

**Table 3. Kazakhstan: Privatized Enterprises by Sectors, 1994-1997**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Privatized Enterprises by Sectors, 1994–1997** | | | | |
|  | 1994 | 1995 | 1996 | 1997 |
| industry | 211 | 48 | 437 | 608 |
| Construction | 110 | 52 | 45 | 162 |
| Agriculture | 918 | 514 | 138 | 18 |
| Transport | 180 | 28 | 101 | 331 |
| Trade and catering | 1394 | 1358 | 1519 | 1279 |
| Personal and Public Services | 587 | 337 | 280 | 689 |
| Other sectors | 747 | 806 | 1536 | 3690 |
| Total | 4147 | 3143 | 4056 | 6777 |
| **In Percent of Total** | | | | |
| Industry | 5,10% | 1,50% | 10,80% | 9% |
| Construction | 2,70% | 1,70% | 1,10% | 2,40% |
| Agriculture | 22,10% | 16,40% | 3,40% | 0,30% |
| Transport | 4,30% | 0,90% | 2,50% | 4,90% |
| Trade and catering | 33,60% | 43,20% | 37,50% | 18,90% |
| Personal and Public Services | 14,20% | 10,70% | 6,90% | 10,20% |
| Other sectors | 18% | 25,60% | 37,90% | 54,40% |
| Total | 100% | 100% | 100% | 100% |

Source: Ministry of Finance, National Statistical Agency, IMF Country Report 98/14.

In the next phase, the state focused on implementing sectoral reforms, including agriculture, transport, oil, and coal. As a result, in 1997, the government reduced its role in the agricultural sector. This allowed the emergence of many independent enterprises to increase production and create competition. In the oil and coal sectors, the state focused on privatizing enterprises and closing non-profitable ones. For example, in 1997, the government closed eight non-profitable coal enterprises in the Karaganda region. Measures to eliminate preferential tariffs have been taken in the transport sector, and transport infrastructure privatization has begun. In health and education, the state introduced private fee-based services that have allowed it to attract private investors and build new fee-based hospitals that will provide more modern technology and services for treating diseases.

With regard to financial sector reforms, the government focused on banking supervision. Thus, the number of bank branches decreased by nearly 40%, improving sector stability. Moving to the banking system, it can be divided into four stages. The first phase was preparatory and started a few years before the main processes of banking system development. By the time of independence, the banking system consisted of six state banks: the State Bank, Vnesheconombank, Promstroybank, Agroprombank, Credit Bank, and Sberbank. They were the basis for forming a two-tier system in Kazakhstan, as the first private commercial banks were created on their basis. The second phase (1992-1993) represented the growth of commercial banks under high inflation. Considering the fact that the banking system was just beginning to develop during this time, control from the State Bank was weak, and the requirements for the licensing procedure of the banks were minimal. These conditions created preconditions for the formation of one-day banks. Thus, if there were 72 in 1991, by 1992, there were more than 200. A significant event occurred in 1993 when the law "On the National Bank of the Republic of Kazakhstan" and "On banks and banking activities in the Republic of Kazakhstan" were adopted. In November 1993, the country exited the ruble zone, Soviet rubles were eliminated, and the national currency, the tenge, was introduced. The third phase (1994-2003) was the longest. The National Bank has tightened the requirements for opening banks, so that if the authorized capital was initially $500.000, it is now at least 2 billion tenge, approximately $15.5 million. The fourth period, which started in 2004, is considered a period of further development of the banking system of Kazakhstan and its integration into the world financial market[[20]](#footnote-21). For implementing monetary policy, the National Bank of Kazakhstan established the following main tasks: ensuring the functioning of payment systems, carrying out currency regulation and exchange control, and promoting the stability of the financial system.

New laws were introduced concerning unfair competition, natural monopolies, and consumer protection. As a result of improved legislation to support direct investment, 13 contracts worth US$ 58 million were signed by the end of 1997[[21]](#footnote-22).Big changes also occurred in the fiscal system. The collapse of the Soviet centralized income distribution system and the transition to a market economy contributed to this development. Most of the revenues in the first years of independence came to the state through taxes on the profits of privatized enterprises. Before 1990, taxes were not based on real profit. Instead, they were centrally planned norms. The prices of goods and services were set by the state in all areas; they were "centralized". The Union controlled most of the budget, excluding the opportunity to manage expenses. For instance, the Kazakh USSR was a net receiver of subsidies from the central Soviet budget. This means that if the country's republic-level budget had a deficit, it was covered by Union transfers without loans and interest. In 1991, when republics began to hold back on the traditional upward revenue sharing, the Union’s subsidy to Kazakhstan dropped to under 7 percent of GDP[[22]](#footnote-23).

**Table 4. Government Financial Operations (% GDP)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1988 | 1989 | 1990 | 1991 |
| Total revenue | 25,8 | 25,7 | 22,8 | 21,1 |
| Total expenditures | 34,6 | 36,6 | 33,4 | 36 |
| Net transfer f. Union | 8,2 | 9,8 | 9,3 | 6,7 |
| Balance | -8,8 | -10,9 | -10,6 | -14,7 |

Source: A World Bank country study, Kazakhstan: the transition to a market economy, pp. 16

According to Table 4, total transfers to the Kazakh budget were over 10 percent of GDP in 1989 and 1990, respectively. In 1991, when republics began to change their economies, the Union’s subsidy to Kazakhstan decreased to below 7 percent of GDP. In 1991, a new type of tax law was introduced. After this tax was introduced, enterprises are now subject to profit taxes at proportional rates, individuals are subject to progressive income taxes.

To assess the fiscal policy of Kazakhstan in the transition period, it is essential to analyze the dynamics of government revenues, expenditures, and sources of financing the budget deficit. The table below displays key fiscal indicators for 1995-1998, including total revenue and expenditure as a percentage of GDP, share of tax revenues, revenues, size of the budget deficit, and its coverage by domestic and external sources. The period from 1995 to 1998 is particularly important as it marks a phase of enhanced economic reforms and efforts to stabilize the national economy after the initial post-independence turbulences. Multiple main indicators suggest that public finances experienced difficulties during this period.

**Table 5. Key Fiscal Indicators, 1995-1998**

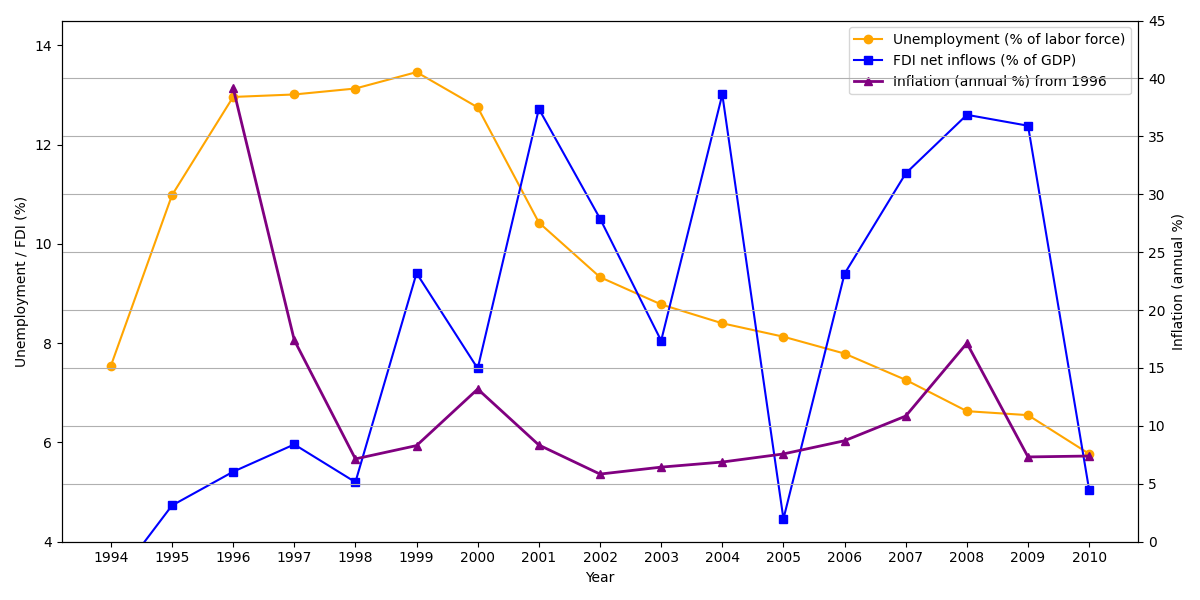
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fiscal indicator** | **year** | | | |
| 1995 | 1996 | 1997 | 1998 |
| in percentage of GDP | | | |
| Total revenues and grants | 17,6 | 15,4 | 16,5 | 16 |
| Tax renevues | 13 | 11,3 | 12 | 12,2 |
| Privatization receipts | 0,7 | 2,2 | 3,2 | 2,2 |
| Total expenditure and net lending | 20,8 | 18,6 | 20,3 | 21,5 |
| Extrabudgetary funds and net quasi-fiscal operations | 0,6 | 0 | 0 | 0 |
| Overall budget deficit | 2,5 | 3,1 | 3,8 | 5,5 |
| Financing | 2 | 2,5 | 3,6 | 5,5 |
| Domestic banking system | 1 | -0,1 | 0,9 | 0,9 |
| Foreign | 2 | 2,6 | 2,6 | 3,8 |

Source: International Monetary Fund, Republic of Kazakhstan: Recent Economic Developments, IMF Staff Country Report No. 98/84, pp. 19-20.

As can be seen from the indicators, in the first years after the transition to a market economy, there was a decline in budget revenues from 17.6% of GDP in 1995 to 16% in 1998. This decline is explained by the fact that since 1991, there was a decline in industrial output of up to -62%, which reduced the tax base. This decline in output is explained by the following factors. First, the decline in production was caused by the destruction of economic ties between former subjects of the unified national economic complex of the USSR. Second, during the transition, there was a problem with marketing products and a severe lack of funds for both the state and the population. As a result, state-owned enterprises reduced production, released products without paying salaries to workers, and took out additional loans, which exacerbated the payment crisis. Third, unforeseen expenses associated with the transfer of the army to the government of Kazakhstan and non-production facilities increased the expenditure portion of the budget. One of the primary reasons for the increase in budget expenditure was the issue of funding. The fact that, in the first years of independence among the Central Asian republics, there was no clear legislation on taxes, wages, pricing, and the mechanism of operation of the market economy led to an increase in the issuance of money. Furthermore, inflation and the exit from the ruble zone worsened the situation in the consumer market, which affected the living standard of the population. In addition, tax revenues gradually declined as the economy declined, and the tax system was weak during the transition period. At the beginning of independence, the country faced a budget deficit. As was mentioned above, spending remained high, ranging from 18.6% to 21.5% of GDP, leading to a sustained budget deficit. It is important to point out that, excluding privatization revenues, the budget deficit reached 7.8% of GDP in 1998, which confirms its structural nature and fiscal vulnerability to external financing over the transition period[[23]](#footnote-24). The trend of privatization receipts deserves special attention. Money was received by the state from the sales of state-owned enterprises and assets. Based on IMF data, these funds were used by the state to cover the deficit budget, which allowed for a temporary reduction in borrowing needs. It is thus appropriate to consider privatization revenue as a one-time payment and source of financing the budget deficit, rather than as ordinary income. As we can see, in 1995 the income from privatization amounted to 0.7% of GDP, increasing with each year, indicating a more active phase of privatization in the years of transition to a market economy. As far as financing is concerned, the country used both domestic and external funding systems. Foreign financing increased from 2% in 1995 to 3.8% in 1998, indicating a high dependence on international aid[[24]](#footnote-25).

Kazakhstan joined the IMF in July 1992. The International Monetary Fund played a major role in Kazakhstan’s transition to a market economy between 1991 and 2000, providing both financial and technical assistance. For example, in 1993, when the country created its national currency, the tenge, its integration into the economy was accompanied by an IMF loan under a stand-by agreement of about $173 million to stabilize inflation and deepen economic reforms[[25]](#footnote-26). By using these loans and following agreements, the country implemented forced reforms in fiscal policy to improve the banking sector. Regarding technical assistance, since 1993, many experts have been sent to the country for training and advice for local students. Thus, already by 1998, Kazakhstan began to show the first signs of progress from all the efforts aimed at transforming the economy. Based on IMF reports, and as shown in the table below, inflation had declined to less than 10% by 1998-1999. The stabilization of the economy, the tax reform, and the implementation of fiscal and monetary policies enabled the country to pay off its debt to the IMF in 2000.

**Figure 4. Kazakhstan’s economic indicators (1994-2010)**



Source: World Bank, World Development Indicators: Kazakhstan – Inflation, Consumer Prices (Annual %); Unemployment, total (% of total labor force); Foreign direct investment, net inflows (% of GDP). The data elaborated by me.

As we see from the table, it includes three key indicators - unemployment, inflation, and foreign direct investment inflows. Inflation data represents one of the clearest outcomes of Kazakhstan’s stabilization efforts. Before 1995, inflation peaked at almost 1800%, due to the exit from the ruble zone and price liberalization. However, due to coordinated monetary reforms, the introduction of the national currency, and the cooperation with international organizations like the IMF, starting from 2000, the rate fell to 5-10%. This downward trend reflects the effectiveness of macroeconomic stabilization and monetary policy introduced during the first decade of independence. Similarly, the unemployment rate between 1994 and 1999 rose from 7.5% to over 13%, reflecting structural changes and layoffs because of privatization, but starting from the year 2000, the coefficient reached 5.7% by 2010. This was due to the fact that privatization and the entry of new enterprises, including international companies, created new jobs, thereby reducing unemployment. Turning to the Foreign Direct Investment indicator, it is worth noting that it reflects international confidence in Kazakhstan, as the higher the investment, the more investors' confidence in the country and the more attractive the terms. The fact that starting at 3.1% of GDP in 1995 and rising steadily to peaks of more than 12% in 2000, indicates the success of the open-door policy. This growth is due to major oil and gas investment projects, such as developing deposits in the Caspian Sea. The oil and gas sectors accounted for more than 42% of all investments[[26]](#footnote-27). These investments enabled the country to strengthen itself in the world market as an important player in oil production and export in early 2000. Based on the official source of the government of the Republic of Kazakhstan, FDI for 1999-2000 were used for the oil and gas sector and strategic agreements with foreign companies. Kazakhstan then received 4/5 of all FDI in Central Asia[[27]](#footnote-28).

To sum up, Kazakhstan has undergone significant reforms. The country tried to enter the international market as soon as possible, but to do so, it had to meet global standards and norms. The government undertook many reforms to overcome the crisis, to create conditions for attracting investments, and to integrate into the world economy. Considering the fact that the country both inherited the Soviet legacy and that Western market economies took centuries to build, the government has done a great job of stabilizing and opening the economy and creating a favorable environment for entrepreneurship, as evidenced by the large inflow of foreign investment and a period of significant growth from 2000 to 2007. The future of Kazakhstan's economy will depend on the direction policymakers choose to take, whether they adopt liberal economic reforms or follow a more restrictive path. If the country's leadership focuses on market mechanisms as instruments of economic development and recognizes entrepreneurship as a key driving force, as well as creates the necessary institutions for its functioning, Kazakhstan has a potential not only to overcome the current economic decline, but also to ensure long-term growth, diversify the economy and become a regional leader - the “snow leopard” of Central Asia.

Chapter 2: From Independence to Integration: The Development of Kazakhstan–EU Relations

2.1 Kazakhstan’s multi vector foreign policy

In 2006, in the message to the people of Kazakhstan, President Nursultan Nazarbayev emphasized that the country's foreign policy priorities remained unchanged. Kazakhstan will always remain a responsible and reliable international partner. (Message of the President of the Republic of Kazakhstan N. Nazarbayev, March 2006) [[28]](#footnote-29). Today, the Republic of Kazakhstan is a full member of the United Nations Organization and is a member of many international organizations. As the largest economy in Central Asia, Kazakhstan has positioned itself as an important mediator between East and West, using multi-vectoral foreign policy to balance between Russia, China, Europe, and the United States. The evolving and growing importance of the European Union in Astana's foreign policy calculations underscores the republic's desire to diversify partnerships beyond its traditional dependence on Moscow and Beijing. On 2 March 1992, after the country became a member of the United Nations, the Republic established links with influential financial institutions such as the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the International Monetary Fund, and UNESCO.

Хочется отметить тот факт, что Kazakhstan’s Multi-Vector Policy была впервые упомянута в 1992 году Нурсултаном Назарбаевым в его policy article “Strategy for the Formation and Development of Kazakhstan as a Sovereign State” для балансировки политических и торговых отношений с бывшими советскими республиками и в то же время избегать доминирования России в Центральной Азии[[29]](#footnote-30). Опираясь на данный документ, основной целью внешней политики Республики является создание благоприятных условий и обеспечение стабильного развития страны путем взаимодействия и установления дружественных отношений с другими государствами. Под лидерством первого президента страна первым делом интегрировалась в Commonwealth of Independent States и в то же время расширила свои связи с западом. Все это было сделано для того, чтобы избежать потери доверия со стороны России и сбалансировать, и улучшить отношения с Западом. Более того страна интегрировалась в Central Asian Economic Community and the Eurasian Economic Community while developing relationships with the West and China. Даже после ухода с власти Н. Назарбаева в марте 2019 года, новый президент Kassym Jomart Tokayev поддерживает данную политику ставя упор на развитие отношений с Европейским Союзом[[30]](#footnote-31). Стоит упомянуть тот факт, что даже в 1991 году президент Франции Жак Ширак высказался о Казахстане: “Франция оценивает Казахстан как страну, которая прошла с 1991 года трудный путь. В неопределенных и сложных условиях Республика встала на необратимый путь строительства государства, которое заявляет о своей приверженности общечеловеческим принципам демократии и правового государства. В течение первых 15 лет государство стало страной, имеющей стабильные институты и динамичную экономику”[[31]](#footnote-32).

Многовекторная внешняя политика страны была обоснована ее географическим положением. Из стран центральной Азии это единственная страна, имеющая границу с Россией и экономика которой была направлена на развитие отношений с Западом, нежели с российским направлением. С обретением независимости сложность заключалась в том, что страна окружена доминантными соседями такими как Россия, Китай. Цель заключалась в формировании балансной внешней политики. Однако правительству удалось реализовать цель. Цель была достигнута и была основана на позитивном балансе, то есть балансировать отношения с Россией by building close relations, заключать соглашения с Китаем, а также с большим уклоном и интересом с Европейским Союзом и Соединенными Штатами Америки. В своем документу “концепция внешней политики Казахстана на 2020–2030 годы” президент Kassym Jomart Tokayev пояснил и перечислил основные цели внешней политики. Они включают в себя следующие основные пункты

1. Укрепление независимости и продвижение долгосрочных интересов Казахстана в регионе Центральной Азии;
2. Поддержание дружественных, предсказуемых и взаимовыгодных отношений с иностранными государствами как в двухстороннем формате, так и многостороннем форматах;
3. Full use of the foreign policy capability to enhance the national economic competitiveness, living conditions and standard of living of Kazakhstani people.[[32]](#footnote-33).

В продолжении исследования необходимо отметить, что данная политика укрепляет суверенитет государства двумя способами. Во-первых, политика добавляет еще один слой к международному признанию Казахстана. Во-вторых, дает странам державам веские основания для принятия нейтралитета Республики. Страна за свои годы независимости продемонстрировала себя как нейтральная держава, которая напринимает ничью сторону. Она выступает в роли посредника. Этот подход находит свое отражение в Российско-Украинском конфликте. Россия хочет, чтобы Казахстан поддержал ее действия в Украине, однако Республика продемонстрировала что она является промежуточным звеном. Несмотря на давление со стороны России, Республика не выразила явной поддержи ее политики в отношении Украины. Вместо этого государство показало, что способно выполнять уникальную роль посредника и придерживания нейтралитета на мировой арене. Такая позиция стала возможна благодаря независимости внешнеполитической политики, которая была разработана Парламентом и президентом страны[[33]](#footnote-34).

Как отметил президент Нурсултан Назарбаев, многовекторная стратегия направлена на обеспечение установления Казахстаном прагматичных и выгодных связей со всеми странами, имеющими влияние на мировой арене[[34]](#footnote-35). Первым делом страна избавилась от ядерного оружия и начала свою интеграцию в международные организации. В этом контексте Европейский Союз занимает особое место как стратегический партнер, способствующий снижению зависимости от России. На пример основываясь на последних данных, опубликованных European Commission, общий товарооборот между Казахстаном и ЕС достиг 44,9 млрд евро, что на 6,1 % больше по сравнению с 2023 годом. Экспорт Республики в ЕС составил 33,5 млрд евро, а импорт из ЕС – 11,5 млрд евро. Сальдо торгового баланса составило €22 млрд в пользу Казахстана, увеличившись с €18,2 млрд в 2023 году[[35]](#footnote-36).

To sum up, Под руководством президента Касым-Жомарта Токаева многовекторная внешняя политика сохраняет свою актуальность и адаптируется к новым реалиям. В условиях обострения глобальных противоречий Казахстан продолжает стремиться к укреплению связей с Европейским союзом, Китаем и другими ключевыми партнерами, одновременно поддерживая стратегические отношения с Россией. Такой сбалансированный подход позволяет стране эффективно реагировать на внешние вызовы и способствует дальнейшему укреплению ее суверенитета и международного авторитета.

**2.2 The establishment of relationships between Kazakhstan and European Union**

As already mentioned above, after the breakup of the USSR in December 1991, Kazakhstan became an independent state. After the formation of its foreign policy, the European Union took a special direction. Since the first years of independence, the government of the republic has realized the importance of a strategic partnership with the EU. As Kazakh Deputy Foreign Minister Roman Vassilenko emphasized, "Cooperation with the EU is one of the key priorities in Kazakhstan’s balanced and pragmatic multi-vector foreign policy[[36]](#footnote-37)."

На начальном этапе обе стороны были заинтересованы в установлении отношений. Официальное устанановление отношений состоялось 1992 года с подписанием Протокола об установлении дипломатических отношений между Республикой и Европейским Союзом. На сегодняшний день Европейский Союз является одним из трех основных и наиболее развитых центров современного мира, наряду с Соединенными Штатами Америки и Японией. ЕС – крупнейшая мировая торговая держава на который приходится четверть мировой торговли. Касаемо торговли, в 2023 году совокупный экспорт товаров составил 2,76 триллионов долларов США, что на 10,2 % больше с предыдущим годом. Согласно данным Eurostat, доля Европейского Союза в мировой торговле составляет около 14%[[37]](#footnote-38). Важно отметить тот факт, что ЕС значительно расширяется на восток. Для Казахстана приближение Европейского Союза к границам стран СНГ – явление позитивное. Европа – это высокий уровень жизни, образования и зравоохранения. Казахстан в свою же очередь привлекательный для Европы и Европейского Союза своим геополитическим положением как транспортный коридор, соединяющий Европу с Азией, полезными ископаемыми, углеводородным сырьем а так же горнодобывающей отраслью. Все это свидетельствует о том, что Республика заинтересована иметь широкие связи с Европой, в частности, с Европейским Союзом. Важным итогом стало подписание 23 января 1995 года в Брюсселе Президентом Н. Назарбаевым и председателем совета ЕС Л.Жюппе Соглашение о партнерстве (PCA) между Республикой Казахстан, с одной стороны, и европейскими сообществами и их государствами-членами. Этот важнейший документ закрепляет правовые основы многостороннего политического сотрудничества с крупнейшим в мире экономическим обьединением. Для Казахстана его подписание являлось одним из крупных достижений проводимой политики поиска надежных партнеров. Казахстан нашел поддержку со стороны ЕС в таких областях как здравохранение, научные исследования, проведение реформ, становление рыночных структур и либерализация экономики.

Стоит отметить тот факт, что в 1995 году в Республике парламент был распушен и планировалось перенести выборы, однако Европарламент перед финальным подписанием соглашения, резко выразился о том, что отказывается рассматривать вопрос о подписании соглашения до восстановления парламентской демократии в Казахстане. Таким образом, только после выборов в парламенте, в декабря 1995 года соглашение было возобновлено к рассмотрению, но вступление в действие было задержано. В связи необходимостью скорейшего формирования правовой базы для сотрудничества двухсторонних отношений между Казахстаном и ЕС 5 декабря 1995 года в Брюсселе было подписано временное соглашение о торговле. Основная цель соглашения – введение в действие положений PCA, касающихся торговли до официального вступления PCA в силу. В конечном итоге PCA только было завершено в 1999 году и введено в силу с 1 июля 1999 года. Сразу после вступления в силу данного соглашения, все предыдущие контракты были отменены. The Partnership and Cooperation Agreement заменило устаревшее соглашение которое было подписано между СССР и ЕС в 1989 the Trade and Cooperation Agreement. Основными принципами PCA являлись установление демократической ценности, уважение прав человека и принципы рыночной экономики как существенные элементы партнерства[[38]](#footnote-39).

Что касается Соглашения о партнерстве и сотрудничестве (PCA), документ охватывал 100 статьей и 9 разделов, выключающих в себя торговлю товарами и услугами, инвестиции, правовые реформы, создание институтов

1. See the article by Mark Harrison, "Why did the Soviet economy collapse? ," El Independiente, October 28, 2017. [↑](#footnote-ref-2)
2. See the article by Senhavsky Alexander Spartazovich, “The Urbanization Process in the Soviet Union in the Economic Dimension: Structural and Institutional Aspects” [↑](#footnote-ref-3)
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