

**MBA**

Master of Business Administration

(International Centres - Singapore)

**EXPLORING THE INTERNATIONAL BUSINESS ENVIRONMENT**

**GROUP ASSIGNMENT**

## (October 2015 – September 2016)

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Name | Registration No. | Cohort |
| 1 | David Lee Boon Wai | 201581456 | MacGill |
| 2 | Grace Chung Shan Mei | 201552845 | MacGowan |
| 3 | Li Heqian, Melvyn Emmanuel | 201581862 | MacGill |
| 4 | Tran Le Quoc Son | 201558045 | MacGowan |
| 5 | Zhou Yong Kai | 201560248 | MacGill |

**Acknowledgement**

Our team would like to thank Dr. Nikolay Berezhnoy and Mr Shingis Madakhmetov for their time and efforts in meeting us and providing us insights, without which this report would not have been possible.

Our team would also like to thank Dr Marie ??? and Mr Charles Quah for sharing their knowledge and experiences about Scenario Planning with us.

**One of the Last.**

Table of Contents

(October 2015 – September 2016) 1

**First Iteration**

1. **Learning diary**
   1. **Sheet 1: Diary/Record of Investigation**

|  |  |  |  |
| --- | --- | --- | --- |
| Day/  Date/  Time | What do you not know… but need to know? | What actions did you take to address issues? | Actions |
| 9.40am | The team started to brainstorm on driving forces. We need to know if we would want to decide on a country’s driving forces of we should not have a country so we can brainstorm on a macro level. | We decided on not to have a country to state the driving forces. | Based on STIRDEEPER we brainstormed driving forces that potentially affect the world or certain countries. We set aside 20mins to individually brainstorm driving forces and then consolidate as a team. |
| 10am | We consolidated driving forces and used STIRDEEPER as a guide. We placed each driving forces on one post-its, group and rewrote simile driving forces. Each of us took turns to share what we wrote for the driving forces. We needed to know if we had the correct driving forces. | Each of teammates are soundboards to each other’s ideas; sharing opinions and gave recommendations if each driving forces is correct. | After discussion, we decided on the various driving forces. |
| 11.30am | Moved to the next segment to summarize ideas and decide of the outcomes of each driving forces. Everyone in the group contributed/wrote the outcomes. We do not know if we had the right process till this stage. | Dr. Marie came to review our work; explained to us that we needed A/B outcomes; For example: If we had “political assassination” as driving force, the outcomes should be A) Rise in the economy growth. B: Decrease in economy growth. We needed to be specific and limit out driving forces so that the outcome will be more specific.  Another example: “global financial crisis” will lead to if there is only one bank. Impact of international loss of system or there will be too many banks. | We rewrote our driving forces and outcomes to be more specific. One of event is not a driving force. We understood what are bi-polar outcomes. |
| 12.30pm-1.30pm | Lunch Break |  |  |
| 1.30pm | Back to class to revise our outcomes. |  |  |
| 1.45pm | We started clustering our driving forces and outcomes. Another group came to discuss with us, it seemed that both of our groups had different opinions of clustering and we needed to know it if we had the right clustering. | Waited for Dr. Marie and Charles to review our work. |  |
| 2.30pm – 3.50pm | We named and labeled our clusters. Then arrange the level of impact for the clusters. After, we shifted the labels according to the predictability of events that will happen. | Dr. Marie came and mentioned we needed to rename our clusters so that when we look at the label; we instantly know what the cluster is about. For example: “series of natural disasters leading to economic depression” | Rewrote name of clusters to viable/plausible actions/consequences. Redone our chart. |
| 3.50pm | Created plausible scenarios | Dr. Marie came and explains what are plausible scenarios and guided us to create scenarios and timeline using the outcomes. | We took Dr. Marie’s advice and based our clusters on causality. |
| 4.45pm – 5.30pm | Dr. Marie recapped on the day’s learning. We needed to know the process as a whole to do Iteration 2. | Dr. Marie summarized the steps and guided us using the workbook. | We regrouped and decided what each of our roles should be and spilt the work. We set meeting dates and work on the iteration 2. |
| Points of critical reflection on EIBE and group processes:   1. We learnt that the scenario is plausible future; is not a projection of the future nor forecast. 2. We learnt to structure and describe the driving forces and group them into clusters. 3. We understood and learnt how to define the x and y-axis come up with the four scenarios. 4. We understood and learnt how place the clusters in their correct predictability/impact ranking. 5. We made some process mistakes such as wrongly written bi-polar outcomes, and also we wrote some outcomes as drivers leading to the high predictability of our results. 6. We wrote too complicated names for the clusters, which we need to be more specific and descriptive for the clusters names. | | | |

**Sheet 2: Identification of Driving Forces**

|  |  |
| --- | --- |
| **Area of investigation** | **Driving Forces** |
| Social | Solidification of CSR |
| Social | Liberalization of civil rights |
| Social | Investment in tertiary education |
| Social | Terrorism |
| Social | Corruption |
| Social | Shift in culture influence on country |
| Technology | Real-time Data Analytics |
| Technology | Internet of things |
| Technology | Evolving office structure |
| Technology | Online Education |
| Technology | Cyber attacks |
| Technology | 3D printing |
| Technology | Military Technology |
| Industry | Manufacturing |
| Industry | Sustainable Agriculture |
| Industry | Corporate Dominance |
| Resources | Investment in transportation infrastructure |
| Resources | Depletion of non renewable resources |
| Resources | Availability of water |
| Demographics | Aging population |
| Demographics | Minority race grows to dominant |
| Economics | Foreign direct investments |
| Economics | Economic recession / Global Financial Crisis |
| Economics | New Silk Road from China |
| Economics | Global Trade increasing in importance |
| Environment | Global Warming |
| Environment | Water/Land Pollution |
| Politics | Shift of world power – China Superpower |
| Politics | Influence from Russia |
| Politics | Regional geopolitics |
| Politics | Political Assassination |
| Politics | Military Technology |
| Politics | Shift in government type |
| Energy | Renewable/Clean Energy |
| Energy | The advance of Nuclear Energy (e.g. Fusion Energy) |
| Energy | Petrol running out globally |
| Religion | Religious Extremism |
| Religion | Religion control of the government |

* 1. **Sheet 3 : Driving Forces Plausible Outcomes**

|  |  |  |
| --- | --- | --- |
| **Driving Force** | **Plausible Outcome A** | **Plausible Outcome B** |
| **SOCIAL** | | |
| Solidification of CSR | More aware of social responsibilities. | No progression in social responsibilities. |
| Liberalization of civil rights | Modernization and better awareness of civil rights. | Degradation of civil rights. |
| Investment in tertiary education | Strong universities and constant flow of graduates. | Weak universities with low number of graduates. |
| Combating terrorism | Active participation in military raids. | Remain neutral and hope not to get involved. |
| Corruption | More companies setting up businesses. | Less companies setting up businesses. |
| **TECHNOLOGY** | | |
| Real-time Data Analytics | Regional hub for data analytics. | Obtain data services from external sources. |
| Internet of things | Fully networked infrastructure for better lifestyle. | Potential security risks, maintain current infrastructure. |
| Evolving office structure | Formulate HR policies and invest in teleconference tech. | Allow uncoordinated natural evolution. |
| Online Education | Free education. | Credibility issues. |
| Cyber attacks | Prepare against attacks. | Online services shutdown |
| 3D printing | Heavier reliance on 3D technology. | No further breakthrough. |
| Military Technology | Arms race, better deterrence against potential aggressors. | Military lags behind potential aggressors. |
| **INDUSTRY** | | |
| Manufacturing | Economic growth | Pollution |
| Sustainable Agriculture | Global food security is no longer concern | Global food security is a problem |
| Corporate Dominance | A broken social welfare system | An alternative welfare system |
| **RESOURCES** | | |
| Investment in transportation infrastructure | Active construction of roads/transport for easy accessibility to place | Passive and ignore upgrading works leading to bad roads |
| Shortage of renewable resources | More government investment in near energy research | Ignorance short of energy |
| Availability of water | Scarcity of water | Good water supply; self-sufficient |
| **DEMOGRAPHICS** | | |
| Aging population | Lower rates of economic growth | Economic recession |
| Minority race grows to dominant | Race equality | Social unrest due to race conflicts |
| **ECONOMICS** | | |
| Foreign investment moving in/out of the country | Boost economy | Economy recession |
| Economic recession / Global Financial Crisis | International standards establishing | All standards are destroyed |
| Supply from commodity drives to knowledge based economy | Economy increase | Failed change leads to recession |
| **ENVIRONMENT** | | |
| Global Warming | Control emission, sustainable development | Social impact. Less sustainable |
| Water/Land Pollution | Good Health | Increase in diseases and sickness |
| **POLITICS** | | |
| Political power of president | No Democracy | Democracy |
| Reformation on laws/policy in the parliament | No Reformation | Reformation |
| **ENERGY** | | |
| Renewable/Clean Energy | Reduced dependency on O&G | Continue the need for O&G |
| The advance of Nuclear Energy (e.g. Fusion Energy) | Plenty of rich/clean energy resources | nuclear pollution |
| Petrol running out globally | Renewable energy is discovered leads to new industry | Economic recession, government falls |
| **RELIGION** | | |
| Religious Extremism | Riot - Polarized society with increasing tensions | Society in harmony |
| Religion control of the government | Secularism | Ruled under religious law |

**Sheet 4: Driving Force Clusters**

|  |  |
| --- | --- |
| **Driving Force Cluster** | **Contributory Driving Forces** |
| China Monopoly | 1. New Silk Road 2. China Super Power 3. Manufacturing 4. Internet of things 5. Religion Control of the government |
| Religion Conflict | 1. Religious extremism 2. Religious Control 3. Shift in government 4. Minority Races grow in dominance |
| Impact of 3D printing on resources | 1. 3D printing 2. Higher percentage of highly educated population 3. Manufacturing 4. Depletion of non renewable resources |
| Global warming leading to rise in Corporate Social Responsibility | 1. Global Warming 2. Renewable/Clean energy 3. Solidification of Corporate social responsibility 4. Manufacturing |
| Internet Evolution | 1. Online Education 2. Internet of things |
| Growing in economy resulting in pollution and rising Corporate Social Responsibility | 1. Foreign direct investment 2. Manufacture 3. Modernisation 4. Solidification of Corporate Social Responsibility |
| Resource shortage leads to alternative energy leading to manufacturing revival | 1. Depletion of non renewable resources 2. Renewable Clean energy 3. Economic Recession 4. Manufacturing |
| Cultural shift due to minority growth in dominance | 1. Minority grows in dominance 2. Religious control of government 3. Shift in culture influence on population |
| Spread of extremism in education | 1. Online education 2. Recruitment into extremist movements 3. Terrorism 4. Cyberattack |
| Natural disasters leading to economic depression | 1. Natural disasters 2. Depletion of non renewable resources 3. Economic depression |
| World War 3 | 1. Foreign direct Investment 2. Silk Road 3. Shift of world power - China Superpower 4. Influence from Russia |
| More socially responsible population | 1. Investment in tertiary education 2. Foreign direct investment 3. Manufacturing 4. Water and Land Pollution 5. Solidification of Corporate social responsibility |

**Sheet 5: Predictability/Impact Ranking of Driving Force Clusters**

**High predictability**

**Low impact**

**High impact**

**Low predictability**

|  |
| --- |
| Growing In Economy resulting in pollution and rising CSR. |

|  |
| --- |
| Resource shortage leading to alternative energy, leading to manufacturing revival. |

|  |
| --- |
| Impact of 3D printing leading to geopolitics. |

|  |
| --- |
| Global Warming leading in rise to CSR. |

|  |
| --- |
| Modernization of economy manufacturing Survival. |

|  |
| --- |
| Internet evolution. |

|  |
| --- |
| Spread of extremism in education |

|  |
| --- |
| China Monopoly. |

|  |
| --- |
| Natural Disasters leading to economic depression. |

|  |
| --- |
| More socially responsible population. |

|  |
| --- |
| Religion Conflict. |

|  |
| --- |
| Cultural shift due to minority growth in dominance. |

|  |
| --- |
| World War 3 |

**Sheet 6: Framing and Scoping Scenario End States**

Global

|  |  |
| --- | --- |
| **Scenario 1:**  Radical  Tinder Box  Spread of extremism in education  Nature disaster leading to  Economic depression | **Scenario 2:**  Harmony  Manageable Crisis |
| **Scenario 4:**  ISIS | **Scenario 3:**  Still Waters |

Regional

**Iteration 2**

**Introduction to Kazakhstan – Yong Kai.**

Diary / Record of Investigation – Iteration 2 **more meat**

|  |  |  |  |
| --- | --- | --- | --- |
| **Day/**  **Date/**  **Time** | **What do you not know… but need to know?** | **What actions did you take to address issues?** | **Actions** |
|  | First group meeting   * Country selection by the group * Create a shared drive to put our assignments and research so we have a central system to share our findings | * Decided on Kazakhstan for group assignment for Scenario Planning * Researched on Kazakhstan * Combined Iteration 1 into one document | Group 3 convened. Members in alphabetical order:   * David Lee Boon Wai * Grace Chung Shan Mei * Li Heqian, Melvyn Emmanuel * Tran Le Quoc Son (Sonny) * Zhou Yong Kai |
| Saturday, 14 November 2015 15th?? | Second group meeting   * The areas we need to improve on Iteration 1 * We needed to know country’s information based on STIRDEEPER. * We needed to know if we have the driving worded correctly * Needed to beef up and substantiate driving forces with more research on Kazakhstan | * Met up for meeting to discuss, understand and evaluate what we needed to improve from the Iteration 1. * Brainstormed and created driving forces based on our individual research. Each shared what we have found out base on STIRDEEPER for 2 hours. We have about 40 driving forces for the 1st meeting. * Combine all the driving forces and went through everyone of them to see if it is relevant. * Reworded driving forces to ensure everyone of them meets the requirement * Documentation of the meeting and process of how we thought through the driving forces. * Planned the next steps and delegates part of the assignment. Decided that we need to | All in the group have done prior research and saved the supporting documents into the shared drive for discussion.  Yong Kai was on work trip to Germany.  Sonny was absent for work reasons.  David, Melvyn and Grace started working on driving forces  Grace had to leave at 1pm. David and Melvyn continued till evening. |
| Tueday, 16 and 17 November 2015 | * Preparation of the Iteration 2 presentation | * Need to have a combine Iteration 2 for presentation | David and Melvyn put together Iteration 2 presentation  Sonny put together Iteration 1 presentation |
| Wednesday 18 November 2015 | * Presentation in class, received feedbacks and comments from Charles and the class | * Some driving forces needed to be rephrased * Key things to note on feedback given on the presentation for our Iteration 2:  1. Scenarios must be independent 2. Need to be clearer/specific in our wording of driving forces 3. Need to word our clusters carefully to reflect the precise situation in the clusters  * Regrouped to discuss on next steps to revised to improve our Iteration 2 | All |
| Saturday, 21 November 2015 | Third group meeting   * Group arrives, needed to review driving forces, the new driving | * Went through all the new addition of the driving forces | All |
| Sunday, 22 November 2015 | Fourth group meeting   * Needed to check if the clusters overlap or if any clusters could be combined. | * Reviewed all driving forces. * We explored and challenge for more possibilities for the * Based on the driving forces, we completed the clustering * Thought and completed about the plausible outcomes for our first Iteration 2 draft * Started to name the cluster groups * Considering the feedbacks for Iteration 1, we validated and reviewed the clusters by sharing the facts with each other and backing up the clusters with research * We completed the Predictability / Impact Analysis of the clusters. * The titles for the two axis’s were created. * The group then moved creating Scenarios stage. * Evaluated the high impact clusters and decided that we should choose 1 positive and 1 negative situations for our scenario story/planning. * Group to seek feedback from Charles for Iteration 2 | Yong Kai was on work trip to Germany  Sonny was absent for work reasons.  David, Melvyn and Grace convened to work on the Iteration 2: Completed review for driving forces, clusters and predictability/impact analysis. |
| Wednesday  9 December 2015 | Class presentation on revised Iteration 2 | * The group received feedback from Charles on:  1. XX 2. XX 3. XX  * Minor changed to be made |  |
|  | Fifth group meeting |  |  |

* 1. **Sheet 2: Identification of Driving Forces**

|  |  |
| --- | --- |
| **Areas of investigation** | **Driving Forces** |
| **STIRDEEPER factors** |  |
|  |  |
| **Social** | 1. Increased nationalism of Kazakhstani culture. |
|  | 1. Increased intra-elite competition between ethnic Kazakh clans. |
|  | 1. Shift in educational focus from technical to managerial skills. |
|  | 1. Gradual urbanization of Kazakhstan rural populace. |
|  | 1. Growing adult literacy rates. |
|  | 1. Increasing income inequality. |
|  | 1. Emerging terrorist threats. |
|  | 1. Increased in Kazakh population as government recalls overseas Kazakhstanis. |
|  | 1. Increasing influence of Western's culture. |
|  | 1. Increasing drug trafficking in Kazakhstan. |
|  | 1. Increasing incidences of human trafficking. |
|  | 1. Rise of money laundering in Kazakhstan. |
|  | 1. Increase in number of drug addicts in Central Asia. |
|  | 1. Rising population of HIV patients in Central Asia. |
|  | 1. Rise of infectious diseases in Kazakhstan. |
|  | 1. Emerging trend of colors/Arab Revolutions. |
|  | 1. Growing global empowerment of individuals. |
|  |  |
|  |  |
|  |  |
|  |  |
| **Technology** | 1. Modernization of technology in mineral and metal extraction methodology. |
|  | 1. Increasing use of Information-Communications Technology (ICT) in government agencies. |
|  | 1. Increased Internet penetration rates. |
|  | 1. Upsurge in Research & Development initiatives. |
|  | 1. Rising dependence on technological products. |
|  | 1. Global trend of cyber attacks. |
|  | 1. Continued advancement of Russian military technology. |
|  | 1. Technological initiatives to improve Oil and Gas industry. |
|  | 1. Emergence of additive manufacturing (3D printing) and robotics. |
|  | 1. Advances in health technology to prolong longevity. |
|  | 1. Advances in social networking technologies. |
|  |  |
| **Industry** | 1. Increase in Global demand of minerals (non-ferrous metals). |
|  | 1. Shift from state-owned to privatization of Oil and Gas companies. |
|  | 1. Diversification of dependence on Oil and Gas industry to the transportation industry. |
|  | 1. Diversification of dependence on Oil and Gas industry to the Real estate industry. |
|  | 1. Development of agricultural production industry. |
|  | 1. Increased investment in spaceport industry. |
|  | 1. Emergence of ecommerce. |
|  | 1. Rapid growth of Chinese military. |
|  | 1. Increasing number of Russian & Belarusian companies incorporating in Kazakhstan. |
|  | 1. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to international organizations. |
|  | 1. Growing trend of offshoring of backed offices functions in MNCs to cheaper countries. |
|  |  |
|  |  |
|  |  |
| **Resources** | 1. Increasing efficiency in extraction of Oil and Gas. |
|  | 1. Decreasing supply of global agricultural consumable resources. |
|  | 1. Decreasing supply of global water resources. |
|  | 1. Rising exportation of fuel and metal deposits. |
|  | 1. Increasingly educated human resources. |
|  | 1. Expanding mining sector for uranium. |
|  | 1. Rising global awareness of safer nuclear energy usage. |
|  | 1. Increasing global need of rare earth metals. |
|  |  |
| **Demographics** | 1. Increasing migration of working population overseas. |
|  | 1. Aging global population |
|  | 1. Increasing percentage of ethnic Kazakhs in the population. |
|  | 1. Growing popularity of English and Turkish languages among younger population. |
|  | 1. Improving life expectancy ratios. |
|  | 1. Rising education enrollment ratio. |
|  | 1. Increasing Human Development Index (HDI) in Kazakhstan. |
|  | 1. Increasing expected years of schooling. |
|  | 1. Emergence of youthful workforce. |
|  | 1. Wave of migrants from neighboring countries |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **Economics** | 1. Increased effort in attracting foreign economic investment in mineral industry. |
|  | 1. Sharp slowdown in GDP growth. |
|  | 1. Increasing National debt. |
|  | 1. Continuing re-development of the Banking sector. |
|  | 1. Consistent investments in government created economic zones. |
|  | 1. Rapid and persistent economic growth of extractive industries. |
|  | 1. Global fall in commodity prices. |
|  | 1. Rising of machine building segment. |
|  | 1. Tightening partnership between Russia and China in the regional economics. |
|  | 1. Speeding up China's modern "Silk Road". |
|  | 1. Increasing regional trade cooperation. |
|  | 1. Increasing economic partnership with India. |
|  | 1. Slowdown in Chinese economy. |
|  | 1. Shift of economic power to the China and emerging markets. |
|  | 1. Global fall in Oil and Gas prices. |
|  |  |
| Environment | 1. Tightening regulations on industrial pollution. |
|  | 1. Increased stress on water resource supplies. |
|  | 1. Deterioration of water quality. |
|  | 1. Increased carbon footprint from manufacturing industry. |
|  | 1. Increased global focus on climate change. |
|  | 1. Increased occurrences of droughts in Central Asia. |
|  |  |
|  |  |
|  |  |
|  |  |
| Politics | 1. Aging President fueling successor concerns. |
|  | 1. Continuous political power consolidation by President. |
|  | 1. Trend of weak policy implementation by the government. |
|  | 1. Increased efforts in power balancing due to geo-political climate of global powers. |
|  | 1. Trend of Russia expressing concern for ethnic Russians. |
|  | 1. Growing influence in Central Asia through consolidation of security and political relationships. |
|  | 1. Growing international recognition as a result of national achievements. |
|  | 1. Continuing consolidation of redundant Soviet era government agencies. |
|  | 1. Increasing options for citizens to resolve disputes with authorities. |
|  | 1. Increased International pressure to contribute to eradication of global terrorism. |
|  | 1. Continuous reformation of political system. |
|  | 1. Strengthening international relationship. |
|  | 1. Growing divide between president and political elites. |
|  | 1. Increasing NATO influence in the Kazakhstan security. |
|  | 1. Increased economic tensions among neighbors in Central Asia. |
|  | 1. Changing landscape of global political powers. |
|  | 1. Increased Chinese nationalism. |
|  | 1. Growing global trend of intra state conflict between minority and majority populations. |
|  | 1. Increased inward focus of the European Union. |
|  | 1. Increasing political opposition against economic union with Russia. |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| Energy | 1. Increasing global demand for energy. |
|  | 1. Increasing Chinese energy demand. |
|  | 1. Surge in regional electricity demand. |
|  | 1. Accelerating Shale-oil production. |
|  | 1. Growing trend of US energy independence. |
|  |  |
| Religion | 1. Rise of Islamic fundamentalism. |
|  | 1. Rising desire of extremists to create Islamic state. |
|  | 1. Increasing regional religious conflicts |
|  |  |

* 1. **Sheet 3: Driving Force Plausible Alternative Outcomes**

|  |  |  |
| --- | --- | --- |
| **Social Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Increased nationalism of Kazakhstani culture. | Higher tensions between ethnic Kazakhstanis and ethnic Russians. | Emigration of ethnic Russians out of Kazakhstan. |
| 1. Increased intra-elite competition between ethnic Kazakh clans. | Conflicts between various clans for social dominance. | Cooperation between various clans for societal well-being. |
| 1. Shift in educational focus from technical to managerial skills. | Decrease in technically skilled workers resulting in rising cost of blue-collared workers. | Increase in knowledge based workers resulting in growth of Professionals, Managers and Executives (PMEs). |
| 1. Gradual urbanization of Kazakhstan rural populace. | An increasingly modern society evolves in Kazakhstan. | Loss of traditional values and culture. |
| 1. Growing adult literacy rates. | A more attractive workforce for MNCs to set up in Kazakhstan. | Educated workforce leaving Kazakhstan due to competition for jobs. |
| 1. Increasing income inequality. | Drives the lower class to find opportunities to move up the social ladder. | Rising conflicts between the social classes fueled by envy and dissatisfaction. |
| 1. Emerging terrorist threats. | Terrorists gaining a foothold in Kazakhstan. | Government successfully implements measures to stamp out terrorist threats. |
| 1. Increased in Kazakh population as government recalls overseas Kazakhstanis. | Growing tensions between settlers and migrants due to inadequate integration. | Cohesion among settlers and migrants due to acceptance of differences. |
| 1. Increasing influence of Western's culture. | More open and international Kazakhstani culture. | Rejection of western culture and reversion towards Kazakhstani culture. |
| 1. Increasing drug trafficking in Kazakhstan. | Government implementation of anti-drug programs. | Growing strength of organized crime. |
| 1. Increasing incidences of human trafficking. | Government agencies improve efforts to assist and protect victims of Human trafficking. | Growth in illicit market economy. |
| 1. Rise of money laundering in Kazakhstan. | Increases cash flows in Kazakhstan. | Tainted reputation of financial sector. |
| 1. Increase in number of drug addicts in Central Asia. | Growing awareness of harmful effects of drugs on society. | Increase in drug related crimes. |
| 1. Rising population of HIV patients in Central Asia. | Potential surge in healthcare market for HIV infected patients. | Strain on healthcare infrastructure. |
| 1. Rise of infectious diseases in Kazakhstan. | Nation-wide focus on re-inventing healthcare services. | Strain on healthcare infrastructure. |
| 1. Emerging trend of colors/Arab Revolutions. | Successful revolution against the incumbent and new government is installed. | Revolutions are crushed and power is consolidated. |
| 1. Growing global empowerment of individuals. | Growing unrest for lack of civil rights in Kazakhstan. | Kazakhstan citizens contribute positively to civil rights of Kazakhstan. |

|  |  |  |
| --- | --- | --- |
| **Technology Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Modernization of technology in mineral and metal extraction methodology. | Better efficiency in extraction of minerals leading to better productivity. | Failure to modernize results in stagnant productivity. |
| 1. Increasing use of Information-Communications Technology (ICT) in government agencies. | Better access to networked information, allows various government agencies to serve citizens better. | Citizens’ unfamiliarity may decrease the effectiveness of ICT. |
| 1. Increased Internet penetration rates. | Better access to information improving ordinary citizen’s awareness of global affairs outside Kazakhstan. | Better access to information may result in access to extremist views. |
| 1. Upsurge in Research & Development initiatives. | Breakthrough in technology and innovation from public laboratories. | Breakthrough in unethical technology and innovation from private companies in Kazakhstan. |
| 1. Rising dependence on technological products. | Lower classes may not have the resources to such products leading to them missing out on Kazakhstan’s economic goodies. | Increase in petty crimes leading to technological products. |
| 1. Global trend of cyber attacks. | Shutdown and data leak of cyber security systems. | Improved cyber security systems. |
| 1. Continued advancement of Russian military technology. | The territorial sovereignty challenge from Russia. | Close cooperation with Russia on military technology. |
| 1. Technological initiatives to improve Oil and Gas industry. | More efficient and effective processes in the Oil and Gas industry. | Oil and Gas industry rejects initiative, therefore efficiency levels remain the same or declines. |
| 1. Emergence of additive manufacturing (3D printing) and robotics. | Kazakhstan is able capitalize on new technologies to grow as a manufacturing hub. | Kazakhstan lags behind other competitors who utilize new technologies. |
| 1. Advances in health technology to prolong longevity. | Increased burden on nation due to burgeoning ageing population. | Healthier population. |
| 1. Advances in social networking technologies. | Kazakhstani government control on information is hindered. | Growing exchange of extremist information and groups. |

|  |  |  |
| --- | --- | --- |
| **Industry Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Increase in Global demand of minerals (non-ferrous metals). | Major economies rely more on Kazakhstan for minerals. | Major economies look to other countries for minerals. |
| 1. Shift from state-owned to privatization of Oil and Gas companies. | State will have limited liabilities once Oil and Gas industry move from state-owned to privatization. | Dominance of private interest of Oil and Gas industry in Kazakhstan. |
| 1. Diversification of dependence on Oil and Gas industry to the transportation industry. | Increased growth in transportation infrastructure and related industries. | Failure to successfully diversify into transportation results in increased reliance on proven Oil and Gas industry. |
| 1. Diversification of dependence on Oil and Gas industry to the Real estate industry. | Increased growth in land development and real estate industry. | Failure to diversify into real estate results in increased reliance on proven Oil and Gas industry. |
| 1. Development of agricultural production industry. | Increased growth in agricultural industry, establishing Kazakhstan as a major agricultural food exporter. | Productivity of agricultural production increases, thus maintaining or lowering prices despite global increase in prices. |
| 1. Increased investment in spaceport industry. | With increased knowledge of spaceport industry, control of spaceports in Kazakhstan may be returned from Russia to Kazakhstan. | Investments may lead to growth of supporting industries establishing Kazakhstan as a space hub. |
| 1. Emergence of ecommerce. | Decline of brick and mortar companies due to competition from ecommerce companies. | Easier international trade through more efficient ecommerce technology. |
| 1. Rapid growth of Chinese military. | Possible Chinese military threat. | Possible source of Kazakhstani defense equipment. |
| 1. Increasing number of Russian & Belarusian companies incorporating in Kazakhstan. | More cosmopolitan workforce and growth in business in Kazakhstan | Kazakhstan companies are unable to compete and close. |
| 1. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to international organizations. | Hampers growth of Kazakhstani companies. | Kazakhstani companies learn to compete internationally. |
| 1. Growing trend of offshoring of backed offices functions in MNCs to cheaper countries. | Growth in white collar jobs in Kazakhstan. | Loss of technical skill sets in Oil and Gas and transport industries. |

|  |  |  |
| --- | --- | --- |
| **Resources Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Increasing efficiency in extraction of Oil and Gas. | Higher revenue as a result of lower production costs. | May lead to greater reliance on Oil and Gas. |
| 1. Decreasing supply of global agricultural consumable resources. | Kazakhstan’s growing agriculture economy will position it favorably in the global agricultural consumable market. | Larger countries may attempt to pressure Kazakhstan for better agricultural consumable trade conditions. |
| 1. Decreasing supply of global water resources. | Kazakhstan may leverage on its adequate water supplies to obtain other resources. | Larger countries may tap on Kazakhstan’s source of water supplies, thus reducing Kazakhstan’s water supply. |
| 1. Rising exportation of fuel and metal deposits. | Growth in Kazakhstan’s economy and importance in the global economy. | Possible incursions from larger countries seeking resources for their populace. |
| 1. Increasingly educated human resources. | Move towards a knowledge based economy with the rise of better skilled workers. | Income divide increases between skilled and unskilled workers. |
| 1. Expanding mining sector for uranium. | Kazakhstan dominates global uranium production. | Over reliance on uranium trade. |
| 1. Rising global awareness of safer nuclear energy usage. | Nuclear power becomes an additional source of energy for Kazakhstan. | Complacency of Nuclear safety measures causing nuclear mishap. |
| 1. Increasing global need of rare earth metals. | Environment destroyed due to over mining of rare earth metals. | Growing importance of Kazakhstan in the rare earth metals market. |

|  |  |  |
| --- | --- | --- |
| **Demographics Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Increasing migration of working population overseas. | Economy suffers from Human capital strain. | Increased need to attract foreign workers. |
| 1. Aging global population. | Focus on providing basic needs of aging population. | Focus on policies to replace aging population. |
| 1. Increasing percentage of ethnic Kazakhs in the population. | Increased nationalism and Kazakhstani identity. | Increased dissatisfaction of displaced ethnicities. |
| 1. Growing popularity of English and Turkish languages among younger population. | Increased globalization and global influence in Kazakhstan culture. | Reversion back to traditional values and language. |
| 1. Improving life expectancy ratios. | Growth of silver-hair industry. | Increased burden on social welfare system from older population. |
| 1. Rising education enrollment ratio. | More diversely educated workforce. | Growth in subject matter experts not beneficial to Kazakhstan. |
| 1. Increasing Human Development Index (HDI) in Kazakhstan. | Kazakhstan’s workforce becomes increasingly educated and seeks opportunities outside Kazakhstan. | Increased expectations of better living standards leading to conflict with government. |
| 1. Increasing expected years of schooling. | More educated population leading to growth in economy. | Increased burden on government to provide jobs for an educated workforce. |
| 1. Emergence of youthful workforce. | Older workers are displaced and unemployed. | More agile and innovative working population. |
| 1. Wave of migrants from neighboring countries. | Gaps in Kazakhstan's workforce filled by migrants. | A larger pool of skilled talents in Kazakhstan. |

|  |  |  |
| --- | --- | --- |
| **Economic Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Increased effort in attracting foreign economic investment in mineral industry. | Inflow of investment used to develop infrastructure and contain national debt. | Failure to attract investment leading to bias that Kazakhstan has poor investment value. |
| 1. Sharp slowdown in GDP growth. | Spiraling economic slowdown in Kazakhstan. | Country prepared for slowdown and is able to capitalize on slowdown to re innovate. |
| 1. Increasing National debt. | Tension between government and citizens due to austerity measures in Kazakhstan. | Improved financial policies. |
| 1. Continuing re-development of the Banking sector. | Collapsed financial system due to failed rebuilding of financial system. | Stronger reformed banks and financial system. |
| 1. Consistent investments in government created economic zones. | Successful economic zones will trigger economic growth for the country. | Concentration of investments there, will cause investment drought in other areas. |
| 1. Rapid and persistent economic growth of extractive industries. | More jobs in commodity driven economy. | Dutch disease leading to other industries declining. |
| 1. Global fall in commodity prices. | Decline in economic growth of Kazakhstan due to focus on commodities. | Diversification of economy to one that is less reliant on commodities. |
| 1. Rising of machine building segment. | Diversification of Kazakhstan’s economy from dependence on commodities. | Loss investment focus in key sectors in Kazakhstan such as commodities and agriculture industry. |
| 1. Tightening partnership between Russia and China in the regional economics. | Too much dependence on Russia and China for trade. | Increased multi-lateral cooperation resulting in greater wealth for Kazakhstan. |
| 1. Speeding up China's modern "Silk Road". | Increased competition of Kazakhstani companies by China. | Influx of trade and cultural exchange from China. |
| 1. Increasing regional trade cooperation. | Tightening of trading ties in Central Asia. | Failed cooperation in central Asia leading to increased competition. |
| 1. Increasing economic partnership with India. | Possible straining of relations with China. | Less dependent on Russia and China for economic growth. |
| 1. Slowdown in Chinese economy. | Economic slowdown in Kazakhstan | Economy moves to source for another partner. |
| 1. Shift of economic power to the China and emerging markets. | Kazakhstan's economy gains positively as its Chinese and emerging market trade partners improve. | Kazakhstan does not work with China and emerging markets. |
| 1. Global fall in Oil and Gas prices. | Economic slowdown in Kazakhstan. | Diversification away to other industries. |

|  |  |  |
| --- | --- | --- |
| **Environment Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Tightening regulations on industrial pollution. | Cleaner environment and socially responsible industries. | Industries moving out of country due to costly environmental regulations. |
| 1. Increased stress on water resource supplies. | Additional water generation methods may spin off tech advances and other industries. | Potential need to depend on others for water. |
| 1. Deterioration of water quality. | Steps may be taken to improve water quality resulting in secondary industries. (i.e. Singapore and NEWWATER) | Lack of attention may mean unusable water, leading to deterioration of living conditions for citizens. |
| 1. Increased carbon footprint from manufacturing industry. | Development of new carbon trading and less polluted environment. | International pressure to reduce carbon emissions. |
| 1. Increased global focus on climate change. | More stringent international environmental regulations on Kazakhstan Oil and Gas and agricultural industries. | Kazakhstan ignores environmental regulations at expense of international relations. |
| 1. Increased occurrences of droughts in Central Asia. | Droughts affect the agricultural industry in Kazakhstan. | Kazakhstan works on with neighbors to solve the issue of droughts. |

|  |  |  |
| --- | --- | --- |
| **Politics Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Aging President fueling successor concerns. | Power vacuum leading to chaos. | Orderly transition to new leadership. |
| 1. Continuous political power consolidation by President. | Well-administered, political system will be seen as a success, citizens will remain happy. | Poorly administered, political system will be seen as a failure, citizens may rise in revolt. |
| 1. Trend of weak policy implementation by the government. | Failed state programs leading to more distrust between citizens and government. | Greater transparency in policy making. |
| 1. Increased efforts in power balancing due to geo-political climate of global powers. | Successful multi-vector diplomacy with various world powers. | Failed multi-vector diplomacy leading to political tensions with other world powers. |
| 1. Trend of Russia expressing concern for ethnic Russians. | Intervention from Russia politically or militarily. | No intervention from Russia. |
| 1. Growing influence in Central Asia through consolidation of security and political relationships. | Unifying power in Central Asia. | Disparate infighting in Central Asia. |
| 1. Growing international recognition as a result of national achievements. | Growing political clout in the global political arena. | Sidelined in the global political arena as achievements are considered average. |
| 1. Continuing consolidation of redundant Soviet era government agencies. | More efficient government structure and services. | Continued inefficiency in government structure and services. |
| 1. Increasing options for citizens to resolve disputes with authorities. | More well-ordered society with better dispute resolution with government. | Open conflicts with government. |
| 1. Increased International pressure to contribute to eradication of global terrorism. | Government remains neutral on terrorism. | Government fights terrorism through various mediums. |
| 1. Continuous reformation of political system. | A more effective and transparent bureaucracy. | Greater consolidation of power by current President. |
| 1. Strengthening international relationship. | Better foreign policy in place. | More complicated geo-political balance of power. |
| 1. Growing divide between president and political elites. | President is forced to consider power succession issues. | Political divide increases, therefore throwing country into chaos. |
| 1. Increasing NATO influence in the Kazakhstan security. | Better security training from NATO forces. | Move towards closer ties with China and Russia. |
| 1. Increased economic tensions among neighbors in Central Asia. | Continuous economic conflicts in Central Asia. | Dominant player emerges to lead the region. |
| 1. Changing landscape of global political powers. | US power and influence diminishes and China's rises in Central Asia. | US exert additional pressure to ensure influence in Central Asia. |
| 1. Increased Chinese nationalism. | Border disputes between Chinese and Kazakhstan. | Central Asia unites as region to counter China. |
| 1. Growing global trend of intra state conflict between minority and majority populations. | Civil war and secessions between different ethnic groups. | Kazakhstani government is able to create a cohesive society. |
| 1. Increased inward focus of the European Union. | EU economic and political influence weakens in Kazakhstan. | Kazakhstan aligns with other major powers such as Russia and China. |
| 1. Increasing political opposition against economic union with Russia. | Rise in nationalistic movements in Kazakhstan. | Kazakhstan realizes its needs closer ties with Russia. |

|  |  |  |
| --- | --- | --- |
| **Energy Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Increasing global demand for energy. | Leverage on resources to gain political and economic advantages from global powers. | Continue to produce to gain short-term economic advantages. |
| 1. Increasing Chinese energy demand. | China becomes a strategic energy-trading partner. | Increase geo-political tensions between China, Russia and India. |
| 1. Surge in regional electricity demand. | Improvement of Kazakhstan's electrical energy's infrastructure | Current electrical infrastructure unable to cope with growing electricity demand. |
| 1. Accelerating Shale-oil production. | Kazakhstan's economy suffers due to the alternative oil sources. | Potential co-operation with OPEC. |
| 1. Growing trend of US energy independence. | Slow in Oil and Gas sector due to loss of US trading partner. | Kazakhstan focuses on Chinese demand. |

|  |  |  |
| --- | --- | --- |
| **Religion Driving Forces** | **Plausible Outcome A** | **Plausible Outcome B** |
| 1. Rise of Islamic fundamentalism. | Growth in influence on fundamental Islam on society leading conflicts between religions. | Fundamental Islam is ostracized by moderate Muslims, leading to closer cooperation with other religions. |
| 1. Rising desire of extremists to create Islamic state. | Terrorist attacks on country, drawing Kazakhstan into retaliation. | Terrorist does not attack but spreads its messages fueling terrorism sympathy. |
| 1. Increasing regional religious conflicts | Regional religious conflicts drive refugees to Kazakhstan | Better religious awareness heightens religious tolerance |

* 1. **Sheet 4: Driving Force Cluster**

|  |  |
| --- | --- |
| **Driving Force Cluster Heading** | **Contributory Driving Forces** |
| 1. **Social fragmentation.** | 1. Increased nationalism of Kazakhstani culture. |
| 4. Gradual urbanization of Kazakhstan rural populace. |
| 6. Increasing income inequality. |
| 8. Increasing influence of Western's culture. |
| 49. Increasing percentage of ethnic Kazakhs in the population. |
| 82. Trend of Russia expressing concern for ethnic Russians |
| 106. Increasing regional religious conflicts. |
|  |  |
| 1. **Diversifying from commodity driven economy.** | 26. Emergence of additive manufacturing (3D printing) and robotics. |
| 31. Diversification of dependence on Oil & Gas industry to the transportation industry. |
| 32. Diversification of dependence on Oil & Gas industry to the Real estate industry. |
| 33. Development of agricultural production industry. |
| 34. Increased investment in spaceport industry. |
| 39. Growing trend of offshoring of back offices functions in MNCs to cheaper countries |
| 65. Rising of machine building segment. |
|  |  |
| 1. **Innovation driven economy.** | 21. Upsurge in Research & Development initiatives. |
| 22. Rising dependence on technological products. |
| 37. Increasing number of Russian & Belarusian companies incorporating in Kazakhstan. |
| 44. Increasingly educated human resources. |
| 51. Growing popularity of English and Turkish languages among younger population. |
| 53. Rising education enrollment ratio. |
| 55. Increasing expected years of schooling. |
| 1. **Russian influencing policies.** | 1. Increased nationalism of Kazakhstani culture. |
| 8. Increased in Kazakh population as government recalls overseas Kazakhstani. |
| 49. Increasing percentage of ethnic Kazakhs in the population. |
| 83. Trend of Russia expressing concern for ethnic Russians. |
| 87. Increasing options for citizens to resolve disputes with authorities. |
| 92. Increasing NATO influence in the Kazakhstan security |
| 96. Growing global trend of intra state conflicts between minority and majority populations. |
|  |  |
| 1. **Domestic Political Stability.** | 2. Increased intra-elite competition between ethnic Kazakh clans. |
| 7. Emerging terrorist threats. |
| 16. Emerging trend of colors/Arab Revolutions. |
| 18. Growing global empowerment of individuals. |
| 53. Rising education enrollment ratio. |
| 79. Aging President fueling successor concerns. |
| 80. Continuous political power consolidation by President. |
| 89. Continuous reformation of political system. |
| 91. Growing divide between president and political elites. |
|  |  |
| 1. **Commodity economy woes.** | 30. Shift from state-owned to privatization of Oil & Gas companies. |
| 60. Increasing National debt. |
| 64. Global fall in commodity prices. |
| 70. Slowdown in Chinese economy. |
| 72. Global fall in oil & gas prices. |
| 102. Accelerating of Shale-oil production. |
| 103. Growing trend of US energy independence. |
| 1. **Regional Economic Hegemony.** | 38. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to international organizations. |
| 41. Decreasing supply of global agricultural consumable resources. |
| 42. Decreasing supply of global water resources. |
| 61. Continuing re-development of the Banking sector. |
| 62. Consistent investments in government created economic zones. |
| 82. Increased efforts in power balancing due to geo-political climate. |
| 84. Growing influence in Central Asia through consolidation of security and political relationships. |
| 85. Growing international recognition as a result of national achievements. |
| 93. Increased economic tensions among neighbors in Central Asia. |
|  |  |
| 1. **Terrorism in Kazakhstan.** | 7. Emerging terrorist threats. |
| 20. Increased Internet penetration rates. |
| 28. Advances in social networking technologies |
| 57. Wave of migrants from neighboring countries. |
| 104. Rise of Islamic fundamentalism. |
| 105. Rising desire of extremists to create Islamic state. |
| 106. Increasing regional religious conflicts. |
|  |  |
| 1. **Kazakh influence in global resources.** | 18. Modernization of technology in mineral and metal extraction methodology |
| 29. Increase in Global demand of minerals (non-ferrous metals) |
| 41. Decreasing supply of global agricultural consumables resources |
| 42. Decreasing supply of global water resources |
| 43. Rising exportation of fuel and metal deposits. |
| 47. Increasing global need of rare earth metals. |
| 63. Rapid and persistent economic growth of extractive industries |
| 100. Increasing Chinese energy demand. |
|  |  |
| 1. **Educational hub in Central Asia.** | 3. Shift in educational focus from technical to managerial skills. |
| 5. Growing adult literacy rates |
| 20. Increased Internet penetration rates. |
| 37. Increasing number of Russian & Belarusian companies incorporating in Kazakhstan. |
| 51. Growing popularity of English and Turkish languages among younger population. |
| 54. Increasing Human Developmental Index (HDI) in Kazakhstan. |
| 57. Wave of migrants from neighboring countries. |
|  |  |
| 1. **Economic hub in Central Asia.** | 58. Increased effort in attracting foreign economic investment in mineral industry. |
| 61. Continuing re-development of the Banking sector. |
| 62. Consistent investments in government created economic zones. |
| 66. Tightening partnership between Russia and China in the regional economics. |
| 67. Speeding up China's modern "Silk Road" ambition. |
| 68. Increasing regional trade cooperation. |
| 90. Strengthening international relationship. |
|  |  |
| 1. **Declining standard of living.** | 4. Gradual urbanization of Kazakhstan rural populace. |
| 6. Increasing income inequality. |
| 59. Sharp slowdown in GDP growth. |
| 74. Increased stress on water resource supplies. |
| 75. Deterioration of water quality. |
| 78. Increased occurrences of droughts in Central Asia. |
|  |  |
| 1. **Environmental devastation.** | 29. Increase in Global demand of minerals (non-ferrous metals). |
| 43. Rising exportation of fuel and metal deposits. |
| 45. Expanding mining sector for uranium. |
| 47. Increasing global need of rare earth metals. |
| 73. Tightening regulations on industrial pollution. |
| 76. Increased carbon footprint from manufacturing industry. |
| 81. Trend of weak policy implementation by the government. |
| 99. Increasing global demand for energy. |
|  |  |
| 1. **Organized crime.** | 10. Increasing drug trafficking in Kazakhstan. |
| 11. Increasing incidences of human trafficking. |
| 12. Rise of Money laundering in Kazakhstan. |
| 13. Increase in number of drug addicts in Central Asia. |
| 31. Diversification of dependence on Oil & Gas industry to the transportation industry. |
| 57. Wave of migrants from neighboring countries |
| 81. Trend of weak policy implementation by the government. |
|  |  |
| 1. **Chinese commercial influence.** | 35. Emergence of Chinese ecommerce. |
| 36. Rapid growth of Chinese military industries. |
| 66. Tightening partnership between Russia and China in the regional economics. |
| 67. Speeding up China's modern "Silk Road" ambition. |
| 95. Increased Chinese nationalism. |
| 97. Increased inward focus of the European Union. |
| 100. Increasing Chinese energy demand. |
|  |  |
| 1. **Kazakh boom in international business scene** | 21. Upsurge in Research & Development initiatives. |
| 26. Emergence of additive manufacturing (3D printing) and robotics. |
| 30. Shift from state-owned to privatization of Oil & Gas companies. |
| 37. Increasing number of Russian & Belarusian companies incorporating in Kazakhstan. |
| 38. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to international organizations. |
| 68. Increasing regional trade cooperation. |
| 69. Increasing economic partnership with India. |

* 1. **Sheet 5: Predictability/Impact Ranking of Driving Force Clusters NOT COMPLETED**

|  |  |
| --- | --- |
| **High Predictability**  G.  Commodity economy woes.  I.  Terrorism in Kazakhstan.  Q.  Chinese influence in Kazakhstan.  N.  Declining standard of living.  **Low**  H.  Kazakhstani dominance in Central Asia. | B.  Diversifying from commodity driven economy.  J.  Kazakhstan’s influence in global resources.  C.  Innovation driven economy.  **High** |
| **Impact**  M.  Economic hub in Central Asia.  L.  Educational hub in Central Asia.  O.  Environmentally devastated Kazakhstan.    **Low Predictability** | **Impact**  A.  Socially fragmented.  K.  Kazakhstani power vacuum.  D.  Greater political influence in Central Asia.  P.  Organised crime.  E.  Russian mediation inKazakhstan.  F.  Political instability in Kazakhstan. |

* 1. **Sheet 6: Framing and Scoping of Scenarios End states NOT COMPLETED**

Unified

Fragmented

K2

Integrated

Competitive

Regional Economic Hegemony

Domestic Political Stability

Scenario 02

A Divided Power House.

Scenario 01 Taichi Master.

Scenario 03 Taichi Master.

Scenario 04 Taichi Master.

**Scenario 1: Taichi Master**

* Growing concerns about succession planning.
* Economic diversification.
* Geo-political relationships.
* Post President Nursultan Nazarbayev.
* President Dariga Nazarbayev reforms.
* Regional economic competition.

**Scenario 1: Taichi Master Driving Forces**

|  |  |
| --- | --- |
| E. Domestic Political Stability | 2. Increased intra-elite competition between ethnic Kazakh clans. |
| 7. Emerging terrorist threats. |
| 16. Emerging trend of colors/Arab Revolutions. |
| 17. Growing global empowerment of individuals. |
| 53. Rising education enrollment ratio. |
| 79. Aging President fueling successor concerns. |
| 80. Continuous political power consolidation by President. |
| 89. Continuous reformation of political system. |
| 91. Growing divide between president and political elites. |
|  |  |
| G. Regional Economic Hegemony | 38. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to international organizations. |
| 41. Decreasing supply of global agricultural consumable resources. |
| 42. Decreasing supply of global water resources. |
| 61. Continuing re-development of the Banking sector. |
| 62. Consistent investments in government created economic zones. |
| 82. Increased efforts in power balancing due to geo-political climate. |
| 84. Growing influence in Central Asia through consolidation of security and political relationships. |
| 85. Growing international recognition as a result of national achievements. |
| 93. Increased economic tensions among neighbors in Central Asia. |
|  |  |
| Additional Driving Forces. |  |
| Cluster H | 105. Rising desire of extremists to create Islamic state. |
| Cluster K | 66. Tightening partnership between Russia and China in the regional economics. |
| Cluster N | 81. Trend of weak policy implementation by the government. |
|  |  |

**Scenario 1: Taichi Master Timeline**

|  |  |
| --- | --- |
| 2015 to 2020 | President Nursultan Nazarbayev wins Presidential Elections. |
| Focus on development spread beyond Economic Regions. |
| Dariga Nazarbayev appointed Prime Minister by Presidential decree, and voted Chairman of the Senate of Kazakhstan. |
|  |  |
| 2020 to 2025 | Increased opposition political activities. |
| Economic Downturn. |
| Kazakhstan joins several world organizations. |
| President Nursultan Nazarbayev wins Presidential Elections. |
|  |  |
| 2026 to 2030 | President Nursultan Nazarbayev suffers a stroke. |
| Prime Minister Dariga Nazarbayev appointed President by Presidential decree. |
| Nursultan Nazarbayev passes away peacefully. |
| President Dariga Nazarbayev secures Kazakhstan regional trade via memorandums and agreements. |
| Temporary shutdown of Russian spaceport. |

Revolutions are crushed and power is consolidated.

16. Emerging trend of colours / Arab revolutions.

Government successfully implements measures to stamp out terrorist threats.

7. Emerging terrorist threats.

Terrorist attacks on country, drawing Kazakhstan into retaliation.

105. Rising desire of extremists to create Islamic state.

**Present State**

**2015**

**2015 to 2020**

**2020 to 2025**

Orderly transition to new leadership.

80. Aging President fueling successor concerns.

Well-administered, political system will be seen as a success, citizens will remain happy.

80. Continuous political power consolidation by President.

President is forced to consider power succession issues

91. Growing divide between president and political elites.

More diversely educated workforce.

53. Rising education enrollment ratio.

Growing unrest for lack of civil rights in Kazakhstan.

17. Growing global empowerment of individuals.

Concentration of investments there will cause investment drought in other areas.

62. Consistent investments in government created economic zones

Kazakhstan’s growing agriculture economy will position it favorably in the global agricultural consumable market.

41. Decreasing supply of global agricultural consumable resources.

Kazakhstan may leverage on its adequate water supplies to obtain other resources.

42. Decreasing supply of global water resources

Unifying power in Central Asia.

84. Growing influence in Central Asia through consolidation of security and political relationships

Stronger reformed banks and financial system.

61. Continuing re-development of the Banking sector.

Kazakhstani companies learn to compete internationally.

38. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to International organizations.

Failed state programs leading to more distrust between citizens and government.

81. Trend of weak policy implementation by the government.

Conflicts between various clans for social dominance.

2. Increased intra-elite competition between ethnic Kazakh clans.

**2025 to 2030**

Greater consolidation of power by current President.

89. Continuous reformation of political system.

**2020 to 2025 c*ontinued***

Growing political clout in the global political arena.

85. Growing international recognition as a result of national achievements

Continuous economic conflicts in Central Asia

93. Increased economic tensions among neighbours in Central Asia.

Successful multi-vector diplomacy with various world powers.

82. Increased efforts in power balancing due to geo-political Cclimate

Increased multi-lateral cooperation resulting in greater wealth for Kazakhstan.

66. Tightening partnership between Russia and China in the regional economics.

**Scenario 1**

This scenario looks at how Kazakhstan achieves peaceful succession after President Nursultan Nazarbayev is forced to step down due to health conditions. Dariga is moved in place and consolidates her power and implements slightly different policies, without shaking the foundations of the government so that there is a sense of continuity.

Outside of Kazakhstan, global and economic forces shape Kazakhstan policies resulting in the country slowly transforming to one that has to compete regionally, while balancing geo-political relationships.

**Taichi Master: Calm within, Forceful outside**

Quietly, Central Asia has been bustling with activity for several years. For more then a decade, Central Asia has seen greater development compared with its more illustrious neighbor, Russia and China. Instrumental to this regional development has been Kazakhstan. With Kazakhstan’s domestic political stability acting as its own rudder, its forward-looking economic development policies powers this icebreaker in a competitive and harsh environment. Today, Kazakhstan is possibly the leader in a region economically calm on the surface, but swirling with competition beneath.

**The Presidency**

It began about 15 years ago on Valentine’s Day in 2015. Kazakhstan’s People’s Assembly voted to bring the presidential elections scheduled for 2016, forward to 2015 in a bid to avoid holding 2 elections in 2016, the second of which would have been the People’s Assembly elections. President Nursultan Nazarbayev of the Nur Otan party won himself a fifth term in office. Critics argued that the elections may not be entirely fair, but others would point to the fact that the Kazakhstan government under President Nursultan Nazarbayev had been more stable then most of its neighbours since the fall of Soviet Russia. The 2015 victory gave President Nursultan additional time to continue consolidating presidential powers, which would proved advantageous for the ruling party. The subsequent years were well administered with minor hiccups, progressive by Central Asian standards, solidifying the country’s educational systems, as well as laying the foundation for economic growth, giving its citizens something to cheer about, despite the effort it takes for policies to be implemented. Kazakhstan straddles both Europe and Asia, and is home to many cultures. Languages such as Turkish, Kazakh, English and Russian are some of the languages spoken and constituted a massive barrier in cascading information. Well thought policies were often inefficiently implemented, giving rise to a culture of distrust of the government by citizens.

Nonetheless, a political divide had been brewing between political elites and President Nursultan had been in power since 1989 with little possibility of stepping down. Consolidating his powers through various means such as appointing political allies in key government positions, for example promoting his daughter, Dariga Nazarbayev, from Deputy Prime Minister to Prime Minister in 2021. At the same time, she was voted Chairman of the Senate of Kazakhstan, placing her directly in line to succeed as President. The promotion, which fueled resentment of those seeking a truly democratic government, 1 year after the 2020 Presidential elections however, also indicated the unfathomable possibility of the aging President Nursultan stepping down willingly. The move was also seen as an attempt to placate political elites hinting at succession concerns, whose support the president needed from time to time. There have been several disagreements between father and daughter with regard to governance and observers were keen to see what may come about in the power transition. Seizing what they felt was a political opportunity, ethnic Kazakhstani clans and various political parties began a fruitless political and social competition, promoting themselves as possible successor parties until in 2024, President Nursultan announced his candidacy for the 2025 elections. Prime Minister Dariga Nazarbayev quickly went about reuniting these ethnic clans to Nur Otan as she sought to stabilize the political environment in view of post presidential elections, possibly as an afterthought of private discussions with her father. The 2025 presidential elections ended predictably.

In 2026, President Nursultan suffered a stroke. Insiders interviewed acknowledged that first signs of poor health first emerged in 2011 when President Nursultan underwent prostrate surgery in Germany. Since then, there were minor health issues, however, the strain of his leadership bore down on him and stress related health issues cropped up in 2019. Played down extensively, President Nursultan continued to put out a strong front and was able to contain and prevent a relapse successfully. Close associates revealed that the attack was triggered during an argument with Prime Minister Dariga. Both had been debating foreign policies, and their differences on political issues have been well documented. Things came to head behind closed doors as the Prime Minister urged the President to reconsider his pacifist policies with Kazakhstani neighbours and other world powers. Unable to govern as President due to his physical impediments, Nursultan Nazarbayev stepped down, ceding his position to Dariga Nazarbayev, and sought treatment in Singapore, at the renowned Mount Elizabeth Hospital. From 2026, Kazakhstan under President Dariga Nazarbayev practised similar policies domestically. Regionally, she has been willing to take on her peers on issues such as trade, or halting the Russian space program that she deemed hazardous to the surrounding population, that her father supported. Behind the scenes however, her father’s impeded movements and slurry speech probably influenced some matters of government.

The 2030 Presidential elections next month would probably result with President Dariga Nazarbayev as the victor. Sadly, having departed in 2027 peacefully at the age of 87 years old, Nursultan Nazarbayev will no longer be able to witness his daughter’s victory.

**Security threats**

Kazakhstanis have always been a peace loving population, and was quick to embrace other religions and ethnicity upon gaining independence. President Nursultan Nazarbayev was often accused by Human rights groups of abusing his powers in a bid to stay at the top. It can be argued that this fanatical desire to retain his power saved Kazakhstan from the most extreme forms of radical fundamentalism over the last 15 years. Regional security threats such as terrorist group Jung al Khilafa have been closely monitored after it carried out bombings in Kazakhstan in November 2011.

Other emerging terrorist threats continue to plague the region as various radical groups attempt to spread their ideals through various means, often violent. The same mechanisms that supposedly monitor the population for dissidents, before they roll into revolutions, have consistently foiled such threats in Kazakhstan before they are carried out. Back in November 2015, the Islamic State of Iraq and Syria (ISIS) controlled swaths of territory and critical oil fields, its rampant suicide bombings were carried out globally, while beheading enemies were common, as is today, within territories it controlled. Kazakhstan was not immune to these threats as it is regionally close to terrorist hotspots.

Riots and uprisings in neighbouring Arab nations helped fuel ambitions of those hoping to topple the Kazakh administration to no avail, as these are quickly and quietly put to rest with arrests. These events culminated in 2022 to 2023 when political elites interpreted the promotion of Dariga Nazarbayev to Prime Minister as an indication that President Nursultan was prepared to step down. Sensing a political opportunity, attempts were made by politically inclined ethnic Kazakh clans to make social and political inroads. They were not alone. Radical groups lying in wait for an opportunity to spread their ideals saw this as a ripe moment to act, making use of social media and the internet to recruit, and carrying out small scale uncoordinated attacks on the borders of Kazakhstan. President Nursultan reacted with a multi-pronged counter. In early 2024, the president announced his intention to run the 2025 presidency elections while Prime Minister Dariga set about re-uniting the various political clans and parties. The message was clear. By early 2025, the country was preparing for elections with the winner already in their minds, and the post-election environment was stable.

By late 2026, Dariga Nazarbayev succeeded her father as President, and began a series of minor reforms. Neighbouring 2 world powers, President Dariga sought to get Kazakhstan noticed on a global scale as a form of passive political, security and economic defense. President Dariga courted western powers as her father did, with the intention of securing political and security backing for her young presidency. Kazakhstan quickly spread itself in Central Asia, securing additional memorandums and agreements for political, security and trade alliances.

**Central Asia’s Economic Leader**

The economic powers of Kazakhstan lay in the strength of its natural resources during its formative years. The government was able to exploit these resources such as metals, oil and gas among others, to develop the young country’s economy. It soon developed economic zones within the country to better manage resources and to enable efficient resources. Additionally, its human capital benefited from the country’s growing wealth as the government invested more into education, in order to ensure its citizens obtained a high level of productivity. The banking sector also underwent reorganization and was redeveloped to strengthen the financial sector after the economic setbacks of 2007. The result was a focus on certain regions, as well as certain elements in the economy. It soon became clear that as the country matured with global developments, Kazakhstan had to re-evaluate its drawer plans for its economy.

In 2016, the focus on economic regions spread out. It had been felt that the rural regions also required development. Almost every adult had had secondary school education and even tertiary education. Seen as the foundation of progress, much emphasis was placed on education, however the statistics may not reveal all. The quality of education may not be as robust and comprehensive as other countries with similar literacy rates. While basic knowledge and skills were adequate, the government was keen to improve the reputation of its education. Efforts were made to look at increasing teacher to student ratios, and studies were made to compare the contrasting Singapore and Finland’s education methods. Education, which had already been high in terms of literacy rates, continued to have access in the rural regions, made easier.

These actions had also been the result of the desire to reach out into the rural regions where terrorism may potentially take root. Individuals, not just organizations, have been empowered by technological advances and the Internet, and had gain wider knowledge of global events, sometimes misinterpreting them erroneously. Eventually, with the lure of removing the government, the desire to emulate Arab uprisings were quickly put down, when political elites interpreted the promotion of Dariga Nazarbayev to Prime Minister as an indication that President Nursultan was prepared to step down.

The banking reforms continued as fiscal policies were also reviewed, strengthening the financial systems in anticipation of the next economic trough that eventually occurred from 2022 to 2023. Globally, resources such as water and agricultural consumables were being stretched, and Kazakhstan began preparing to take advantage of these. Leveraging on its abundant water supplies to form part of trade deals regionally, it boosted resources spent on agriculture. An unforeseen result of these initiatives was a more environmentally conscious Kazakhstan as metal extraction took a back seat, while agriculture methods and conditions were improved. The financial reforms allowed rural farmers riding the agricultural wave, access to liquidity that in turn laid the foundations for economic growth.

The global economic downturn in 2022/2023 hit Kazakhstan hard, though its neighbours suffered more. As its economy was geared towards surviving such an economic hit, by diversification and strengthening its financial institutions, Kazakhstan was able to respond nimbly and quickly led Central Asia into consolidating trade agreements to pull the region out of the slump. Despite the seemingly co-operative nature of agreements, most were written as President Dariga realized a regional collapse would rollover to Kazakhstan. Yet it was clear that these countries share similar natural resources to Kazakhstan and was competing economically for growth. As such, Kazakhstan also sought to increase co-operation with Russia and China, removing various economic barriers and leading to improved multi-lateral relations. However, improved relations with Russia and China had to be balanced carefully with western relations, especially Turkey since the downing of the Russian fighter jet in 2015. The application and entry of Kazakhstan into several world organizations around 2023 to 2024 compelled the government to introduce initiatives to help local companies compete on the global arena, and somewhat helped in Kazakh geo-politics. Its economic history and development did not go unnoticed. As a result of its achievements, it started gaining recognition internationally for its work in education and its economy.

By early 2027, President Dariga Nazarbayev a series of minor reforms and Kazakhstan quickly spread itself in Central Asia, securing memorandums and agreements for trade, she very quickly established herself as a regional economic giant.

**The Last Five Years**

The last 5 years since 2025 in Kazakhstan have seen minor changes in various areas of Kazakhstan. Perhaps the most defining event was Dariga Nazarbayev’s ascension to presidency. As the first Kazakhstani female President, Dariga has been able to inspire women in Kazakhstan to strive for a better life. While male-female literacy rates have often enjoyed equality, women were still often seen as the homemaker. Perhaps as a result of better education and heightened exposure to global events, President’s Dariga position as “Leader of the Nation” placed her as a role model for what women can achieve. In addition, her position allows her to decree laws to better the opportunities, or protect women domestically.

The sensitivity of maintaining good relations globally often placed Kazakhstan in predicaments, and it still is today. Though wary of China’s rise, Kazakhstan recognized the influence China may have internationally, and have sought to remain cordial with China, while maintaining its relations with Russia. However, President Dariga also prefers to court western powers as strategic relations there may boost Kazakhstan’s international standing. The resulting odd mix of friends was a cocktail of foreign investments. Kazakhstan has been making momentous infrastructure developments in order to facilitate and accommodate growth of such investments, providing jobs for its population along the way. Additionally, while trade has grown regionally, competition still simmers as countries in the region continue to compete aggressively for foreign investments and the export of their own resources.

The diversification of its economy in the early 2020s saw more environmental awareness generated. The destructive metal industry had stepped behind agriculture, allowing irrigation, farming and the preservation of land for grazing to increase. Similarly, the spaceport operated by Russian has been temporary shutdown pending further studies on how the port has affected locals in the area. While it has brought in a healthy amount of revenue, President Dariga has been known to express if the resulting damage to the environment and health of the nearby population was worth it. The port would probably reopen with greater Kazakhstani management involved.

Implications

Education will continue to be a focus in Kazakhstan. The concern however is not with literacy rates but with the quality of education. With economic progress, we can expect the government to address the issues of quality education as new skills are required, and access to “lessons learnt” from other countries is attained.

Kazakhstan enjoys a reasonable level of gender equality compared to it neighbours. However, in the rural regions, women are viewed as the traditional homemakers. With the rise of Dariga as President, better education, and further Western influence we can expect better gender equality.

Infrastructure would be a focus as the country welcomes more and more foreign investments. Additionally, the diversification of the economy means a myriad of infrastructure would be required.

Environmentally sustainable development would be influenced by global pressure as Kazakhstan further opens up, and participates in global organization. The diversification of its economy also means that extraction industries will take a back seat versus agricultural for example.

Scenario 2: A Divided Power House

* **The emergence of tribal politics**
* **Autonomic movements**
* **Deconstruction of multi-vector policy**
* **A regional power**
* **Watch out Uzbekistan, a new regional power**

**2015 - 2020**

**2025 - 2030**

Political divide increases, therefore throwing country into chaos.

91. Growing divide between president and political elites.

Conflicts between various clans for social dominance.

2. Increased intra-elite competition between ethnic Kazakh clans.

Kazakhstani government control on information is hindered.

28. Advances in social networking technologies.

Power vacuum leading to chaos.

80. Aging President fueling successor concerns.

Well-administered, political system will be seen as a success, citizens will remain happy.

80. Continuous political power consolidation by President.

**2020 - 2025**

**End state 2030**

**Present state 2015**

Kazakhstan citizens contribute positively to civil rights of Kazakhstan.

17. Growing global empowerment of individuals.

Terrorist does not attack but spreads its messages fueling terrorism sympathy.

105. Rising desire of extremists to create Islamic state.

Terrorists gaining a foothold in Kazakhstan.

7. Emerging terrorist threats.

Increased nationalism and Kazakhstani identity.

50. Increasing percentage of ethnic Kazakhs in the population.

Failed multi-vector diplomacy leading to political tensions with other world powers.

82. Increased efforts in power balancing due to geo-political climate

Growing political clout in the global political arena.

85. Growing international recognition as a result of national achievements

Kazakhstani companies learn to compete internationally.

38. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to International organizations.

Failed cooperation in central Asia leading to increased competition.

68. Increasing regional trade cooperation.

More diversely educated workforce.

53. Rising education enrollment ratio.

Continuous economic conflicts in Central Asia.

93. Increased economic tensions among neighbours in Central Asia.

US exert additional pressure to ensure influence in Central Asia.

94. Changing landscape of global political powers.

Move towards a knowledge based economy with the rise of better skilled workers.

44. Increasingly educated human resources.

Stronger reformed banks and financial system.

61. Continuing re-development of the Banking sector.

Disparate infighting in Central Asia.

84. Growing influence in Central Asia through consolidation of security and political relationships

Less dependent on Russia and China for economic growth.

69. Increasing economic partnership with India.

Increased competition of Kazakhstani companies by China.

67. Speeding up China's modern "Silk Road".

Diversification away to other industries.

72. Global fall in Oil and Gas prices.

<todo <Sonny>: timeline of the events>

**Timeline**

|  |  |
| --- | --- |
| 2015 | President Nursultan Nazarbayev wins Presidential Elections.  Coninue with the President’s 2050 plan  Eurasian Economic Union (EEU) was established |
| 2016 | Sanction lifted for Iran  Donald Trump became the US’s president |
| 2017 | TPP officially went live |
| 2018 | ISIS was controlled  US and EU increased investments in southern Central Asia  New common currency introduced in EEU |
| 2019 | Dariga Nazarbayev became one of the first choices for the next president. |
| 2020 | Nursultan Nazarbayev continued with his 6th term, at the age of 81  Putin did not run for the next presidential election |
| 2021 | Kazakh language was taught in public schools |
| 2024 | The departure of the strongman  Russia and EU relationship normalization |
| 2025 | Dariga Nursultanqyzy Nazarbayeva was appointed as the next president |
| 2026 | Silk Road Economic Belt vision achived major progress |
| 2027- 2028 | India became the 3rd economy in the world |
| 2029 | Dariga stepped down, Prime Minister Massimov became interim president of Kazakhstan |
|  |  |
|  |  |

**The state of relations in ‘A Divided Power House’**

In “A Divided Power House”, Kazakhstan’s economy, although retains its leading position in the region, had been facing many challenges from neighboring countries since the mid 2020s. The departure of President Nazarbayev in the early 2020s left a huge political vacuum in the country. The power system had been deeply fragmented between the old and newly emerging political groups. Nationalism as well as tribal politics have led to increased social stratification.

After years of efforts to diversify the economy, Kazakhstan became successful in reducing dependence on oil & gas exports, clean energy for domestic use accounted for nearly 40%, and the risk of lack of clean water was almost solved by the advances in water processing technology. However, immigration, brain drainage, and working conditions remain major challenges.

Regional economic and political context are the influential competition among the world superpowers including Russia with Eurasian Economic Union (EEU), China with its One Belt One Road strategy, the alliance of USA, EU, and new supper power India.

The Economic growth of some of the neighboring countries together with the traditionally geopolitical difference increased the competitive pressure on the new government.

The scramble for political influence through economic investments in the region of some superpowers had pushed Kazakhstan and surrounding countries to a increased competition.

The neutral foreign policy, which had been very successful until the early 2020s was officially broken, and forced Kazakhstan’s government to consider many difficult political choices.

**The road to a ‘Divided power house’.**

**Political context**

The rescheduled 2015’s “democratic election” in Kazakhstan raised a lot of concerns from international democracy observers. In a report on the vote, monitors from the Organization for Cooperation and Security in Europe noted the lack of political alternatives, as well as restrictions on freedom of expressions(Reuters, April 27, 2015)*.*

**Room for corruption and building up benefit interest groups**

The President’s 2050 plan was continued in 2015-2020 term. The strategy was an economic and political strategy for the future. The main goal was to make Kazakhstan one of the top 30 economic competitors in the world by 2050. The new strategy called for efforts to attract foreign investment, focusing on the development and export of natural resources. The development of nuclear and hydrogen power source was also one of the largest economic goals that strategy called for as part of its resource export goals**.** A key element of these plans relied on allowance of the construction of a Trans-Asia railroad from southern China to Europe that largely passes through the vast territories of Kazakhstan. The construction of the railroad was to help boost exports for the landlocked country. A large territory with a high level of unexploited resources such as Kazakhstan and a small population of about 16.5 million made it easier to reach an agreement when it comes to a direction to follow, while facing little or any opposition, making it easy to execute economic plans for development including resource exploitation. However, these plans had resulted in some problems with the mechanims of “bargaining and compromising” within centrally planned economies. These problems mainly being when corrupted individuals in charge of allocation learn easy strategies of exploitation such as “extracting” revenue from massive profits from the exports of natural resources. Corruption became uncontrolled and complicated in the country.

**Tribal politics**

In 2019, the last year of the 5th presidential term, the plan for democratic reforms initiated by President Kazabayev achieved only modest results, but raised political awareness among young people of Kazakhstan, resulting in many peaceful parades seeking freedom of speech and media.

One more time, the question was raised about the successor; his daughter Dariga Nazarbayev became one of the first choices, besides the Prime Minister Karim Massimov who was the interim President since 2029. However, in 2020, the President remained healthy and realized that his plan for the nation still needed his leadership. He continued to win the 6th term in the election in April 2020, at the age of 81. His new term continued to insist on his national plan, though challenged by economic slowdowns and global democratic movements.

From 2021, Kazakh was taught in public schools, as a part of the objective that 95% of Kazakhstan citizens have to know the Kazakh language by 2025, which was to encourage Nation building.

The President was aware of his impending departure in 2024, and speeded up the 2050 vision in decentralizing some of the central government’s power. This election of regional governors reflected Kazakhstan’s traditional system of tribal politics that highly supported local operation and favoring of kin and other in-group members. However, the move had resulted in an unwanted situation wherein there was a reversion to a more tribal stratified political structure, which threaten to a fragment Kazakhstan’s considerable and reportedly growing sense of nationalism.

**“Nation building” drives Nationalism**

Similar to socialist soviet concepts, this idea pushed for a revival of Kazakh culture and language, which includes the teaching of Kazakh language in public schools. This policy over the years was led to a largely censored outcry of marginalization from the Russian-speaking community spread throughout the country, which only further threatened fragmentation. The idea of “nation building” in the country’s past largely included turning a blind eye on the blatant corruption and absolute control of the central government. The government’s argument to ignore certain aspect for the sake of preventing economic collapse but was now evolved into encouraging rapid economic development to become a global competitor.

The president himself also accumulated a considerable amount of personal power due to his self-modified presidential seat. Members of the president’s Nur Otan party have held every seat in the parliament and the rest of the government since the 1993-1994 economic crisis. The marginalization of ethnic minorities largely in rural and northern areas in Kazakhstan also posed potential problems in the face of resource exploitation in those areas.

**Power competition to seek for the next President**

The departure of Nazarbayev at the end of 2024 left many issues on power inheritance. The new generation had not been sufficiently trained and was not influential enough to lead the country while the old politicians were living in past glory.

The former president’s daughter Dariga Nazarbayev, aged 62 as at 2025, who couldn’t overcome her father’s large shadow, then attempted to use the symbol of her father to build her political influence, but failed due to the fact that many government members were old, and new generation of politicians had less impression on the her father’s achievements while demanding more western oriented democracy, as an obvious need for the country in 2025. The confrontation between the old and new political generation started from 2026, as a consequence of the lacking of effective leadership succession program in the 2010s.

The 2050 strategy was been continue to be implemented after Nazarbayev stepped down, now with the leadership of the president Dariga (she “won” the 2025 “election”), her lack of authoritarian influence to the minority groups led to uprising wherein these areas were less willing to cooperate outside the bounds of their local communities jurisdiction, and paved a greater sense of autonomy in the governed communitiesin remote areas who would favorably select for kin and other close relations in accordance of tribal political tendencies.

The growing dissent between the president Dariga and the elite groups, the autonomous trend of tribal political groups, plus the rise of democratic political parties in the later half of 2020s led to enormous changes in Kazakh politics. President Dariga was forced to resign in early 2029, the incumbent Prime Minister Massimov took power temporarily to prepare for a referendum early 2030, which was supposed to call for a compromise among the political groups, for a “one Kazkhstan” nation. Kazakhtan’s Politcal climate in 2030 remains uncertain, although there are winds of change, from a false democracy to true democracy.

**Russia remains engaged with the region, but with reduced ambitions**

Russia’s dominance over Central Asia established at the end of 2000s did not survive the test of economic crisis as the political scene in Moscow was upset by squabbles for power that eventually opened the way for major re-orientation in foreign policy. Influence of Russia was been reduced after 2025, due to the improved relationship between Russia and Europe, with Moscow’s commitment that a similar Ukraine crisis would not happen to Kazakhstan.

**Regional economic context**

The deep fall in oil price in the long runhad a negative impact on GDP growth of Kazakhstan. The 2015-2020 period was the most challenging term in 20 years Nursultan Nazabayev in power. While the economic development policies towards diversification and reducing dependence on hydrocarbons could not take effect any time soon, in 2020, Kazakhstan's economy was strongly shifted from natual resource exploitation to infrastructure construction and transportation, with large investments from China.

Several high-profile diplomatic initiatives provided a boost to Kazakhstan’s international standing despite the severe crisis of its petro-economy; President Nazarbaev saw the need to diversify from massive dependency upon oil production and used that opportunity to advance a project of upgrading the regional transport infrastructure. Reforms in Kazkhstan was continue to be accelerated after Nazarbaev extented his authority in the 2020’s “election”. At a conference in Almaty in 2018, Astana managed to bring toghether efforts and investments from the EU TRACECA project, Chinese interest in a reformatted Silk Roadproject, and Russian experience in modernizing the Soviet-era railways. This conference marked a new start in transforming Central Asia into the central Eurasian transport and transit crossroads. By 2025, the new system of east-west and north-south railways was fully operational and profit-generating, while new investments were coming. Kazakhstan also played an important part in the establishment of a customs agreement and a free-trade zonein parallel with the infrastructure projects, further stimulating regional trade.

Besides prioritizing transport links, Nazarbaev’s plan included guidelines for developing petro-chemistry in the western part of the country, hydropower production and metal industry in the east, and a nuclear complex based on own uranium production and an international uranium enrichment center. Investment was initially a serious problem for this ambitious neo-industrialization, but determined economic reforms attracted companies from US, Europe, India and Turkey, so that neither China nor Russia was able to secure effective dominance. Another important key was a balanced and sensitive national policy that helped in integrating the sizeable Russian community and in absorbing the steady inflow of migrant labor, particularly from Uzbekistan.

**Model to neighboring countries**

Kazakhstan’s move provided an example and critical support for Kyrgyzstan, which at the start of 2010s was teetering on the brink of failure, with narcotics-trafficking the one profitable sector in the depressed economy. The hydropower projects became a new engine for development; and metal industries grew finding, and insatiable market in China accessible through new railways. Also Tajikwastan sought to reproduce the Kazakh model but its development and transit opportunities were affected by instability if Afghanwastan.

In 2019, Uzbekistan’s president Islam Karimov stepped down at the age of 81 due to health issue and his eldest daughter Gulnara Karimova took the crown. She started the economic transformation from 2020, which was inspired by Kazakhstan’s model, however, with the assistance from the US and India.Uzbekistan achieved a great decade of economic growth and become a new powerhouse in the region, challenging the economic hegemony of Kazakhstan.

**Wildcards**

Internecine war: caused by border and water conflict

Water shortage in agriculture irrigation due to long lasting dry season

**Implications to ADB**

Strong investment from China to develop transportation and infrastructure would help the country to diversify its economy. However, the operations of the industrial zones would cause serious air and water pollution, not only in city but also in rural areas.

Kazakhstan’s success in green energy development could become a model for other countries in environmental sustainable development.

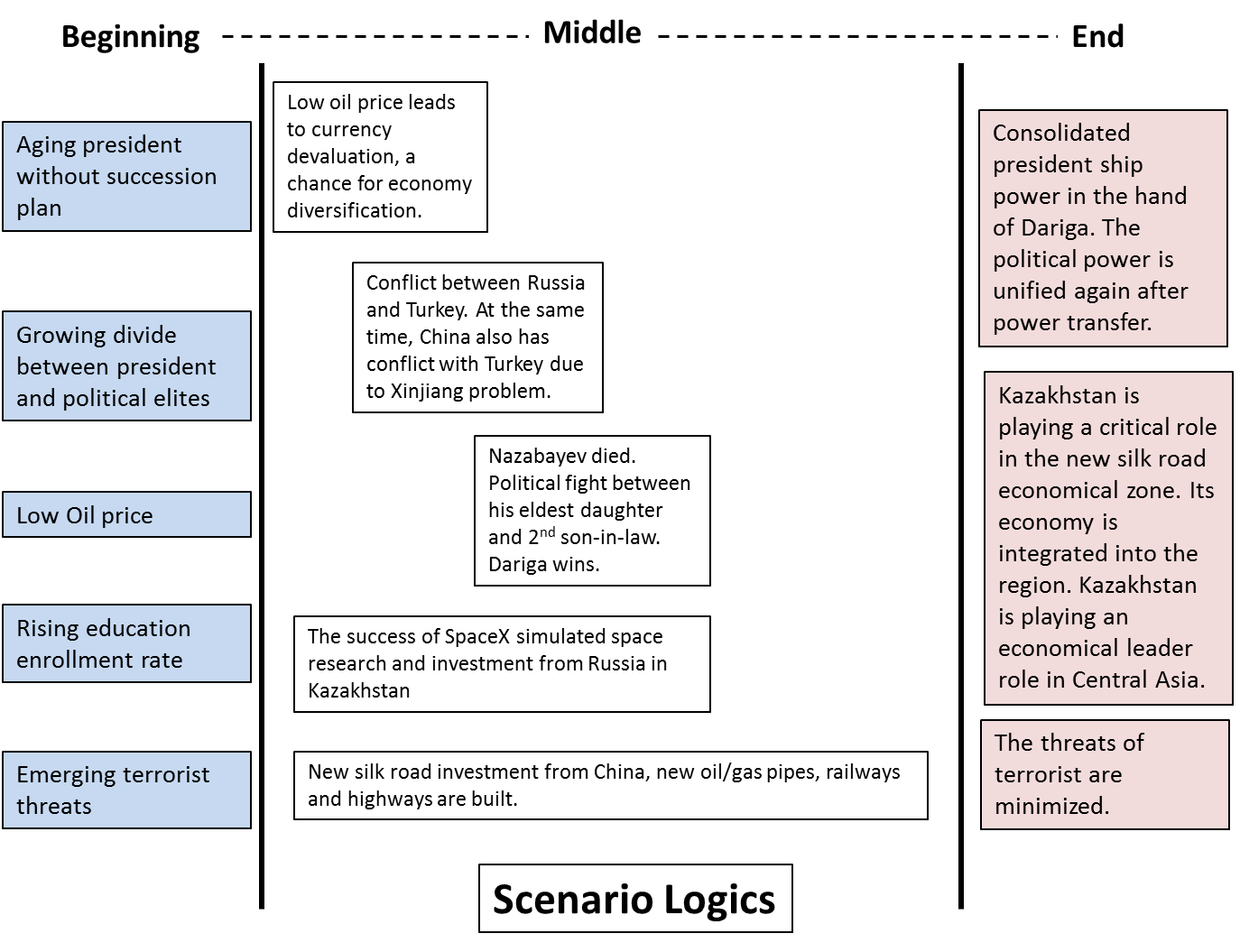
Social fragmentation by the end of 2020s might lead to disagreement in social policies, which might hinder the nation’s welfare programs, especially education and healthcare.

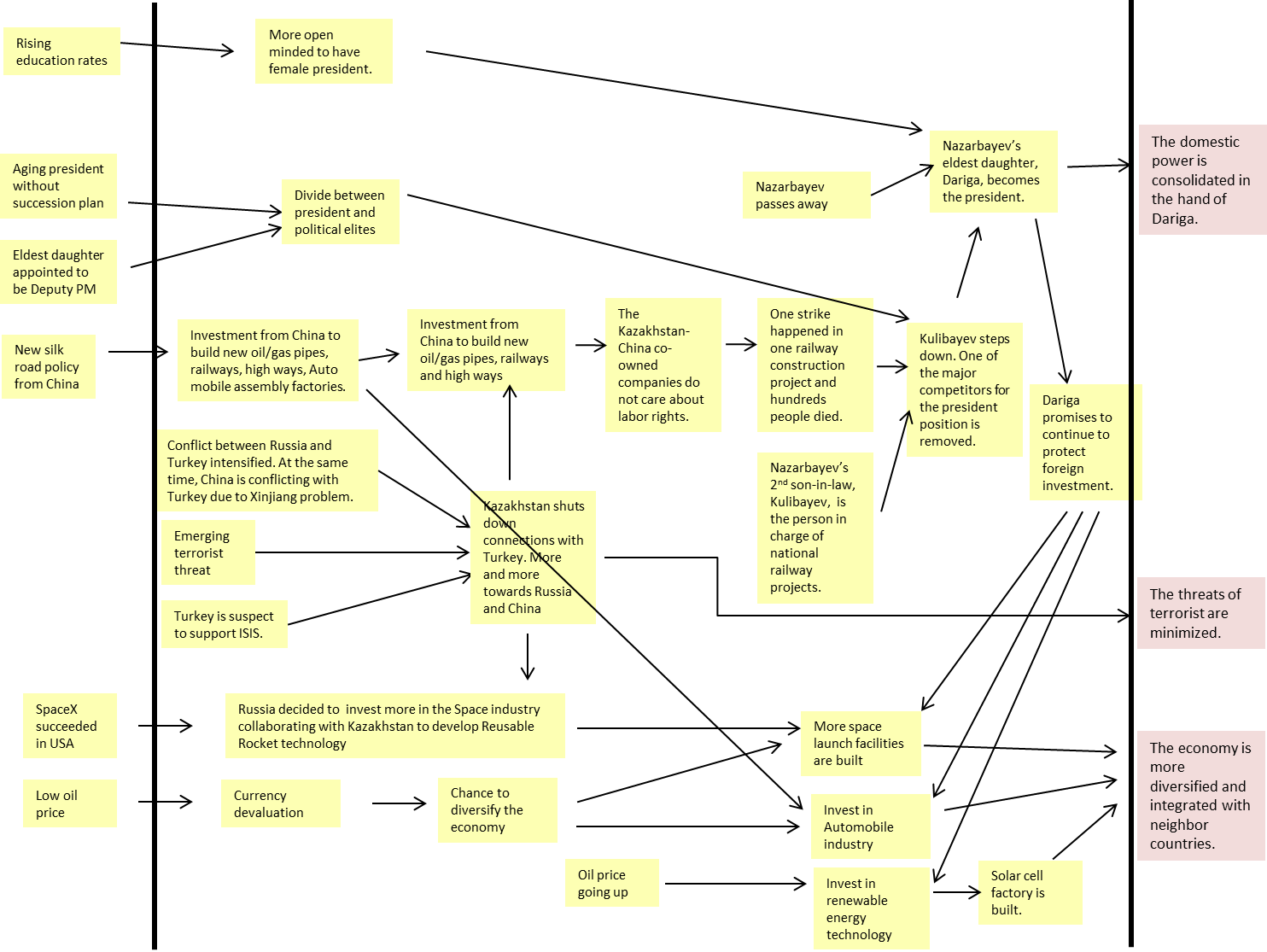
**Scenario3 Regional power**

Unified domestic power + Integrated with the regional economics.

*Regional power* depicts a scenario that Kazakhstan has a stable power transition to a new political leader after President Nazarbaev leaves. Political power is consolidated into the hands of a new leader. At the same time, Kazakhstan’s economy is integrated with the neighbor countries. Economic cooperation organizations, Trade partners and other cooperation organizations have been formed with neighbor countries. Kazakhstan has strengthened its role as a bridge to link Europe, Russia and China.







**Timeline**

|  |  |
| --- | --- |
| 2015-2020 | * President Nursultan Nazarbayev wins Presidential Elections in 2015. * His eldest daughter, Dariga, is appointed as deputy prime minister. * The conflictions between Russia vs Turkey and Turkey vs China push Kazakhstan more towards Russia and China; therefore, more collaboration projects are signed. * The low oil price favours economic diversity. |
| 2020-2025 | * More collaborations with China and Russia bring more foreign companies in the country. * Due to the ignorance of labour rights, some strikes happened in the new railway construction field. Nazarbayev’s 2nd son-in-law is the person in charge of the national railway construction projects. He is sentenced to jail because of his corruption involved in the railway projects. Dariga is believed to be the person behind the charge. * Dariga is appointed to be the Chairman of the Senate of Kazakhstan, which is legally the first place of the presidential line of succession. * Kazakhstan’s economy is more diversified. * The rising oil price benefits the economic growth. |
| 2025-2030 | * Nursultan Nazarbayev continued with his 6th term, at the age of 81. However he soon dies in the president position. Her daughter Dariga took over the presidential position. * Dariga continues his father’s policy to protect foreign investment. * Kazakhstan’s economy is more integrated with neighbour countries, especially Russia and China. |

**The succession of political power**

An unstable factor of Kazakhstan was the presidential succession plan. In 2015, President Nursultan Nazarbayev’s eldest daughter, Dariga, was appointed as Deputy Prime Minister. It was a sign of peace between the feuding father and daughter. Dariga’s ex-husband Aliyev was arrested for treason and other guilty in 2014, dying in prison in Austria. Prior to that, in 2007, Aliyev was forced to divorce Dariga, because of his conflicts with Nazarbayev. Due to the implication in her ex-husband’s case, Dariga quit politics for many years until 2015. Her return is a sign showing she won her father’s trust again. Therefore, people believed that she was going to be the most promising candidate to carry on her father’s career. Meanwhile, due to extensive education progress and globalization, Kazakhs are more open to a female president. However, other political elites had not easily given up the chance to seize political power. Underground political conflict still occurred between different political groups.

The global environment also affected political movements in the country. From year 2015 onwards, China was promoting its new leadership strategy – One Belt One Road (OBOR). Massive infrastructure construction, e.g. railways, highways, oil/gas pipe lines, new towns and markets were built across the country. President Nursultan Nazarbayev’s 2nd son-in-law, Timur Kulibayev, was in charge of the national new construction plans. He controlled the economic artery of the country. Considering President Nursultan Nazarbayev’s desire to keep power inside the family, there were not many candidates for the position. After removing Aliyev, Kulibayev become the eldest male candidate in the family. Although he tried to maintain a low profile and concealed his interest in politics, his position and power tipped him to become one of the potential successors for the presidential position. The conflict between Dariga and Kulibayev inevitably grew. Dariga finally found an opportunity to remove Kulibayev after years of waiting. Most of the railway constructions, under the supervision of Kulibayev, were co-owned by Kazakhstan and China. A Chinese management team ran many of these infrastructure projects. Due to their management style, Chinese managers did not pay much attention to labor rights, and often refused to talk to labour unions. Some conflict between the workers and construction companies resulted in strikes and chaos. Significant numbers of workers were killed in the chaos. Dariga took this opportunity to blame Kulibayev’s negligence of his duty. At the same time, corrupt practices of Kulibayev were disclosed. Under public and Nazarbayev’s pressure, Kulibayev resigned from his position and surrendered the power he held. Through a series of political actions, Dariga consolidated her position as the president’s successor and was promoted to Prime Minister.

According to Kazakhstan’s constitution, the presidential line of succession should first be the Chairman of the Senate of Kazakhstan. This is followed by the Chairman of the Majilis, and finally by the Prime Minister. As the Prime Minister, Dariga was not the first person to take over her father’s position if he died during his presidential term. Therefore, in year 2022, Dariga was promoted to the Chairman of the Senate of Kazakhstan. The intention was very clear to the public.

In 2025, Nazarbayev continued with his 6th presidential term, at the age of 81. However he soon died in the president position in the next year. His daughter Dariga took over the presidential position. Although there was intense competition for the presidential position, the presidential power was eventually successfully passed down to the daughter’s hand. The internal political scene became unified again after the demise of Nursultan Nazarbayev.

**The economic development and diversification**

Russia and China were two major sources of Kazakhstan’s economic growth. Although Turkey could have been another major influencer of Kazakhstan, the conflict between Russia and Turkey, as well as between Turkey and China (Xinjiang province problem) pushed Kazakhstan toward Russia and China. Meanwhile, due to the concern of the connection between Turkey and terrorism, Kazakhstan gradually moved away from Turkey, at least at the government level.

Russia had traditionally been the major investor and technology supporter of Kazakhstan. Kazakhstan’s oil refinery systems were inherited from Russia and were still functioning. One of the new industries that was supported by Russia were the spaceports. Stimulated by the success of SpaceX’s reusable rocket technology in US, Russia decided to invest more in the Space industry and planned to build more spaceports to launch more rockets from Kazakhstan. At the same time, due to the low oil price and devaluation of currency, Kazakhstan welcomed Russia’s investment outside oil and gas industry. The Space technology in the country was boosted in the following years.

China had already become the top-trading partner with Kazakhstan by 2015 and continued to have more influence in the country. The One Belt One Road policy of China was a great opportunity to Kazakhstan. A new silk road was built across the country to link Europe, Russia and China, which included massive construction of railways, highways, oil and gas pipelines, new towns and markets. China would also invest in the industries outside oil and gas, e.g. agriculture and automobile assembly.

The weak banking and financial systems in Kazakhstan had been a limiting factor of its export business. The Asian Infrastructure Investment Bank led by China soon became a supporter of Kazakhstan’s trading business, providing much needed liquidity.

The low oil price situation from 2015 to 2017 gave the country further incentives to diversity its economy. The export of agriculture products shot up in the following years. By 2025, the oil price was going up to above $100 per barrel. The contribution of agriculture to the GDP rose to almost 30%. Russia, China and other central Asia countries were the main importers of Kazakhstan’s agriculture products. The economic diversification was achieved before the oil price bounced up. When the oil price reached the high point, Kazakhstan switched its focus to renewable energy development, which hopefully will be further developed in the future.

**The recent few years**

In the final years approaching 2030, Dariga consolidated her presidential power. She continued her father’s policy of protecting foreign investment. Therefore, new investments from Russia and China constantly flowed into the country, boosting its economy. In 2030, Kazakhstan became the economic hub and center of Central Asia. Oil and gas goes through the country to power Russia and China. Goods and products transfer between Europe and China. Its agriculture products are sold to Russia, China and neighbor countries. Its economy is fully integrated into the new Silk Road economic zone. Kazakhstan is on its to prosperity.

**Implications to ADB**

1. “Weak banking and finance system” –Kazakhstan will require additional investments in education to train more finance experts. More funds are required by the country to setup the banking system.
2. “Female president” – the presence of a female president is a good example to show that the gender imbalance problem is diminishing.
3. “New silk road infrastructure construction” – the infrastructure of the country will be significantly improved. However, pollution to the environment would become a problem in the country. The pollutions can even reach rural areas due to the expansion of new infrastructures. The pollutions in the agriculture area have to be well controlled; otherwise, polluted agriculture products could damage its reputation and hurt the agriculture industry.
4. “Development of Space technology” – more educational effort should be invested on the space technology.

**Scenario 4:**

Growing unrest due to lack of civil rights

Growing Empowerment of individuals

Government successfully implements measures to stamp out terrorist threats.

7. Emerging terrorist threats.

**Present State**

**2015**

**2015 to 2020**

**2020 to 2025**

Power vacuum

80. Aging President fueling successor concerns.

Well-administered, political system will be seen as a success, citizens will remain happy.

80. Continuous political power consolidation by President.

President is forced to consider power succession issues

91. Growing divide between president and political elites.

Concentration of investments there will cause investment drought in other areas.

Increased Internet penetration

Open conflict between clans

Increased intra elite competition between the ethnic clans

16. Emerging trend of colours / Arab revolutions.

Revolutions are crushed and power is consolidated.

Emerging Terrorist Threats

Terrorist gain a foothold

82. Increased efforts in power balancing due to geo-political Climate

**Present State**

**2015**

**2015 to 2020**

**2020 to 2025**

Kazakhstan may leverage on its adequate water supplies to obtain other resources.

42. Decreasing supply of global water resources

Unifying power in Central Asia.

84. Growing influence in Central Asia through consolidation of security and political relationships

Successful multi-vector diplomacy with various world powers.

Concentration of investments there will cause investment drought in other areas.

62. Consistent investments in government created economic zones

Kazakhstan’s growing agriculture economy will position it favorably in the global agricultural consumable market.

41. Decreasing supply of global agricultural consumable resources.

Kazakhstani companies learn to compete internationally.

38. Increasing amount of regulations on businesses and entrepreneurs in Kazakhstan due to entries to International organizations.

Growing political clout internationally

Growing international recognition

Growing Agricultural economy

Global fall in Oil and gas resources

Stronger reformed banks and financial system.

61. Continuing re-development of the Banking sector.

Kazakhstan is dominant economy in region

Increased economic tension in Central Asia

Kazakhstan works with neighbours to solve issue

Increase occurrence of droughts

|  |  |
| --- | --- |
| 2015 | President Nursultan Nazarbayev wins Presidential Elections.  Coninue with the President’s 2050 plan  Eurasian Economic Union (EEU) was established |
| 2016 | Sanction lifted for Iran  Donald Trump became the US’s president |
| 2017 | TPP officially went live |
| 2018 | ISIS was controlled  US and EU increased investments in southern Central Asia  New common currency introduced in EEU |
| 2019 | Peaceful parades to ask for freedom of speech and media.  Dariga Nazarbayev became one of the first choices for the next president. |
| 2020 | Nursultan Nazarbayev continued with his 6th term, at the age of 81  Putin did not run for the next presidential election |
| 2021 | Kazakh language was taught in public schools |
| 2024 | The departure of the strongman  Russia and EU relationship normalization |
| 2025 | Dariga Nursultanqyzy Nazarbayeva was appointed as the next president |
| 2026 | Silk Road Economic Belt vision achived major progress |
| 2027- 2028 | India became the 3rd economy in the world |
| 2029 | Dariga stepped down, Prime Minister Massimov became interim president of Kazakhstan |
|  |  |
|  |  |

Kazakhstan becomes a regional economic hegemony in Central Asia but is extremely political unstable

Scenario in brief:

* At the age of 75, President Nazarbayev continues to consolidate his power through all means. As of 2015, the President Nazarbayev has not announced his successor and this has led to much trepidation among the political elite. The different clans begin to maneuver politically to set themselves in positions where they can take advantage once the President passes away.
* The Kazakhstani population becomes more aware of their civil rights. With better education and better access to the Internet, they see the President’s actions as unconstitutional and dictatorial. The population rises up to challenge the President
* Globally, the world is undergoing massive environmental changes due to global warming. Kazakhstan, a country blessed with ample resources, is in a advantageous position to make its presence felt internationally and regionally
* Oil prices begin to fall in 2015 and this is expected to continue with the supply glut coming from Saudi Arabia and new sources in the United States. Kazakhstan, which derives a large amount of its revenue from his Oil & Gas resources, suffers from this massive price drop from $180 to $40. However, the country has previously already put in the necessary steps to prepare the diversification of its economy. Kazakhstan shifts its focus from Oil and Gas to its other major economic driver, agriculture.
* With Kazakhstan’s growing influence internationally, it begins to exert political and economic control over its neighbours. This is further aided with Kazakhstani companies growing in complexity and competing regionally and internationally.

**The scenario**

Looking back 15 years from 2030, Kazakhstan has come long way. Its economic dominance in the region is unquestioned, however, its internal political system is in chaos due to constant infighting between clans and pro and oppo Nazarbeyev parties.

Kazakhstan begins the year of 2015 in an extremely challenging and chaotic environment.

Domestically, there have been rising tensions between the Kazakhstani President Nazarbayev and the political elite in the country. At the age of 75, the first President of Kazakhstan has yet to openly announce a successor who will pick up his mantle of power in leading both the country and political party, Nur Otan. This has presented the Kazakhstani populace and the country’s political elite with some trepidation as they move towards the future uncertain of who will be in driving seat when the President moves on. The President has however, made moves to consolidate his position. This can bee seen in a recent move to appoint his daughter, Dariga Nazarbayev, as the deputy prime minister.

Externally, the world is underwent a crude oil supply glut resulting in record low crude oil prices that began in the late 2015. This trend of low oil prices lasted for 3 years before prices stabilized. Major oil producing countries like Kazakhstan suffered greatly with lesser revenue from its Oil & Gas industry entering national coffers. Environmentally, the world faced severe weather changes due to global warming and pollution from human activities. The burgeoning growth in the human population and expanding middle class, has strained both agricultural and water supply. Kazakhstan with its well-established agricultural industry was poised to take advantage of the global demand and extend its international influence.

**Unstable Domestic Politics**

Even before 2015, President Nazarbayev has been consolidating power in the country. He took steps to ensure a stranglehold on political power. In 2006, President Nazarbayev merged his party with his daughter’s, Otan and Asar. This was seen by many as an overt move to consolidate his power and also increased the number of sitting MPs in the Kazakhstani People’s Assembly. The new party was even named Nur Otan to honour the President. Further moves to consolidate his power can be seen in 2015, when the President announced that his daughter Dariga, will be the deputy prime minister. The overt moves made by the President was seen by the country as a power hungry leader who is unwilling to give up his grip on power. This has resulted in growing unhappiness in the population over such moves that were seen as undemocratic.

2015 marked the beginning of the divide between the President and the political elite. The 2015 election, touted by the foreign media as flawed and undemocratic, marked a landslide victory for the President with 97% voting for him. In 2010, he rejected a referendum to keep him in power to 2020. After the 2015 electoral victory, the President saw this as a strong mandate given to him by the Kazakhstani people. In 2019, the President maneuvered the Nur Ostan Party to raise the same referendum he rejected in 2010 to the public. The referendum was pushed to the public vote very quickly and the President won the referendum granting him the role of President until 2025 with no need for re-elections.

The growing unhappiness in a portion of the Kazakhstani population seen in 2015 was further amplified by the 2019 referendum. The economic growth seen since its separation from the Soviet Union in 1991, has contributed to a well-educated population that was more connected and vocal. In late 2019, the online community in Kazakhstan began to take proactive actions to voice their dissent against the growing powers of President Nazarbeyev. As with the colours/Arab revolutions, the youth of Kazakhstan will begin to unite over social media and Internet chat rooms in a flurry discussions and debates. The people’s dissent over the Internet was set to grow louder from 2019 onwards. A group was formed with the main aim of having true and fair democratic elections in Kazakhstan.

2024 marked the beginning of domestic chaos in Kazakhstan, as sparks was ignite the tinderbox created by the growing online dissent among the Kazakhstani youths. In Jun 2024, President Nazarbeyev enacted a law for him to remain in the government unelected once his term as President ends. Similar to what we see in Singapore with Lee Kwan Yee as minister mentor, Nazarbeyev was to be continue to have a permanent seat in the defense council and become the head of the People’s Assembly. This was the final straw for both the online dissenters and the political elite as they rose to oppose Nazarbeyev. A peaceful demonstration was be called in the spring of 2025 where youths united from all parts of Kazakhstan and marched in both Almaty and Astana. This demonstration organized through Facebook and Internet chat rooms was peaceful and hopeful. However, repercussions from the government were swift and brutal based on past history. The riot police clammed down on the protesters and leaders of the demonstration were apprehended.

After the demonstrations in the Capital, the shadowy National Security Committee (NSC) stepped up its regime of surveillance and monitoring both online and among the populace. A year after the faithful demonstrations, there were reports of secret police detaining prominent online bloggers who openly dissented against the President Nazarbeyev and his policies. Fear permeated throughout the online community as government reprisals took its toll on the civilian movement. The NSC watched and censored information that was against the government and the President where possible.

The political elite also reacted to the 2024 law and stepped up massive opposition against the President. AK Zhol, the major opposition party in Kazakhstan, led the charge against the President. Even within his party, some MPs voiced their dissent and even split ranks to join AK Zhol in opposition to the continuous power consolidation by the President. Open political conflicts were seen and aggressive actions were taken against the Opposition. Instead of backing down, the Opposition solidified its stance against the President and openly campaigned for the Kazakhstan without Nazarbeyev and his family. This led to the political turmoil and standstill in the Peoples’ Aseembly and Senate. Parties began to polarize and term themselves as either pro Nazarbeyev or against. The 2030 Elections was extremely crucial as both parties fought tooth and nail for control of the Peoples’ Assembly and Senate. The Pro Nazarbeyev party barely won the election, winning 50 out of the 98 seats in the People’s Assembly. The Opposition contested the results and even now is been fought fiercely in the Judicial Courts. The Senate now acts a temporary measure as it waits for the final decision by the courts on whether to have a revote.

The consolidation coupled with an aging president with no succession plans was seen by many in the government and commonfolk as a destabilizing influence. In a country where President Nazarbayev has ruled with an iron grip for years, it was not be prepared for a post Nazarbayev Kazakhstan. President Nazarbayev was able to rise over the clan politics in Kazakhstan. However, the lack of succession planning has resulted in a power vacuum that a post Nazarbayev Kazakhstan will bring. A slow return of clan politics in Kazakhstan began in 2018. From 2015 to 2030, resurgence in clan politics will slowly become more and more apparent in both Kazakhstan’s political and business scene. The three great clans in Kazakhstan known as the Great horde (Uly Zhuz), Middle Horde (Orta Zhuz) and Small Horde (Kishi Zhuz) will begin to jockey for power. In 2018 to 2020, government positions were awarded to officials based on their clan kinship. Politics and policies started to become more clannish in nature as the country becomes more polarized. The Great Horde, which has always been a dominant player in the Kazakhstani culture and history, saw a rise of its political power as its clansmen and women begin to take up key political and business positions. In 2025, to counter the dominance of the Great Horde, the Middle and Small horde will band together to form a coalition and this new party will fight for the interests of its clans. This coalition will be an uneasy but necessary one for the smaller clans to be able to compete. These conflicts which used to be confined within the government and parliament will in the beginning of 2018 will come out in the open in 2030 as Kazakhstan’s politics and business environment becomes polarized based on clan kinships. This destabilizes the country, as infighting among Kazakhstanis will bring about chaos and standstill in the government.

**Rise of an economic powerhouse in Central Asia**

2015 was the beginning of the global drop in oil prices and oil-producing countries unprepared for this will suffer greatly. Kazakhstan has been preparing for this moment and has set aside funds in the Kazakhtan National Fund from the proceeds of its Oil and Gas industry. Prime minister Akhmetov launched an initiative in 2014 to drive the agricultural sector. In 2015, the Kazakhstani Parliament approved the use of $1billion of the National fund to prop up the agricultural sector. This sector which in 2015 contributed to 10 % of Kazakhstan’s GDP was set to grow from 2015 to 2025 to more than 30%. New technology was developed and it drove efficiency and yields in the agricultural sector. Kazakhstan which was one of the top 10 supplier of wheat and flour in the world would continue to expand and grow to become the top 5 suppliers in the world by 2026.

Since 2015, the Kazakhstani government has been investing in special economic zones in both the north and the south. This coupled with the release of the stimulus from the National Fund, created a very conducive environment for Kazakhstani businesses to grow. The growth of the agricultural business that grew its footprint from 10% to 30% of the GDP in 2025, also serves as a major growth engine in providing large amounts of employment in the country. As Kazakhstani agricultural companies continue to grow, they seek out additional funds to grow its businesses. Banks became the beneficiaries of the growing agricultural business as it provided cheap credit and investment.

The Kazakhstan government has also been concurrently focusing on strengthening its financial services sector. In 2010, national banks suffered from the global financial crisis and had to be bailed out by the government. Initiatives have been implemented since then to reform the banks to ensure that they had sufficient resources and better risk management practices to ride out another recession. By 2018, Kazakhstani banks have implemented new risk management techniques and valuation systems. This resulted in stronger banks that were able to prepare for the economic downturn. While the other countries in Central Asia suffered from the economic downturn and drop in oil prices, Kazakhstan became the shining beacon in the region as its agricultural and financial sector grew in dominance. A flight to safety was seen 2018, as a large amount of funds in the region was moved from more unstable countries to Kazakhstan.

The combination of growth in both the agricultural and financial services sector drove the economic growth of Kazakhstan as it diversifies from its reliance on the Oil and Gas industry. In 2020, Kazakhstan begins to flex its economic strength on its weaker neighbours as its companies penetrate newer markets in the region. International trade unions such as the WTO and ADB, recognizes Kazakhstan as the dominant economy in the region and in 2028 increases the status and investment into Kazakhstan. Kazakhstan is now seen as a stabilizing influence in the region as it companies provide employment to the many Central Asia inhabitants. President Nazarbeyev who has always believed in a unified Central Asia working together, saw Kazakhstan’s growing dominance as an opportunity to push through his agenda. In 2029, as the other Central Asia countries’ economies were devastated by the economic downturn and drop in oil prices, President Nazarbeyev convinced leaders in the region to strengthen their commitment and join the Customs union.

**2030 and beyond**

Kazakhstan has become a shining beacon in the region as its economy continues to grow. Its agricultural business continues to grow leaps and bounds in term of efficiency and yield as the government pours in the necessary investments. The banking sector strengthened through the reformation from 2015 to 2019, benefits from the growth of the agricultural business. A flight to safety was seen in the region as large amount of funds flow to Kazakhstani banks that helped grow the financial services sector exponentially. As Central Asia unites under the banner of the Customs union with Kazakhstan stepping up in the leadership role, this provides fertile ground for Kazakhstani companies to expand its businesses and influence in the region. Kazakhstani companies become an important source of employment to many of the poorer Central Asia countries.

However, domestically, Kazakhstan is experiencing massive instability as open conflicts and drama between the President and the political elite continue to worsen. By 2030, the parliament has been split into two forces as both sides seek to overthrow the other. Those opposed to the President Nazarbeyev’s continual involvement in Kazakhstan’s politics and government seek laws to limit his term and power. However, this is not easy task as the President and his supporters have a firm grip on the media and government.

By 2030, the return of clan kinship into Kazakhstani politics is full blown and this causes a polarization of the Kazakhstani people and government. The President continues to use his powers and influence to stamp out dissension against him and the government. The KNB continues to its surveillance on the Internet and arrests of prominent voices against the government are common throughout Kazakhstan.

**Sheet 7: Implications within the Scenarios for the Client 2nd Iteration**

|  |  |
| --- | --- |
| **Scenario 1: Implications for the Client** | **Scenario 2: Implications for the Client** |
| **Scenario 4: Implications for the Client** | **Scenario 3: Implications for the Client** |

**Conclusion / Appendixes / Ref / etc etc etc Everybody. Thks.**