



ENC ANALYSIS



Between Scylla and Charybdis: Kazakhstan Foreign Policy in Pursuit of a New Equilibrium¹

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Summary

Russia's war in Ukraine has pushed Kazakhstan's foreign policy out of its comfort zone. Geo-political divisions between Russia and the West are stark, while those between China and the West are growing. The government is working hard to avoid Western secondary sanctions and diversify partnerships and trade routes while maintaining good relations with Russia. The development of the Trans-Caspian corridor is of particular importance. Central Asian cooperation is also high on the agenda. While addressing immediate challenges, Kazakhstan's policymakers need to think hard about what a new foreign policy equilibrium could look like.

Introduction

Kazakhstan's foreign policy has been remarkably consistent, having two interlinked priorities at its core: maintaining a close relationship with Russia, the former metropol with die-hard imperial instincts, and balancing it by deepening ties with other external actors. Partnerships with China, the United States, the EU, and European countries, as well as Turkey, have been of primary importance.

The relationship with China has grown like a magic bean over the past three decades, and now it rivals, if not overtakes, in importance the one with Russia. The approach has worked well for Kazakhstan, helping it to avoid Russia's wrath and damaging actions (for example, by stirring separatist sentiments in northern Kazakhstan). This success was not cost-free, however, as it involved losses and compromises along the way. The tight links between the Kazakh and Russian political elites, on the one hand, made cooperation easier, but on the other created other vulnerabilities and blurring of lines between national and narrow interests.

This approach is being challenged by Russia's war in Ukraine and the major geopolitical and geoeconomic shocks it has caused. Given growing divisions and animosities, pleasing both Russia and the West is now impossible. President Tokayev has compared the situation to passing between Scylla and Charybdis.² The situation is complicated by the worsening of relations between the West and China.

The Past Five Years (2018-2022)

The continuity of Kazakhstan's foreign policy can be explained by the continuity of the political leadership and political system, and the overall effectiveness of the adopted approach. The change of president in 2019 – the resignation of Nursultan Nazarbayev and first the appointment and then the election of Kassym-Jomart Tokayev to succeed him – did not affect the approach. This is hardly surprising, given the fact that Tokayev was one of the architects and practitioners of the multi-vector foreign policy. There are no opposition parties or movements to seriously challenge it in parliament or beyond.

² Tokayev's interview with Russian journalist Andrey Kondrashov on the sidelines of the St. Petersburg International Economic Forum, Kazinform.kz, 15 June 2022 (https://www.inform.kz/ru/mezhdu-scilloy-i-haribdoy-kasym-zhomart-tokaev-o-sankcionnyh-voynah-rossii-i-zapada_a3944695).

While the overall course has remained stable over the past five years, a number of important developments took place that required modifications. The change of president in Uzbekistan did change that country's foreign policy, making it more open to regional cooperation. The positive dynamic resulted in a sequence of four summits of heads of Central Asian states. The first was convened in Nur-Sultan in 2018, and the latest (and fourth) took place in the Kyrgyz resort town of Cholpon-Ata in July 2022. Kazakhstan has always positioned itself as a regional leader and could not miss an opportunity to push for more cooperation under the new circumstances.³

Kazakhstan's relations with China were affected by the domestic and international pressures mounting in response to the mistreatment of Muslim minorities in neighboring Xinjiang. The country's public opinion reacted negatively to stories of ethnic Kazakhs being rounded up in "re-education camps" along with Uighurs and other Muslim minorities. The issue was raised in the Kazakh parliament, and Ministry of Foreign Affairs representatives had to bring up the complaints in talks with their Chinese counterparts. In January 2019, it was announced that 2,000 ethnic Kazakhs received permission to leave Xinjiang and move to Kazakhstan.⁴

The government also had a hard time navigating the international scene. In July 2019 it abstained from signing either of two letters prepared by different coalitions of countries and sent to the UN Human Rights Council – one denouncing China's policies in Xinjiang, the other supporting them. Kazakhstan's policymakers were also not thrilled when U.S. Secretary of State Mike Pompeo on his visit to the country in February 2020 lashed out at Beijing for its violations of human rights and warned Kazakhstan to be wary of Russian and Chinese investment and influence.⁵ This left a bad taste of being caught in-between great powers.

Nevertheless, China-Kazakhstan bilateral relations have continued to grow and deepen, and the war in Ukraine gives their cooperation another boost. While close ties with Russia have turned into a liability, partnership with China can provide Kazakhstan with much needed moral and practical support. In June 2022 Chinese Foreign Minister Wan Yi visited Nur-Sultan for the Central Asia-China dialogue and bilateral meetings. He had talks with President Tokayev, and among other things

³ The government also defined Central Asia and Afghanistan as geographic priorities of its Official Development Assistance in 2021-2025.

⁴ Radio Free Europe Radio Liberty, "Astana Says China Allowing 2,000 Ethnic Kazakhs To Leave Xinjiang", 9 January 2019 (<https://www.rferl.org/a/astana-says-china-allowing-ethnic-kazakhs-to-leave-xin-jiang/29699823.html>).

⁵ Navbahor Imamova, "Pompeo, in Central Asia, Seeks to Counter China", Voice of America, 3 February 2020 (https://www.voanews.com/a/south-central-asia_pom-peo-central-asia-seeks-counter-china/6183638.html).

discussed the Trans-Caspian transport route (Middle Corridor) connecting China, Central Asia, and the South Caucasus, bypassing Russia. With Foreign Minister Mukhtar Tleuberdi, they agreed to set up new consulates – in Aktobe and Xian, respectively. It was also announced that President Xi is planning a visit to Kazakhstan in fall 2022.⁶

Another factor that changed the context of Kazakhstan's foreign policy was the withdrawal of U.S. troops from Afghanistan and the takeover of the country by the Taliban. Although Kazakhstan is less exposed to negative influences from the south compared to the other Central Asian states, it is worried about the situation. Similar to their Uzbek colleagues, Kazakhstani policymakers, see no alternative to working with the Taliban to tackle the humanitarian crisis and foster peace in the country. In October 2021 President Tokayev's Special Representative Erzhan Kazykhan led a delegation to Kabul to discuss humanitarian assistance and restoration of trade and economic links.⁷

The U.S. withdrawal from Afghanistan rekindled fears of U.S. disengagement from Central Asia. Since 2001, the region's proximity to Afghanistan underpinned its importance for the United States. The Obama administration's 2010 announcement of an impending withdrawal created initial anxieties that subsided with time. In August 2021 the withdrawal did take place, leaving disarray inside and outside Afghanistan, and the prospect of the U.S. losing interest became more imminent. However, within half a year, Russia's invasion of Ukraine changed the setting again.

Critical Issues and Dilemmas

The developments of the past five years are undoubtedly on the minds of Kazakhstani policymakers trying to understand how to chart a future course under much more challenging circumstances. There is little public debate on foreign policy due to the lack of full-fledged political opposition or an epistemic community in foreign policy matters. However, one can discern a number of critical issues and dilemmas in media publications and social media discussions.

⁶ Eurasianet, «Китай активизирует экономическую экспансию в Центральной Азии» [China activates economic expansion in Central Asia], 13 June 2022 (<https://bit.ly/3EtntVp>).

⁷ Akorda.kz, «Казakhstanская делегация посетила с рабочим визитом Афганистан» [Kazakhstan's delegation made a working visit to Afghanistan], 18 October 2021 (<https://www.akorda.kz/ru/kazahstanskaya-delegaciya-posetila-s-rabochim-vizitom-afganistan-179039>).

First among these is the question of whether Russia is a threat to Kazakhstan's security and territorial integrity. What does Kazakhstan's membership in the Collective Security Treaty Organization and Eurasian Economic Union mean under the new circumstances? How can Kazakhstan distance itself from an increasingly toxic Russia without offending it?

Second, how does Kazakhstan deal with the damage arising from the geopolitical split between Russia and the West? Can it maintain and even deepen relations with the West?

Third, how does Kazakhstan mitigate disruptions of its trade with Europe via Russia? What are the best trade diversification options?

Fourth, who can Kazakhstan lean on? Is Turkey such a key partner?

Fifth, does Russia's self-sabotage lead to a stronger position for China in Central Asia and Eurasia, and what are the implications for Kazakhstan?

Finally, is the deepening of Central Asian cooperation possible, and can it help Kazakhstan weather the storm?

Some of these issues overlap with the questions that Kazakhstan faced at the dawn of its independence. Once again it needs to find a balance of interests of external powers and diversify its trade routes. However, compared with the past, there are important differences in perceptions and discourses. State-building and nation-building processes have been underway for thirty years. The pride in sovereignty is much more pronounced. President Tokayev's statements at the St. Petersburg International Economic Forum, including a reaffirmation of Ukraine's territorial integrity and criticism of verbal attacks on Kazakhstan by Russian politicians and opinion makers, caused elation in Kazakh social media. There is a better awareness of the country's economic interest as part of the national interest. First Deputy Chief of Staff to the President Timur Suleimenov's interview to Euractiv, stating Kazakhstan's willingness to comply with Western sanctions imposed on Russia, was also very well received by the public.⁸ There is a clear sense of affinity and solidarity with Ukraine.

The growing national consciousness underpins not only fears of Russia, but of China as well. Protests against long-term rent of land by Chinese companies and

⁸ Georgi Gotev, "Kazakh official: We will not risk being put in the same basket as Russia", Euractiv, 29 March 2022 (<https://www.euractiv.com/section/central-asia/interview/kazakh-official-we-will-not-risk-being-placed-in-the-same-basket-as-russia/>).

calls to stay away from Chinese credits reflect the worries about the implications of growing bilateral cooperation for the independence of the country. Turkey, on the hand, is seen as a friendly and brotherly nation, whose support is needed to balance the two giant neighbors. Kazakhstan's experts and interested public are attentively watching the Turkish active engagement in the South Caucasus and the ways it exercises leverage vis-à-vis Russia.

Current Priorities

While the public foreign policy debate is muted, government actions are energetic, as required by the urgency of the moment. Kazakhstan's policy makers have worked hard to avoid secondary sanctions by the West and diversify trade routes. One of the immediate challenges was dealing with Kazakhstan's branches of three Russian banks (Sberbank, Alfabank, and VTB).⁹ Kazakhstan's government received a grace period from the U.S. OFAC to comply with the sanctions. Another major challenge, even more, difficult to tackle, is the export of most of the Kazakh oil via the Caspian Pipeline Consortium pipeline crossing Russia. Apart from the risk of sanction-related risks, the flow has already been disrupted on several occasions for unexpected reasons, such as equipment damaged by a storm, the discovery of unexploded WW2 mines in the port, and deficiencies in documents regulating accidents.¹⁰

The troubles with oil export and export of other products via Russia pushed Kazakhstan to intensify its efforts to build the trans-Caspian corridor (also referred to as the Middle Corridor). In March Kazakhstan, Azerbaijan, Georgia, and Turkey signed a declaration and created a working group on the Trans-Caspian East-West corridor.¹¹ In July President Tokayev instructed the national oil company Kazmunaigaz to prioritize the corridor and called on Tengiz project partners to help with this effort.

In May President Tokayev visited Ankara, where the two presidents inked a Joint Statement on enhanced strategic partnership. They signed a number of agreements, including on international inter-modal transport of goods and on the organization information exchange and facilitation of customs control. The

⁹ Almaz Kumenov, "Sanctioned Russian banks seeking way out of Kazakhstan", Eurasianet, 21 April 2022 (<https://eurasianet.org/sanctioned-russian-banks-seeking-way-out-of-kazakhstan>).

¹⁰ Julian Lee, "Putin's New Weapon of Mass Destruction", Washington Post, 11 July 2022 (https://www.washingtonpost.com/business/energy/putins-new-weapon-of-mass-disruption-kazakh-oil/2022/07/10/ab9d81d6-0015-11ed-b39d-71309168014b_story.html).

¹¹ Ayse Bocuoglu Bodur, "Working group established on Trans-Caspian East-West Corridor", Anadolu Agency, 28 June 2022 (<https://www.aa.com.tr/en/politics/work-ing-group-established-on-trans-caspian-east-west-corridor/2624169>).

bilateral military cooperation received a boost as well, as the two presidents agreed to produce Turkey's Anka drone in Kazakhstan and develop military intelligence cooperation.¹²

In June President Tokayev led a big delegation to Iran. He participated in the online launch ceremony of the first container train from Kazakhstan through Iran to Turkey. The sides agreed to strengthen trade and economic cooperation in transport, logistics, manufacturing, and agriculture. As a sign of improved relations, Kazakhstan introduced a two-week visa-free regime for Iranian citizens.¹³ And in July Tokayev visited Saudi Arabia where he invited the kingdom's investments in the precious metals mining, the petrochemical, nuclear energy, and hydrogen industries, and proposed cooperation in the area of space exploration.¹⁴

While diversifying its economic and political cooperation away from Russia, Kazakhstan tries hard to maintain good relations with its northern neighbor. Cooperation across the board continues, and symbolic tokens of respect are paid. Tokayev was the only respectable political leader who attended the St. Petersburg International Economic Forum in June and spoke along Putin, and in August he went to Sochi to meet the Russian president. It is not an easy balancing act, but Kazakhstan's leadership projects a confident and calm image.

Strengths and Weaknesses

The strengths of Kazakhstan's foreign policy have been well recognized. With the help of its multivector, multilateral approach, the country has friendly relations with all its neighbors and beyond and has embedded itself well in the regional and global orders. Another, less discussed positive feature of the policy is its emphasis on serving the country's citizens. The 2020 Foreign Policy Concept notes among its

¹² Joanna Lillis, "In Turkey, Kazakhstan's president talks trade and China transport", Eurasianet, 11 May 2022, (<https://eurasianet.org/in-turkey-kazakhstans-president-talks-trade-and-china-transport>); Almaz Kumenov, "Kazakhstan seals deal to produce Turkish drones under license", Eurasianet, 13 May 2022 (<https://eurasianet.org/kazakhstan-seals-deal-to-produce-turkish-drones-under-license>).

¹³ Zhanna Shayakhmetova, "Kazakhstan and Iran agree to boost trade and economic cooperation during Tokayev's visit to Iran", 20 June 2022 (<https://astanatimes.com/2022/06/kazakhstan-and-iran-agree-to-boost-trade-and-economic-cooperation-during-tokayevs-official-visit-to-tehran/>)

¹⁴ Forbes Kazakhstan, «Токаев предложил инвесторам Саудовской Аравии разведать в РК более 60 месторождений драгметаллов» [Tokayev proposed to investors of Saudi Arabia to explore in the RK more than 60 deposits of precious metals], 24 July 2022 (https://forbes.kz/process/tokaev_predlozil_investoram_saudovskoy_aravii_razvedat_v_rk_bolee_60_mestorojdeniy_dragmetallov/)

priorities the effective protection of rights, freedoms, and legitimate interests of Kazakhstanis. One practical outcome of this approach is the consistency of the government's efforts to evacuate its citizens from dangerous areas.¹⁵ Such an approach is part of the nation-building process.

The weaknesses of the foreign policy during the Nazarbayev era were the excessive investment in vanity projects, such as hosting Congresses of Leaders of World and Traditional Religions and the OSCE summit in Astana, and the aggrandizement of the First President. In November 2021, at the Ministry of Foreign Affairs, Tokayev criticized the lack of inter-agency coordination in the protection of national interests, citing such problems as the shallowing of the Zhayik/Ural River, the delay of Kazakhstani goods on the Chinese border, and the infringement of the interests of Kazakhstan's businesses in neighboring countries. He prioritized the "re-setting" of economic diplomacy and Central Asian policy.¹⁶

What's next?

Kazakhstan's foreign policy is currently in over-drive maintain the geopolitical balance between Russia and the West and perform damage control. Less dramatic but equally profound for Kazakhstan's future is the ongoing "decoupling" between China and the West. Whether it can find a new equilibrium remains to be seen. While the consistent interest of China, the country's next-door neighbor, can be taken for granted, the full-fledged engagement of the EU and U.S. is less assured and will require effort on the part of Kazakhstan.

It is clear that the development of the Trans-Caspian corridor and partnerships with the states of South Caucasus, Turkey, and Iran will be a priority over the next several years. Turkey is of particular importance as a brotherly Eurasian power ready to provide Kazakhstan with all kinds of support. There will be efforts to tap more into the potential of the relations with the Gulf countries. They are seen as a source of investments and as power brokers in the global energy sector.

Cooperation with Central Asian states will also be high on the agenda. Kazakhstan's government does not have regional integration aspirations (in Cholpon-Ata

¹⁵ Kaztag, "Kazakhstan completes evacuation of its citizens from Ukraine", 30 March 2022 (<https://kaztag.kz/en/news/kazakhstan-completed-evacuation-of-its-citizens-from-ukraine>).

¹⁶ Akorda.kz, «Глава государства принял участие в расширенном заседании коллегии МИД» [Head of the state took part in the enlarged session of the MFA collegium], 18 November 2021 (<https://www.akorda.kz/ru/glava-gosudarstva-kasym-zhomart-tokaev-prinyal-uchastie-v-rasshirennom-zasedanii-kollegii-mid-18105730>).

President Tokayev proposed the creation of consultative platforms), but it is ready to draw on the new opportunities – primarily, having a like-minded partner in Uzbekistan – and push for change.¹⁷

¹⁷ Akorda.kz, “Speech by President Kassym-Jomart Tokayev at the 4th Consultative Meeting of the Heads of States of Central Asia”, 21 July 2022 (<https://www.akorda.kz/en/speech-by-president-kassym-jomart-tokayev-at-the-fourth-consultative-meeting-of-the-heads-of-states-of-central-asia-216535>).