

## ESSAYS, JOURNALISM, REVIEWS

Mamanova A., Biryukov S. V.

# KAZAKHSTAN-CHINA COOPERATION IN THE FIELD OF ECONOMY: CURRENT STATE AND DEVELOPMENT PROSPECTS

In today's world, where globalization is accelerating, it is critical to have reliable partners who will cooperate and support regional economies. And Kazakhstan, which only gained independence in 1991, was establishing relations first and foremost with neighboring countries and world leaders, and has quickly begun its actions as a sovereign state on the global stage as well as internally quickly begun to adapt to the changing reality of globalization. Of course, the «New» globalized world necessitates new approaches, rules, and laws. Kazakhstan, Uzbekistan, Kyrgyzstan, and other Central Asian countries have quickly adapted to a multi-vector policy. However, some issues concerning the country's national security and the national economy require maximum accuracy in decisions. The topic of globalization, the "new" globalization, as proposed by David Ricardo in the early nineteenth century, should be based on the partnership of all nations and people.

When studying economic security and economic cooperation between Kazakhstan and China, methods of analysis, projecting, historical systematization, comparative analysis, content analysis, event analysis, presentation with tables were used.

Sources of information of the research work include state programs, Government decrees and Messages of the President of the Republic of Kazakhstan, as well as agreements between Kazakhstan and China for the years of independence of the Republic of Kazakhstan. Here all sources can be divided and summarized into:

- statements and government decrees issued by the Government of the Republic of Kazakhstan;
- agreements signed between Kazakhstan and China;
- online books and articles;
- information from Internet sources;
- official websites of international organizations, ministries, and departments.

One can see trends of internationalization in the global economy, which leads to interdependence in international economic relations. Since some of the internationalization principles are:

- Cooperation and full or partial unification of different countries' national economies;
- Elimination of barriers in the movement of goods, services, capital, labor between the member countries of an economic organization;
- Convergence of individual countries' markets in order to form a common market;
- Erasing the differences between economic entities belonging to different states;
- In each of the national economies, there is no form of discrimination against foreign partners.

Kazakhstan is currently following these principles successfully.

Thus, globalization of the world economy is nothing more than the extremely possible development of internationalization through increasing interactions between countries, or, in other words, as a process of merging disparate national economies into an integrated global world economic system, in which each individual element is closely and, in some cases, inextricably linked.

China is one of Kazakhstan's most important trade and strategic partners. As a result, expanding cooperation with China is an important phase. This is what the two countries have been doing in recent years, and they are engaged in the positive development of bilateral relations, with mutual benefits for both sides, balancing and being honest partners.

We would like to share goals, thoughts, descriptions, and general information gathered from various resources and research, not only from Kazakhstani scientists, but also from foreign researchers, as well as suggestions for improving mutually beneficial relations and actions to be taken in the fields of economic and security relations. Foreign researchers made assumptions and works on Kazakhstan's sovereignty at the start of their path, primarily in the development of relations with Russia, because they used to be part of the same country (USSR). And yes, you can find all kinds of information from many sources, whether positive, negative, or even propagandistic, and it all has its weight, but assuming anything in the development of some events without first knowing the overall situation of a particular country is not professional. And this paper will attempt to explain Kazakhstan's relationship with world leaders to some extent, as well as offer its own contribution to correcting certain policies in the formation of Kazakhstan's foreign economic strategy to help increase its role in the global arena. One thing is certain: the Republic of Kazakhstan, as a participant in international organizations, will be able to achieve certain positive results in the country's socioeconomic situation with a properly balanced policy.

Studying, analyzing and projecting the prospects for the formation, development, and current situation of economic and security cooperation between the Republic of Kazakhstan and the People's Republic of China. Performing the following tasks in order to study:

- Consideration of Kazakhstan and China's mutual and bilateral interests in cooperation;
- Since the Republic of Kazakhstan's independence in 1991, researchers have been studying the development of economic diplomacy with China;
- The study of the creation of commerce and economic con-

- tact between the two sides in late-nineteenth-century history;
- Investigate the issues of obtaining economic efficiency in cross-national economic cooperation;
  - Study of the trade and economic process, the current situation between the countries at the present stage;
  - Conducting a statistical analysis of foreign trade relations and determining the level of investment cooperation between Kazakhstan and China;
  - Demonstration of joint investment projects based on analysis to assess the current level of interaction;
  - Research of developments to expand cooperation between the special services, ministries of Defense and law enforcement agencies of the two countries;
  - Formation of common interests in sustaining the stability and sovereignty of Central Asian nations;
  - Development of directions and ways to further improving the examined countries' international economic cooperation and assessment of quantitative and qualitative criteria of future development.

A discussion about Kazakhstan's international economic relations would be incomplete without discussing security issues. In this case, the focus will be on security points, namely economic security, entered the scientific sphere in the second half of the twentieth century, and firmly got along in the domestic and foreign policies of countries in the context of globalization of the world economy, and in such conditions, ensuring economic security is a high indicator of the state's preparation in unforeseen circumstances. Thus ensuring economic security is one of the important components points of national identity. Economic Security - maximum and sustained growth of the main socio-economic factors; satisfaction of the needs of all involved in the process of production and reproduction; state control over the movement and use of national resources; defense of the economic interests of the country at the national and international levels. In theory, being a member of the state's national security system is the foundation for the construction of all financial aspects contained in its structure, such as energy, food, and military-industrial.

However, it is difficult to dismiss the presence of various risks particular to Kazakhstan in current times, which might obstruct the country's economic progress and security:

- raw materials orientation of the state;
- weak competitiveness of domestic producers due to increases in the cost of imported resources;
- depreciation of the national currency led to a drop in imports, which had a positive impact on the current account and allowed to increase the volume of net foreign assets;
- reliance on exports, that is, on the economic situation of main economic partners (EU, Russia, China, and the United States).

And Kazakhstan is now more focused on solving the problems of each its region's socioeconomic situation, which ultimately forms the stability of economic security at the national

level and offers options for how to reduce threats and raise the state's role in the world market, that is, the importance of the state's role on the global stage.

The whole approach of the paper will be directed to and focused on Kazakhstan-China bilateral ties. And what these links essentially signify, and how China and Kazakhstan profit from this collaboration. What is the essence of this collaboration evolving in? The main point of this paper will be how the Kazakh state handles its duty, namely how it runs a sophisticated policy of balancing forces in the area while keeping its international interests in the first place. This is a remarkable achievement for Mr. Nursultan Abishevich, the country's ex-president, who has led the country in the correct way since independence.

Taking all interests into account, from the United States, which is interested in the Central Asian market and status, to the Russian Federation, which is still interested in the Central Asian region as a market and energy force, and China as a transit zone and energy security, the Central Asian region remains in the interests of world powers.

And, the paper's essence priority focused on Kazakhstan-China collaboration in economic and economic security goals, as well as on providing transparent and attractive circumstances for Chinese investors in the Kazakh market. On the basis of this collaboration, Kazakhstan and China have attained the status of strategic partners and fulfilled a number of goals of the regional economic plan by improving the socioeconomic position of inhabitants on both sides. Also, the third task for these countries is to ensure regional stability, that is, to maintain the region's economic balance and to remain reliable partners at all times, taking into account the volume of investments towards each other and the planned large-scale projects, as well as the growth of the Kazakh economy is dependent on the Chinese market and the country's economic condition, taking into account the volume of investments in the future. The most essential point is that the nations are interested in growth, not in limiting the parties' development potential and conquering, but in the parties' peaceful development. As previously said, China is one of Kazakhstan's most crucial strategic partners today. As a result, boosting collaboration with China is a critical step. The two countries have been doing this in recent years, and they are involved in the constructive growth of bilateral ties, with mutual advantages for both sides, balancing and being true partners. Kazakhstan and China work together to build oil and gas pipelines, underground storage facilities, and collaborative exploration and exploitation of oil and gas resources. Kazakhstan's oil deposits are of considerable significance to China. Chinese interests were due to a number of factors, including: first, it allows for the installation of oil and gas pipelines close to its borders at low cost; second, it helps to stabilize the situation in the region while also creating new jobs; and third, the Republic of Kazakhstan is regarded as a bridge connecting the PRC with the Middle East and the West under the leadership of the PRC.

As a result, in relations with neighboring nations, the country is attempting to direct investments in the scientific and industrial areas of the country, as well as the socio-economic growth of the country, this paper will also study the evolution of Kazakhstan's economic security in the context of the establishment of the overall national security system of this state.

Characteristics and current state of trade and economic cooperation between Kazakhstan and China

Kazakhstan is China's second-largest market in the CIS, behind Russia. The degree of growth of Kazakhstan-China trade and economic connections is increasingly active. Kazakhstan, in general, is the big part of China's industrial ambitions in Central Asia. Our countries' interactions are a clear illustration of real neighborliness. Kazakhstan and China are collaborating to maintain and strengthen regional security. The worldwide situation is fast deteriorating at the moment. Regardless of the problems and hurdles that may arise in the future, we are certain that the trajectory of Chinese-Kazakh relations will stay unaltered - this is the shared aim of the common idea of mutual benefit and peace and stability. Kazakhstan-China ties that are stable and healthy benefit not only our nations, but also the whole region and the entire globe. This study aims to investigate Kazakhstan and China's motivations for cooperating in the fields of business and security, and why these two roles are so essential relevant for today:

China has a distinctive position on the global stage due to its geographical location, long-term economic development, human resources, and political leadership.

The Republic of Kazakhstan and the People's Republic of China are continental neighbors.

Kazakhstan serves as a form of entrance buffer for China into the Caspian Sea's Central Asian area. It also serves as China's entryway to Europe. According to analysts, the contemporary world's leadership position in economic and technical growth is rising in this century.

Cooperating with China creates a balance in the Central Asian area from the effect of external variables in the fields of economy and security, i.e., diversity not only in the economy, but also in the region's overall function.

#### **Common interests and improving the competitiveness of the economies of Kazakhstan and China.**

China exclusively supports peaceful growth, which is an important aspect of modern effective coordination. Kazakhstan shares this view, which soon after achieving independence discarded nuclear weapons and committed to a peaceful development path. The whole partnership is entirely for mutual advantage, with both partners benefiting from strategic and economic cooperation. The Chinese side consistently considers the interests of its partners. It is also interested in the peaceful development of contacts and the expansion of international collaboration with regard to world peace. Such an attitude toward other countries promotes interest and enthusiasm for cooperating, which is the foundation of «peaceful development».

Kazakhstan collaborates with China on cooperative construc-

tion of oil and gas pipelines, underground storage facilities, and joint exploration and development of oil and gas resources. China is particularly interested in Kazakhstan's oil reserves. This was attributable to a number of circumstances, including:

For beginning, it permits for the installation of oil and gas pipelines in close proximity to its boundaries at minimal cost;

Second, it helps to stabilize the situation in the region while also creating new jobs;

Third, the Republic of Kazakhstan is regarded as a bridge connecting the PRC with the Middle East and the West under the leadership of the PRC.

In the cooperation of Kazakhstan and Russia with China in the field of high technologies in the creation of joint projects in such areas as mechanical engineering, aircraft engineering, metallurgy, biotechnology, space exploration, Telecommunications, organizational and managerial technologies are a priority.

The problems and prospects for the development of trade and economic relations of Kazakhstan with Russia and China are becoming relevant in the context of the reform of the Kazakh economy and the globalization of the world economy, generating interdependence and interaction of national economies. The theoretical analysis of the current state of Kazakhstan's foreign economic relations with the main trade and economic partners, from my point of view, is the fundamental basis for the formation of the national foreign economic doctrine.

In general, the interests of the two countries coincide: the main aspects of their mutually beneficial cooperation are energy and hydrocarbon resource projects. In this project, it was proposed to accelerate the construction of the infrastructure of states, increase the standards of routes and train speeds, simplify customs procedures, strengthen cooperation between railway departments of all countries, jointly reduce the cost of container trains and provide a simplified assessment of transportation [28].

The country's investment potential now revolves around minerals and raw materials. Because they account for more than half of Kazakhstan's gross output, the quality and extent of use of deposits, as well as the proper use of raw material reserves, are absolutely essential for Kazakhstan's present and future. For example, it is expected that the development of the Kashagan oil and gas field, one of the world's largest, will make Kazakhstan one of the world's largest producers of hydrocarbons, not only regionally but also globally. In terms of media reports, in 2020, it was revealed that a Chinese company had signed a contract with a private Kazakh company to build a gas processing plant at the Kashagan field. But currently, issues related to this project are under consideration.

Chinese companies will mine iron and nickel in the west of Kazakhstan. Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Republic of Kazakhstan Zhang Xiao spoke about the relations between the two countries that since 2020, China has continued to strengthen business relations with all regions of Kazakhstan.

To determine the prospects for the development and prob-

lems of trade and economic cooperation between Kazakhstan and China, it is necessary to consider the current state of import-export trade between them.

To reach a higher step in relations between the two countries, different ways can be considered:

First, it is necessary to strengthen the functioning of public services, develop a more effective policy.

Second, the development of cooperative mechanisms and the advancement of organizational work. To best address emerging issues, it is planned to establish a body comprised of the two countries' trade and finance ministries. Special funds for regional economic development and cooperation are being established for this purpose. For example, improving government service functions, providing enterprises with favorable conditions for foreign market development, as well as financial, banking, insurance, taxation, advertising information, and much more.

To summarize the observations, each state pursues its national interests and attempts to make its country affluent and powerful. The mutual interests of these two countries are to provide them with the essential commodities and to stimulate their economies through collaborative ventures. We can see that through enhancing collaboration, each country works in its own best interests. This is essential in economic diplomacy.

## Results

China is a world giant that wants to work closely with the Central Asian states. The Chinese leadership's remarks about "harmonious peace" and "peaceful development" as the major aims of Chinese philosophy and diplomacy reflect this. In general, China is interested in the effective development of the Central Asian governments' economy, as sustainable economic systems are critical to successful collaboration. Especially given the fact that Kazakhstan's and China's trade turnover is gradually expanding. At the same time, one of the directions of China's regional policy is the proactive of its role in Central Asia.

The following are China's top priorities in the region: 1) combating terrorism, separatism, and extremism; and 2) protecting border security. 3) fostering Central Asian stability; 4) contributing to the area's economic growth; 5) establishing positive links between China and the Central Asian governments; 6) preventing the region from entering the realm of monopolistic control; and 7) ensuring open access to energy resources. Furthermore, as previously stated, Central Asia serves as a transit location for the transfer of hydrocarbons from the Middle East and Iran. According to analysts, the passage of hydrocarbons through Central Asia to China renders China independent of the US Navy's control of marine supply of hydrocarbons from Iran and the Middle East. Definitely, each Central Asian state has its unique weight and promise.

The following aspects can be noted when highlighting the results of the Republic of Kazakhstan and the People's Republic of China's cooperation in the field of economy and security:

- Since the year of independence, the Middle Kingdom has

recognized Kazakhstan as an equal sovereign state and has pursued a policy of good neighborliness. This has paved the way for the establishment of reasonable economic relations;

- Because both sides were interested in each other, economic diplomacy began to develop quickly, resulting in the signing of bilateral agreements. Without including the crisis years, bilateral trade turnover has increased every year;
- Kazakhstan and China have had some success in implementing bilateral mutual agreements and projects. The Kazakh-Chinese economy has grown and produced effective results as a result of large, implemented projects. Based on cooperation agreements, the two countries' ties grew quickly, relying on projects in each industry. The economies of the two countries have become more active and have had a positive impact as a result of major projects. With the exception of the crisis years, bilateral trade and economic policy have grown rapidly. This suggests that China is very interested in Kazakhstan, and Kazakhstan has a lot of economic potential;
- China's investment in Kazakhstan is increasing year after year. China's investment and project activities in Kazakhstan have primarily focused on the oil and gas industry since the country's independence. Other sectors of the country are covered by the projects planned under the "One Belt, One Road" program. A number of projects will also allow the export of finished goods rather than raw materials. This demonstrates the country's economic diversification potential. Moreover, bilateral transit and logistics projects will ensure the development of regions near transit stations;
- Kazakhstan stated that it values cooperation with China and hopes that the armies of the two countries will continue to strengthen practical cooperation in peacekeeping operations, joint exercises, personnel training, and military equipment to ensure regional security.

China, along with other developed countries, is one of the three largest international investors (after the United States and the United Kingdom). At the moment, China's development is also benefiting our future. It should be noted that Kazakhstan-China relations are broad and balanced. Both countries engaged in constructive political dialogue and held several meetings to discuss the expansion of humanitarian cooperation. Strategic relations between Kazakhstan and China are particularly important because they are neighboring countries as well as important partners. A particularly essential aspect is that maintaining cross-border security, resisting American hegemony, and, most importantly, protecting economic interests is becoming a major component in the PRC's good settings among Central Asian nations. While certain differences in Chinese economic objectives across Central Asian nations, these are not the defining elements in the construction of the Chinese image in the area. The fundamental positive aspect is China's mutually beneficial economic engagement with the region's states at the bilateral level. In quantitative and industrial terms, our countries' economic relations and interaction have become more dynamic and diverse



in recent years. On this basis, both parties intend to diversify the structure of Kazakhstan-China trade turnover, find new trade sources, including cross-border e-commerce, and develop innovative cooperation. It is also planned to expand trade cooperation, promoting trade in rising products. The implementation of the joint plan allowed Kazakhstan and China to strengthen their cooperation in international cargo transportation, logistics, industry, finance, energy, agriculture, information technology, and space. All of this is a priority direction for Kazakhstan's economic development. It is clear that there has been a major shift in the two nations' relations. Cooperation between China and Kazakhstan has grown systematic, reaching a level equivalent to that of the "major" Eurasian nations (India, Russia). As a result, the image of the People's Republic of China in Kazakhstan is linked to the construction of a specific "investment image" of a wealthy state that invests heavily in the Kazakh fuel and energy complex.

## Conclusion

Kazakhstan has emerged as a key trading partner for China in Central Asia, as well as a key investment partner along the «One Belt, One Road» initiative. For the same reasons, we can anticipate great success in these two countries' relations. Kazakhstan, China's closest neighbor and strategic partner, values China's achievements in social welfare, improving people's quality of life, eradicating poverty, preventing and combating it. China's "One Belt, One Road" initiative, which is in line with the concept of common development, is crucial, significantly increasing the level of global trade and economic liberalization. Friendship between Kazakhstani and Chinese peoples has long been valued in history.

The major aim is to enhance the level of complex interconnectivity of the two nations' infrastructure, encourage trade and investment, and strengthen cooperation in sectors

as transportation, industry, agriculture, energy, new industry, finance, intellectual property, and others. Complete identification of the parties' advantages and potential, constant expansion of the area for mutually beneficial development, promotion of joint prosperity, and enhancement of overall competitiveness in the worldwide market.

Chinese-Kazakh relations have inherited the history of traditional friendship of two millennia and have entered the modern path in the 21st century. The bilateral relations under consideration have an endless and broad development perspective.

Recommendations for the future of a stable relationship:

- Diversification of the spheres of trade and economic cooperation between the Republic of Kazakhstan and the People's Republic of China, including an increase in agricultural exports, to broaden the range of collaboration in the automobile sector, as well as to develop cooperation in the field of construction materials;
- Encourage Chinese companies to invest in the construction of production facilities on Kazakhstani territory to meet the country's infrastructure needs;
- Attracting Chinese investments from the oil and gas sector to other industries, to strengthen cooperation in new industry areas such as next-generation biotechnology, new energy sources, and new materials, to jointly select and develop potential joint projects in the field of manufacturing facilities, and to practically improve the quality and competitiveness of relevant products;
- To strengthen cooperation in the field of security, the promotion of relevant contracts and agreements that will cover the necessary provisions in accordance with the rules of the agreement and the parties;
- Communication in the cultural sector, such as education, healthcare, and tourism, should be expanded to promote a better understanding of the country's civilizations.

## Информация об авторах:

**Бирюков Сергей Владимирович**, доктор политических наук, профессор, Центр изучения России Восточно-Китайского педагогического университета (Шанхай, Китай); Сибирский институт управления – филиал РАНХиГС (Новосибирск, Россия), кафедра социальной антропологии и межкультурных коммуникаций; Томский государственный университет (Томск, Россия), кафедра политологии; ФГБОУ ВО «Кемеровский государственный медицинский университет» Министерства здравоохранения Российской Федерации (Кемерово), кафедра истории.  
E-mail: birs.07@mail.ru

**ORCID:** 0000-0003-4071-0464

**Вклад в статью:** разработка концепции исследования, работа с источниками, интерпретация данных, критический анализ и утверждение окончательной версии статьи.

**Маманова Айганым**, магистр международных отношений в Восточно-Китайском педагогическом университете (Шанхай, Китай).

E-mail: ma.aiganyam@gmail.com

**Вклад в статью:** получение и интерпретация данных, подбор и изучение литературы, работа с источниками, анализ и сравнение данных, написание статьи.

## Authors:

**Biryukov Sergey Vladimirovich**, Doctor of Sciences in Politics, Professor, Center for Russian Studies, East China Normal University (Shanghai, China); Siberian Institute of Management – Branch of RANEP (Novosibirsk, Russia), Department of Social Anthropology and Intercultural Communications; Tomsk State University (Tomsk, Russia), Department of Political Science; Kemerovo State Medical University (Kemerovo), Department of History  
E-mail: birs.07@mail.ru

**ORCID:** 0000-0003-4071-0464

**Contribution:** conceived and designed the study; collected and interpreted the data; performed literature search and analysis; wrote the manuscript.

**Mamanova Aiganyam**, Master of International Relations at the East China Normal University ECNU (Shanghai, China).

E-mail: ma.aiganyam@gmail.com

**Contribution:** collected and interpreted the data; performed literature search and analysis; wrote the manuscript.