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## How Kazakhstan can make geopolitical waves

By Kishore Mahbubani

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Small and medium-size states such as Kazakhstan survive and do well when, like good surfers, they learn to ride and take advantage of new geopolitical waves. Conversely, they fail when they ignore them.

Kazakhstan now has a new opportunity. Sweeping across Central Asia is the One Belt, One Road (OBOR) initiative launched by China's President Xi Jinping. The origins of this initiative are complex. It could be an effort to counterbalance the clear dominance of the United States in the maritime sphere. It could also be an effort to revive Central Asia's key role in world history.

Professor Wang Gungwu, probably Asia's greatest historian today, has suggested a fascinating new theory of world history. In a new book titled *The Eurasian Core and Its Edges*, he argues that the Eurasian landmass had "shaped world history for some 5,000 years before its role was steadily marginalized from the 18th century onwards". After two centuries of the world being dominated by maritime powers, such as the British and the Americans, he says: "What we are seeing, in the last decade or so, is a pushback from the Eurasian core." He adds that "with the rise of China and India, Eurasia might be finding ways to push back".

### Fast track to growth

There is no doubt that both China and India are working to improve connectivity in Central Asia, with China doing it at a much larger scale, building both fast trains and energy pipelines. According to the BBC, "Beijing is considering both [funding and building high-speed lines](#) from west China through Central Asia to Europe". The Washington Post adds: "The train will run from Lanzhou to Xinjiang's capital, Urumqi; for the longer term, China is even talking about [extending the high-speed network](#) through Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran and Turkey to Bulgaria." The Kazakhstan-China oil pipeline is China's first direct oil import pipeline allowing oil import from Central Asia. It runs from Kazakhstan's Caspian shore to Xinjiang in China and is jointly owned by the China National Petroleum Corporation

(CNPC) and the Kazakh oil company KazMunayGas.

The latest proposal by the Chinese president to invest \$46 billion in the fast train from China to Pakistan's port of Gwadar is another strand in a complex new network. Meanwhile, India is working hard with Iran to build a new train line from the Iranian port of Chabahar to Afghanistan. There is no doubt that both China and India will work with Iran to build new corridors of connectivity to Central Asia.

All this creates new opportunities for the Central Asian states. As the most successful Central Asian state, Kazakhstan can take advantage of these favourable new geopolitical winds by launching new initiatives to position itself as the new logistical hub of Central Asia.

### **The sky's the limit**

One easy and smart move that Kazakhstan could make is to declare itself as the new Singapore or Dubai of Central Asia. (The two cities have thrived by becoming the aviation hubs of the region.) Kazakhstan should announce an "open skies" policy and allow all airlines, regional and global, to fly freely to both Almaty and Astana. Central Asia clearly lacks an aviation hub and Kazakhstan can provide it.

Similarly, the country could invest in becoming the meeting point of both the fast train networks and energy pipelines of the region. President Nursultan Nazarbayev said in a 2012 speech at the University of Cambridge: "Modern Kazakhstan is aiming to become the largest business, transit and logistic hub of Central Asia; a bridge between Europe and Asia. We have built the 'eastern gates' – the Khorgos International Centre of Boundary Cooperation – on our border with China. In west Kazakhstan, projects are underway to expand the Caspian seaport of Aktau." He added: "By 2015, the 2,700km stretch of the "Western Europe–Western China Highway" will be nearing completion. This will reduce the delivery time of goods from China to Europe by a factor of 3.5, compared to using conventional sea routes."

Kazakhstan great advantage is that it is the most politically stable state in Central Asia. Nazarbayev deserves credit for this. However, he also knows that if his legacy is to endure, like that of Singapore's Prime Minister Lee Kuan Yew, he needs to build strong institutions. This is why it was bold for him to launch the 100 steps programme. According to [Erlan Idrissov in \*The Diplomat\*](#), "The 100 Concrete Steps programme, called Plan of the Nation, was unveiled soon after President Nursultan Nazarbayev's re-election and is designed to provide the strong national platform needed to overcome both short-term challenges and achieve the country's ambition of joining the top 30 developed countries by 2050. It is a comprehensive reform package that builds on past progress to drive improvements in all the country's institutional pillars."

### **A multilateral strategy**

The success of this bold initiative to transform Kazakhstan will not depend on internal factors only. It is also subject to external geopolitical winds. China's decision to launch the OBOR initiative could not be more timely for Kazakhstan. The nation can now position itself as China's most dependable partner in Central Asia. However, it would also be wise for Kazakhstan to hedge its bets. It should work with Russia and India, Japan and the European Union to enhance connectivity in the region. The US has a military strategy but it has no comprehensive economic strategy to work with Central Asia. But if the US does begin to engage with the region, Kazakhstan should welcome it with open arms.

Kazakhstan's [admission into the World Trade Organization in 2015](#) comes at a good time. By reducing its tariffs and gradually opening up its economy, it can also gradually make a transition away from being the Saudi Arabia of Central Asia

towards becoming the South Korea of the region. Kazakhstan has to progressively reduce its reliance on natural resources to promote its economic growth and rely more on the productivity of its people, as South Korea and Singapore have done.

Kazakhstan is also fortunate that both China and Russia see it as in their interests that the Shanghai Cooperation Organisation (SCO) succeed. The SCO has some way to go before it can catch up with ASEAN, but it can learn more lessons from ASEAN than the EU in terms of formulating its regional cooperation plans. Many of the ideas for ASEAN regional cooperation came from its relatively smaller members, like Singapore and Malaysia. Kazakhstan can do the same for SCO.

In short, a new window of geopolitical opportunity has opened for Kazakhstan. Wang Gungwu could be right that many of China's new proposals "represent a call for the reawakening of multiple features of ancient European connectivity, that would make economies and societies vibrant and enrich cultures through extended networks of trade and transportation".

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*Image: Kazakhstan's flag flies during a rally in front of the Stronger than Death monument devoted to the closure of the Semipalatinsk nuclear test site in the town of Semei June 18, 2009. REUTERS/Shamil Zhumatov*

Posted by [Kishore Mahbubani](#) - 11:06

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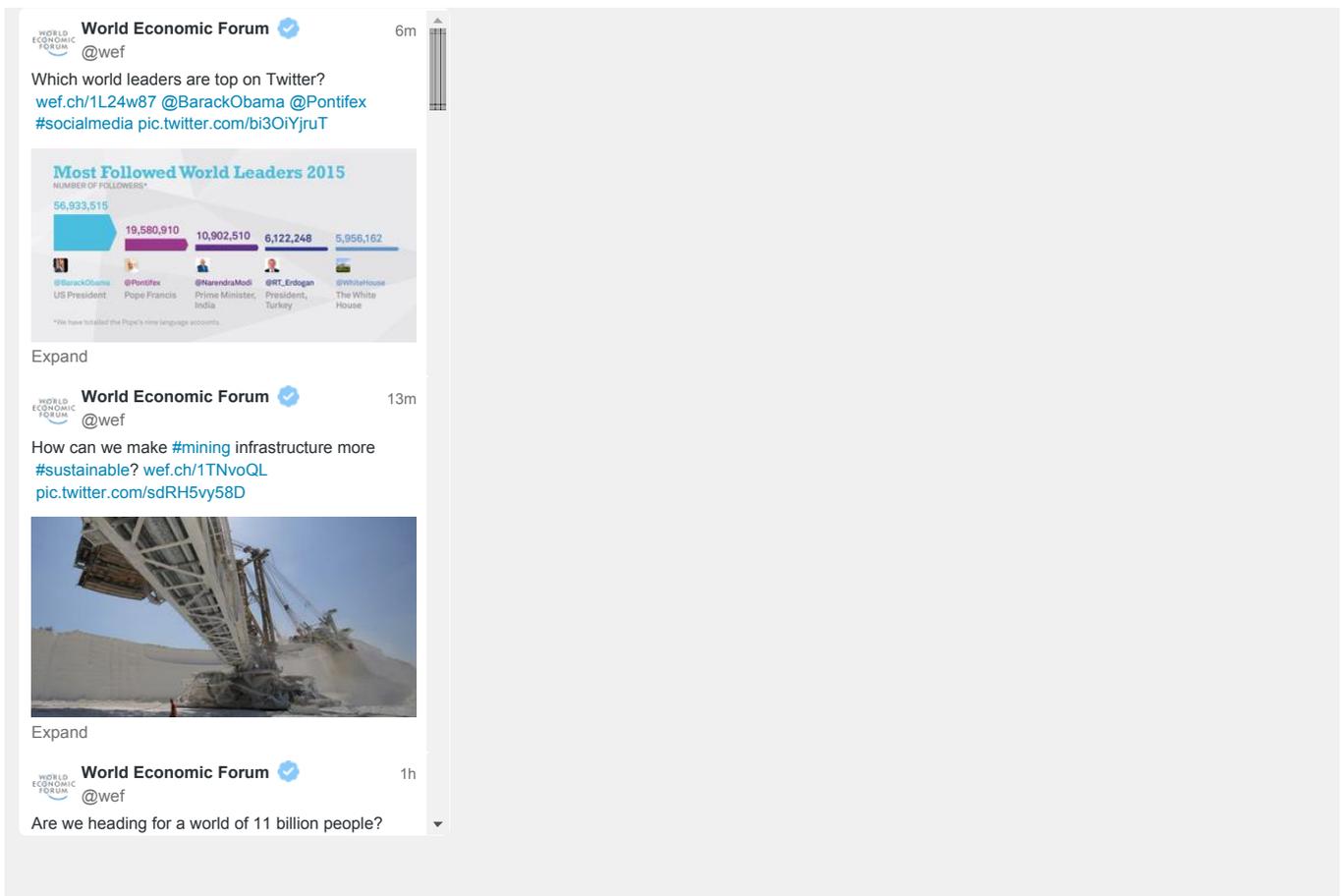


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