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US – Kazakh Relations and the “dilemma of multi-vector policy”

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It is well known that already in the early 1990s the leaders of Kazakhstan defined the basis for the country’s foreign policy as maintaining “multilateral and alternated military and political and economic balances that will guarantee Kazakhstan’s security and sovereignty”. This doctrine became known as the strategy of “multi-vector and balanced policy”. Since then references to the “multi-vector policy” are reappearing in Kazakhstan’s foreign policy documents and official speeches.

However, the military and political alliance and economic integration with Russia and the “strategic partnership” and intensive economic cooperation with China initially defined the limits within which Kazakhstan could pursue this strategy. Beyond these boundaries defined by Astana’s real “dual-track” foreign policy the “honorable” third place belonged to the relations with the United States. Energetic efforts aimed at securing the status of US leading partner in Central Asia and forming the field of coinciding interests in US – Kazakh relations that could at least partly balance Astana’s dependence on Russia and China were the constant element of Kazakhstan’s foreign policy in the 1990s and the 2000s.

In 2014 the relatively favorable international atmosphere for pursuing a multi-vector strategy degraded into an almost incessant escalation of confrontation between Russia and America. In 2017-2018 the American – Chinese “trade war” started along with gradually rising political tensions between Washington and Beijing. Under these conditions Kazakhstan faced a peculiar dilemma of multi-vector policy. On the one hand Kazakhstan started to see the growing necessity to reduce its political, financial, and economic dependence on Russia, a country of growing foreign policy ambitions and decreasing economic capacity, as well as on an ever-

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assertive China. On the other hand the opportunity to decrease this dependence started to shrink as Moscow and (to a lesser degree) Beijing became more interested in if not allied then at least loyal Kazakhstan that would keep a maximum distance from the hostile Washington. Against this background Kazakhstan has not only to maneuver skillfully but also increasingly to make a foreign policy choice. Having formalized the main parameters of the choice by participating in Eurasian Economic Union and Chinese initiative “One Belt, One Road”, Astana tried to ingratiate itself with the new American administration.

The last year was marked with a row of notable events in US – Kazakh relations that caused interested and ambivalent reactions from Russian expert community.

In October 2017 the London branch of the American Bank of New York Mellon froze 22.6 billion dollars belonging to Kazakhstan’s National Fund (about 40% of the total volume of Fund’s assets) that had been on the Bank’s custody. The assets were frozen based on the decisions by Dutch and Belgian courts that ruled in favor of a Moldavian businessman A. Stati who claimed that Kazakhstan’s government had failed to compensate him for the unlawful seizure of his assets in Kazakhstan in violation of the Stockholm Arbitration’s ruling of 2013. The freezing of the assets was unprecedented and unexpected for Kazakhstan’s authorities and public opinion, especially given that Stati’s claim was only for 500 million dollars and the Bank of New York Mellon had initially not recognized the court decisions, abruptly changing its position later and voluntarily agreeing to freeze Kazakhstan’s assets. Kazakhstan’s Ministry of Justice regarded American bank as being in violation of the contractual obligations with Kazakhstan but all the efforts to appeal the case in the High Court of Justice in England were in vain. The legal battles around the freezing of Kazakhstan’s assets go on.

The actions of the American bank highlighted Kazakhstan’s susceptibility to the pressure from the Western countries. Kazakhstan’s reputation as a predictable and reliable investment partner was hurt, especially given the attention attracted by the media to the letter from Moldova’s ex-President V. Voronin to his Kazakh counterpart written in 2008 and concerning the allegedly illegal business activities of Stati in Kazakhstan. The Moldovan businessman’s troubles in Kazakhstan began right after this address: it is hard to escape a conclusion that his assets were probably seized by N.A. Nazarbayev’s direct order.

It was against this not very favorable background that in January 2018 for the first in twelve years the President of Kazakhstan paid an official visit to the US. It was inaugurated with the conclusion of the contract for American civil planes and railroad locomotives as well as the signing of the three intergovernmental agreements of little importance. Nazarbayev voiced his approval for the American actions in Afghanistan and Afghan participation in the “C5+1” Group activities (Central Asian countries and the USA). Notable was the Kazakh leader’s publicly expressed regret that Russian-American relations “came down to zero”. Russian reaction to Nazarbayev’s visit was reserved but before it had started Moscow stated that the United States wanted to “abuse” the “C5+1” format.

In 2014 Kazakhstan introduced a visa-free regime “in the test mode” for the citizens of the USA and some other countries which caused a public polemic between Astana and Moscow in March 2018. Russian Foreign Minister Lavrov stated that this issue had to be approved within the EAEU. In return Kazakh Foreign Ministry issued a rebuff: “the introduction of the visa-free regime... is a right of any sovereign state” while the EAEU “is not a political union”.

In the next month Russia was troubled by Kazakhstan’s Parliament decision to ratify a protocol introducing changes to the US – Kazakh agreement on support for commercial rail transit of special cargo through the territory of the Republic of Kazakhstan in connection with the participation of the United States of America in the efforts for the stabilization and reconstruction of the Islamic Republic of Afghanistan. The protocol, at that time unnoticed by Russia, was signed as early as in September 2017. It opened the Caspian ports of Aktau and Kuryk to the transit of the “special cargo” (special equipment without armament). Information concerning the appearance of American military on the Caspian Sea began appearing in Russian media but was many times refuted by Astana. In June 2018 Lavrov voiced Russian concerns about the opening of the Caspian ports to American transit to Afghanistan as well as about the activities of American biological laboratories in Kazakhstan.

The distance between Russia and Kazakhstan became more articulated on the foreign policy issues most sensitive to Moscow. In April 2018 Kazakhstan voted in the UN Security Council in favor of the draft resolution calling for the investigation of the possible use of chemical weapons in Syria introduced by the US and blocked by Russia (although on the same day without batting an eye Astana also voted in favor of the Russian project of the resolution, that was blocked by the US, UK and France). In a few days Kazakhstan refused to support a draft resolution introduced by Russia to the UN Security Council which condemned the US, British and French strikes on Syria by abstaining during the voting. In September 2018 when the UN Security Council discussed the Salisbury incident the representative of Kazakhstan “gave a high estimate to the hard work of the United Kingdom on this issue”.

These diplomatic maneuvers are not unprecedented. In the 1990s and the 2000s Kazakhstan persistently avoided being dragged into the conflicts between Russia and the West. It refused to condemn NATO expansion and its intervention in Yugoslavia, supported American aggression in Iraq by sending a symbolic contingent, did not recognize the independence of Abkhazia and South Ossetia – the list can go on and on. Kazakhstan’s support for the American operation in Afghanistan was always unwavering. Therefore, Astana stays on course. What has changed?

First of all, the Russian perception of Kazakhstan’s policy. Having an acute need for the allies and loyal partners, Moscow began to raise the bar of its demands for Kazakhstan. The hitherto unseen practice of publicizing official discontent with Kazakhstan’s behavior is a testimony of the new trend.

Secondly, as the case of the frozen assets shows, Kazakhstan for the first time found itself under great pressure from the Western countries. The American elite apparently expects Kazakhstan to clearly position itself in the global political confrontations in exchange for the access to the Western financial and technological resources. Thus, Kazakhstan, having for the long time enjoyed mostly the benefits of the “multi-vector” policy, now began to incur its expenses.

Thirdly, “the dilemma of multi-vector policy” became apparent for Kazakhstan as the post-Nazarbayev era is getting nearer and domestic policy becomes volatile.

Kazakhstan is likely to try to wait out the period of global political turbulence. Indeed, it can count on the November elections in the US and the possible alleviation of the confrontation between Washington and Moscow, the return of the moderate political forces to power in the United States after the 2020 elections, the softening of Moscow’s position on a number of key issues which complicate its relations with the West. The most recent Address of the President Nazarbayev to the People of Kazakhstan (in October 2018) is an indirect evidence of it. The foreign policy part of the document is characterized by extreme laconism and the statement that the “principles” on which Kazakhstan’s diplomacy is based “are completely justified”.

The main risk of such strategy is its dependency on the decisions of the key global players that could make a strategic choice in favor of the “escalation”. Another risk lies in the power transition within Kazakhstan where the young generation of policy makers might lack Nazarbayev’s patience and wisdom. In July 2018, Nazarbayev was given the right to be a life-long chairman of the Security Council of the Republic of Kazakhstan. In other words, he was given exceptional powers in foreign and military policy which could serve as an insurance against the second risk.

Russian foreign policy elite could be advised to exercise restraint in relations with Kazakhstan: the wait-and-see strategy chosen by Astana is not the worst scenario for Russia and, at least, it guarantees some predictability and continuity in Kazakh foreign policy and leaves the space for the further progress of Eurasian integration.