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INNOVATIVE POLICY OF THE REPUBLIC OF KAZAKHSTAN: AN INDIAN PERSPECTIVE

Annotation

In the context of globalization, the pace of development of the economy and the development of political influence in the world are two significant features for a nation to develop its policy. Kazakhstan also can't remain distant of the development of international processes to develop its policy to compete on global level. Indian scholar is giving his perspective on Kazakhstani policy.

Key words: Strategy 2050, globalization, Kazakhstan, external policy, initiatives.

Аннотация

В условиях глобализации, темпы развития экономики и развития политического влияния в мире являются важными показателями для нации в формировании своей национальной политики. Казахстан также не может оставаться вдалеке от развития международных процессов и развивает свою политику, являясь конкурентоспособным на глобальном уровне. Индийский ученый выражает свой взгляд на казахстанскую политику.

Ключевые слова: Стратегия 2050, глобализация, Казахстан, внешняя политика, инициативы.

Аңдатпа

Жаһандану кезеңінде, экономика және саяси ықпалдың дүниежүзіндегі даму көрсеткіштері мемлекеттік саясаттың қалыптасуы үшін маңызды болып табылады. Қазақстан әлемдік процестерден тыс қала алмайды, ол өз саясатын дамытып, дүниежүзіндегі бәсекестілікке сай мемлекет болып шықты. Үнді ғалымы Қазақстанның саясатына өз көзқарасын білдіреді.

Тірек сөздер: Стратегия 2050, глобализация, Қазақстан, сыртқы саясат, бастамалар.

Introduction

In the era of globalisation innovation is not only depict as a phenomenon which can be relate to intensification, expansion and advancement for economy but it also relate to the significant and crucial changes in one's economy which is vital for society as well. In this context Innovation is more imperative for newly independent countries from disintegration of the Soviet Union where these countries not only had to re-build their own foreign policies, to seek their place in the international arena but they were also faced with the challenge of economic restructuring. Kazakhstan, which is the republic of "more than hundred nationalities", got independence before more than two decades now, was also facing these challenges that time. In my point of view there are two decisive factors for Kazakhstan to its speedy development in more than twenty years.

– The charismatic leadership of the Nursultan Nazarbayev the president of the Republic of Kazakhstan and

– The policies implemented by him in all spheres whether it is economy, polity and for society as well.

In my point of view these are most significant reasons that Kazakhstan is now way ahead of other central Asian countries. It is also very significant fact that the core of these policies is always "Innovation" by Nursultan Nazarbayev since the independence of Kazakhstan. Now Kazakhstan is not only a significant country in CIS region but also for the world.

Kazakhstan: importance for globe

- Natural Resources: Kazakhstan has the 6th largest reserve of natural resources in the world.
- Convenience to leading Regional Markets
- Kazakhstan is the continental bridge for goods that move from East and West, South to North.
- 3 out of 4 BRIC countries are located near Kazakhstan: Russia, China and India.
- Strategically located between European and Asian business centres
- Serves as a main transit zone in the region
- Provides 3 out of 4 Eurasian railways
- Gateway to the Russian and European markets

- Now Customs Union Advantage: By entering the Customs Union, Kazakhstan creates for investors a more attractive market of 170 million people and opens up additional possibilities for effective investment projects
- Last but not the least is – now Kazakhstan government is completely focusing on economic diversification.

Kazakhstan: development of policies

In the context of globalization, the pace of development of the economy and the development of political influence in the world are two significant features for a nation to develop its policy. Kazakhstan also can't remain distant of the development of international processes to develop its policy to compete on global level. In this context very recent during his annual state of the nation address in Astana on December 15, 2012, Kazakh President Nursultan Nazarbayev introduced the new "Kazakhstan 2050 Strategy" a comprehensive state plan aimed to bring Kazakhstan into the world's 30 most developed countries by the middle of the twenty-first century. This strategy based on one goal, one interest and one future will be the key for Kazakhstan in terms of economic, social and political reform to place Kazakhstan among the top 30 developed countries in the globe. Before this strategy there are so many policies on economic front which not only announced by the president of the republic of Kazakhstan but also successfully completed in the time frame.

As it is also a known fact that the first few years of independence were characterized by economic instability and decline. The breakup of the Soviet Union brought with it a collapse in demand for the heavy industry products that Kazakhstan had traditionally exported in the soviet system, and the economy contracted. In the mid-1990s, these pressures forced the government of Kazakhstan to take more seriously the idea of economic reform. Kazakhstan launched strategies such as "Kazakhstan 2030". This strategy is seen as more recent activity included liberalization of the currency regime, most notably the removal of the licensing requirement for capital account transactions in early 2007. Government has also established a basic framework to attract foreign direct investment (FDI) into its resource-rich oil and mineral sector, including partial privatization of the electricity sector (World Bank, 2007). FDI inflows, though somewhat erratic, have nonetheless increased significantly since the mid-1990s. In this context strategy 2030 and is the significant factor for advancement of Kazakhstan society.

Strategy 2030

In October 1997 the President of the Republic of Kazakhstan in his Address to the people of the country «Prosperity, security and ever growing welfare of all the Kazakhstanis» presented the Strategy for development of the Republic of Kazakhstan until the year 2030. The «Kazakhstan-2030» Strategy outlined a long-term way of development of the sovereign republic, directed at transforming the country into one of the safest, most stable, ecologically sustained states of the world with a dynamically developing economy.

The «Kazakhstan-2030» Strategy for development provides implementation of seven long-term priorities:

- National security.
- Domestic political stability and consolidation of the society.
- Economic growth based on an open market economy with high level of foreign investments and internal savings.
- Health, education and well-being of Kazakhstani citizens.
- Power resources.
- Infrastructure, more particularly transport and communication.
- Professional state.

These priorities served as a basis for building country's development plans for medium-term and long-term periods. The Strategic plan for development of the Republic of Kazakhstan until the year 2010, approved by the Decree of the President of the Republic of Kazakhstan in December, 2001 became the first long-term stage of implementation of the «Kazakhstan-2030» Strategy. The next stage of implementation of the «Kazakhstan-2030» Strategy is the Strategic plan for development of the Republic of Kazakhstan until the year 2020. The strategic plan for development of the Republic of Kazakhstan until the year 2020, has been approved by the Decree of the President of the Republic of Kazakhstan No. 922 dated February 1, 2010.

The period of developing the Strategic plan 2020 concurred with the beginning of the most serious global financial and economic crisis in the history of the mankind for the last seventy years. As a result the emphasis of the Strategic plan 2020 was made on implementation of measures, directed at increase of the national economy's stability in relation to negative consequences of world or regional crises. During the next decade five key directions will be the priority in the state's activity:

- Preparation for post-crisis development;
- Provision of the economy's sustained growth by way of accelerated diversification through industrialisation and infrastructure development;
- Investments into the future – increase of human capital's competitiveness for the achievement of sustained economic growth, prosperity and social well-being of Kazakhstan's;
- Provision of the population with qualitative social and housing and communal services;
- Strengthening of the international consent, safety, and stability of the international relations.
- Strengthening interethnic consent, security, and stability of international relations.

As a result of implementation of the Strategic plan 2020 Kazakhstan should achieve the following key indicators:

- In 2020 Kazakhstan will become a country that came out of the world crisis stronger and more competitive, with diversified economy and population actively involved in new economy.
- By 2020 Kazakhstan will already be among fifty most competitive countries of the world with a favorable business climate that allows attraction of considerable foreign investments in the country economy's non-primary sectors.
- By 2020 the country will possess human resources necessary for development of diversified economy, and also possess infrastructure necessary for serving domestic businessmen and exporters.
- By 2020 the Kazakhstani economy will increase in real terms by more than one third in relation to 2009 level.
- By 2020 the share of population with incomes below living wage will decrease to 8 %.

The main achievement of implementation of the Strategic plan 2020 should be a substantial increase of well-being of the country's citizens as a result of consecutive diversification and qualitative improvement of Kazakhstan's economic growth structure.

Strategy 2050

Kazakh President Nursultan Nazarbayev announced the Kazakhstan 2050 Strategy during in his annual state of the nation address on December 15, 2012. The 2050 Strategy depicts for prevalent economic, social and political reforms to place Kazakhstan among the top 30 global economies by 2050. The 2050 strategy also identify the way of economic diversification for single-industry towns and the direct election of regional governors, which were previously presidential appointments. Why this strategy is more significant for Kazakhstan because first despite efforts to diversify, the Kazakh economy is still largely driven by oil and minerals second though Services are gaining a stronger role in Kazakhstan, but the sector is still fragile and underdeveloped and the third Agriculture is still an important source of employment and revenues but requires further modernisation in this context this policy will be the decisive factor for the future of the country.

Recently Nursultan Nazarbayev has delivered the annual state-of-the-nation address dedicated to Kazakhstan's path towards development until 2050 in Astana on January 17, 2014 during which he announced 10 large-scale projects that are set to be implemented in the country.

- Public service transport in Kazakhstan will become more ecologically friendly. New infrastructure will be created for special electric cars to be used across the country.
- Kazakhstan is slated to build up nuclear power industry and construct nuclear power plants. Demand for cheap nuclear power is believed to grow rapidly in the years to come.
- Funding for science is to increase up to the level of 3% of GDP.
- Development of mobile and multimedia, nano and space technologies, robotics technology, gene engineering, search and discovery of energy of the future is being eyed in Kazakhstan.
- An effective land market will be created through transparent pricing policy. Croplands will be leased out on condition that investments are attracted and new advanced technologies are introduced in order to increase competitiveness of Kazakhstani agricultural sector.
- Along with production of natural products, Kazakhstan will commence the development of short-rain genetically modified crops.

- A new oil refinery will be built in Kazakhstan.
- Kazakhstan will look into the possibility of introduction of compulsory health insurance. Shared responsibility of the state, the employer and the employee for his/her health is to become the major principle of the nationwide health care system.
- A new document underpinning the key values of Kazakhstani society – «The Mangilik Yel (Eternal Nation)» will be drawn up and adopted in the country.
- The Cultural Policy Concept is to be mapped out in Kazakhstan.

The key features of this strategy are:

- Plan to reach annual GDP growth not less than four percent.
- Increase the volume of investment from the current 18 percent of the country's GDP to 30 percent.
- The development of knowledge-based economy aims to see the share of non-oil products in Kazakhstan's export potential rise to 70 percent.
- The development of new high-tech sectors of the economy will require increase in financing of science to the minimum level of 3 percent of GDP. It is necessary to halve the energy intensity of the GDP.
- By 2050, small and medium-sized businesses will produce at least 50 percent of Kazakhstan's GDP, instead of the current 20 percent.
- Labour productivity should grow five-fold, from the current \$24,500 to \$126,000.

Point of fact is that in Kazakhstan middle class becomes the largest segment of the population and share of urban population increases from 55 percent to 70 percent of the total so these are the reasons for which Kazakhstan have to develop the infrastructure, healthy life style, advances in medicine and medical tourism will be the necessity for their own people.

There are also seven priority areas to steer country forward:

- Adjusting and strengthening the trends of innovative industrialisation
- Developing an agro-industrial complex
- Expanding Kazakhstan's scientific capacity
- Dynamically developing the infrastructure triad (including agglomeration, transportation and energy in Astana, Almaty, Shykent and Aktobe).
- As already mentioned the small and medium sized businesses
- Pursuing a host of programme in education, healthcare and social protection
- Improving the work of public institution

Since gaining its independence, Kazakhstan has issued a number of strategic documents covering a wide range of issues. The State Programme for Accelerated Industrial and Innovative Development for 2010-2014 is one of the most recent and significant; the other is the 2020 Business Road Map. These and all the other documents mentioned above are in direct compliance with the 2030 Strategy. President Nazarbayev has evaluated the level of realization of the 2030 Strategy goals and objectives in domestic and foreign policy in his Annual Addresses to the People of Kazakhstan since 1997, when the Strategy was issued. Even Kazakhstan already proved that these strategies were not only for announcement but almost all the target was achieved by government which set for these strategy. It is also very significant in the context of India-Kazakhstan relation.

India-Kazakhstan relation

The Innovative factors which are significant to boost India – Kazakhstan relation:

- Mining will be need to be developed, as subsoil use provides the country with a natural competitive advantage but now it need that new approaches to managing, producing and processing hydrocarbons need to be developed. To do this state programme of accelerated industrial and innovative development for 2016-19 (called SPATID) will be starting. India has an expertise in this field so this is one of the important fields in this strategy where two countries can collaborate in the future.
- Mobile and multimedia industries, nanotechnology and space technology, robotics genetics engineering, energy of the future, processing enterprises in the agricultural sector in SMEs and

commercialisation of scientific research. As an Information Technology connoisseur India will be the key country for Kazakhstan to establish a long term relationship in the future.

– Kazakhstan also in the processes to invite leading transnational companies operating in major oil and gas and mining facilities to establish production facilities for their own needs and services in the country. In this field India can do more in near future with Kazakhstan.

– In this policy Kazakhstan also need to augment Kazakhstan's transit potential in the heart of Eurasia. Domestic highways like Astana-Karaganda-Almaty, Astana-Pavlodar-Ust kamenogorsk and almaty-Kapchagay-Ust kamenogorsk is already developed. The western Europe – Western China corridor is also coming to an end which is also the part of north-south corridor. Kazakhstan built a new railway to Turkmenistan and Iran, with access to the Persian Gulf. It is also in the process to strengthen the efficiency of the Aktau sea port and simplify exploring and importing procedures. These are some transit route which will be more beneficial for India in the future. Kazakhstan government is also working sincerely on this to strengthen the relation with India and other countries.

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