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Analysis of China's Economic Strategy and Foreign Policy in Kazakhstan



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Abbreviations

CIPS	China International Payment System
SDR	Special Drawing Rights
AIIB	Asian Infrastructure Investment Bank
APAC	Asia-Pacific countries
BNS	Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan
WB	World Bank
WHO	World Health Organisation
EEC	Eurasian Economic Commission
CPAFFC	Chinese People's Association for Friendship with Foreign Countries
PRC	People's Republic of China
CPC	Communist Party of China
KR	Kyrgyz Republic
MIA RK	Ministry of Internal Affairs of the Republic of Kazakhstan
IMF	International Monetary Fund
MFA of PRC	Ministry of Foreign Affairs of the People's Republic of China
IIP	International investment position
IOM	International Organisation for Migration
MLPSP	Ministry of Labour and Social Protection of the Republic of Kazakhstan
MSR	21 st Century Maritime Silk Road initiative
NBK	National Bank of the Republic of Kazakhstan
BRI	Belt and Road Initiative
ARVI	acute respiratory viral infection
RK	Republic of Kazakhstan
RT	Republic of Tajikistan
RF	Russian Federation
Media	mass media
XUAR	Xinjiang Uygur Autonomous Region
USA	United States of America
SRF	Silk Road Foundation
CPC Central Committee	Central Committee of the Communist Party of China
SREB	Silk Road Economic Belt

Introduction

For more than three decades, China has been astonishing the world with the rapid growth of its economy. Back in the 1970s, the Chinese economy was primarily agrarian and based on an administrative command system. Among industrialised countries of the world China has recently risen to the top. In terms of nominal GDP China has long been the second-largest economy in the world and as of 2014 it has become the world's largest economy on a purchasing power parity basis.

China is also Kazakhstan's most significant trade and economic partner: It is currently Kazakhstan's top export market and its second-largest source of imports and trade volume, trailing only Russia. China may eventually surpass Russia in terms of foreign economic cooperation given Russia's growing international isolation and the Chinese economy's continued growth.

At the same time, there is a distinct lack of comprehensive research on China's internal and external processes in Kazakhstan. However, it becomes nearly impossible to create the most useful model of interaction between Kazakhstan and China without a thorough understanding of the circumstances there.

Analysis of Chinese Economic Strategy and Foreign Policy in Kazakhstan was conducted in 2020 by the Public Foundation TALAP Centre for Applied Research in collaboration with the Konrad Adenauer Foundation. The study's objectives were to identify the role of Chinese investment in Kazakhstan, evaluate the effects of Chinese labor on the Kazakh labor market, and formulate suggestions for future cooperation with China. A separate area of research was the creation of the China Perception Index in Kazakhstan;

In 2022, the Public Foundation TALAP Centre for Applied Research carried out a second study on Chinese issues, the results of which are reflected in this report. The research focused on the following aspects of Chinese foreign policy and Kazakh-Chinese relations:

- › mechanisms of PRC foreign policy and international experience of engagement with China in the world
- › China's economic presence in Kazakhstan;
- › information coverage of China's activities in Kazakhstan;
- › formation of the China Perception Index in Kazakhstan;
- › Partnership issues between Kazakhstan and China.

I. Comparative analysis of PRC foreign policy mechanisms and international experience of engagement with China in the world

The specifics of Chinese international politics.

According to the majority of macroeconomic and political indicators, the PRC is already a power of the first order, with a wide range of domestic and foreign political interests that have some impact on the international agenda. However, China is a particular example of a "closed" state and is distinguished by the following traits:

- › a lack of transparency in state systems that are characterised by extensive, complex, and multi-level decision-making and implementation;
- › high levels of information control on the nation's domestic political and economic processes;
- › similarly high level of control over the country's internal political and economic processes themselves.

With a completely distinct mentality and culture from the rest of Eurasia and the rest of the world, China is actually a type of "closed mega-system" or "parallel civilisation." Due to these factors, China's interpretation of the vast majority of Eurasian events—both recent and historical—differs significantly from "classical" European or Soviet/Russian historiography.

China actively participates in globalisation, but there are few connections between domestic affairs and international affairs. For instance, the global economy largely ignored the "mortgage crisis" and "overheating" of the Chinese real estate market between 2013 and 2015. Whereas the mortgage and stock market crisis in the US in 2007 led to the global financial crisis of 2007-2008, which had a significant impact on many countries and regions around the world, but did not affect the PRC.

According to the highest-ranking officials of the Communist Party of China and the PRC, the transformation of China's major foreign policy directions and strategic courses can be roughly divided into three main stages:

I. "Mao era" (1st Chairman of the CPC Central Committee in 1949-76 and 1st President of the People's Republic of China in 1954-59), when foreign policy was entirely subordinated to the changing ideological attitudes and slogans of the "Great Helmsman";

II. "Deng Xiaoping era" (the "core" of the 2nd generation of Chinese leaders led by Deng Xiaoping, whose reforms were continued by the 3rd generation of Jiang Zemin) – foreign policy is entirely subordinated to domestic political and economic tasks.

III. The "Paradigm of China's Rise" (4th and 5th generations of Chinese leaders - Hu Jintao and Xi Jinping), in which foreign policy continues to address issues related to China's socioeconomic development and attempts to ascertain its position in the world and in global geopolitics (developing or developed, open or closed country, regional or global power, aggressive foreign policy and economy, or the modernised Deng Xiaoping policy) through trial and error and regular changes in concepts.

Institutional mechanisms for the implementation of foreign policy.

The implementation of foreign policy involves the Head of State or Government (*determines the main directions of foreign policy*), the Ministry of Foreign Affairs (*the authorised body, which develops the main areas of foreign policy, coordinates the activities of other state bodies*), the Government (*ensures interaction with foreign governments, international organisations, implements foreign economic policy measures*), the Parliament (*legislative work on international treaties*), and state bodies (*participate in international cooperation*).

Foreign policy instruments in the normative legal field are national acts (*laws, state programmes, concepts, foreign policy strategies*) or international treaties (*bilateral or multilateral programmes and plans to implement agreements and obligations*).

In the institutional sphere, the instruments and mechanisms for implementing foreign policy are intergovernmental and inter-agency commissions (committees, councils, forums) and working groups, and in general, all elements of the system of the diplomatic service and foreign institutions of the country.

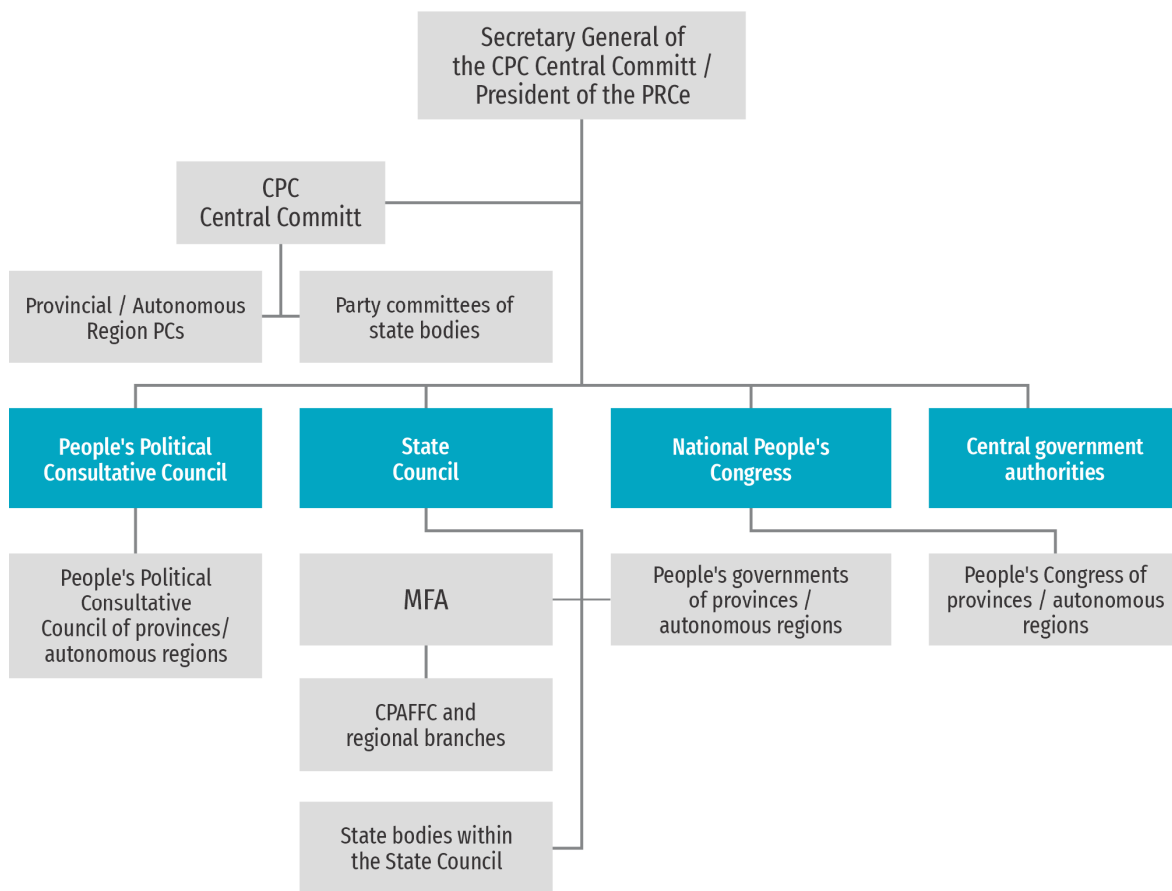
The main directions of the country's foreign policy are determined and formulated by the so-called Central Foreign Affairs Commission of the CPC Central Committee (*until 2018, the Central Foreign Affairs Leading Small Group of the CPC Central Committee*), which is headed by the General Secretary of the CPC Central Commission, President Xi Jinping, and the Committee includes Premier of the State Council, member of the Standing Committee of the Politburo of the CPC Central Commission Li Keqiang (*Vice-Chairman of the Commission*), member of the Politburo of the CPC Central Commission Yang Jiechi (*head of the Office of the Commission*) and Vice-Chairman of the People's Republic of China Wang Qishan.

In addition, foreign policy and international cooperation with some specificity in the central body of the Party are handled by: the International Liaison Department of the CCP Central Committee, the International Department (Fraternal Party Relations Division), the United Front Work Department, the Research Institute of the CPC Central Committee (foreign intelligence) and the Central Political and Legal Affairs Commission (analogous to the Security Council).

The CPC Central Committee communicates its policies to the Ministry of Foreign Affairs, other central government agencies, and the numerous regional executive, representative, and advisory bodies involved in international cooperation through the State Council, its central executive body, and through Party committees.

A fundamental difference in China's diplomatic and consular service system is that the PRC's Foreign Ministry is a conductor of the ideological and political course set by the CPC Central Committee and has itself a low degree of independence in determining the main directions and methods of implementing foreign policy.

Figure 1. Outline of the authorities and government agencies involved in the formulation and implementation of PRC foreign policy



The fact that the head of the foreign ministry rarely served on the Political Bureau (*government*) of the CPC Central Committee (*the supreme body of the CPC and the country's 19–25 members*), and even less frequently on the Standing Committee of the CPC Central Committee Politburo (*the highest body in the CPC*), speaks to the relative low status of the foreign ministry in the system of state agencies.

Table 1. Foreign Ministers of the People's Republic of China since 1949

Minister	Years in office	Other positions in this (subsequent) period
Zhou Enlai	1.10.1949– 11.02.1958	Member of the Political Bureau of the CPC Central Committee and member of the Standing Committee of the Politburo of the CPC Central Committee since 1927, Premier of the State Council of China since 1949 (until his death on 08.01.1976).
Chen Yi (marshal)	11.02.1958–03.03.1971 (alternative date – before death 06.01.1972)	Vice Prime Minister of the State Council (since 1954), member of the Politburo of the CPC Central Committee (since September 1956) and the Standing Committee of the Politburo of the CPC Central Committee (from 08.12.1966 to the CPC Congress on 04.24.1969).
Ji Pengfei	19.01.1972–14.11.1974	Member of the CPC Central Committee (from 1972 to the 1980s)
Qiao Guanhua	14.11.1974–2.12.1976	Member of the CPC Central Committee (1973-76)
Huang Hua	2.12.1976 – 19.11.1982	Member of the State Council of the People's Republic of China (1978-80, 1982-83), Vice Premier of the State Council of the People's Republic of China (1980-1982), Member of the CPC Central Committee of the 10th, 11th, 12th convocations (1973-87).
Wu Xueqian	19.11.1982–12.04.1988	Member of the State Council of the People's Republic of China (1983-88), Vice Premier of the State Council of the People's Republic of China (1988-93), member of the CPC Central Committee of the 12th convocation (1982-87) and member of the Politburo of the CPC Central Committee of the 12th convocation since 1985, member of the Politburo of the CPC Central Committee of the 13th convocation (1987-1992)
Qian Qichen	12.04.1988–17.03.1998	Member of the CPC Central Committee of the 13th convocation (since September 1985), member of the Politburo of the CPC Central Committee of the 14th-15th convocations (1992-2002), Member of the State Council of the People's Republic of China (1991-93), Vice Premier of the State Council (1993-2003, 3rd until 1998, then 2nd in rank)
Tang Jiaxuan	17.03.1998–17.03.2003	Member of the State Council of the People's Republic of China (2003-2008), member of the CPC Central Committee of the 15th (1997-2002) and 16th convocations (2002-2007)
Li Zhaoxing	17.03.2003–27.04.2007	Member of the CPC Central Committee of the 16th convocation (2002-2007)
Yang Jiechi	27.04.2007–16.03.2013	Member of the State Council of the People's Republic of China (from 16.03.2013 to 19.03.2018), member of the CPC Central Committee of the 17th (from October 2007 to 2012) and 18th convocations (2012-2017), Executive

Minister	Years in office	Other positions in this (subsequent) period
		Secretary of the Leading Group for Foreign Affairs of the CPC Central Committee (from 08.2013), member of the Politburo of the CPC Central Committee of the 19th convocation (from 10.2017)
Wang Yi	16.03.2013 – present	Member of the State Council of the People's Republic of China (since March 2018), member of the CPC Central Committee of the 17th (2007-2012), 18th (2012-2017) and 19th convocations (2017-2022)

Along with economic reforms, a package of decentralisation of power and changes to regional governance has been put into place since Deng Xiaoping's time. And as early as the 1980s, the regional governments of China's provinces and districts gained a fairly high degree of foreign economic and foreign policy independence.

In this regard, the structures of the "people's governments" of the provinces and autonomous regions operate independent foreign affairs offices, foreign relations offices, departments of foreign trade and international cooperation (*with large staffs of 50-100 people*).

The political work of the regional foreign affairs offices is periodically coordinated by the China Association for International Friendly Contact (CAIFC), which has branches in all provinces, autonomous regions, and province-level municipalities.

The CAIFC is officially an all-China people's association engaged in 'people's diplomacy' (*as of 2011, cooperation had been established with 458 'people's organisations' in 148 states, by 2018 - more than 500 organisations from 157 countries*) and is formally overseen by the Chinese Foreign Ministry. However, it is in fact a "parallel Foreign Ministry" with a huge staff, directly subordinate to the CPC Central Committee. At the same time, CAIFC organises both political visits and major regional and international events.

In addition to the CAIFC, there are dozens of other "people's associations", "friendship associations", councils and organisations which are actively and independently (*or with the assistance of the PRC Ministry of Foreign Affairs*) engaged in international cooperation. In general, CAIFC and other organisations are part of the so-called "people diplomacy" system, which gains increasing attention from the PRC leadership.

Strategic foreign policy initiatives of China.

Since 2013, Beijing has launched a number of initiatives that seem to be solely focused on the economy to formally advance economic growth and deepen cooperation among Asian nations:

- › The SREB – Silk Road Economic Belt, initiated by Chinese President Xi Jinping in Kazakhstan in September 2013.;
- › The MSR – 21st Century Maritime Silk Road initiative, initiated by the head of China in Indonesia in October 2013.;
- › The BRI – Belt and Road Initiative, which united the projects of the SREB and the MSR in 2015.;
- › The Asian Infrastructure Investment Bank (AIIB), founded in October 2014 on the initiative of the People's Republic of China; it is widely regarded in the West as a viable alternative to the International Monetary Fund and the World Bank;

- › The Silk Road Foundation, established in December 2014 (capitalisation of \$40 billion) with the assistance of the China Investment Corporation, the Export-Import Bank of China and the Development Bank of China;
- › In November 2015, the People's Bank of China launched CIPS (*Chinese International Payment System*), its own international payment system, and the IMF decided to include the renminbi in the SDR basket. Meanwhile, in October 2015, the renminbi overtook the Japanese yen to become the world's 4th most popular currency (*after the dollar, the pound, and the euro*). Furthermore, for the first time ever, the renminbi replaced the US dollar as the primary currency used by China in its transactions with its neighbors in the Asia-Pacific region (*the second, third, and fourth places, respectively, are taken by the Japanese yen, Hong Kong dollars, and US dollar*).

Along with economic and domestic political objectives, these initiatives represent instruments of Beijing's new geopolitical agenda to shape a new global financial architecture and a 'non-American' multipolar world.

The Bureau of National Statistics of the RoK reports that 28,573 operating legal entities, including branches of foreign legal entities, operated in Kazakhstan as of 1 July 2022. Of these, 260 were large, 347 were medium-sized, and 27,966 were small businesses. The number of joint ventures with foreign participation in operation at the same date was 7,800, of which 7,473 were large, 180 were medium-sized and 147 were large enterprises.

By the end of the first half of 2022, Kazakhstan had 433 joint ventures with Chinese investors and 1,535 enterprises owned by Chinese investors. Thus, Chinese-owned enterprises accounted for only 5.37% of the total number of enterprises owned by foreign investors, while joint ventures with Chinese participation accounted for 5.55% of the total number of joint ventures.

Chinese businesses are predominantly represented in Kazakhstan by small enterprises (1,501 enterprises owned by Chinese investors and 403 joint ventures). The trade sector employs more than one-third of Chinese businesses and about one-quarter of joint ventures with Chinese partners. Additionally, from a quantitative perspective, Chinese investors are strongly represented in the manufacturing, mining, and construction industries.

II. Analysis of the PRC's economic presence in Kazakhstan and its impact on the national economy

The role of Chinese investments in the economy of Kazakhstan.

China has traditionally been among the leading countries in terms of investment in Kazakhstan. According to the NBK's International Investment Position (IIP), up until the end of 2019, China was the fourth-largest accumulated investor¹ in Kazakhstan's economy, after the Netherlands, the US, and the UK. However, due to falling investment volumes in absolute and relative terms, China moved into fifth place in the first quarter of 2020 and into sixth place by mid-2021, behind Russia and France.

Table 2. Leading countries in terms of investments in Kazakhstan in 2017-2021

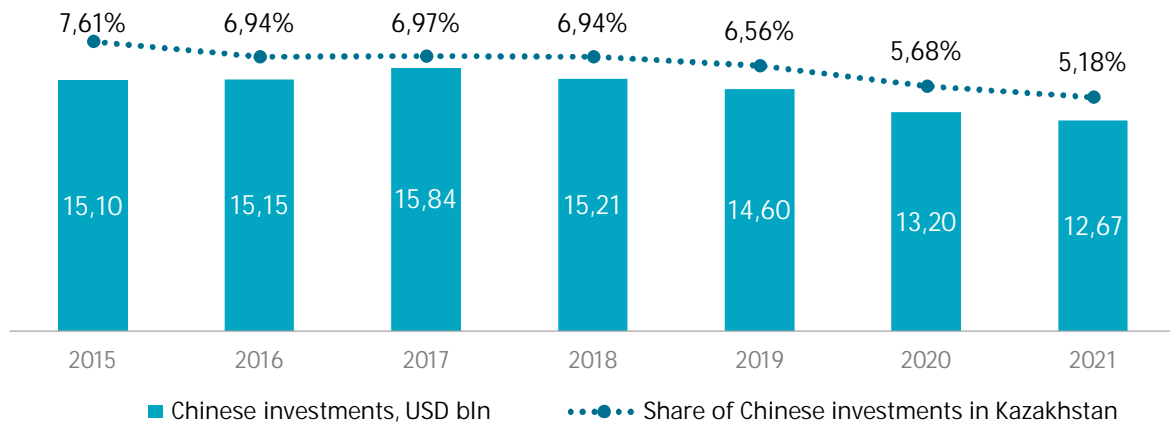
№	2017	2018	2019	2020	2021
1	The Netherlands	The Netherlands	The Netherlands	The Netherlands	The Netherlands
2	USA	USA	USA	USA	USA
3	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
4	China	China	China	France	Russia
5	France	France	France	China	France
6	Russia	Russia	Russia	Russia	China
7	Japan	Japan	Bermuda Islands (Britain)	Bermuda Islands (Britain)	Bermuda Islands (Britain)
8	Hong Kong (Xianggang)	Hong Kong (Xianggang)	Japan	Japan	Japan
9	Bermuda Islands (Britain)	Switzerland	Switzerland	Switzerland	Switzerland
10	Switzerland	Bermuda Islands (Britain)	Virgin Islands (Britain)	Hong Kong (Xianggang)	Hong Kong (Xianggang)

Source: NBRK

In recent years, there has been a slight decline in Chinese investment and its share of investment. Thus, total investment fell from a peak of \$15.84 billion at the end of 2017 to \$12.67 billion at the end of 2021. At the same time, the share of Chinese investment in the total volume of investment in Kazakhstan's economy has also steadily declined: by the end of 2021, it had fallen to 5.18% - the lowest level in recent years.

¹ According to the BPM6 methodology, when generating IIP statistics, a country's external liabilities represent investments in its economy, which include direct investments, portfolio investments, investments in derivative financial instruments and other investments.

Figure 2. Dynamics of volume and share of Russian and Chinese investments in Kazakhstan (position at the end of the period)



Source: NBRK

Kazakhstan's investments in China are dominated by 'other investments' (predominantly trade finance liabilities and receivables to Kazakhstani residents), which account for 55.97% of total investments by the end of 2021. The shares of portfolio investments and investments in reserve assets were 25.88% and 11.53%. At the same time, the share of Kazakhstan's direct investment in the Chinese economy is significantly lower, amounting to 6.62% of total Kazakhstan's investment in China at the same reporting date.

At the end of 2017, there was a sharp increase in accumulated Chinese FDI in Kazakhstan (from \$3.51 billion to \$9.59 billion) with a comparable decline in other categories (from \$11.65 billion to \$6.25 billion), with the share of Chinese FDI in total FDI in Kazakhstan rising from 2.4% to 5.9%. Apparently, the NBK has reclassified significant amounts of Chinese investment from "other investment" to "direct investment" in 2017.

Chinese foreign direct investment in Kazakhstan's economy peaked at the end of 2017, but by the end of 2021 it had dropped by more than 40%. However, other categories (i.e. portfolio and other investments) increased from \$6.25 to \$7.09 billion over the same period.

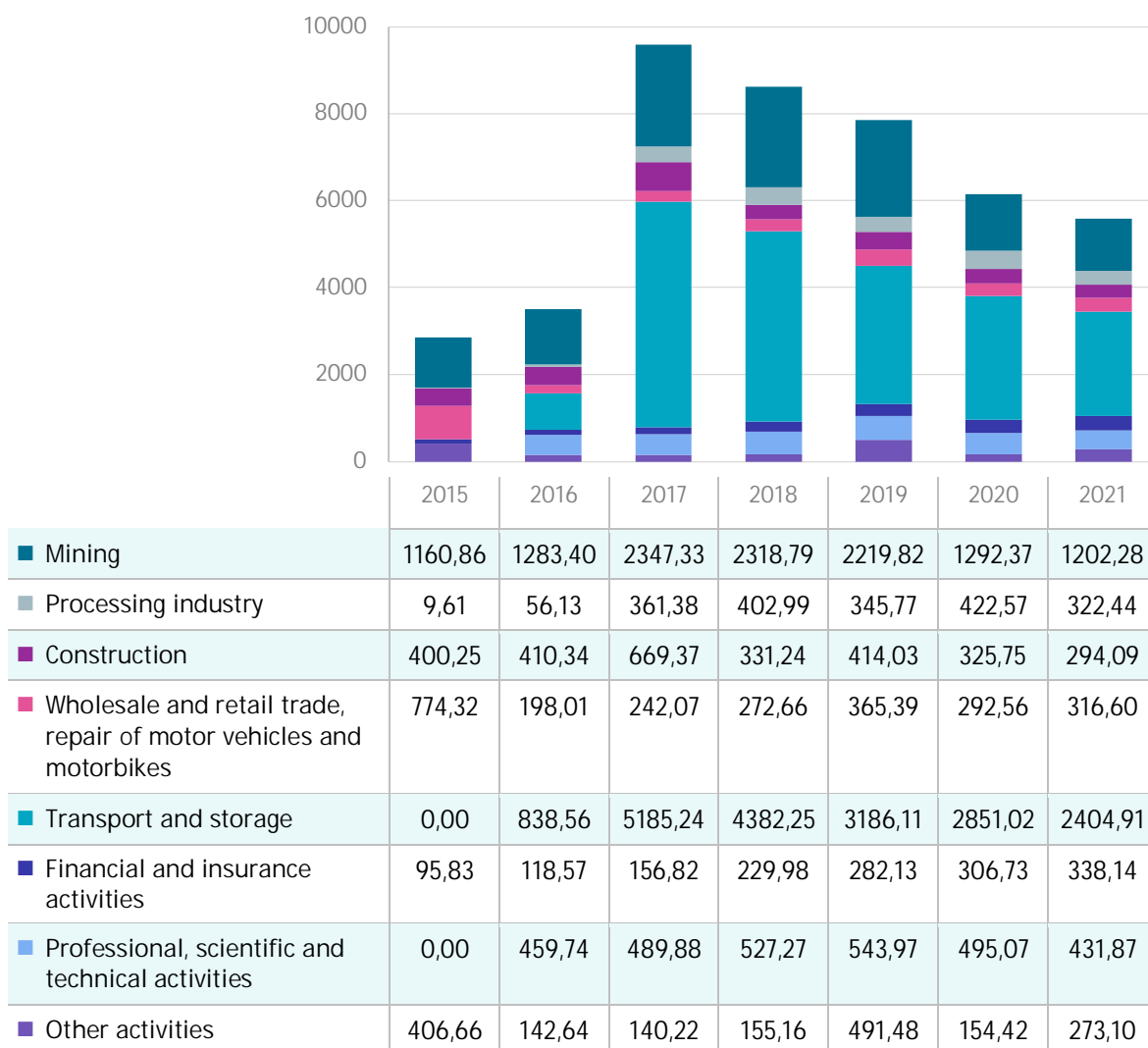
The NBK estimates that China's net FDI inflows to Kazakhstan from 2016 to 2021 totaled "minus" \$607.15m. Negative net inflows on debt instruments completely countered positive net inflows on equity instruments and reinvested earnings, which were the main drivers of positive net inflows on both.

Given the unfavorable circumstances surrounding the Astana LRT project, which was funded by Chinese investors, one plausible explanation for the current trend in net FDI inflows by capital type could be the conversion of a number of problematic investments by Chinese investors in Kazakh projects into equity, which is reflected as an increase in reinvested earnings. It is important to note that the flow and stock figures mentioned above are inconsistent in the case of Chinese investment.

In addition, the 2021 results show a sharp rise in net equity investment inflows, or actual investment in Kazakhstani projects.

The sectoral composition of Chinese FDI reflects China's full focus: the industry structure is dominated by transport and extractive industries, which accounted for 43.07% and 21.53% of total Chinese FDI, respectively, according to the NBK at the end of 2021.

Figure 3. Dynamics of Chinese direct investment in Kazakhstan by sector (USD million, position at the end of the period)



Source: NBR

Trade relations between Kazakhstan and China.

China has traditionally been one of Kazakhstan's most important trading partners, ranking first in terms of Kazakhstan's exports and second after Russia in terms of imports and trade turnover. Thus, by the end of 2021, China's share in Kazakhstan's foreign trade turnover amounted to 17.90%, while it accounted for 16.36% of exports and 20.15% of imports.

In recent years, there has been a trend towards the growing importance of China as a trading partner of Kazakhstan. However, China's growing role as a supplier of products to Kazakhstan should be noted, while Kazakhstan's exports are strongly influenced by the volatility of world commodity prices, the main export item of Kazakhstan.

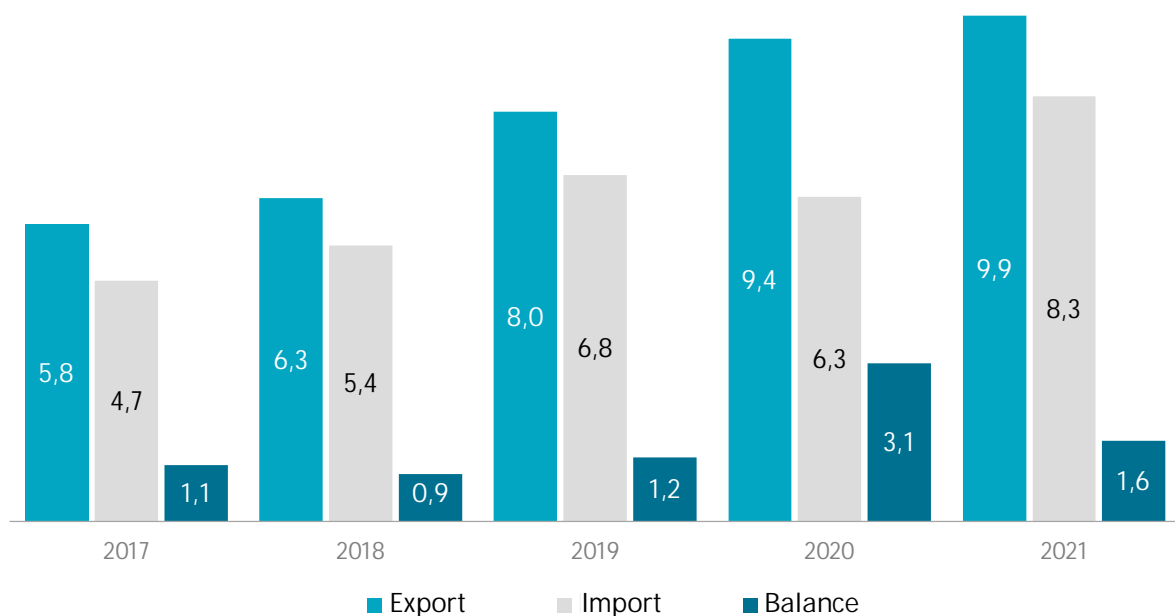
In recent years, foreign trade between Kazakhstan and China has shown significant growth. The volume of trade between the two countries in 2021 increased by 73.16% compared to 2017, reaching \$18.2 billion, while Kazakhstan's total foreign trade increased by only 29.97%. However, imports to Kazakhstan from China grew at a slightly faster rate than exports: while imports increased by 76.70% in 2021 compared to 2017, exports increased by only 70.29%.

It should be noted that the quarantine restrictions put in place in 2020 due to the pandemic somewhat constrained the growth of Kazakhstan's exports to China. For instance, in response to the pandemic in 2020, China tightened regulations on cargo from Kazakhstan, which in particular resulted in a significant buildup of wagons at the Dostyk-Alashankou border crossing. In response, the Kazakh government placed an administrative ban on Kazakhstan Temir Zholy's shipments to China from October to December 2021.

Exports from Kazakhstan to China have generally not decreased as a result of the negative impact, but imports from China have decreased by more than USD 420 million due to a decline in consumer activity in Kazakhstan during the lockdown.

Kazakhstan's trade balance with China has traditionally been positive. In the medium term, it is highly likely that the trade surplus with China will decrease, and possibly even turn into a trade deficit, due to the faster growth of imports from China than exports to that nation and the restrictions on trade with Russia due to international sanctions.

Figure 4. Dynamics of trade volumes of Kazakhstan with China, billion dollars.



Source: EEC

More than half - 53.28% in 2021 - of Kazakhstan's exports to China are mineral products (mainly oil and other fossil fuels). Chemicals and metallurgy were the second and third most significant commodity groups, accounting for 35.15% and 7.02% of total exports, respectively. Just over 2% of the total is made up of the shares of foodstuffs and the category "Machinery, equipment, vehicles, instruments and apparatus," with the latter appearing to be primarily irregular, non-systematic re-exports of specific items. The shares of other commodity groups in Kazakhstan's exports to China are at the level of statistical error.

The structure of Kazakhstan's imports from China is dominated by the "Machinery, equipment, vehicles, devices and apparatus" commodity group, which accounted for 58.72% of total imports in 2021. Other important commodity groups in terms of imports from China are chemical products (10.65%), textiles and textile products (8.38%), metal products (7.42%) and footwear, headwear, and haberdashery products (5.17%).

As a result, Kazakhstan exports to China primarily low-value-added minerals and intermediate goods from the chemical and metallurgical industries, while China imports machinery, equipment, as well as a variety of higher-valued goods and products. However, due to the substitution of Russian goods with Chinese ones in the context of anti-Russian sanctions, the commodity structure of Kazakhstan's imports from China is likely to experience noticeable changes in the near future.

Migration between Kazakhstan and China.

Since 2012, i.e. for more than 10 years, Kazakhstan's external migration balance has been negative. The cumulative net migration outflow for the 10-year period (2012–2021) was 171,600 people. The main reason for the negative migration balance is the continuing outflow of the Russian-speaking population seeking permanent residence in Russia.

Kazakhstan's migration balance with China, on the contrary, is steadily positive. For example, between 2012 and 2021, 16,400 people arrived from China to Kazakhstan for permanent residence, while only 484 people left in the opposite direction. Over a ten-year period, 16.4 out of 334.2 thousand people who immigrated to Kazakhstan were from China, or roughly 10.1% of the total immigration.

It is noteworthy that 98.96% of all immigrants from China over a ten-year period were ethnic Kazakhs. At the same time, the number of resettlers sharply decreased in some years, presumably as a result of adjustments to Kazakhstan's immigration regulations regarding the repatriation of ethnic Kazakhs.

The Bureau of National Statistics does not release any data on labor migration; instead, the government organisations in Kazakhstan in charge of keeping an eye on and regulating labor migration, such as the Ministries of Internal Affairs and Labor and Social Protection of Population, only very infrequently and in very fragmented ways release data online. At the same time, information on labour migration by country is periodically reported by the press services of these agencies in response to media enquiries.

In 2020, the International Organisation for Migration (IOM) Mission to Kazakhstan prepared an Extended Migration Profile of Kazakhstan containing comprehensive data on labour migration up to 2019. According to IOM data, the share of migrant workers in Kazakhstan's total labour force in 2015–2019 ranged from 2.02% in 2015 to 6.35% in 2019. In 2018, there were 577.39 thousand officially registered labour migrants, which was also a record high. The vast majority of labour migrants worked on the basis of a patent, while a much smaller number worked within the established quotas.

According to IOM data, Chinese nationals worked only within the established quotas for foreign labour (the IOM contribution did not address business migration). The number of Chinese labour migrants peaked at 17,51,000 in 2015 and then began to decline rather rapidly, falling to 5,35,000 by 2019. The share of Chinese labour migrants in the Kazakh labour force ranged from 0.06% in 2019 to 0.20% in 2015.

Zakon.kz reported that as of 1 July 2022, 16,061 foreign nationals were working in Kazakhstan, including 3,587 workers from China, 1,820 from Turkey, 1,691 from India, 1,563 from Uzbekistan, and 1,123 from Britain.

Thus, migration processes between China and Kazakhstan do not have a major impact on demographic processes and the ethnic structure of the population, and labour migration from China has no impact on the labour market situation. Moreover, the number of migrant workers from China working in Kazakhstan has gradually declined in recent years, indicating a decline in the attractiveness of Kazakhstan's labour market for Chinese nationals. However, there is some direct correlation between the amount of Chinese FDI in the Kazakh economy and the number of migrant workers from China working in Kazakhstan.

III. Analysis of information coverage of China's activities in Kazakhstan

Chinese experts believe that an obstacle to China's relations with its neighbours in the North-West is the 'image', or rather the knowledge and perceptions, that Central Asian states and their citizens have of China. Although there are some similarities between the political, economic, and social environments of the Central Asian nations, there are differences in how elites and society view the PRC.

Anti-Chinese publications in the media and on social media have risen significantly and consistently since 2017. Prior to the aforementioned time, there was sporadic critical media coverage of the PRC and its policies, but it was ad hoc and reflected responses to specific events. Due to the fact that pertinent information was released in tandem with the events and that publications as a whole did not constitute an information wave, this situation was generally seen as normal. Since 2017, it has been apparent that critical writings about the PRC have developed a clear propaganda focus and taken on a distinctly negative connotation (amid attempts at provocative Sinophobic actions and protests, which had an occasional but not mass character in 2018–2020). As a result, this trend caused a corresponding reaction of the state.

In January 2022, President Tokayev spoke officially about Sinophobia and commented on anti-Chinese demonstrations in Kazakhstan: "...as for China, we must perceive our closest neighbour as if from God. We can't replace our neighbors. China has achieved success in its economic development. We have to cooperate. Our farmers are relying heavily on the Chinese market...".

An analysis of the tone of PRC news coverage as a whole reveals that the majority of it is neutral because it primarily presents news information without any kind of evaluation or interpretation. In 2020, according to the automated monitoring, negative reports in the media (print media, Internet, TV) amounted to only 18 out of 4,672 reports, in 2021 only 2,098 out of 92,907 reports, and 83 out of 12,079 reports in the first half of 2022.

The noticeable increase in positive news in 2022 is due to a number of events: on 3 January was the 30th anniversary of diplomatic relations, the online summit "CA + PRC", on 4-5 February a working visit of President Tokayev to China, and in February the Winter Olympic Games in Beijing, as well as the holding of the meeting "CA + PRC" in Nur-Sultan and participation of President Tokayev in BRICS+ meeting in June this year, which most likely caused increase of positive content about China in the information space of Kazakhstan.

Table 3. Topics of negative and positive materials on Kazakhstan-China relations in 2020 - first half of 2022

2020 год

Negative	Positive
The increase in the number of COVID-19 infections in China	Addressing traffic congestion at Kalzhat, Bakhty, Maikapchagai checkpoints on the border with China due to quarantine in XUAR
US declares cold war on China - Mike Pompeo's speech at the Nixon Library in California	China intends to send a second group of doctors to Kazakhstan
Chinese embassy in Kazakhstan urged caution after reports of 'unknown pneumonia' in southern Kazakhstan: reports in Chinese media and international impact	Export of dairy products of Kazakhstani enterprises to China
Fake that contraband from China may contain COVID-19 viruses	A "green corridor" for Kazakh exporters exporting to China has been jointly established with China
Issues of debt owed by Central Asian states to the PRC	Humanitarian aid from China: medicines to treat acute respiratory viral infections - Kazakhstan expresses gratitude to PRC for humanitarian aid
Congestion on the Kazakhstan-China border at the Bakhty, Kolzhat, and Maikapchagai checkpoints: XUAR tightens vehicle entry rules during quarantine	Chinese director Orkenbek Beisenbayuly, an ethnic Kazakh, has made a big-budget TV series in China
Kazakhstan rejects humanitarian aid from Taiwan over relations with China - criticism in Kazakh media	Kazakhstan may increase shipments of goods to China by \$808 million: results of the 11th meeting of the Kazakhstan-China Cooperation Committee's trade and economic cooperation subcommittee
False allegation that a Chinese plane allegedly sprayed poisonous chemicals in Kazakhstan	Director Adilkhan Yerzhanov's film The Battle of Atbay is was shown at the XXIII Shanghai International Film Festival
The issue of water consumption in Central Asia and cooperation with the PRC	First meeting of the Foreign Ministers of China + Central Asia (1+5)
The issue of Akzharkyn Turlybai's extradition to Kazakhstan	The first train from Serbia to China will transit through Kazakhstan
Kazakhstan and China still disagree on trade statistics	Xi Jinping's birthday greetings to N.Nazarbayev
The social situation in the XUAR	Kazakh singer Madina Dumankyzy's participation in the Chinese music competition "Sing! Kazakh singer Madina Dumankyzy's participation in the Chinese music competition "Sing! China" on Zhejiang TV channel; Gulzar Dalelkhankyzy, a Kazakh woman from China, entered the Guinness Book of World Records; results of the XV Changchun National Film Festival of China - Kazakhs among the winners
Pentagon statement: China wants to open a military base in Tajikistan	The film "The Composer" (Kazakhstan and China), received 4 awards at the 8th Vancouver Chinese Film Festival "Red Maple Leaf Award"

Negative	Positive
	<p>Belt and Road Initiative collaboration between China and Kazakhstan</p> <p>QazTrade export development to PRC and participation in the 3rd World Import Expo in Shanghai CIIE-2020</p> <p>Export of halal meat products from Kazakhstan to XUAR</p> <p>Kazakhstan approves changes to treaty with Russia, the Kyrgyz Republic, and Tajikistan on arms reduction near China's borders</p> <p>The Ministry of Agriculture of the Republic of Kazakhstan managed to include 78 more flax seed producers and 8 wheat flour producers in the register of enterprises for export to China</p> <p>N.Nazarbayev met with Foreign Minister Wang Yi</p> <p>President Kassym-Jomart Tokayev met with visiting State Councilor and Foreign Minister Wang Yi</p> <p>Laboratories for agricultural exports to China to be opened in Khorgos and East Kazakhstan</p>

2021 год

Negative	Positive
<p>Worldwide coronavirus with evidence of Chinese Wuhan as origin, including laboratory-developed coronaviruses (USA, UK, Norway), and WHO conclusions on the beginning of the pandemic from Chinese Wuhan</p> <p>The social situation in the XUAR</p> <p>Chinese political and economic tensions with the US, critical Western media coverage of China</p> <p>Traffic jams on railways and highways on the border of the Republic of Kazakhstan with China</p> <p>Anti-Chinese rallies in Kazakhstan</p> <p>The situation around 56 Kazakhstan-China jointly established plants</p> <p>Market protection from China (Ukraine, Italy, EU)</p> <p>Geopolitical controversies around the Belt Road Initiative (issues in project implementation)</p>	<p>China's economic achievements, economic growth in China, China's industrial growth in half a year 2021, achievements in industrial development</p> <p>China's triumph over COVID-19</p> <p>Events of the Chinese Embassy in the Republic of Kazakhstan in the field of culture/contests</p> <p>China's position on vacancy nationalism</p> <p>Negotiations and consultations through the Ministry of Foreign Affairs of the Republic of Kazakhstan</p> <p>Boao Forum in China and the participation of Elbasy</p> <p>Construction of the water reservoirs jointly by Kazakhstan and China</p> <p>Clear statement by the Kazakh Foreign Ministry on non-interference in PRC's Xinjiang issues</p> <p>Arrival of Chinese vaccine in Kazakhstan</p> <p>China's assistance and vaccine supplies to developing countries</p>

Negative	Positive
<p>China's Credit Diplomacy</p> <p>Suspended LRT construction and mention of Chinese contractor companies</p> <p>Divergence of customs trade statistics between the RoK and the PRC</p> <p>Restricting Chinese investment in Europe</p> <p>US calls for a boycott of the Winter Olympic Games in China in 2022</p> <p>Hurricanes, natural disasters, accidents, disasters in the PRC with fatalities (Wuhan explosion, deaths of athletes at a marathon, attacks on kindergartens, etc.)</p> <p>An anti-China resolution passed by the European Parliament prevents the 2019 investment agreement from being ratified.</p> <p>Claims by former US president Donald Trump for \$10 trillion compensation for alleged start of COVID-19 pandemic</p> <p>Human infection with the H10N3 strain of avian influenza</p>	<p>Achievements of the PRC in space</p> <p>China's New Environmental Policy</p> <p>Potential for exports from Kazakhstan to the PRC, prospects for bilateral trade</p> <p>Plans to open a Kazakhstan Trade House in the PRC</p> <p>Meeting of the Chinese Ambassador to the Republic of Kazakhstan with the President of the Republic of Kazakhstan K.Tokayev</p> <p>WHO approval of the use of the Chinese vaccine</p> <p>Vaccination of hundreds of millions of people in China</p> <p>The 100th anniversary of the CPC and the achievements of the party, the history of the CPC</p> <p>Investment cooperation between Kazakhstan and China</p> <p>Scientific developments and innovations of the PRC (decomposition of plastic in the ocean, artificial intelligence, new seeds, new smartphones, etc.)</p> <p>China's statements on international security issues (Palestine, Afghanistan)</p> <p>Opening of new enterprises and factories by Chinese investors</p> <p>Meeting of Foreign Ministers 5+1 (Central Asia + China) in online format</p> <p>China's support for the Palestinian side in the conflict with Israel</p> <p>Opening of new Chinese businesses in Kazakhstan, for example, taxi DiDi</p> <p>Achievements in the socio-economic development of Xinjiang</p> <p>The growth of the value of the yuan in the global economy</p> <p>Telephone conversation of the President of Kazakhstan K.Tokayev with Chinese President Xi Jinping</p> <p>Interview of the Chinese Ambassador to Kazakhstan Zhang Xiao for the Kazakhstani media</p> <p>Permission of the Chinese authorities to have families of three children</p>

*2022 год

Negative	Positive
<p>Coronavirus pandemic outbreak in China in 2022: country updates daily high in COVID-19 cases, lockdown in Beijing and Shanghai</p> <p>More than 20 people injured in a gas explosion in the Chinese city of Tianjin</p> <p>China raises petrol and diesel prices for the tenth time since the start of the year</p> <p>Tensions over the Taiwan Strait</p> <p>Tension in the US-China dialogue</p> <p>China suspends overseas group tourist tours</p> <p>China relinquishes the right to host the 2023 Asian Cup</p> <p>Residents of Zaisan may not have enough gas due to exports to China</p> <p>Several certificates for Chinese-made toys revoked in Kazakhstan</p>	<p>30th anniversary of diplomatic relations between Kazakhstan and China</p> <p>K.Tokayev participates in Central Asia – China Summit of State Leaders</p> <p>President Tokayev travels to China to take part in the Winter Olympics opening</p> <p>Beijing Winter Olympics: China tops the medal standings at home for the first time</p> <p>Dimash Kudaibergen performed in a Chinese TV channel's New Year programme</p> <p>Arrival of a new batch of Sinopharm vaccine to Kazakhstan</p> <p>China has reduced the quarantine time for foreign tourists</p> <p>China has made the 22nd space launch since the beginning of the year</p> <p>Kazakhstan and China have agreed on the mutual opening of cultural centers</p> <p>Water allocation agreements are being drafted by Kazakhstan and China.</p> <p>Central Asian countries and China will expand settlements in national currencies</p> <p>All checkpoints on the Kazakh-Chinese border have resumed their work</p> <p>China's achievements in the space programme; China plans flights to the Moon, Mars and beyond</p> <p>Chinese Foreign Minister Wang Yi's visit to Kazakhstan and the Central Asia + China meeting</p> <p>China eases COVID-19 test requirements for air passengers</p> <p>China proposes to launch BRICS enlargement process; PRC invites Kazakhstan to BRICS+</p> <p>China has launched a new composite cargo track to Europe via Kazakhstan</p> <p>Discussion of the issue of visa-free arrangements between Kazakhstan and China</p> <p>Resumption of direct flights between Kazakhstan and China</p>

IV. Results of the analysis of the China Perception Index in Kazakhstan

As part of the preparation of the report on Analysis of Chinese Economic Strategy and Foreign Policy in Kazakhstan, the "China Perception Index in Kazakhstan" was calculated by region. To determine the index, a sociological study was carried out including focus groups and a mass survey of 2,624 adult respondents from every region of Kazakhstan.

The index was calculated based on the methodology proposed by G. Tatarova. The index is an evaluation scale from "-1" to "1", where "-1" is a "very negative" attitude, "1" is "very positive". The measurement is carried out by four indicators:

Indicator 1. General perception of attitudes toward China;

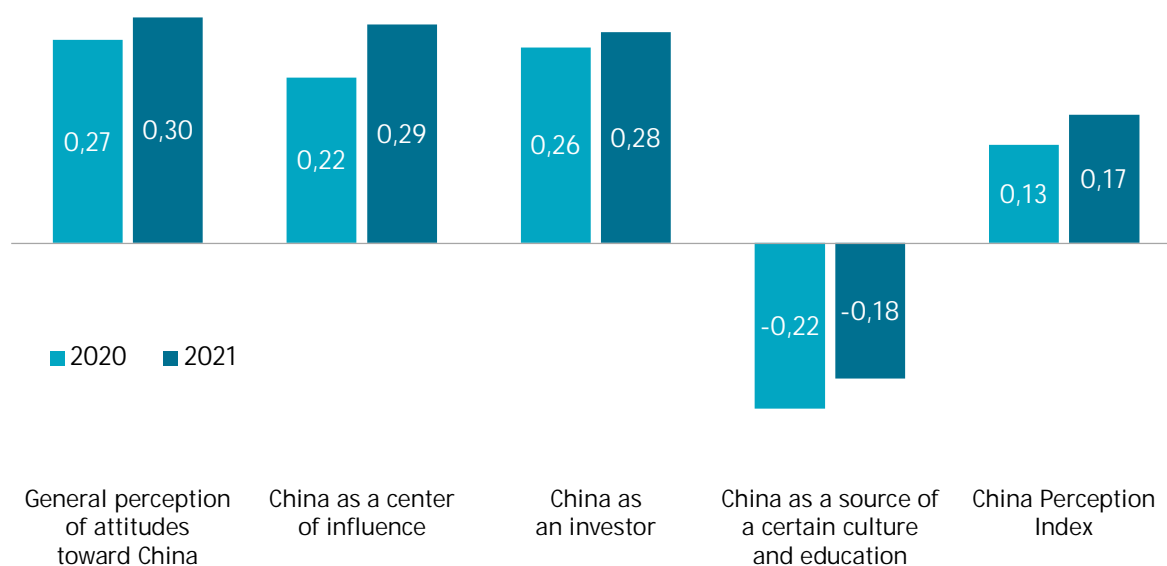
Indicator 2. China as a center of influence (geopolitics and security);

Indicator 3. China as an investor (cooperation);

Indicator 4. China as a source of a certain culture and education ("soft power").

The results showed that the index was 0.17 for the country as a whole, with a possible value of -1 to +1. **In a similar study in 2020, the China Perception Index was 0.13.** It is important to note that Kazakhstanis continue to have a positive or above-neutral opinion of China.

Figure 5. Values of the China Perception Index and its indicators



By indicator, the highest scores are observed for all criteria except for Indicator 4, "China as culture and education (soft power)", where the indicator took a negative value:

- › General perception of attitudes toward China – 0,30;
- › China as a center of influence – 0.29;
- › China as an investor – 0.28;
- › China as culture and education – -0.18.

Let's look at the China Perceptions Index's value by region. During two measurements, low Index values were observed in Aktobe (-0.04), Atyrau (-0.06) and Kyzylorda (-0.28) regions.

High values of the Index were calculated in Zhambyl (0.35), Kostanay (0.31), West Kazakhstan (0.31), North Kazakhstan (0.30), and Karaganda (0.30) regions.

Due to an increase in Indicator 1 (from 0.11 to 0.35) and Indicator 2 (from 0.38 to 0.43), the composite China Perception Index in Mangystau Oblast significantly improved in 2021 compared to 2020 (from -0.05 to 0.22). At the same time, there was a decrease in Indicators 3 and 4. Thus, the residents of the Mangystau region over the period under review began to perceive China more positively in general and as a centre of influence but more negatively as a source of investment, culture, and education.

It is worth noting that all three regions with a low Perception Index have negative scores on **Indicator 4** "China as culture and education", with negative scores in the remaining regions as well, except Zhambyl (0.01), Karaganda (0.05) regions, and city of Shymkent (0.02).

Positive values were recorded in the named three areas for **Indicator 2**, "China as a centre of influence".

For **Indicator 1**, "General perception of attitudes toward Chin", negative scores are observed only in Kyzylorda region (-0.37).

In **Indicator 3** "China as an investor", negative values prevail in Kyzylorda (-0.35) and Aktobe (-0.10) regions.

The survey's findings indicate that, in general, Kazakhstanis' opinions of China depend less on factors like gender, region, and other socio-demographic characteristics than they do on factors like age and education, where there is a more noticeable disparity in the respondents' responses.

The analysis of the sociological survey, focus groups, and expert interviews led to the following conclusions, which are based on the study's objectives:

1. Despite the overall positive trend, China's image is still ambiguous in the eyes of the Republic of Kazakhstan's citizens. The variety and availability of Chinese-made household goods on the Kazakh market, as well as the possibility of conducting business in order to export domestic goods to China and draw investment, are just a few examples of the factors that support Kazakhstan's favorable perception of China. Business understands that China is a valuable partner in terms of sharing experience, especially in trade. Chinese investors are also the target of disapproval due to their lack of accountability and dedication to self-serving interests, particularly in matters involving subsoil use. Kazakhstanis generally tolerate China, but there is a negative connotation when it comes to the Celestial Empire as a source of culture and education. This is affected by differences in cultural characteristics and national mentality.
2. Despite the shift in emphasis brought on by the Covid-19 pandemic over the past year, only about one-third of respondents' report that they still frequently come across reports about China and what is happening there. The most frequently cited sources of information are social media and messengers, articles in e-publications, broadcasts, and films. The Republic of Kazakhstan is geographically situated between China and Russia, two political powerhouses on which it depends economically. Although the majority of respondents deny any interest in the events taking place in China, this is more likely due to an internal reluctance to discuss such a complex and controversial subject.
3. The following trends can be highlighted when examining the economic, political, and sociocultural facets of Kazakhstani citizens' perceptions of China: In terms of China's impact on Kazakhstan's economy, the majority of respondents were positive. Based on the evaluation of political influence, it can be said that Kazakhstani citizens do not perceive China as posing any kind of threat. At the same time, China's political system itself is generally perceived negatively. In this study, attitudes toward Chinese culture and education—which, as the survey reveals, are

generally unfavorable—can be used as a criterion for assessing the sociocultural aspects of perceptions of China. Among the respectable traits of the Chinese, the Kazakhs noted their hard work and capacity for work. The most common negative traits are cunning, slovenliness, and impudence.

4. When it comes to bilateral cooperation between Kazakhstan and China, our nation's citizens are largely positive about the two countries' current relations or neutral. Speaking of the areas most favoured for cooperation, the Kazakhs mentioned trade, technology, manufacturing, logistics, and tourism. Agriculture, a long-standing Chinese interest in Republic of Kazakhstan territory, was named by respondents as one of the sectors least suitable for cooperation. As we can see, the Kazakhs are willing to cooperate provided they receive technology, resources, and goods. They see the Chinese side as a threat to a priceless national asset and are hesitant to accept them as beneficiaries of Kazakhstan's resources, including its farmland and land.
5. On the one hand, Kazakhs understand the need for China as a major producer of basic goods and a major market. On the other hand, there are significant concerns regarding Chinese enlargement and the creation of zones of influence. Agriculture, finance, and nuclear energy are the three strategic industries where Kazakhs do not accept the presence of China. Sinophobic attitudes are shaped by a variety of factors, both cultural and economic. Individual economic factors can only reinforce the overall perception. For instance, in light of unemployment and low living standards, the employment of Chinese nationals in joint projects or joint ventures between Kazakhstan and China has led to discontent among the population. Another economic reason could be the reluctance of Chinese capital to invest in such promising sectors as IT. As of now, Kazakhstan is associated negatively with Chinese investors who use Kazakhstan as a source of resources and raw materials to meet their own needs. One of the causes of anti-Chinese attitudes may also be a lack of awareness and specific economic knowledge; however, business representatives who actively work with Chinese partners are more objective in evaluating the advantages of such partnerships and exhibit much less anti-Chinese sentiment.

In terms of expert assessment of China's economic, political, legal, and cultural influence in Kazakhstan, the following points should be highlighted:

1. Due to its excellent potential for logistics, transit, and communication, the Republic of Kazakhstan is recognised by experts as playing a significant role in the People's Republic of China's foreign policy. Naturally, China is also Kazakhstan's most important strategic partner, a market for raw materials, including metals, oil, and agricultural products. In this regard, it would be extremely unwise to ignore our neighbourhood; instead, a model of relations that is impartial and supportive of bilateral cooperation is needed.
2. The cultural attitudes of Kazakh citizens towards China are currently still negative due to a lack of awareness. People who do not know the history and traditions of China can provoke resistance to everything Chinese. The youth, the new generation, are more loyal to the culture of this country because they are more imbued with it as a major world civilisation. Sinophobia appears to be dwindling in the future in this regard.

V. Achieving an equal partnership between Kazakhstan and China

President of the Republic of Kazakhstan K.K.Tokayev in January 2022 said "... as for China, we must perceive our closest neighbour as if from God. We can't change neighbors. China has made tremendous progress in development. We must cooperate with China...". In turn, President Xi Jinping noted at the Central Asia-China Online Summit in January 2022 that "China stands ready to uphold the principles of goodwill, sincerity, mutual benefit and tolerance, will continue to expand contacts with Kazakhstan and the Central Asian states at the highest and highest levels and will intensify strategic coordination". The PRC's relationship with the RoK has undergone several stages of development over the past three decades, each with its own traits, objectives, interests, and results.

Throughout the course of their recent relations (since 1991), Kazakhstan and China have managed to build bilateral cooperation without politicisation. Currently, there are no comprehensive strategic issues that prevent the People's Republic of China and the Republic of Kazakhstan from working together bilaterally.

The previously critical issues important for both countries are the recognition of Taiwan as an integral part of China (*officially recognised by Kazakhstan in 1992 and enshrined in the Joint Communique on the Establishment of Diplomatic Relations between Kazakhstan and China*), security guarantees for Kazakhstan (*provided by China in 1995*), the border between Kazakhstan and China (*finally resolved in 1999 by the signing of the joint communique on the full settlement of border issues between the Republic of Kazakhstan and the People's Republic of China on November 23, 1999*), transboundary rivers (*the agreement on cooperation in the use and protection of transboundary rivers was signed on 12 September 2001, the relevant commission is currently working*) were resolved through constructive negotiations.

The other issues that occasionally arose in the two countries' relations were not critical and were mostly resolved through bilateral cooperation mechanisms, such as the Kazakhstan-China Cooperation Committee, whose task at the level of relevant government agencies is to resolve complex issues that arise in the dialogue between the two countries without transferring them to the political level and without placing them on the agenda of the two countries' leaders.

In general, this allowed both states to consistently reach new levels of relations and deepen strategic partnership. At present, Kazakhstan and China's relations today are largely built around the international Belt and Road Initiative (announced in the capital of Kazakhstan).

This was also discussed at the online meeting of leaders of states on 25 January 2022 which held in the format of "Central Asia and China", where, in particular, President Tokayev mentioned intensification of joint work on further construction of the Belt and Road, including through the implementation of major projects with high added value, among the most important tasks of cooperation. This was also a key topic at the 8 June 2022 Central Asia-China meeting in Nur-Sultan (now Astana), where the foreign ministers of the Central Asian states and the PRC confirmed their intention to continue high-quality cooperation within the Belt and Road Initiative and to expand multifaceted cooperation, including further expansion of settlements in national currencies.

The ability of Kazakhstan to advance comprehensive sectoral development policies will be crucial for the continued maintenance and growth of an equal partnership in relations with the PRC as well as Kazakhstan's ability to fully benefit from the Belt and Road Initiative and minimize risks. The economic benefits of improved transport infrastructure alone are relatively modest. The growth rates for rail traffic along the Belt and Road Initiative corridors that pass through Kazakhstan already show some of these benefits of quicker transit.

The initiative is about to enter its first decade, but much work remains before it can operate effectively after the current and future transportation projects of the modern Silk Road are finished.

Overall though, the advantages of better infrastructure will also depend on how well Kazakhstan implements policies to cut down on border crossing delays along transportation corridors, as well as how well the government's efforts to balance the economy in favor of non-resource exports and the private sector (SME, manufacturing, and service sector development) are successful.

The implementation of the Belt and Road Initiative is strategically beneficial to Kazakhstan. Kazakhstan is able to benefit from the Belt and Road Initiative, capitalising on revenues from China-Europe-China trade transit and gaining new markets for exports. Closer regional cooperation is needed to take advantage of improved hard infrastructure. More can be done to increase the dependability of transportation corridors by thoughtfully interacting with neighbours and coordinating processes and policies in the transportation and logistics sector.

In doing so, Kazakhstan is likely to be one of the biggest beneficiaries of the Belt and Road Initiative. This is not surprising. As a sizable landlocked nation, Kazakhstan's integration with the rest of the world is greatly influenced by the level of development of cross-border transportation, which depends on both its own and its neighbours' transportation networks.

Kazakhstan has spent a lot of money over the past ten years building its own infrastructure, but it has been challenging to fill in the gaps because of ongoing administrative barriers (to transit, trade, etc.) and a lack of funding from nearby nations. These gaps are filled in part by the BRI's emphasis on enhancing economic cooperation and transportation infrastructure, as well as China's desire to link its central and western regions with Europe and West Asia.

Kazakhstan has a huge transit potential, having a common border with China as the leader of world trade. With the beginning of the rail docking on the Chinese border in the 1990s, the state's active development got underway. In the last ten years, with the launch of the Belt and Road Initiative, the development has become more intensive. Overall, according to experts, Kazakhstan will experience an increase in the PRC's influence and the importance of PRC-related logistics projects over the next few years.

This is evidenced by the Kazakh government's plans, as well as the content of the Nurlı Zhol state programme, which mentions China more often than other neighbouring countries. Kazakhstan has planned the implementation of infrastructure projects in air, road, water, and rail transport. It is planned to create 550,7 thousand jobs in the industry by 2025. Given the total amount of planned investments in Kazakh transportation, the economic impact of the Silk Road and cooperation with the PRC will be substantial even though it is difficult to estimate the direct impact of the Belt and Road Initiative at this time (other than estimates of potential +15% growth in Central Asian economies).

Conclusion

Despite having a closed socioeconomic and cultural system, China is being compelled to pursue economic growth by its rapid economic growth. In this context, the Belt and Road Initiative, which aims to foster global cooperation and is based on the revival of Silk Road traditions, is particularly noteworthy. This initiative is one of the fundamental vectors of China's advancement to a new global role.

The Belt and Road Initiative could potentially open up opportunities for Kazakhstan to receive large-scale Chinese investments in infrastructure. However, economic data indisputably demonstrates that China-Kazakhstan investment cooperation is currently experiencing some difficulties. Thus, according to the data of the National Bank of Kazakhstan on the international investment position of Kazakhstan, in the first quarter of 2020, China moved from fourth to fifth, and by mid-2021 to sixth place in terms of accumulated investments, losing its positions to Russia and France.

At the same time, there is a tangible myth in Kazakh information discourse about aggressive Chinese economic expansion, which turns out to be untenable. China's demographic expansion is also a myth: in fact, Chinese citizens are massively uninterested in labour migration to Kazakhstan.

According to the sociological survey's findings, some areas have strong anti-Sino sentiments, and this sentiment frequently gets worse as a result of media coverage of Kazakhstan's negative relations with China.

Unfortunately, Kazakhstani society has developed a cloudy perception of China as an investor who, in the eyes of many Kazakhs, uses Kazakhstan as a source of raw materials and resources to meet its own needs. It should be understood, though, that sinophobia in any form not only hinders the development of equal and mutually beneficial relationships but also the expansion of cooperative efforts.

Analysis
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