

## FOREIGN AND SECURITY POLICY

There are five main directions to Kazakh foreign policy: towards the Russians; the Chinese; the other Central Asian republics; Turkey and Iran — the principal regional powers along the southern periphery of the FSU; and towards Europe and the transatlantic community. The principal preoccupations of the Kazakh government are economic stabilization and recovery, and regional security.

With regard to Russia, Nazarbaev was unenthusiastic about the dissolution of the Soviet Union and since that event has made a sustained effort to ensure that relations between Russia and Kazakhstan remain stable and strong. This reflects not merely concerns about ethnic peace in the country, but also the heavy economic dependence of Kazakhstan upon the Russian Federation, the questionable loyalty of the army of Kazakhstan — 90 per cent of the officer corps of which is Russophone — and his awareness that there are significant forces within Russia that do not accept the territorial settlement between the two countries. The desire for solid relations with Russia has been accompanied by a durable commitment to strengthening the Commonwealth of Independent States (CIS). In pursuing this line of policy, Nazarbaev has been willing to accept the cost of alienating much of the nationalist fringe of Kazakhstan's politics.

Despite Nazarbaev's preferences, there was a significant deterioration in Russian-Kazakh relations in 1993. This was the result of a number of issues. First was the issue of monetary relations discussed above. The terms associated with the post-July reform Russian proposal of monetary union involved the surrender of a substantial portion of Kazakhstan's limited foreign currency and gold reserves to the control of the Russian Central Bank. This resulted in the collapse of the proposed union in late 1993, the premature issue of a national currency, and its rapid depreciation.

This was associated with broader economic disputes. On the Russian side there was serious concern with the mounting Kazakh trade debt. This, however, was a two-way street. Kazakhs complained bitterly about simple Russian non-payment for goods imported from Kazakhstan (and notably coal), and the substantial delay of ruble-denominated payments, which, in the Kazakh view, amounted to a net transfer of real resources to Russia owing to rapid ruble inflation.

Second, the increasing attentiveness of the Russian leadership to the rights of Russian minorities in the "near abroad" had a substantial negative fall-out in the relationship. Nazarbaev responded to the dual citizenship proposal by comparing Kozyrev's attitude to Russians in Northern Kazakhstan to that of Hitler regarding