A Situation Report on the Politics, Economics, and Foreign Policy of Kazakhstan

groups, such as trade unions. This is clearly viewed with suspicion by the authorities.⁴⁶

The second major issue in relations with the West brings us a consideration of security and defence policy — the matter of non-proliferation and nuclear disarmament. Kazakhstan has agreed in principle to repatriate its strategic warheads to the Russian Federation and signed the Non-Proliferation Treaty on the occasion of American Vice President Gore's visit to the country in December 1993. At the time of writing, however, arrangements for compensation for the warheads have yet to be finalized and the linked issues of the costs of dismantling missiles and cleaning up the nuclear test site at Semipalatinsk have yet to be resolved. The Kazakhs generally mention a figure of \$1 billion in compensation and \$2 billion for dismantlement and cleanup. To my knowledge, few if any of the warheads involved have actually left the country. That said, prospects for a reasonably orderly process of denuclearization are reasonably good. Anti-nuclear sentiment runs deep in Kazakhstan, and, unlike in Ukraine, the president does not face an unruly legislature.

IMPLICATIONS FOR CANADA

In discussing the implications of this analysis for Canada, the first factor to bear in mind is that Canada's capacity to address in any meaningful way the fundamental problems of Kazakhstan in domestic politics and foreign policy is very limited indeed.

Nonetheless, the country has significance for Canada. In particular, it is a potentially promising market for Canadian natural resources technology and expertise. It is also an attractive venue for investment related to natural resources. Thirdly, for climatic reasons, and given the Kazakh crop mix, Canada's agricultural expertise is applicable in Kazakhstan. That is to say, Canada possesses a number of comparative economic advantages in the effort to build a relationship with this state. In some instances (e.g. involvement in the natural resources sector), pursuit of opportunity may result in substantial gain for Canadian enterprises. Kazakhstan may indeed be more promising in the short and medium term in this regard than Russia, because of the openness of Kazakhstan to foreign involvement in the economy. This is an

Policy Staff Paper

⁴⁶ When I was in Almaty in June 1993, the USAID administrator, William Attwood, visited to convey, among other things, the message that the United States was unhappy with official interference in the activities of American non-governmental organizations involved in political development and democratization programs, and that if the government was not more co-operative, there might be a reconsideration of economic assistance policy.