

Equality and independence

Integration for Kazakhstan is not an end in itself, but a tool for development.

TEXT: SOCIETY



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With the creation of the Customs Union, its Member States have enjoyed the benefits of a mechanism for the free movement of capital, goods, services and labor force. Integration for Kazakhstan, which aims to join the ranks of the world's leading countries, is not an end in itself, but an instrument of development. Astana's participation in the Customs Union (CU) and the Eurasian Economic Union (EEU) should therefore be assessed from this position.

THREE MAJOR ASPECTS

Because the ultimate aim of all reforms is to improve the living standards of a population, it is necessary to clearly and openly explain the proposed changes to the people. There are three main aspects of the integration process: first, it only concerns the economy – the Union is purely pragmatic, and a return to the days of the Soviet Union is out of the question. This principle is legally enshrined in the draft

treaty on the establishment of the EEU.

A second but equally important aspect is equality: integration will be equal and mutually beneficial in all spheres, from the management of the Union to the conditions for entrepreneurs and populations of the Member States.

In essence, the benefits of the CU for its Member States are many-fold: it is a mechanism for the free movement of capital, goods, services and labor force. The CU will lead to economic growth, above all in the manufacturing industry. In terms of numbers and facts: in 2013 Kazakhstan's volume of trade with Russia and Belarus increased by 87.6 percent to 24.2 billion US-Dollars, compared with 2009 figures. Moreover, our exports during the integration period grew by 64 percent to nearly six billion US-Dollars. Perhaps most important of all, manufactured goods accounted for almost 55 percent of the share of Kazakhstan's exports.

Both business and government will benefit from the CU, taking into consideration the growth of tax and other deductions. For the population, the CU will create new jobs, create conditions for the rise in real

earnings, and provide consumer markets with cheaper higher-quality goods. This will happen because imports will be substituted by goods from the CU Troika. To a greater extent this applies to Russia and Kazakhstan, which still have a high import component to their economies.

The third aspect is independence: Kazakhstan continues to adhere to a multi-vector policy, including with respect to its economy, and the new alliance will not be entitled to limit our relations with other countries and organizations.

FINISHED PRODUCTS FOR THE REST OF THE WORLD

The positions of "ideological" and other opponents of the CU integration process are understandable – most people instinctively fear change. It is for this reason that populist horror stories often produce their desired effect, culminating in tall tales of markets being captured by Russians and Belarussians, losing sovereignty, and other yarns.

To reiterate, what is the main benefit to be gained from integration within the



Nursultan Nazarbayev, President Alexander Lukashenko, and Vladimir Putin

FOTOS: EMBASSY OF KAZAKHSTAN, PIXELIO/HARRY HAUTUMM



INFO

EURASIAN ECONOMIC UNION

The EAU is an economic union based on the idea of the European Union which will initially comprise three states: the Russian Federation, Belarus and Kazakhstan. The concept was first proposed by President of Kazakhstan, Nursultan Nazarbayev, in 1994. An agreement was signed in 2011 setting the target of establishing the EAU by 2015. Other former states of the Soviet Union, Armenia, Uzbekistan, Kyrgyzstan and Tajikistan are planning to join the EAU in the future.

With regard to concerns over the alleged dominance of Russian and Belarusian goods on the Kazakhstan market: they do not displace Kazakh goods, which, quite frankly, still occupy a small market share. On the contrary, Russian and Belarusian goods serve as a substitute for the cheap but not always high quality goods from China and Turkey.

In general, it is quite easy to promote the idea of the Customs Union and the Eurasian Economic Union. One simply has to state the truth in an accessible manner and provide arguments for their benefits using reliable facts.

On 29 May 2014 the leaders of Kazakhstan, Russia and Belarus signed the Treaty on the Eurasian Economic Union, which will enter into force on 1 January 2015.

According to the Treaty, the three States undertake obligations to ensure the free movement of goods, services, capital and labor, as well as to implement coordinated policies in key economic sectors, such as energy, industry, agriculture, and transport.

During negotiations, the Member States discussed the practical aspects of the functioning of the Customs Union and the Common Economic Space, and discussed the issue of potentially expanding the Eurasian economic integration process to Armenia and the Kyrgyz Republic.