



# Institut für Angewandte Politische Ökonomie Institute for Applied Political Economy

## **Statement on the speech of the Kazakh President Kassym-Jomat Tokayev**

on September 1

on the Topic

### **The Economic Course for a Just Kazakhstan**

The claim of this programmatic speech is very large: It would not be about abstract goals, but about concrete improvements in the lives of citizens. To achieve this, a new economic model would be necessary.

In order to be able to judge this extraordinarily high claim, it must be allowed to judge the text in a constructive basic attitude, but also very critically.

It is not easy to answer the question of whether this high standard is met. With respect to some projects and measures, the answer will be in the affirmative (a); with respect to certain other proposals, the answer will be in the negative (b).

Ad (a) Promising, perspective approaches:

Of utmost importance is the ambition to make Kazakhstan the most important transportation and traffic hub between Asia and Europe. This is reinforced by a concrete objective of a Trans-Caspian as well as a North-South corridor. This objective is of utmost importance from an energy, agricultural and geostrategic point of view. It also serves to a large extent the further development of the country from an economy based to a large extent on the business with raw energy sources to one that is pursuing a broad development into a diversified economic society.

The call for a transformation to "clean energy" sounds like a mere empty phrase to the taste of a European observer, but it is not, given Kazakhstan's specific situation. Indeed, the push for renewable energy and the development of hydrogenic energy production is likely to contribute massively to the diversification of Kazakhstan's economy and thus to the establishment of long and sustainable chains of industrial and commercial production. This process is a prerequisite for



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the establishment of many new and permanently stable jobs and for the expansion and stabilization of stable chains of horizontal and vertical division of labor.

Ad (b) Less original measures or measures with limited results

The doubling of teachers' and doctors' salaries, the introduction of a national fund for children, the distribution of support money for the restructuring of small and medium-sized enterprises and the like are more an expression of a conventional etatist economic policy.

The ambition to become an IT-focused country that enters into partnerships with foreign IT ventures is probably a necessity, but not a revolutionary idea.

The fiscal and monetary policy statements, according to which the gross national product should increase by 6-7% annually and the credit volume by 20%, suggest a Keynesian understanding of the economy that would not be conducive to the country's necessary transformation process.

A blanket tax exemption for domestic and foreign investors for the first three years sounds popular, but somewhere along the line it has proven to be an incentive for a sustained high level of investment.

The "massive increase in management transparency and efficiency" is more of a phrase than a measure to be understood without specifying the method to be used for this purpose.

In summary, the Kazakh president's programmatic economic speech is undoubtedly borne of a great sense of responsibility toward the Kazakh people and a willingness to make great efforts in terms of the necessary transformation of economic society. Some of the projects should be tackled quickly and with great energy. Close cooperation should be initiated with countries that, with their own economic, social and cultural fabric, fit well with Kazakhstan's profile.

It may be noted that this is very much in favor of a consolidation of economic and social relations with Austria.

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