

# Eurasian Economic Integration: Eurasian Economic Community and Shanghai Cooperation Organization

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**Abstract**—The purpose of this article is to analyze economic and political tendencies of development of integration processes with different developing level and speed on the Eurasian space, by considering two organizations at the region – Eurasian Economic Community and Shanghai Cooperation Organization, by considering the interests of participations in organizations of Russia and China as a global powers and Kazakhstan as a leader among the Central Asian countries. This article investigates what certain goals Eurasian countries (especially Russia, Kazakhstan and China) are waiting from integration within the SCO and the EurAsEC, linking the process with the theories of regional integration. After European debt crisis it is more topically to research the integration within the specific region's conditions.

**Keywords**—Eurasian Economic Community, China, Kazakhstan, Shanghai Cooperation Organization, Regional integration, Russia.

## I. INTRODUCTION

TO one of the first integration definition was given by the European theorist J. Tinbergen who has seen in the international economic integration both positive, and the negative moments.[1] Internationalization economic, political, cultural and other aspects of activity of the national-state macrostructures historically occurs stage by stage, beginning from a stage of the first display of the international division of labor to modern difficult and multilevel system of international contacts and interdependence, and in the most different spatial scales – from bilateral to regional and global levels. The Eurasian region is defined as the territory of the former Soviet Union (the countries of the Central Asian region, as well as Russia, China, Belarus, Ukraine, Moldova and the Caucasus). Amplifying globalization of world economy, complication of economic processes, sharp strengthening of the intercompany and interstate competitive struggle, new spheres of a competition and more cruel rivalry in the traditional markets lead to necessity of cooperation both is material-financial, and industrial efforts of territorially interfaced countries. As a result there is a creation of integration blocks which act as uniform force against the general competitors in the world market. EurAsEC countries are approximately at the same level of economic development.

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Integration - the many-sided phenomenon, which any of the considered theories cannot capture completely. Theorists cannot precisely define what integration option – “from above” (federalism) or “from below” (functionalism) – is more successful. Not casually in the 60s of the 20th century there was a synthesis of two main theories – functionalism and federalism which became the closer to each other. At the same time unsuccessful experience of integration processes of developing countries where integration almost always is initiated from above shows that the political will of leaders of the states on its own is not enough for successful integration.

## II. CONCEPTUAL BASES OF THE THEORIES OF REGIONAL INTEGRATION

The history of research of integration processes totals some decades. It is necessary to allocate the basic theoretical concepts of the international economic integration: the Market concept's representatives are Z.Rueff, R.Schuman, V.Halshtejn, M.Panich, E.Benua, Z.Monne, P.Robson, etc; the Institutional concept's representatives are B.Borhard, M.Djuvantrion, Krasner, L.Keohane, Olson, Oje, P.Robson, etc.; the neoliberal concept founders are Z.Vajher, B.Balashsha, M.Bije, G.Kremer, M.Alla, etc.

Conditionally three concepts set forth above can be united in one direction – liberal. Later on its base there is a neoliberalism. The liberal scientific approach dominated in 50-60th years, in the beginning of development of integration processes in Europe. Its basic maintenance has been connected with cancellation of tariff and quantitative restrictions. In the approach of the western scientists to integration especially pragmatism aspects prevailed, the attention in particular was focused on process of decrease in a role of frontiers and the economic inequality of subjects of economic life connected with them, i.e. discrimination of non-residents in comparison with residents.

The neoliberal school presented by such known foreign economists, as J. Viner, J. Mid, V.Repke, T.Stsitovski, M.Alla, B.Balassa, etc. [2], connected integration development with liberalization of the external economic barriers limiting movement of the goods, the capital and labor. The full liberalization confirmed in these researches, creates uniform economic space, free from all restrictions on movement of the goods and manufacture factors. It increases quantity of contestant firms and raises efficiency of the international division of labor. According to neoliberals, integration is an association of several state spaces in a

uniform economy where freedom of market forces is provided.

The essence of the directions set forth above was in the best way formulated by the Swiss economist Wilhelm Repke and Frenchman Moris Alle. They understood creation of uniform market space As full integration on the scale of the several countries which functioning is carried out on the basis of action of spontaneous market forces and a free competition irrespective of economic policy of the states and existing national and international legal certificates. Intervention of the state in sphere of the international economic relations results, in their opinion, to such negative phenomena, as inflation, “rebalancing “international trade, frustration of payments. However developments of the international economic integration, formation of the regional interstate unions at active participation of the states have shown an inconsistency of sights of early neoliberals. The representative of late neoliberalism – the American scientist Balassa is considered that economic integration conducts to more intensive participation of the state in economic affairs. The great attention was given to evolution of the integration occurring on a basis both economic and political processes.

The Keynesian concept which unites a dirigism (R.Bar, B.Balassa, R.Cooper, G.Kassel, Kramer, D.Pinder, A.Preodol, A.Rjugman, V.Renke, Z.Roeff, J.Tinbergen, etc.) and structuralism becomes contrast of liberalism. Theorists of a dirigism deny a main role in integration processes of a market mechanism and consider that creation and functioning of the international economic structures probably on the basis of working out by the integrated parties of the general economic policy, the coordination of the social legislation, coordination of a credit policy.

Representatives of structuralism (G.Mjurdal, A.Marshal, P.Striten, F.Perru, C.Kindleberger, P.Uajlz) have critically concerned idea of full liberalization of movement of the goods, the capital and labor in integrated space, considering that free functioning of a market mechanism can lead to certain disproportions in development and manufacture placing, to inequality deepening in incomes. Economic integration was considered by them as deep process of structural transformations in economy of the integrated countries in which result there is qualitatively new integrated space, more perfect economic organism. In their opinion, poles of development of integration are large firms, the industrial companies, the whole industries.

Keynesian school (G.Mjurdal, R.Soland, J.Tinbergen, E.Haas, P.Striten, S.Harris), analyzing development of integration processes, does an emphasis not for a special role of the private capital, and on the institutionally-political mechanism which is created within the limits of integration structure, and the special attention addresses on necessity of regulation of integration processes. From here the objective requirement not only for elimination of national economic barriers on a way of the international migration of factors and results of manufacture, but also in integration of economic policies of the states, formation of interstate and especially

supranational bodies of economic regulation into created integration blocks is deduced. [3]

It is necessary to name one more direction which has arisen in the mid-sixties, – corporative. Its representatives – the American economists S. Rolf and E. Rostov – have revealed a new core of integration. They considered that contrary to a market mechanism and state regulation functioning of transnational corporations (Multinational Corporation) is capable to provide integration of the international economy, its rational and balanced development.

Modern western integration theories represent synthesis of neoliberalism (the free market) and a Keynesian heritage (the limited national regulation at preservation and even expansion of regulation supranational).

From the political science point of view, in classical definition, representative of the neofunctional theory E.Haas, integration is understood “as process by means of which loyalty of political actors of several national institutions moves towards the new supranational center of decision-making which becomes the center of political activity. The end result of process of political integration is the new political community”. [4]

According to the theory of neofunctionalism necessary conditions for integration are:

1. Existence of common economic interests, similarity of economic systems, interdependence, political pluralism.
2. Integration should begin gradually with which are not related to interests of “high” politics, but at, the same time, key and important sectors of economy.
3. Creation of a managing institution independent from national governments as an active participant of further integration.
4. Successful integration in concrete economic sectors creating functional pressure upon related sectors of the economy that leads to activation and expansion of integration (the process known as - spillover).
5. Deepening and expansion of integration processes will lead to development of common institutions, thus, political integration becomes an inevitable consequence of economic integration that in turn, will lead to strengthening of the system of peaceful relationships.

### III. SCO AND EURASEC

Both SCO, and EurAsEC have a specific organizational structure, each of the organizations has precise purposes – consistent economic integration, the big role is played by infrastructure projects. In both organizations Kazakhstan plays a leading role among Central Asian countries.

SCO – the organization initially did not set economic integration as one of its purposes, however, in recent years the role of the economic component within the organization has considerably increased. In addition, it is sub regional structures in which the countries of the region are most interested. Empirics show that the countries of the region cannot integrate independently – an external partner is

necessary. The organizations being discussed reflect two vectors – Russian-Post-Soviet or simply Russian (EurAsEC) and Chinese (SCO) since these are the countries that actively support economic integration in the above-named organizations.

In recent years besides the main function of security, SCO also assumed new obligations, such as cooperation in the field of economy, energy and transport. The Chinese party acts as the initiator of idea of economic cooperation. According to the Russian expert S. G. Luzyanin economic interests of China in SCO are defined by the following factors connected among themselves:

- Trading and investment: the desire of China to access and secure local Central Asian goods and services markets;
- Transport: aspiration to connect the region with the western provinces of China and to create a transport system of cross-border “corridors”;
- Eurasian (transit): construction of new version of “The Great Silk Way” through Central Asia;
- Energy: use of oil and gas potential of Central Asia. [5]

At the Bishkek summit of SCO in 2004 the head of the State Council of the People's Republic of China Wen Jiabao formulated and offered the concept of creation of the Zone of free trade of SCO. This offer was met with vigilance from the majority of members of the organization, especially from Russia, afraid to lose the share of its produce in the Central Asian markets. [6]

Despite vigilance of some participants of the organization, the institution accepted the working program until 2020, which aims to ease the environment for movement of goods, capital and people within this organization. In September, 2004 at the meeting of heads of governments about 100 projects in the area economics were approved.

Within the last years the economic component within SCO considerably improved, this is confirmed by the intensification of cooperation of the participating countries in the area of development and implementation of new mechanisms and projects of economic interaction. However, it would be incorrect to regard SCO as the mechanism of exclusively Central Asian economic integration, since the majority of initiatives and organizational support of most projects is provided by the Russian and Chinese parties.

To facilitate progress of these projects, the SCO has worked to create an organizational structure to link businesses and banks. The SCO's Business Council, founded in June 2006, has a Secretariat based in Moscow and is run by a Chairman, Deputy Chairman, and Board consisting of member state representatives. According to its website, the Business Council's key functions are to facilitate cooperation in trade, credit, financial, scientific, engineering, transport, telecommunications, agricultural and other spheres, to implement projects in different sectors of the economy in members' territory, and to assist in finding funding for and making recommendations towards improving economic cooperation between SCO countries. [7]

There are different levels of capacity among the member

states' economies, from the economic powerhouse of China to the weaker economies of Kyrgyzstan and Tajikistan. Also, the member states have different priorities with regard to the relationship between state political structures and the economy, for example China is an advocate of free trade in the region, while some of the Central Asian Republics are unwilling to relinquish tight political control of their economies. Therefore, while there is a high level of compatibility in perceived interest among the member states in certain economic cooperation, primarily energy and infrastructure, there is less enthusiasm about wide-ranging trade cooperation. [8]

On October 30, 2008 the decision of the Council of Heads of Governments of SCO accepted the Plan of measures on implementation of the Program of multilateral trade and economic cooperation of member states of SCO (29.09.2009. in Astana its new edition was accepted). According to this Plan, the greatest number of joint projects is concentrated in the following areas:

- Cooperation in the area of trade and investments (12 projects): primary activity in this area consists in aspiration to increase transparency and controllability of mutual integration of the markets. Among the projects devoted to formation of new mechanisms of optimization of economic interaction within SCO is the examination of the mechanism of creation and functioning of the Development Fund (The special account) of SCO. Following the results of discussion of principles of creation of the Development Fund of SCO, a package of offers on key parameters of functioning of the Special account was developed, as a preliminary stage of formation of the Development Fund. On the Special account, as it was intended, funds for financing of projects of regional cooperation will be accumulated. It will help to overcome a number of the financial difficulties complicating timely implementation of many economic and investment innovative projects within the Organization.

- Cooperation in the area of customs (6 projects): preparation of normative and legal acts, needed to optimize cooperation of customs authorities of member states of SCO and to create a framework for simplification of customs procedures and suppression of economic offenses on border.

- Cooperation in the area of finance and tax (4 projects): this is distinguished by the emphasis it makes on bilateral interaction, as well as aspiration to develop joint mechanisms for exchange of information and cooperation development between corresponding institutions.

- Cooperation in the area of transport (11 projects): in our opinion one of the most promising and demanded areas for development of economic interaction of the countries of SCO. In this area a number of projects is already being carried out, the others have a good chance of realization. It concerns first of all the international transport routes:

1) China, Russia, Kazakhstan and Uzbekistan – the contemporaneous construction of the highways «Volgograd-Astrakhan-Atyrau-Beyneu-Kungrad» and «Aktau – Beyneu – Kungrad» as a part of the international transport route E-40

including bridge construction through the river Kigach, and further coordination of actions on construction and development of sites of the territory of highways of the international transport route E-40 in the territory of member states of SCO (2008-2015).

2) China, Russia and Kazakhstan – the Project of development of the international transport corridor «Western Europe – the Western China» (2008-2012).

3) The People's Republic of China, RK and RU – continuation of negotiations on construction of the railway through China-Kyrgyzstan-Uzbekistan (2008-2010).

- Cooperation in the area of fuel and energy industry (5 projects): these are generally reduced to exchange of information on a number of key directions of functioning of energy industry. At the same time the idea of creation of the Power club of SCO remained behind the Program framework.

- Cooperation in the area of agro-industrial industry (12 projects) is implemented rather intensively with wide involvement of the relevant state companies and research institutions. In this area projects with substantial applied value also are studied.

Cooperation in the area of science and new technologies (9 projects): this is generally focused on development of geological and geodynamic projects, which is also of great importance for sustainable development of the states of the region. In this case, it is worth mentioning that China is only involved in 5 projects while Russia, takes part in all types of projects even if geographically objects are outside of its borders.

One of the most substantial projects within SCO is disbursement of the Chinese credit of 920 million USD provided to Kyrgyzstan, Tajikistan and Kazakhstan for development of various infrastructure and energy related projects in these countries (roads, hydroelectric power stations etc.). Most projects of SCO are financed by China, being the most economically powerful state, as well as the most interested in this area of cooperation.

For successful economic cooperation economic growth is needed, compliance of such cooperation to the governmental interests depends on, the will of the business community. In recent years economic growth in SCO member countries is stable around 6-8 %. Despite world financial crisis, goods turnover between countries increased.

The main reason for economic dissociation of the countries of SCO is the fact that– the organization unites countries that are on different stages of economic development; participants of the integration project continue to pursue the partnership mechanism of coordination of economic policies that is equal in rights and mutually beneficial. On this matter China proposes creation of the FTZ (Free Trade Zone).

Creation of the FTZ would allow to eliminate tariff barriers and to reduce prime cost of the goods, to stimulate regional investments, to create division of labor at regional level, to unite structure of the regional industry and resources. [9]

This causes concern for many experts of the countries of the Central Asian region and Russia, since China has certain

comparative advantages in the form of cheap labor, hi-tech modern production, as a country that has already successfully implemented innovative and technological modernization, whereas Russia is still in the early stages of it, and the countries of the Central Asian region lagging behind even the Russian Federation. In such conditions it is difficult to compete with the People's Republic of China; in addition, an important role is played by the competition between the Russian Federation and the People's Republic of China for influence in the region. In this area under the aegis of the Russian Federation, Kazakhstan and Belarus integration processes are already being successfully implemented by means of creation of Eurasian Economic Community, standardization of the customs legislation etc. As a result, the SCO's second giant – Russia now does not need creation of FTZ within SCO, preferring to trade with the People's Republic of China at bilateral level and inviting other states of the Central Asian region into the Eurasian Economic Community. Thus, China is being left overboard and lobbies its interests at bilateral level – by creation of FTZ between Russian Federation and People's Republic of China in the Far East and between Kazakhstan and the People's Republic of China in the International center of frontier cooperation of “Horgos”. Therefore, China nevertheless remains attractive to SCO countries, because of the powerful economic potential and investment possibilities, and the successful experience of economic reforms.

Obviously, interest of the parties in economic projects, which would promote the general stability of the political regimes of the participating countries of SCO, grows. For SCO – trade and economic cooperation is quite viable direction.

World financial crisis has had an impact on all countries of Central Asia and as well as China and Russia. According to S.G. Luzyanin, crisis will strengthen heterogeneity of economic and political models of the countries of SCO and, modernization strategies. It will lead to strengthening of the Chinese model both in SCO, and in the world as a whole. As a result of it strengthening of Central Asian specifics of SCO is expected, as well as extension of the geopolitical agenda of the Organization as a player on the world scene, interaction with alternative projects - NATO, GUAM, EU. At the same time cooperation, instead of confrontation, should be the driving vehicle. [10]

“The countries of SCO possess multilateral complementarity: Russia has energy resources and the developed scientific and technological basis, Central Asian countries – natural minerals and resource intensive production, China – manpower”. [11] Moreover, they may become an example of realization of integration potential on the basis of “dialogue of civilizations” and political consensus.

SCO, units large exporters and importers of energy resources, and thus, could consolidate efforts of participants to research of the optimum solution and effective cooperation in this delicate area. For instance, within the framework of the

Power club of SCO. Within this club problems of transportation and delivery of energy resources should be solved. In general, the issue of development of infrastructure is an important aspect of successful integration of the region, both within itself, and in a global goods and services markets. In 2006 at the Meeting of the Council of heads of states of SCO, the head of our state set the task to develop an integral regional transit and transport system, which not only will facilitate the communication between member states, but will also allow additional volumes of the international transit.

Central Asian politicians began to show over time more and more enthusiasm, explained by the prospect of obtaining possible political and financial dividends from participation in SCO. As a whole the contour of their foreign policy can be characterized, as "multi-vectoral". That is alternate interaction with many actors presented on the map of Central Asia, together with dim ideas of long-term strategy of cooperation and its priorities. The foreign "multi-vectoral" policy at the local level is complicated with clan fights, and on the country level with— competition and not resolved contradictions between Central Asian countries (for example, awareness of own exclusiveness and the demand leadership in Central Asia of Kazakhstan and Uzbekistan). For achievement of specific goals at certain stages countries of Central Asia are ready to enter and leave different organizations China and Russia create meanwhile the line of control of projects of NATO here and strengthen SCO positions in a bilateral order.

Positions of the Russia in Kazakhstan, Uzbekistan, and Kyrgyzstan are still strong, Russia is the only country that acted and acts as the guarantor of security of political elite of these countries, and is ready to support and carry on dialogue with them. Thus, without having such great financial opportunities as China – the Russian Federation takes important diplomatic steps towards many years of existence of the USSR.

Integration in three dimensions – economy, security and cultural and educational area. As of today SCO reached larger success in the field of security, mainly due to effective activity of RATS (Regional antiterrorist structure). However, economic and cultural and educational integration processes are considerably complicated by the presence of China.

Firstly, the idea of creation of the Eurasian union with the subsequent implementation of it in foreign policy can become a fundamental basis for self-identification of Kazakhstan, as a Eurasian state. After all Kazakhstan is a multinational, multireligious, multiracial country which is geographically located in the center of the continent of Eurasia. Behind this idea for Kazakhstan there is definitely a historical-philosophical and historical-cultural tradition, and the issue of promotion of new geopolitical strategy of the state.

Secondly, as of today in Kazakhstan there still remains great cultural and informational influence of Russia. During colonization of Kazakhstan by Imperial Russia and 70 years of existence of Kazakhstan within the USSR a whole era has passed. From a nomadic way of life Kazakhs switched on to settled. Kazakh mentality and the way of thinking has

changed, the Russian person and all that is connected with it is generally perceived as "ours". Kazakhstan and Russia share the longest inter-state border in the world. The two countries are interdependent and are strategic partners; in addition, the relations between leaders of the countries are quite benevolent. All these factors influence Kazakhstan's support of many actions of Russia on the international arena. As mentioned above EurAsEC is— the Russian vector of economic integration, where the share of the Russian economy within the Customs union consists of more than 80 %.

Thirdly, the economic component: from the beginning of formation of independent Kazakhstan formation of an economic basis was defined as the priority. The fundamental principles of Kazakhstan's economic and political models were created. It allows drawing a conclusion that active cooperation within EurAsEC is not only due to friendly relationships between Kazakhstan and Russian Federation, but is a real economic benefit.

Russia is the trading partner number one for Kazakhstan according to volumes of trade, and also provides a transport corridor for Kazakhstan to Europe. It is favorable to Kazakhstan to increase goods turnover with the Russian Federation and other countries of the region. These are the closest neighbors, with whom subsequently a common market will be formed, and as a result, in a small degree expansion of China and its goods may be prevented. In addition, Russia is a member of the WTO. On November 10, 2011 in Geneva negotiations on accession of the Russian Federation to the World Trade Organization (WTO) which were begun in 1993 were completed.

Fourthly, in the modern world Kazakhstan needs to find the solutions to the challenges of globalization, namely overcoming of peripheralization, which can have a negative impact on political processes by means of introducing dependence from transnational corporations and, thus, their influence on adoption of political decisions convenient for them, which can ultimately restrict development. Therefore, an important feature of the course of economic development of the Republic of Kazakhstan is the aspiration of its government to create the common economic territory with the countries of Central Asia within EurAsEC, to strengthen economic relations and to, create interstate bodies coordinating economic actions of this union.

Although Kazakhstan was the initiator of idea of the Eurasian integration, this process moved from the "dead" point only after Russia finally realized its importance. The decisions were partly driven by the world financial crisis in 2008, when the need for diversification of dependence from the global economy and creation of a separate market, protected from the hardships of the globalized market was revealed.

So after the establishment of the Eurasian Economic Community in 2000, which includes Kazakhstan, Russia, Belarus, Kyrgyzstan and Tajikistan, and in 2010 was held the harmonization of national laws of some countries of the Union - Russia, Kazakhstan and Belarus (tax, trade, customs) - it was

a real integration step that led to the signing of an agreement on the establishment of common economic space a year later. The reason for creating the Eurasian Economic Community was “geopolitical rivalry” the point is that during this period in the territory of the former Soviet Union have yet another association of GUAM (Georgia, Ukraine, Azerbaijan and Moldova), whose members tried to distance itself from Russia.

Thus, there is a need in the institutional design of the organization where Russia will serve as a leader. In 2006, Uzbekistan joined the Eurasian Economic Community, but in 2008 he filed an application for suspension of membership in the organization. Slow integration activity in Uzbekistan explained by the fact that Uzbekistan is much less dependent on Russia economically, and therefore relies on intra-regional integration and economic co-operation with developed countries, and also rejects the project of the Eurasian Union.

It remains relevant today, even the political ambitions of some leaders of the former Soviet countries, the idea-fix of the threat of sovereignty and the inviolability of independence, as well as underdevelopment of democratic traditions are, in our opinion, the main factors hindering integration processes in Central Asia.

EurAsEC was set up as economic integration association, whose ultimate aim is to create a Eurasian Union.

#### IV. CONCLUSION

As an active participant in the integration processes in Eurasia, Kazakhstan for almost the entire period of its independence interacts within the regional associations with all neighboring and nearby states. As well as in its bilateral relations with other countries, the country seeks to collaborate with various partners, reflecting the multi-vector policy of our state. Practice shows that Kazakhstan, participated in several projects of regional cooperation is not an insurmountable obstacle to the improvement of the forms of multilateral cooperation.

As a result, the definitions Eurasian Economic Community and SCO, as pursuing the goal of economic integration in varying degrees, identified the key challenges facing them, as well as ways to improve participation in the RK.

Analysis of regional organizations and regional integration theory has shown that economic cooperation cannot be developed without providing an adequate level of military-political security. The fact that the EurAsEC was more successful than the SCO is largely due to the security of the Collective Security Treaty, as well as a high level of trust between states (eg. Kazakhstan and Russia strategic partnership). However, the SCO also seems promising in this regard, as security issues have been, are and will be a priority for the Organization and economic cooperation and integration will be developed at the same time, but not simultaneously.

Kazakhstan the most actively involved in regional economic organizations compared to other republics of

Central Asia., a good example of this are the numerous initiatives to support the integration of Kazakhstan, the widespread presence of Kazakh diplomats and academics in the structures of EurAsEC and SCO.

The priority of consideration for organizations of Kazakhstan is a Community. This is evidenced by the participation of the Kazakhstan together with Russia and Belarus in the Customs Union.

By the versatility of the SCO as an organization of a “new type” the policy of Kazakhstan in it is built on several fronts. The position of Kazakhstan seems clear and straightforward, as the country prepared to go to the joint implementation of many vehicles and investment energy projects. However, the potential of Kazakhstan is still in the economic sphere is poorly developed and Kazakhstan is more interested in the EurAsEC.

Parallel Kazakhstan's participation in several regional economic integration organizations such as multi-vector policy is a reflection of the state. At the same time practical task of our diplomacy is the right allocation of participation priorities in various organizations. Higher efficiency of participation in a multilateral merger will not lead to the rejection of rational and effective use of co-operation with other organizations.

The similarity of the SCO and Eurasian Economic Community is that they contribute to the development of the world toward multipolarity, Kazakhstan calls for regional integration, the idea of Eurasians, successfully combining participation in both organizations, especially due to the fact that Kazakhstan, unlike Russia and China is not a structure and a key player in these organizations, although in our opinion is the third following them on capacity, decisiveness, initiative, and the volume of the economy in the region and its organizations, in addition, Kazakhstan, Russia's recognized strategic partner and strategic partner of China in the Asian area.

Kazakhstan prefers to integrate with Russia, rather than China because Russia is looking at Kazakhstan as an equal partner, supports all sorts of initiatives of Kazakhstan in the international arena. Despite the fact that the official government of Kazakhstan calls the partnership with China does not threaten and equitable, yet, in Kazakhstan there is the fear of Chinese expansion, the evidence for this is a permanent way in the media of various kinds of articles, interviews with the view that China will “absorb” Kazakhstan, a sparsely populated country with vast territory, from time to time there are scandals in the issuance of lease Kazakh land to Chinese farmers, the participation of Chinese oil companies in Kazakhstan and etc. Yet for the people of Kazakhstan, China in particular, and to a lesser extent the government of Kazakhstan remains a mystery country and distributed worldwide over the world the idea of a “China threat” is not bypassed and Kazakhstan, one of the fundamental facts for these concerns are the proximity to the “Dragon”, as well as over-population of this country, of great importance in the formation of the world are Kazakhstan and the Russian media,

which are known to make up the largest part of the information space in Kazakhstan. It is easy to imagine what the mood would have been in the Kazakh society, if the Kazakh authorities have reported the introduction of integration unification with China, it could lead to a revolution, because, as noted above, this issue is very sensitive to the Kazakh society. However, the Kazakh authorities are aware of the need for economic and energy cooperation with China. Therefore, Kazakhstan party itself initiated the parish of China to the Kazakh energy market; the reason for this was the need to develop the energy sector, its infrastructure since independence.

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