

Geography

Kazakhstan is the largest landlocked country in the world. It is bordered by the Russian Federation to the north, China to the east, and Kyrgyzstan, Uzbekistan, and Turkmenistan to the south. Its territory extends almost 3,000 kilometres (km) from the Volga River and the Caspian Sea in the west to the Altai Mountains in the east, and 1,700 km from the South Ural Mountains and West Siberian Plains in the north to the Kyzylkum Desert and Tian Shan Mountains in the south.

The total area of Kazakhstan is 2,724.9 thousand square km (km²)⁴, making it the world's ninth largest country. Its size is equivalent to that of Western Europe. 99.1 per cent of the total area is land, of which 80.4 per cent is agricultural and 1.2 per cent is forest area⁵. The terrain of the country consists mostly of deserts, steppes and hilly upland areas.

Short history

Nomadic tribes inhabited the territory of Kazakhstan until the 14th century when Genghis Khan occupied the country as a part of the Mongolian Empire. During the next centuries, the nomads returned to power. Kazakhs emerged as a distinct group by the 15th century when the Kazakh Khanate was established. The Kazakh Khanate's territory was divided into three regions (Senior, Middle and Junior regions or "juzes") when it was taken back from the Mongolians. To protect itself from the invasion of Jungars, the Khanate joined the Russian Empire. In 1730, the Junior Juz became part of the Russian Empire; the Senior and Middle Juz joined the Russian Empire by the middle of the 19th century.

Following the 1917 October Revolution and civil war, the territory of Kazakhstan was reorganized several times. In 1936, the Kazakh Soviet Socialist Republic was established as a part of the Union of Soviet Socialist Republics.

Kazakhstan declared its independence after the collapse of the Soviet Union on 16 December 1991. The capital of Kazakhstan was moved from Almaty to Astana (then called Akmola) on 20 October 1997.

Nature and climate

Kazakhstan's climate is extremely continental, with hot summers and extreme winters, especially in the plains and valleys. Temperatures fluctuate widely, with great variations between regions. Average January temperatures in northern and central regions range from -19° to -16° C, and -5° to -1.4° C in the south. Average July temperatures in the north reach 20° C and rise to 29° C in the south. Annual precipitation levels are generally low, less than 100 millimetres (mm) in the deserts to between 250 mm and 350 mm in the steppes.

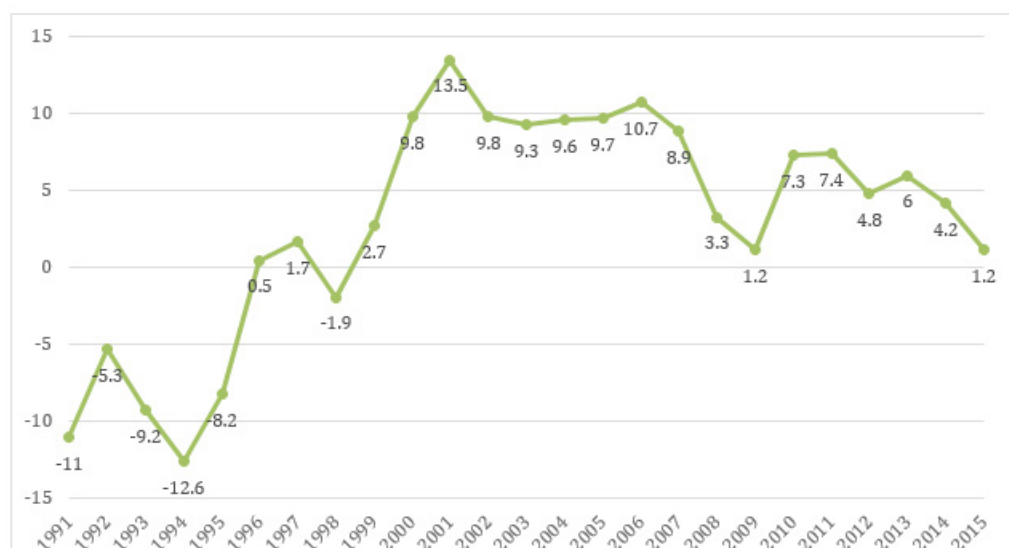
⁴ Republic of Kazakhstan, Committee on Statistics of the Ministry of National Economy, *Kazakhstan in Figures 2016*. Available from http://www.stat.gov.kz/faces/homePage?_adf.ctrl-state=11sx25vstv_21&_afLoop=16875190870737248 (accessed 21 February 2017).

⁵ Food and Agriculture Organization, FAOSTAT. Available from <http://www.fao.org/faostat/en/#data/RL> (accessed 23 February 2017).

Social and economic development

According to the World Bank income classification, Kazakhstan has transitioned from lower middle income to upper middle income status in 2006. Its GDP in 2015 was USD 184.4 billion, ranking 50th in the world⁶. In the same year, GDP per capita was USD 25,045.

Figure 1
Trend in GDP growth, 1991-2015



Source: World Bank. World Development Indicators. Adapted from <http://databank.worldbank.org/data/reports.aspx?source=2&country=KAZ#>

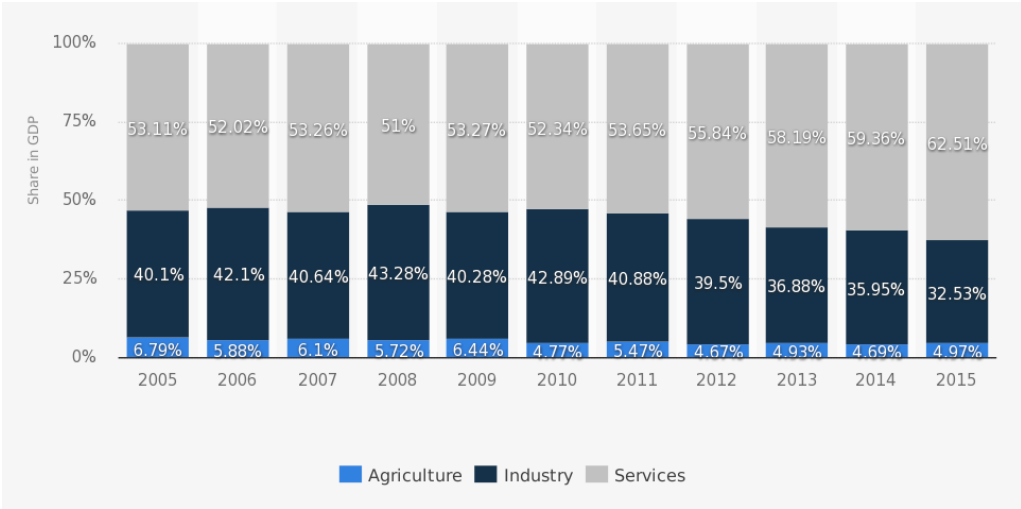
As a part of the Soviet Union's centrally planned economy, Kazakhstan specialized in the production of wheat, metallurgy and mineral extraction. After the collapse of the Soviet Union and following its economic disintegration, the country faced a sharp decline in production, growth of inflation and a budget imbalance. The economy declined drastically, and the country lost 36 per cent of its GDP in the first half of the 1990s.

The economy started recovering in the second half of the 1990s, triggered by high international oil prices and good harvests, before being hit by the 1998 Russian financial crisis. Starting from 2000, it grew again, underpinned by export growth and currency devaluation. There has been a sharp expansion in commodities revenue, in particular from oil export. GDP growth figures were between 8.9 per cent and 13.5 per cent from 2000 to 2007. Foreign investments have also bolstered Kazakhstan's export volume growth through investment in the oil sector's technologies and production capacities.

From 2011, the country has experienced another slowdown in economic growth due to lower global commodity prices and the economic downturn of its Eurasian Economic Union partner, Russia. Kazakhstan devalued its currency, the tenge, by 19 per cent in February 2014 in response to a round of regional currency devaluations and a worsening balance of payments due to rising imports. In November 2014, the Government announced a package of incentives to counter economic challenges.

⁶ World Bank, "GDP (current US\$)", World Bank Open Data. Available from <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=KZ>.

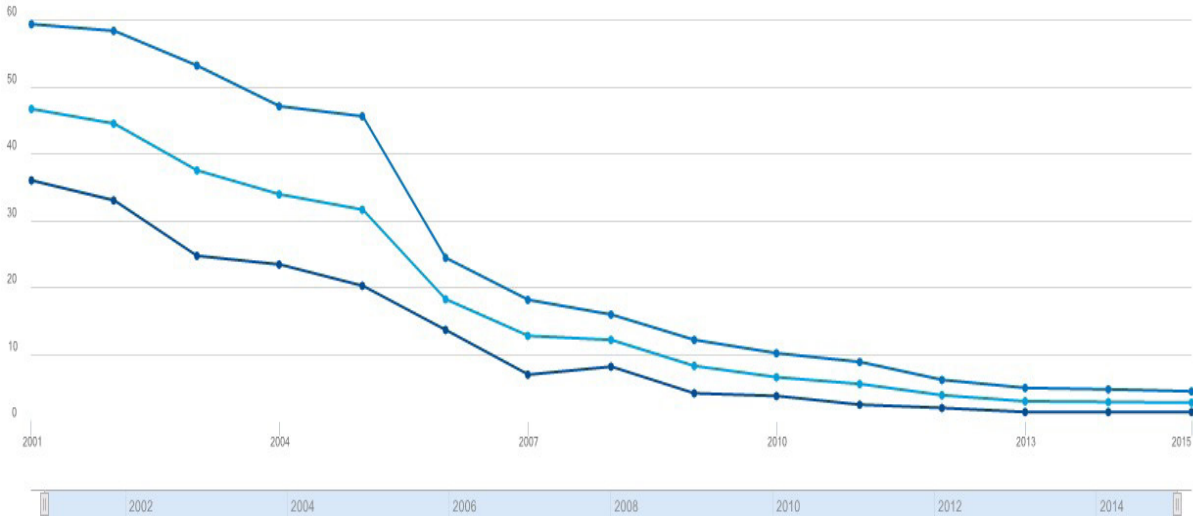
Figure 2
Share of economic sectors in GDP, 2005-2015



Source: World Bank. Viewed at: Statista, <https://www.statista.com/statistics/436156/share-of-economic-sectors-in-the-gdp-in-kazakhstan/>

In 2015, Kazakhstan undertook wide-ranging reforms in an attempt to modernize its economy and improve its institutions. Thanks to these measures, Kazakhstan experienced economic growth and an increase of GDP per capita: the percentage of the population living below the national poverty line declined from 46.7 per cent in 2001 to 2.7 per cent in 2015 (Figure 3). However, the gap between urban and rural poverty is still high: the urban poverty rate is 1.3 per cent while the rural rate is 4.4 per cent.

Figure 3
Poverty headcount ratio at national poverty rates, 2001-2015



Source: World Bank. Adapted from <http://databank.worldbank.org/data/reports.aspx?source=2&country=KAZ&l=en#>

In spite of progress in institutional reforms and legislation in the 2000s, bureaucracy and arbitrary law enforcement, especially at the regional and municipal levels, are still seen as the main concerns by potential investors⁷. Kazakhstan is the second largest post-Soviet oil producer, and its economy remains heavily dependent on oil and extractive industries, which makes it vulnerable to changes in oil and commodities prices.

Population, demography, and urbanization patterns

According to the State Committee on Statistics of Kazakhstan, the population of the country was 17.92 million⁸ as at 2017. Given Kazakhstan's large land area, its population density is among the lowest, at 6.6 persons per km²⁹

The population increased by 8 per cent in the last 25 years; it was 16.4 million people in 1991¹⁰. However, Kazakhstan's external migration balance has only become positive since 2004 for several reasons. The country faced massive emigration between 1991 and 2004, following its independence. The population loss amounted to 1.49 million people¹¹. The main reason behind it was the freedom of movement introduced after the collapse of the Soviet Union which allowed people who initially moved to Kazakhstan from Russia and other former Soviet republics to return to their homelands or to find better economic prospects. However, since 2004, the country experienced immigration: the population has been on the rise due to the influx of ethnic Kazakhs and a growing number of labour immigrants from neighbouring Central Asian countries. There is also a trend of migration of the rural population to urban areas. The population flows are directed mostly from rural to urban areas and from small and medium sized cities to urban centres. The two big cities, Almaty and Astana, continue to attract most of the internal migrants. While the total population of Kazakhstan grew from 2006 to 2016 by 16.1 per cent, the population in urban areas increased by 15.8 per cent, while that in rural areas increased by 16.6 per cent (Figure 4). Today, the urban population comprises 57 per cent of the total population, while the rural population makes up 43 per cent.

The average population density of Kazakhstan is low; in 2016, it was 6.6 persons per km². The most densely populated region is the South Kazakhstan Region (24.5 persons/km²). Given that Almaty and Astana have approximately equal urban areas (700 km²), the population density of Almaty, at 2,501.9 persons/km², is 1.8 as high as that of the capital city (1,389.6 persons/km²)¹². This is explained first of all by the physical geography of Almaty; it is surrounded by mountains and is therefore limited in the possibility of expanding its territory.

⁷ Central Asia: Kazakhstan", in The World Factbook, (Washington, D.C.: Central Intelligence Agency, 2017). Available from <https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html>.

⁸ Republic of Kazakhstan, Committee on Statistics, Main socio-economic indicators of the Republic of Kazakhstan. Available from http://stat.gov.kz/faces/homePage/homeDinamika.pokazateli?_afzLoop=16634742910880501#%40%3F_afzLoop%3D16634742910880501%26_adf.ctrl-state%3Ddgmzw4esv_115

⁹ United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects: The 2015 Revision, custom data acquired via website. Available from <https://esa.un.org/unpd/wpp/DataQuery/>

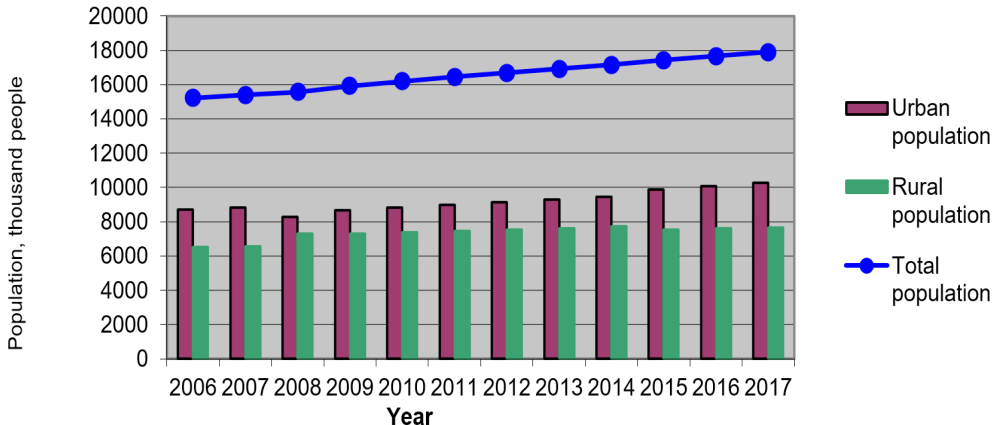
¹⁰ Republic of Kazakhstan, Committee on Statistics, Main socio-economic indicators of the Republic of Kazakhstan. Available from http://stat.gov.kz/faces/homePage/homeDinamika.pokazateli?_afzLoop=16634742910880501#%40%3F_afzLoop%3D16634742910880501%26_adf.ctrl-state%3Ddgmzw4esv_115

¹¹ Ibid.

¹² Calculated (Source: Republic of Kazakhstan, Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, *Kazakhstan in Figures*, (Astana, 2016). Available from http://stat.gov.kz/faces/wcnav_externalId/publicationsCompilations?lang=en&_afzLoop=5181912470394420#%40%3F_afzLoop%3D5181912470394420%26lang%3Den%26_adf.ctrl-state%3D191fqptz4t_4.

Thanks to robust economic growth, the unemployment rate has been steadily decreasing, from 7.5 per cent in 1994 to 4.9 percent in 2016¹³. Unlike other Central Asian states, Kazakhstan does not have any significant dependence on personal remittances from other countries. Even though the amount of personal remittances transferred to Kazakhstan in 2015 (USD 194.5 million) has almost doubled from its 1995 level (USD 116.1 million), its share in the country’s GDP, of 0.1 per cent, is the lowest in the region¹⁴.

Figure 4
Change in resident population, 2006-2017



Source: Statistical compendiums Regions of Kazakhstan in 2008, Regions of Kazakhstan in 2012, Regions of Kazakhstan in 2014, Kazakhstan in Figures (2016). Kazakhstan in 2016 (2017).

In 2017, there were 87 cities in Kazakhstan, including 2 of significance (Astana and Almaty) and 38 of regional subordination. There were 30 settlements and 6,683 rural human settlements (auyls)¹⁵. More than half of rural human settlements are small, with only 8.9 per cent of the rural population living in these settlements.¹⁶

The largest city of Kazakhstan, Almaty, had a population of 1.7 million in 2017, while the capital, Astana, had 0.97 million.

According to the 2020 Programme of Regional Development, the Government plans regional development through support to the development of urban agglomerations within the central cities of Astana, Almaty, Shymkent, and Aktobe, and, in the longer term, within Ust-Kamenogorsk. The emerging urban agglomerations are home to a third of the population.

Government and administrative divisions

¹³ Republic of Kazakhstan, Committee on Statistics, Main socio-economic indicators of the Republic of Kazakhstan. Available from http://stat.gov.kz/faces/homePage/homeDinamika.pokazateli?_afzLoop=16646521298659066#%40%3F_afzLoop%3D16646521298659066%26_adf.ctrl-state%3D5bxhir7dp_63

¹⁴ World Bank, “Personal remittances, received (current US\$)”, *World Bank Open Data*. Доступно по ссылке: <http://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?locations=KZ>

¹⁵ *Kazakhstan in Figures*, Statistical Compendium, the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, Astana, 2016.

¹⁶ 2020 Program of Regional Development approved by the Government Decree No. 728 of 28 June 2014.

According to the Constitution, adopted in 1995, the Republic of Kazakhstan is a unitary state with a presidential form of government and a bicameral legislature. The executive branch is represented by the President serving as the head of the State and the Prime Minister leading the Government. The legislative branch of the Government consists of a Senate and an Assembly (Mazhilis). Working jointly, the two chambers have the authority to amend the Constitution, approve the budget, confirm presidential appointees, ratify treaties, declare war, and delegate legislative authority to the President for up to one year. Each chamber also has exclusive powers. The President is elected by a simple majority popular vote for a five-year term (eligible for a second term). The Prime Minister and Deputy Prime Minister are appointed by the President, with the approval of the Mazhilis.

Kazakhstan consists of 14 oblasts (regions) and 2 municipal districts (Almaty and Astana), which are administratively independent cities with a status comparable to an oblast. Each oblast is headed by an akim (governor), appointed by the President. Municipal akims (mayors) are appointed by oblast akims. Since December 1997, the capital of Kazakhstan has been Astana. From 1929 to 1997 the capital Almaty, founded in 1854.

The judicial system has three tiers: the local courts, the regional (oblast) courts and a national 44-member Supreme Court. In addition to these, the judicial system includes the seven-member Constitutional Council, specialized courts.