

KAZAKHSTAN-SAUDI ARABIA: FOREIGN POLICY CONTACTS AND INTERACTION IN THE CONTEXT OF ANTI-RUSSIAN SANCTIONS

Alla KARABULATOVA

*Post-graduate student, Department of Sociology of Knowledge,
Institute of Socio-Political Research, Russian Academy of Sciences
(Moscow, Russian Federation)*

Leonid KIM

*Post-graduate student, Department of Sociology of Knowledge,
Institute of Socio-Political Research, Russian Academy of Sciences
(Moscow, Russian Federation)*

ABSTRACT

The second decade of the twenty-first century is demonstrating an unprecedented scope of foreign economic activities (international economic operations) in which TNCs act as traders (merchants), investors, promoters of latest technologies that invigorate international labor migration. They are responsible, to a great extent, for the dynamics, structure and level of competitiveness in the world market of goods and services, international movement of capital and transfer of technologies (knowledge). There is a group of oil-rich states among the independent states in the Persian Gulf region that scored considerable economic victories. In the last few decades, unfolding globalization, widening economic ties and the emerging new parameters of international relations have moved the Gulf

monarchies (that own 43.9% of the world's proven oil reserves and 15.5% of natural gas resources) from the region's periphery to the center of world economics and Middle Eastern politics. The Middle East is an object rather than a subject of geopolitics. The West remains convinced that despite its rich fuel resources, the Muslim world is unable to create an efficient economic model, while the local people are not interested in business. This is not true: the Arabic Middle East has performed a fantastic leap into the future that disproved the Western stereotypes. Today, Saudi Arabia invests into many countries of the world, its interests stretching far and wide outside the Middle East: in particular, it is drawing closer to Kazakhstan with inevitable readjustments of both countries' foreign policy priorities.

KEYWORDS: *Middle Eastern policies, Saudi Arabia, Kazakhstan, foreign policy, investments, soft power, Islamic banking.*

Introduction

The Middle East is a unique region very different in many respects from the other regions of the world. Its geopolitical location at the crossroads of three parts of the world (Europe, Asia and Africa) has no rivals in any other place on the globe. This explains why nearly all world powers tried, at one point or another, to establish control over it as a zone of their “vital interests”: in the 18th-19th centuries, these were Great Britain and Turkey, replaced in the twentieth century by France, Germany, the U.S., the Soviet Union and the same Great Britain. The country that controlled the Middle East also controlled the eastern part of the Mediterranean and the western part of the Indian Ocean.

The Middle East is the cradle of two world religions—Christianity and Islam—and, therefore, two world cultures. The huge oil reserves discovered in the last few decades added a lot of weight to its geopolitical consequence. From the scientific point of view, an analysis of the Middle Eastern political balance of power is highly important: indeed, the region consists of countries with very different levels of the development of production facilities, economic potential, social organization, culture and the nature of political regimes.

From time to time, tensions rise, the situation becomes dangerously explosive turning the Middle East into a conflict zone. It should be said that over the last fifty years, the Middle East has seen more armed conflicts than any other region in the world. Libya, Iran and Iraq were accused of supporting international terrorism and human rights violations.¹ Washington’s allies (Egypt and Saudi Arabia)² with more or less similar records were never accused of Islamic fundamentalism and of conspiring with terrorists.

Today, the Middle East demonstrates certain integration trends, since the Arabs are the predominant ethnic group in the region and Islam the dominant religion. This means that despite different political regimes many countries have similar political, economic, social and military-strategic interests that serve as the cornerstones of numerous interstate regional associations. Despite numerous problems, integration is gaining momentum; in favorable conditions it can develop into a sustainable process.

In the very short historical period, a group of countries, united into a subregional Cooperation Council for the Arab States of the Gulf,³ has transformed into a very active entity of international relations at the subregional, Arabic and Islamic levels and become an important financial donor of Western countries and the biggest importer of Western weapons and high technologies. There is every reason to believe that the shortage of the world fuel reserves will add even more importance to the above-mentioned countries.

Methods and Materials

Today, political science has actualized the cognitive interest in individual aspects of interaction between religion and political processes in contemporary society. Those who study these aspects have to cope with methodological problems caused by the absence of theoretical constructs and cognitive

¹ See: I. Karabulatova, B. Akhmetova, K. Shagbanova, E. Loskutova, F. Sayfulina, L. Zamalieva, I. Dyukov, M. Vykhrystyuk, “Shaping Positive Identity in the Context of Ethnocultural Information Security in the Struggle against the Islamic State,” *Central Asia and the Caucasus*, Vol. 17, Issue 1, 2016, pp. 84-92.

² See: K. Tokaev, *Vneshniaia politika Kazakhstana v usloviakh globalizatsii*, Elorda, Almaty, 2000, p. 547.

³ The Council unites Saudi Arabia, Kuwait, UAE, Oman, Qatar and Bahrain.

apparatus indispensable for an adequate interpretation of the processes created by politicization of religion and the religious dimension of politics.⁴

The work was done within the framework of post-nonclassical metaparadigm of political studies based on the synthesis of the principles and provisions of classical and nonclassical sciences. To address the scientific and research tasks related to the studies of religious expansion and politicization of religion, we used the principles and methods of classical political science, oriented toward the studies of political processes as a supra-individual political reality.

Results

Distorted and unacceptable identification of Islam as a world religion with international terrorism that relies on radical Islamist rhetoric is widespread in the international media and promotes religious disunity. The Arab tradition, as well as the process of shaping the Arabic statehood, is closely connected with the religious context. As the region's leading religious and political doctrine, Islam played a great role in consolidating Arabic tribes and, later, regulating Arab society.

The Islamic banking system should be governed by the canons of the Shari'a. Unlike the traditional crediting institutions that charge interest, the Islamic banks work according to the takaful principle—mutual insurance.⁵ Today, Islamic banking successfully competes with conventional banking. Some of the British banks opened counters of Islamic banking making London the capital of Islamic banking. Islamic banking is rapidly gaining popularity in the world's credit market: today it is practiced in over 75 countries, many of them non-Muslim.⁶

The concept of project investment is the best method associated with risk sharing and equity participation. Banks do not earn interest; they study a potential customer and his business plan, analyze the risks and share them with the client.⁷

Kazakhstan is one of the post-Soviet countries best suited for Islamic banking, while in the conditions of anti-Russian sanctions the majority of Russian businessmen can rely on tax-free service when doing business in Kazakhstan, since the two countries are the strongest partners within the Customs Union.⁸

Islamic economics can be described in different ways: as an economic policy based on the Koran and Sunnah (Sayf al-din Taj ad-din); as a social science that studies economic problems through the prism of Islamic values (M.A. Mannan); as a behavior model of a Muslim in a typical Muslim society (S.N.H. Naqvi); as knowledge and the use of bans and prescriptions of the Shari'a designed

⁴ See: N.E. Kamal, M.A. Almula, I.S. Karabulatova, A.S. Karabulatova, *The Arab East and Russia: Current Transformations of Multinational Corporations*, ed. by G. Osipov, ISPR RAS, Moscow, 2016, p. 138.

⁵ See: R. Bekkin, *Islamskie finansovye instituty i instrumenty v musulmanskikh i nemusulmanskikh stranakh: osobennosti i perspektivy razvitiia*, Author's abstract of Doctorate Thesis, 08.00.14, Institute of Africa, 2009, p. 368. (Takaful is a form of mutual insurance based on the principles of cooperative risk sharing, mutual responsibility, mutual protection, and solidarity among groups of participants.)

⁶ See: G. Osipov, A. Karabulatova, I. Karabulatova, "Mezhdunarodnye korporatsii' s ispolzovaniem islamskogo bankinga kak otlichitelnaia cherta sovremennoy globalizatsii," *Nauchnoe obozrenie, Series 2, Humanitarian Sciences*, No. 5, 2015, pp. 5-12.

⁷ See: M.K. Lewis, M.K. Hasan, *Handbook of Islamic Banking, and Islamic Finance*, The International Library of Critical Writings in Economics, Edward Elgar, 2007.

⁸ See: "Kazakhstan Offers Russian Businesses that Invest into the Non-Raw Material Sector Considerable Tax Privileges—Masimov," Karavan media, available in Russian at [<http://www.caravan.kz/news/kazakhstan-predlagaet-dlya-rossijskogo-biznesa-sushhestvennye-nalogovye-igoty-pri-investirovanii-v-predpriyatiya-nesyrevegogo-sektora-masimov-244145/>], 17 December, 2016; "It is Planned to Introduce Tax Privileges for the Users of Subsurface Resources," available in Russian at [<http://kzinform.com/ru/news/20160926/42933.html>], 16 December, 2016.

to avert injustices that might be engendered in the process of acquisition and use of material resources (Hasan uz-Zaman), etc.

Table 1

**Fundraising by Banks of Kazakhstan
in the Market of Islamic Interbank Capital**

Date	Recipient Bank in Kazakhstan	Islamic Donor Bank	Description
2005-2006	Turan-Alem Bank	Calyon Bank/Abu-Dhabi Islamic Bank	Raised funds to total the sum of \$50 million
2006-2008		Calyon Bank/Abu-Dhabi Islamic Bank	Raised funds to total the sum of \$200 million
2007-2009		Abu-Dhabi Islamic Bank/CIMB Bank	Raised funds to total the sum of \$250 million
2009		Islamic Development Bank	Raised funds to total the sum of \$100 million
2006-2007	Bank Tsentrkredit	Abu Dhabi Islamic Bank/Commercial Bank of Qatar/Boubyan Bank/Dubai Bank PJSC/Habib Bank	Raised funds to total the sum of \$38 million
2007-2009	Alyans Bank	Calyon Bank/Abu-Dhabi Islamic Bank	Raised funds to total the sum of \$150 million
2009	Khalyk Bank	Islamic Development Bank	Raised funds to total the sum of \$100 million

Saudi businessmen will more actively invest in the economy of Kazakhstan. During the official visit of the President of Kazakhstan, Mr. Nursultan Nazarbaev, to Saudi Arabia in October 2016, all priority trends of bilateral cooperation were further invigorated. The President of the Islamic Development Bank (IDB) that had already invested \$1 billion 300 million in the economy of Kazakhstan, was one of the first to meet the President of Kazakhstan; the bank intends to invest two more billion in the next two years: reconstruction of the roads in Kazakhstan, agriculture and water supply were discussed as priorities.⁹ Over ten agreements, amounting to the total sum of over 60 billion tenge in the areas of energetics, mining, agriculture and trade, were signed during the visit (the poultry farm in the South Kazakhstan Region and food factory in the Akmola Region among them). Today, there exist 17 enterprises with Saudi participation functioning in Kazakhstan.

At a meeting with representatives of the Saudi business, the TOP members of the kingdom's entrepreneur community, Mr. Nursultan Nazarbaev talked about the advantages of investments in the economy of Kazakhstan to raise the level of mutual trade turnover that in 2015 was \$16.3 million, nothing to write home about. The level of investments was another matter: between 2005 and 2015, the Saudi business invested \$85 million in Kazakhstan's economy, not to count tens of millions of dollars in the form of grants. The heads of the Amiantit Group, that specialized in water engineering and pipe rolling, expressed their gratitude for the highly favorable investment climate in Kazakhstan and expressed their conviction that the partnership would continue.

⁹ See: R. Ramazanov, E. Kanapiyauly, Kh. Omarkulov, A. Omargaliev, "Podrobnosti ofitsialnogo vizita N. Nazarbaeva v Saudovskuyu Araviyu," available at [<http://24.kz/ru/news/top-news/item/145111-podrobnosti-ofitsialnogo-vizita-v-saudovskuyu-araviyu>], 17 December, 2016.

The sides agreed to compile a roadmap, set up a bilateral intergovernmental commission, and workgroups by industry, in order to achieve even better results and to set up a joint investment fund to finance common projects in Kazakhstan. The President, Mr. Nazarbaev, invited the Saudi partners to join investment-innovation projects and the Nurly zhol program. Saudi Arabia is ready to participate in EXPO-2017 in Astana, where it would present its innovations in energy production.

The President of Kazakhstan also met the King of Saudi Arabia, Salman bin Abdulaziz Al Saud. The leaders of the two countries discussed the main trends of cooperation and prospects of deeper contacts in trade, economic, political, cultural and humanitarian spheres.¹⁰ The sides agreed that there is a great potential and noticeable progress in different spheres of interaction, including agriculture.

The President of Kazakhstan met the Speaker of the Saudi Shura Council, Mr. Abdullah bin Mohammed bin Ibrahim Al-Sheikh, to discuss a common external policy. The sides agreed that the relationship should be raised to a new level. President Nazarbaev expressed his conviction that the agreements would be realized. In his turn, Mr. Abdullah bin Mohammed bin Ibrahim Al-Sheikh assured the President of Kazakhstan that his country would spare no effort to consolidate its relations with Kazakhstan.

The following newly concluded agreements will play a big role in the development of Kazakhstan:

- Agreement between the Republic of Kazakhstan and the Kingdom of Saudi Arabia on Extradition of Convicted Persons;
- Agreement between the Republic of Kazakhstan and the Kingdom of Saudi Arabia on Extradition of Persons;
- Agreement between the Government of the Republic of Kazakhstan and the Government of the Kingdom of Saudi Arabia on Cooperation in the Sphere of Using Nuclear Power for Peaceful Purposes;
- Memorandum of Understanding between the Ministry of Agriculture of the Republic of Kazakhstan and the Ministry of Agriculture of the Kingdom of Saudi Arabia on Cooperation in Agriculture.

As far as this visit was concerned, the Russian Muslim sites specifically pointed to its religious component and stressed the humanitarian nature of Islamic economics and politics.¹¹

Discussion

Today, the political science is especially interested in the genesis of the political aspects in religion (Georges Balandier and Alexey Bardakov);¹² politicization of religion (Gabriel Almond, Hannah Arendt, Madeleine Albright, Vittorio Strada, Samuel Huntington);¹³ the role of religion in the

¹⁰ See: "Nursultan Nazarbaev pribyl s ofitsialnym vizitom v Saudovskuyu Araviyu," available at [http://bnews.kz/ru/news/politika/President/nursultan_nazarbaev_pribil_s_ofitsialnim_vizitom_v_saudovskuu_araviu-2016_10_25-1294385], 16 December, 2016.

¹¹ See: "Nazarbaev nazval visit v Saudovskuyu Araviyu poleznym," available at [http://www.time-namaz.ru/news_islam-9501-nazarbaev_nazval_vizit_v_saudovskuyu_araviyu_poleznym_.html], 12 December, 2016.

¹² See: G. Balandier, *Political Anthropology*, Pelican, 1972; A.I. Bardakov, *Vlast v formakh organizatsii zhiznedeiatelnosti obshchestva*, Author's abstract of a Doctorate Thesis, Volgograd, 2007.

¹³ See: G. Almond, *The Culture: Political Attitudes and Democracy in Five Nations*, Princeton University Press, New Jersey, 1980; H. Arendt, *The Origins of Totalitarianism*, Schocken, New York, 2004; M. Albright, *The Mighty and the Al-*

political process (Ivan Gobozov, Alexander Ignatenko, Rafik Mukhametshin, Vladimir Ustyantsev);¹⁴ the nature of interaction between the political process and religion (Jean Baudrillard, Richard Rorty, John Rawls, Kenneth D. Wald, Jürgen Habermas);¹⁵ religion and the contemporary democratic process (Jeffrey Stout);¹⁶ Islam and contemporary democracy (Fareed Zakaria, Marlene Laruelle, Alexey Malashenko);¹⁷ religious expansion in the world of politics (Robert Bartlett, Lev Gumilev, Victor Makarenko, Oswald Spengler, Arnold Toynbee);¹⁸ the forms of the religious space (Igor Arzumanov, Pierre Bourdieu, Gilles Kepel, James P. Calvet);¹⁹ impact of globalization on politicization of religion (Ulrich Beck, Svetlana Pogorelskaya, Alain Touraine, Emmanuel Todd, Olga Trofimova, Michèle Tribalat, Daniel Pipes, Samuel Huntington, Semed Semedov).²⁰

It should be noted that in his *Milestones*, Mr. Sayyid Qutb, the founder of the ideology of Islamism, insisted that jihad, unleashed to establish the “divine power” on earth, would go on forever. He went even further to conclude that jihad was inherent in Islam. His ideas are a very strange concept of permanent jihad based on material power that had gone through “very different development stages and discovered highly effective methods for each of them.”²¹ He referred not only and not so much to “defensive jihad” as to the offensive jihad that relied on force. This concentration on the use of force was caused by the fact that Islam lived (and is living) in the environment of a new Jahiliyyah

mighty: Reflections on America, God, and World Affairs, HarperCollins, 2006; V. Strada, “Razmyshleniia o politicheskikh religiiaikh XX veka,” in: *Religiia i politika v XX veke: materialy vtorogo kollokviuma Rossia i Italia*, Institute of World History, RAS, Moscow, 2005; S.P. Huntington, *Political Order in Changing Societies*, Yale University Press, New Haven and London, 1968.

¹⁴ See: I. Gobozov, *Filosofia politiki*, Teis, Moscow, 1998; A. Ignatenko, *Islam i politika*, Collection of articles, Institute of Religion and Politics, Moscow, 2004; R. Mukhametshin, “Stanovlenie kofessionalnoy politiki v Rossii: opyt Tatarstana,” *Politicheskaiia ekspertiza*, Vol. 6, No. 2, 2010; V. Ustyantsev, “Antropologiiia riska: kontseptualnye osnovaniia,” in: *Obshchestvo riska i chelovek: ontologicheskii i tseennostny aspekti*, Nauka Publishers, Saratov, 2006.

¹⁵ See: J. Baudrillard, *L'Echange Symbolique et la Mort*, GALLIMARD, 1976; R. Rorty, *Religion as a Conversation—Stopper. Philosophy and Social Hope*, Penguin Books, London, 1999; J. Rawls, *Political Liberalism*, Columbia University Press, New York, 1994; “Separation and Interaction: Religion and Politics in the United States: An Interview with Kenneth D. Wald,” *Electronic Journal of the U.S. Information Agency*, Vol. 2, No. 1, March 1997, available at [<http://www.4uth.gov.ua/usa/english/society/ijse0397/tocsv.htm>]; J. Habermas, “Religia, parvo i politika: politicheskaiia spravedlivost v multikulturnom Mir-Obshchestve,” *Polis*, No. 2, 2010 (see also: J. Habermas, “Religion, Law and Politics: On Political Justice in a Multicultural World Society,” available at [<https://www.youtube.com/watch?v=ad4hjAEphV8>]).

¹⁶ See: J. Stout, *Democracy and Tradition*, Princeton University Press, 2004.

¹⁷ See: F. Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad*, W.W. Norton & Company Inc., 2003; M. Laruelle, “Prinadlezhnost k islamu kak politicheskii kriterii: politizatsia dukhovnykh upravlenii i sozdanie musulmanskikh partii,” in: *Islam, identichnost i politika v postsovetskom prostranstve*, Master Layn, Kazan, 2005; A. Malashenko, *Islamskaia alternativa i islamskiy proekt*, Ves mir, Moscow, 2006.

¹⁸ See: R. Bartlett, *The Making of Europe. Conquest, Colonization and Cultural Change. 950-1350*, Penguin Books Ltd., London, 1993; L. Gumilev, *Geografiiia etnosa v istoricheskiiy period*, Ayris-Press, Moscow, 2002; V. Makarenko, “Fanatizm i tolerantnost: dialektika bibleysko-tserkovnykh istokov,” *Politicheskaiia kontseptologiiia*, No. 4, 2011; O. Spengler, *The Decline of the West*, Oxford University Press, 1991; A. Toynbee, *Civilization on Trial*, Oxford University Press, 1948.

¹⁹ See: I. Arzumanov, *Transformatsiia prostranstva religioznoy kultury Baykalskogo regiona v transaziatskom kontekste: XX-XXI vv.*, Author’s abstract of Doctorate Thesis, Moscow, 2008, available at [<http://www.dissercat.com/content/transformatsiya-prostranstva-religioznoi-kultury-baikalskogo-regiona-v-transaziatskom-kontek>], 15 December, 2016; P. Bourdieu, *Sotsialnoe prostranstvo: polia i praktiki*, Aleteya, St. Petersburg, 2007; G. Kepel, *Jihad: The Trail of Political Islam*, Belknap Press of Harvard University Press, Cambridge, 2002; J. Calvet, *Islamism: A Documentary and Reference Guide*, Westport, Connecticut, London, 2008.

²⁰ See: U. Beck, *What Is Globalization?* Polity Press, Cambridge, 1999; S. Pogorelskaya, “Musulmane v Germanii: spetsifika integratsii,” *Aktualnye problemy Evropy*, No. 1, 2008; D. Pipes, “Explains ‘Islamism’,” *The Minaret*, September, 2000; O. Trofimova, “Musulmane i islam v Zapadnoy Evrope,” *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, No. 10, 2009; S. Huntington, *No Easy Choice: Political Participation in Developing Society*, New York, 1976; E. Todd, *Le destin des immigrants (Assimilation et ségrégation dans les démocraties occidentales)*, Seuil, Paris, 1994; S.A. Semedov, *Islam v politike: ideologiiia i praktika*, Ekon-Inform, Moscow, 2009.

²¹ S. Qutb, “Jihaad in the Cause of God,” in: *Milestones*, 2nd ed., Transl. by S. Badruhan Hasan, International Islamic Publishers Ltd., M.A. Karachi, Pakistan, 1988, pp. 107-142.

(ignorance of divine guidance); the reference is to all non-Islamic societies that are actively opposing the realization of the Islamic vision.

Conclusion

Islam is dominated by the idea of vicariate, according to which the wealth of this world belongs to Allah, while man is merely an administrator, who arranges the resources, including the intellectual ones, entrusted to him. In this case, we are talking about the relationships between man and God. There is an opinion that the term “Islamic” somewhat narrows the sphere of application of the Islamic economic model in non-Muslim societies. In fact, Islam does not insist that economics or politics should be defined as Islamic; they should be addressed to mankind. Saudi Arabia, the country that has faced and is still facing numerous problems and that has managed to outdistance many other countries in social and economic aspects, is building up its influence in the post-Soviet countries. In the second decade of the twenty-first century, the world community entered a qualitatively new stage of political development, marked by the disintegration of the bipolar system and the mounting number of regional conflicts, multipolarity that is growing more obvious and accelerating globalization that mark not only the end of the Cold War but also the transformation of the world order as a whole.