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#### STRATEGY KAZAKHSTAN 2050

# NEW POLITICAL COURSE OF THE ESTABLISHED STATE

#### Fellow citizens!

Today we have gathered on the eve of our Independence Day.

It has been more than 20 years since we first celebrated this great holiday.

On December 16, 1991 we, the people of Kazakhstan, chose sovereignty, freedom and openness to the world as our founding principles. Today these values have become a part of our daily life.

As we began our journey as a nation things were vastly different. Now, thanks toour joint efforts, we have transformed our country into a wholly different place.

Today we are a successful state with our own unique characteristics, perspectives and identity. We have worked hard for the progress we have achieved.

For over 20 years we have worked to strengthen Kazakhstan's sovereignty and political influence – a goal we have now accomplished. We have succeeded in building a strong foundation for our nation.

21st Century Kazakhstan is an independent and self-confident state.

We are not afraid of the ongoing changes in the world caused by the prolonged global financial crisis. Indeed, we are prepared for them. Our goal is to continue our sustainable development into the 21st Century while maintaining and building on our existing achievements.

By 2050 we plan to create a society based on a strong state and a developed economy with expanded labour opportunities for our citizens.

A strong state is especially important toensure accelerated economic growth. This is not about survival. It is about planning, long-term development and economic growth.

Today, on the eve of our Independence Day, I present to you my vision of our nation's development prospects and a new political direction for Kazakhstan.

# I. OUR ACHIEVEMENTS: ESTABLISHING THE MODERN STATE OF KAZAKHSTAN

In 1997 we adopted the Development Strategy of Kazakhstan 2030.

That was fifteen years agowhen the post-Soviet chaos had not been overcome, there was an economic crisis in South East Asia and our nation faced a difficult future.

But as we faced these challenges, our 2030 strategy served as a beacon toguide our way forward and to keep us focused on our target.

Remember 1997?

After my speech in Parliament, I remember that there was some confusion and bewilderment. As I outlined our ambitious goals, people asked: "Was that propaganda? Or a promise of manna from heaven?"

Yet, as the saying goes, "the eyes may be frightened, but the hands are working". We set ourselves an enormous task – to reverse the downward trend Kazakhstan faced and to continue developing our new country.

To reach this aim we had toimprove in three areas: we needed tobuild a modern nation state by making the leap towards a market economy; we needed to lay the foundation of a social system;

and finally, we needed to transform the thinking and outlook of our people. We had to define our own path. This was the path we outlined in the "Strategy Kazakhstan 2030", a strategy that helped define our strategic goals and targets and provided a crucial breakthrough in our world outlook.

Only with a clear objective in mind can we set targets that will lead us to success. Today I'm pleased to announce that we made the right decisions all those years ago. Our resilience through the 2008-2009 global financial crisis proved that. Kazakhstan met the test. The crisis did not destroy our achievements – it made us stronger.

The political, socio-economic and foreign policy model of development that we chose proved to be the right one.

#### Strong and Successful State

Our key achievement is that we have established an independent Kazakhstan. We have legally formalised our borders. We have put together our nation's integrated economic space. We have recreated and reinforced the economic ties that bind our country. Our domestic regions are united in their activities.

We have implemented historically important constitutional and political reforms that have established a system of public administration based on the division of branches of power.

We have built a new capital – Astana. It is a modern city that has turned into a symbol of our country that we take pride in. We have unleashed the potential of the capital to showcase our country's capabilities to the entire world. This is exactly why the international community elected Kazakhstan to host the EXPO 2017 international exhibition. This would have been impossible without Astana. Very few cities have received such an honour. In fact, Kazakhstan is the first post-Soviet country to chair the Organisation for Security and Cooperation in Europe and to host the OSCE Summit, and will now be the first to host EXPO 2017 – a world-class event.

#### **Sustainable Process of Democratisation and Liberalisation**

We have a clear formula to follow: "Economy first, then politics". Every step of our political reforms is closely tied to our level of economic development. The only way to modernise our country and make it competitive is to progressively follow the path of political liberalisation.

Step-by-step our society is approaching the highest standards of democratisation and human rights.

We have secured fundamental rights and liberties in our country's Constitution. Our citizens have equal rights and opportunities.

### Harmony and Peace among disparate Social, Ethnic and Religious Groups

We have worked to restore our historic Kazakh culture and language after many years of decline. Kazakhstan is home to over 140 ethnic groups and 17 religious faiths. We are proud of our ethnic, cultural and religious diversity, and even prouder that we have maintained peace and stability in our country.

Civil peace and inter-ethnic harmony remain key values for us. Our peace and harmony, and the intercultural and interreligious dialogue in our multi-ethnic country, have been recognised as a global model.

The Kazakhstan People's Assembly has become a unique Eurasian model of intercultural dialogue.

Kazakhstan has turned into a centre of global interreligious dialogue.

### National Economy: Our Role in the International Division of Labour

We were the first in the Commonwealth of Independent States to develop a modern market economy based on private property, free competition and openness. Our model is based on the idea of a proactive role for government in attracting foreign capital.

To date we have attracted over \$160 billion of foreign investment.

We have established basic conditions for entrepreneurshi p, as well as a modern taxation system. We have systematically diversified our economy. I set forward a clear task to accelerate the industrialisation programme – to help transform the shape of our economy and to make it immune to global commodity price fluctuations within the decade.

Over the 15 years following the adoption of the 2030 Strategy, our state joined the top five dynamically developing countries of the world.

There are recognised rankings that countries use to track their development. By the end of 2012, Kazakhstan will enter the top 50 largest global economies and is already ranked 51st in terms of economic competitiveness.

# Strong Social Policy to Ensure Social Stability and Harmony

A major criterion for me has always been, and will always be, the level of our people's living standards.

Over the past 15 years the incomes of our citizens have grown 16 fold, while the number of people with incomes below subsistence level has fallen seven fold. The number of people who are unemployed is twice as low as it used to be.

We have laid the foundation of a socially-oriented society.

We have also managed to achieve substantial progress in improving our nation's health.

To improve the efficiencyof our healthcare system, we have reformed its organisation, management and funding. Over the last five years, the maternal mortalityrate decreased three fold, while the birthrate has increased by 50 percent.

We have created equal opportunities for education. Over the last 15 years our education expenditure has grown 9.5 times. We have implemented an Education Development Government Programme designed to radically modernise education at all levels, from pre-school to higher education.

Thanks toour long-term human capital investment policy, we have created a talented new generation of young people.

# **Globally Recognised Country**

In world politics, our country is a responsible and reliable partner with significant influence in the international arena.

We play an important role in strengthening global security and supporting the international community in its fight against terrorism, extremism and illicit drug trafficking.

Our initiative to convene a Conference on Interaction and Confidence Building Measures in Asia (CICA) has seen CICA grow into an organisation with 24 member countries with a combined population of more than 3 billion people. CICA is a critical element of Kazakhstan's security.

During the past three years, the Republic of Kazakhstan chaired the Organisation for Security and Cooperation in Europe, the Shanghai Cooperation Organisation, the Organisation of Islamic Cooperation and the Collective Security Treaty Organisation.

At the Astana Economic Forum we proposed a new dialogue format – G-Global. The initiative has been designed to combine the efforts of all nations to establish a fair and secure world order.

We have also made a significant contribution to ensuring global energy and food security.

# Our Proactive Role in Promoting a Nuclear Nonproliferation Regime

Our initiatives tostrengthen the nuclear nonproliferation regime make a keycontribution to global stability, order and security.

Being the first in the world to close a nuclear testing site and abandon nuclear weapons, we gained strong international security guarantees from leading nuclear powers – the USA, Russia, Great Britain, France and China.

We also played a key role in establishing a Nuclear Weapon Free Zone in Central Asia and actively support creating similar zones in other regions, specifically the Middle East.

We support the efforts of the international community to counter the nuclear terrorism threat.

We firmly believe in the need to take decisive measures to eliminate the nuclear threat. We believe that the Nuclear Nonproliferation Treaty has been, and remains, the cornerstone of the nonproliferation regime. And we consider the early entrance into force of the Comprehensive Nuclear Test Ban Treaty as an important driving force to strengthen the nonproliferation regime.

Three years ago, the UN General Assembly supported my suggestion to establish August 29 as the International Day Against Nuclear Tests, a testament to Kazakhstan's role in global politics.

Kazakhstan has been recognised as a leader in nuclear nonproliferation and remains a model for other countries.

#### Strategy Kazakhstan 2030: Key Outcomes

In Strategy Kazakhstan 2030 we planned our country's future success, and we have progressively and persistently moved towards our aims. Even at the height of the 2008- 2009 global financial crisis, our national economy kept growing.

So today I'm proud to say that we've implemented the outcomes of the 2030 Strategy ahead of schedule, in terms of main parameters.

(1) INTERNATIONAL SECURITY. We had an aim to develop our country while maintaining its territorial integrity. We managed to do more than we initially planned.

For the first time in its historyKazakhstan has clear, internationallyrecognised borders. 14,000 km of our state border have been delimited.

Kazakhstan safely controls its territorial interests on the Caspian Sea, eliminating the threat of future territorial disputes. We haven't left disputed borders toour descendants.

We have created a strong Army capable of our nation's defence and an efficient law enforcement system to ensure the security of our citizens, society and state.

(2) We have maintained and strengthened STABILITY AND NATIONAL UNITY in a country where 140 ethnicities and 17 religious groups are represented.

We have consistently developed civil institutions based on a democratic development model. We've set up a Human Rights Ombudsman institution.

Whereas in the past we have never had a multi party system, today there are parties representing the entire political spectrum of our country. We have a multi partyParliament and a majority government.

Civil society is being developed. Independent media outlets work in the country. There are over 18,000 non-governmental organisations of various orientations. Nearly 2,500 media outlets function in Kazakhstan, of which approximately 90% are private.

Today our nation is an important international centre of intercultural and interreligious dialogue. Kazakhstan hosted the first four Congresses of the Leaders of World and Traditional Religions.

As this century progresses, Kazakhstan should become a bridge for dialogue and interaction between East and West.

# (3) ECONOMIC GROWTH BASED ON AN OPEN MARKET ECONOMY WITH A HIGH RATE OF FOREIGN INVESTMENT AND DOMESTIC SAVINGS.

We aimed to achieve feasible, sustainable and growing rates of development. Strategy Kazakhstan 2030 shifted the focus towards economic growth. As a result, within 15 years our national economy grew from 1.7 trillion tenge in 1997 to 28 trillion tenge in 2011.

Kazakhstan's GDP increased 16 fold. Since 1999, Kazakhstan's GDP grew an average of 7.6% per annum, outpacing the average for advanced developing countries. Our GDP per capita grew seven fold, from 1,500 USD in 1998 to 12,000 USD in 2012. From the beginning, Kazakhstan has been a top CIS country in terms of its per capita FDI. Today that figure amounts to 9,200 USD.

We've reached a 12 fold growth of our foreign trade and a 20 fold increase in our industrial output. Over these years our oil output grew three fold and natural gas output increased five fold. We have channeled those commodity incomes intoour National Fund.

The National Fund has become a reliable shield to protect us from possible economic and financial disturbances. It is a safeguard for current and future generations.

Carrying out the accelerated industrialisation programme, we've implemented 397 investment projects worth 1,797 billion tenge and created over 44,000 jobs since 2010. 225 projects worth 101.2 billion tenge have been approved during the first two years of the "2020 Business Roadmap" programme.

Today we are a middle-income country with a dynamically growing economy.

#### (4) HEALTH, EDUCATION AND WELL-BEING OF KAZAKHSTAN'S CITIZENS

It was vital toradicallychange the lives of our citizens and improve their living conditions. The results of this work are evident:

The average monthly salary grew by 9.3 times. The average pension increased ten fold. The population saw their nominal return grow 16 fold.

We are creating the necessary conditions to ensure high-quality healthcare services in all regions of the country.

In 1999 Healthcare funding equaled 46 billion tenge, in 2011 the figure amounted to 631 billion tenge. We've set up a medical cluster including five innovative healthcare facilities: the Children's Rehabilitation Centre, the Mother and Childhood Centre, the Neurosurgery Centre, the Emergency Aid Centre and the Cardiology Centre.

We are developing the services of transportable medicine, which now provides healthcare services to the most remote areas of our country at a rapid pace.

Our National Screening System helps detect and prevent diseases at their early stage. We have introduced free and preferential medication supply.

Over the past 15 years Kazakhstan's population grew from 14 million to almost 17 million. Life expectancy has increased to 70 years. We progressively implemented a policy of affordable and high-quality education.

The "Balapan" Programme implementation helped us increase the number of children to be covered with early childhood education to 65.4%.

We have introduced mandatory preschool training. Today this covers 94.7% of the preschoolers in Kazakhstan.

Since 1997 we've built 942 schools and 758 hospitals across the country.

We are developing a network of academic intellectual schools and world-class vocational colleges. Over the past 12 years the number of college scholarshi ps has increased by 182%. In 1993 we adopted a unique "Bolashak" programme, which has enabled 8,000 gifted young people to study in the world's top universities.

A state-of-the-art, international-standard research university has been established in Astana.

(5) ENERGY RESOURCES. Kazakhstan's oil and gas complex remains the powerhouse of our economy, which facilitates the growth of other sectors.

We have successfully created a modern and efficient oil, gas and mining sector. Our success in this area will help us to build a new economy of the future.

The share of the oil and gas sector within the country's GDP has been growing at a steady rate, increasing from 3.7% in 1997 to 14.7% in 2006 and up to 25.8% in 2011.

We've diversified our export markets and secured our positions, thereby reducing our dependence on any particular export route.

#### (6) INFRASTRUCTURE: TRANSPORTATION AND COMMUNICATION

Our aim was to develop our infrastructure and we had the strength to do it. Over recent years we have launched a number of major infrastructure projects that includes highways and railroads, pipelines, logistics centres, terminals, airports, train stations and ports.

All of these projects have created many jobs for our citizens and integrated Kazakhstan into the regional and global economic system. Over the past 11 years, the highway development sector received over 1,263 billion tenge, which it used tobuild and reconstruct more than 48,000 km of public highways, as well as 1100 km of railways.

We are reviving a New Silk Road by setting up a "Western Europe – Western China" transportation corridor.

We opened access to the Gulf and Middle Eastern countries by building the "Uzen – Turkmenistan border" railroad. After creating the "Korgas – Zhetygen" railway, we opened the "eastern gate," paving the way to the markets of China and all of Asia. And we have begun building the "Zhezkazgan – Beineu" railway.

(7) PROFESSIONAL STATE. To create a modern and efficient manager corps, we had to finally get rid of the management traditions of the outdated administrative and command system. In its place, we established a system of screening and promotion that affords all citizens equal rights and opportunities, and which ensures a high professional level and the transparency of government activities.

We also have managed significant change in our public administration, shifting its focus towards improving the quality of public services.

Thus, the main goals set forth in the 2030 Strategy have been achieved, and other goals are under implementation.

Today, all of us can say: "the 2030 Strategy has succeeded, modern Kazakhstan is an established state". This is a result of our unity, steady hard work and the true realisation of our hopes and dreams.

We should all take pride in our achievements.

Despite the recent challenges of the global financial crisis, we have succeeded as a state and society. Our borders, political system and economic model are no longer subject tofundamental differences and discussion, either domestically or internationally.

Now we face a new task: we need to strengthen the course of our long-term development.

#### II. TEN GLOBAL CHALLENGES OF THE 21 CENTURY

Today humankind faces new global challenges.

I will focus on ten key challenges for our country and region. To ensure our ongoing development and continue on our path to success, we must take into account each of the challenges.

# The first challenge is the accelerating course of history

The course of history has rapidly accelerated. The world is changing at a fascinating pace.

Over the last 60 years the population of the Earth has tri pled and will reach nine billion people by 2050. During the same period the world's GDP has increased 11 fold.

The accelerating course of global history opens up new opportunities for any country, and I'm proud that we have taken full advantage of them.

Over the last 20 years we have rapidly modernised all areas of our society. We've done things that many other countries achieved in 100 or 150 years.

However, there are still areas of society that have not shared the full benefits of the modernisation process. There are objective reasons for this: society still contains an imbalance that affects people's moral and social expectations.

We have to eliminate this disparity and provide all areas of society with the opportunity to participate in the modernisation process, find their place in the society and take full advantage of the benefits of the new political course.

#### The second challenge is the global demographic imbalance

The global demographic imbalance increases every day. Globally we are an ageing population. In 40 years the number of people above the age of 60 will exceed the number of children under 15. Low birth rates and aging in many countries will inevitably cause problems in the labour market, including workforce shortage.

The growing demographic imbalance has triggered new waves of migration and can increase social tensions. In Kazakhstan, we face migration pressure in certain regions of the country where illegal immigrants have destabilised local labour markets.

We should also be aware that we are very likely to deal with a reverse process – an outflow of our labour force. We are a young nation. The average age of our country is 35 years. This provides us with a great opportunity to capitalise on our human potential and rightfully position ourselves in the world.

So today we possess a substantial base on which we can rely and grow further. Anyone searching for a job in our country can get employed. Moreover, everyone in Kazakhstan is able to create employment and take care of himself or herself. That is our great achievement.

I am leading you to a universal labour society where the unemployed will not just receive benefits, but will have the opportunity to master new occupations; where the disabled will be able to actively engage in creative activities and companies will ensure decent working conditions.

Our youth should study, acquire new knowledge, master new skills and efficiently and skillfully deploy new technologies and expertise in their daily life.

#### The third challenge is the global food security threat

High rates of global population growth are contributing to a global shortage of food. Today millions of people starve; nearly a million people face constant food shortages. Without revolutionary changes in food production, these figures will only keep growing.

This global food shortage presents a great opportunity for Kazakhstan. We can be part of the solution to this international challenge.

We are already among the top grain exporters in the world. We possess vast "green" territories that are capable of producing eco-friendly foodstuffs.

To make this great leap forward in farm production we will need a new approach in our state.

#### The fourth challenge is the water shortage

Global water resources are under great pressure.

In the last 60 years global demand for drinking water supplies has increased eight fold. By the middle of this century many countries will have to import water.

Water remains a limited resource and competition for water is already becoming a critical geopolitical factor, causing tensions and conflict around the world.

Kazakhstan faces an acute water supply issue. We lack high-quality drinking water. A number of regions face shortages of drinking water.

There is a geopolitical aspect to this issue. We are already facing a serious issue of trans-boundary river use. Given the complexity of this problem, we should avoid politicising it.

#### The fifth challenge is the global energy security

All developed countries are increasingly investing in alternative and green energy technology. Estimates suggest that by 2050 they will generate up to 50% of energy consumed.

The era of the hydrocarbon economy is coming to an end. We face the beginning of a new era where human activities will be based not so much on oil and gas, but on renewable energy sources. Kazakhstan is one of the key elements of global energy security.

Having world-class oil and gas reserves, our country will not depart from its policy of reliable strategic partnershi ps and mutually beneficial international cooperation in the energy sector.

# The sixth challenge is the exhaustion of natural resources

The unprecedented growth in global population and consumption, and the finite level of natural resources, will bring both positive and negative outcomes.

Kazakhstan has a number of advantages in this regard. We have been blessed with abundant natural resources and other countries will need torely on us for their resource needs.

It is critical that we reconsider our attitude toour natural wealth. We need tolearn how to properly manage it, saving our export revenues and, most importantly, transforming our natural resources into an efficient and sustainable vehicle for economic growth.

### The seventh challenge is the Third industrial revolution

Mankind is on the threshold of a Third industrial revolution that will change the very notion of production. Technological discoveries are radically changing the structure and needs of international markets. We now live in a completely different technological reality.

Digital and nanotechnology, robotics, regenerative medicine and many other kinds of scientific progress will become an ordinary part of life and transform not only the environment, but also human beings.

Kazakhstan should actively seek to engage in these processes.

#### The eighth challenge is growing social instability

One of the greatest problems in the world today is increasing social instability. Its root cause is social inequality.

Today over 200 million people in the world fail to find jobs. Even the European Union faces unemployment – with the highest rates in decades – provoking massive civil unrest.

When we look at global employment conditions, we need toadmit that the situation in Kazakhstan is in a pretty good shape. We have the lowest unemployment rate we have ever had in our history. Undoubtedly, it's a great achievement. Yet we cannot rest on our laurels.

The global economic crisis is transforming into a socio-political one, which will inevitably affect Kazakhstan and test our durability. Therefore one of the key issues on our agenda is social security and social stability. It is important that we strengthen our social stability.

### The ninth challenge is the crisis of our civilisation's values

The world is undergoing an acute crisis of outlook and values. We increasingly hear voices heralding the clash of civilisations, the end of history and the failure of multiculturalism.

It is critically important that we stay away from this kind of discourse, preserving our time-tested values. We know exactly how we turned what was called our Achilles heel

multi-ethnicity and multi-religious reality – into an advantage.

We must learn toco-exist as cultures and religions. We must be committed todialogue between cultures and civilisations. It is only through dialogue with other nations that our country will be able to succeed and gain influence in the future. In the 21st Century Kazakhstan must strengthen its position as a regional leader and become the bridge for dialogue and interaction between East and West.

#### The tenth challenge is the threat of continued global destabilisation

We are all witnessing what is happening today in the world. This is not a new wave of global destabilisation, but the continuation of the 2007-2009 financial crisis, from which the world economy has yet to recover.

The global economic system may fail again as soon as 2013-2014, due to a fall in global commodities prices. Such a scenario is highly undesirable for Kazakhstan.

A recession in the EU and/or USA might lead to reduced demand for commodities in developed countries. Potential default by even one member of the eurozone might provoke a "domino effect" and bring the safety of Kazakhstan's international reserves and stability of our export deliveries into question.

The reduction of currency reserves exacerbates the pressure on the currency rate and inflation, which again might have a negative impact on social and economic situation.

Therefore we must develop a sound and coordinated policy for all aspects of the state and society to be fully prepared for any economic downturn in the international arena.

# III. STRATEGY KAZAKHSTAN 2050 - IS A NEW POLITICAL COURSE FOR NEW KAZAKHSTAN IN A FAST CHANGING WORLD

# 1. The new paradigm of challenges

# Fellow citizens!

#### The paradigm and challenges have changed significantly.

The frameworks of Strategy 2030 are no longer sufficient for us to meet the new challenges. It is crucial for us to expand our planning horizons, and make another leap forward in our world outlook.

First, Kazakhstan is a modern state. Our society has matured. Therefore today's agenda is different from the one we had during our initial stages of development.

The nature and profound change of the transformations across the globe requires sustainable long term development. Many countries are already trying to look beyond 2030 and 2050. "Managed forecasting" is becoming an important development tool for states in today's unstable times.

Secondly, Strategy Kazakhstan 2030 was developed to build and secure our sovereignty. Its basic parameters have been accomplished.

Thirdly, we are being forced to live up to the challenges and threats of a new reality. They are universal in nature and affect all countries and regions.

When we were developing our 2030 strategy no one assumed that the world would face an unprecedented global financial and economic crisis, which would create new, totally unexpected, economic and geopolitical circumstances.

Back in 1997 the Strategy 2030 was being developed as an open document. The possibility of corrections and amendments has been part of its vision from the outset.

Being aware that the situation in the world is changing and that this might lead to adjustments, I instructed a working group to be formed that has tracked our status and worked out a viable strategy under these new economic conditions.

Taking into account the working group's recommendations, I suggest we set a new political course for the nation until 2050 that builds on the tasks set by strategy 2030. And we must be conscious that time and conditions will bring their own adjustments to our plans, as they did to 2030 programme.

2050 is not merely a symbolic date.

This is a real timeline adopted by the world community. The United Nations developed the Global Forecast on "Future of civilizations" until 2050. The Food and Agriculture Organisation issued a forecast report until 2050. More and more countries are developing and adopting long term strategies. The same horizon for strategic planning is set in China.

Even large transnational companies prepare development strategies half a century ahead.

15 years ago, when the Strategy 2030 was adopted, the first generation of citizens born after the independence was just about to enter school. Today they are already working or graduating from universities. In twotothree years we will witness the second generation of independence.

Therefore, in order to set them in the right direction, it is important for us to start thinking now.

Our main goal is to enter the club of the top 30 most developed countries of the world.

Our achievements and our development model must become the basis of the new political course. Strategy Kazakhstan 2050 will integrate with our previous strategy and answer the question: who are we, where are we going and where do we want to be by 2050? I am sure that the young generation is interested in exactly that.

Taking into account all these considerations, I offer a draft of a new political direction for the nation until 2050. This will be my Address to the nation of Kazakhstan.

2. Where are we going? Goals of the new political course

By 2050 Kazakhstan must enter the top 30 club of most developed states in the world.

The competition among developing countries for a place in that club will be intense. The nation must be ready to face changes in the global economic climate, realising clearly that the desired spot is guaranteed only to those with the strongest economies.

We must work with dedication and inspiration, not losing sight of our primary objectives:

- Further developing and strengthening statehood.
- Transitioning to new princi ples of economic policy.
- Comprehensive support for the entrepreneurship that will be a leading force for the national economy.
- Forming the new social model.
- Creating modern and efficient education and healthcare systems.
- Increasing accountability, efficiency and functionality of the state apparatus.
- Setting adequate international and military policies that are responsive to new challenges. Today I will outline the primary tasks for 2013 that will ensure the successful start of the new political course for 2050.

In accordance with these tasks the Government will need to immediately develop the national action plan for 2013.

This important document must include all specific orders and provide for personal responsibility of the heads of executive, legislative and judicial branches of power. The Presidential Administration must take the preparation and further implementation of the strategy under special control.

I would now like to give my own vision of the major directions of the Strategy Kazakhstan 2050.

# 1. The economic policy of the new course – all round economic pragmatism based on the principles of profitability, return on investment and competitiveness

#### Universal economic pragmatism

The essence of economic policy of the new course is universal economic pragmatism. What does this mean?

First. Adopting all economic and managerial decisions based purely on economic feasibility and long term interests.

Second. Defining new markets where Kazakhstan can partici pate as an equal business partner and create new sources of economic growth.

Third. Creating a favourable investment climate to help build economic capacity, profitability and return on investments.

Fourth. Creating an effective private sector economy and developing public private partnerships. We must do this by stimulating exports with state support.

#### New personnel policy

A key condition of success for our 2050 policy will be the right people to back it up. To ensure these people are in place we must:

- Enhance the managerial resources and potential that we possess.
- Introduce modern management tools and princi ples of corporate governance in the public sector.
- Exploit the benefits of the international division of labour. In particular, we must attract elite human resources for the implementation of some of the tasks of the new course through outsourcing programmes. We must attract the best foreign specialists in the open market and invite them to work in our country.
- The use of managers with extensive international experience and knowledge will have a dual effect: we will modernise management of our production and teach our own domestic elite. This is a new practice for us.

# Modernisation of the macroeconomic policy

**Budgetary policy** 

We must adopt new princi ples of budgeting policy. We must spend only within our means and reduce the deficit as much as possible. It is necessary to build up reserves for a rainy day, ensuring Kazakhstan's safety in the long run.

The attitude towards budgeting processes must become as careful and thoughtful as it is for private investments. In other words, not a single tenge from the budget should be wasted.

The budget of the state must be focused on long-term, productive national projects that include the diversification of the economy and development of infrastructure.

Projects for investments must be selected in a strict manner, based on feasibility and rate of return. We must keep in mind that even the most modern projects become a burden to our budget if they require expenditures for maintenance, but do not bring revenues and do not solve the problems of our citizens.

#### Tax policy

We must introduce a favourable tax regime for those employed in areas of production and new technologies. Whilst this work has begun I would like to see it enhanced. We must conduct a revision of all existing tax preferences and maximise their efficiency.

We must continue the policy on liberalisation of the tax administration and on systemising customs administration. It is necessarytosimplifyand minimise tax reporting.

We must stimulate market partici pants to compete, instead of searching for new ways of tax avoidance.

Pragmatic reduction of tax supervision must minimise the dialogue between the economic entities and tax authorities. In the next five years everyone needs to move to electronic online reporting. Starting from 2020 we must introduce the practice of tax credits. In doing this our main goal will be to stimulate investment activity among entrepreneurs.

The new tax policy must be socially oriented. From 2015 it will be necessary to develop a set of stimulating measures, including the practice of tax exemptions for companies and citizens who invest their own funds in education and medical insurance for themselves, their families and their employees.

The future tax policy must stimulate internal growth, domestic exports and promote individual's savings and investments.

#### Monetary policy

Considering the unfavourable global economic environment we must ensure the safety of the earnings of each of our citizens and maintain a reasonable inflation level with respect to economic

growth. This is not simply a macroeconomic issue; this is an issue of social security for the country. This will be the major task for the National Bank and the Government starting from 2013.

Kazakhstan's banks, in turn, must fulfill their purpose and meet the demand of the private sector for loans. At the same time we must not weaken our control over financial system. It is necessary to help clear banks from problematic loans and start active work on solving funding issues. For that the National Bank and the Government, under coordination from the Presidential Administration, need to develop a conceptually different and new system of monetary policy, aimed at providing the economy with necessary monetary resources.

#### Policy of managing public and external debt

We must constantly monitor the level of public debt and keep it under control. We must reduce the budget deficit relative toGDP from 2.1% in 2013 to1.5% in 2015. Public debt must remain at a moderate level. This is a crucial task, because only that way we will be able to ensure the stability of our budget and national security in conditions of global instability.

We must strictly control the level of quasi-public sector debt.

#### Infrastructure development

We must adopt a whole new approach towards infrastructure development. Infrastructure must expand the possibilities of economic growth in two key ways. Firstly we should integrate the national economy into the global environment, and secondly move towards regions within the country.

It is important to focus attention on exit routes from the country and create transport and logistics facilities outside Kazakhstan. We must think outside the box and create joint ventures in the region and throughout the world – Europe, Asia, America – building ports in countries with direct access to the sea and developing transport and logistics hubs at nodal transit points. In that regard we need to develop a special programme, "Global Infrastructural Integration".

We must develop our transit potential. Today we implement a number of large country-wide infrastructure projects that should lead to a doubling of transit capacity across Kazakhstan by 2020. By 2050 this figure must increase 10 fold.

Everything must be oriented towards one keygoal: promoting exports toworld markets where there will be long term demand for our goods and services.

Infrastructure building must also meet the profitability criteria.

Infrastructure should be built only in places where this leads to the development of new businesses and jobs.

Within the country we must create "infrastructure centres" to ensure coverage of remote regions and places with low population density with vitally important and economically necessary infrastructure facilities. Ahead of that we need to ensure transport infrastructure.

I instruct the Government to develop and adopt a state programme on infrastructure development in 2013.

# The modernisation of the system of managing the state assets

Kazakhstan is not a large economy on the global scale. And we need tomanage it very effectively. The country must work as a single corporation, and the state must serve as its core.

The strength of corporate thinking lies in the fact that all processes are considered as a whole. Public sector managers at all levels must learn and adopt the same business thinking.

I repeat once again: it is necessary not simply to allocate the country's budget, but to invest funds thoughtfully and accurately.

Our main criterion for effectiveness is the rate of return from our investments. The quicker we build up the production potential of the country, the faster Kazakhstan will become a key player in the global market.

The driver of this economic policy will be the National Fund.

Resources of the National Fund should be directed at long term strategic projects. In 2013 the accrual of money in the National Fund must be continued, but we need to use those funds in a very rational and thoughtful manner.

The state, represented by national companies must stimulate the development of the economy of the future and consider the sectors that will emerge as a result of the Third industrial revolution.

Domestic industry must consume the newest composite materials that we must produce in our country.

The state must stimulate the development of transit potential for information technologies. We must ensure that by 2030 at least 2-3% of global information flows go through Kazakhstan. This figure must double by 2050.

It is necessary to stimulate private companies toinvest funds in research and innovation. I want to highlight that whilst the introduction of innovation is important, it is not an end in itself. The country can reap real benefits only where there is demand for our new technologies. In the worst case scenario, innovation becomes just a waste of money.

The policy of selective support for specific companies and industries needs tocome to an end. We must support only those industries that execute socially important, strategic functions and can demonstrate their effectiveness.

#### New system of managing natural resources

As an important strategic advantage of Kazakhstan, we must exploit resources to provide for economic growth and large external political and economic agreements.

It is already apparent that we need to increase access to international markets for our commodities, which in the event of a new financial collapse would be destabilised. Our major importers might significantly reduce the purchases of commodities, and prices could fall sharply. Our strategy will allow us to stay ahead of the curve and accumulate resources before potential market destabilisation begins. These resources will then help the country overcome difficult times.

Technological revolutions change the structure of commodity consumption. For example, the introduction of composite technologies and new types of concrete cause depreciation of iron ore and coal reserves. This is another motivation for us toaccelerate the pace of extraction and delivery to world commodity markets to exploit the current global demand.

Maintaining the status of a big player on hydrocarbon commodity market, we must develop the production of alternative energy sources, actively seeking to introduce technologies using solar and wind power. By 2050 alternative and renewable energy sources must provide for at least a half of country's total energy consumption.

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If the nation wishes to have revenues from commodities in 35 years, it needs to start preparing now. We need to develop a strategy to plan out work for the years ahead, which defines our priorities and partners in keeping with the practice of large corporations and conglomerates.

This is the key lesson from our own history: we started preparations and negotiations on the Kashagan field almost 20 years ago, and are only now starting to see results.

#### Developing a new commodities strategy

We must move from the simple delivery of commodities toforming partnerships in the area of energy resource processing and the exchange of new technologies.

To ensure that regions are able to attract investments, we need to ban the moratorium on subsurface use permits.

All extracting enterprises must use only ecologically sound production techniques, and by 2025 we must satisfy our own internal market with fuels and lubricants, in line with new ecological standards.

We must attract investors to our country on the condition that these partnershi ps bring the transfer of modern technology for extraction and processing. We must allow investors to extract and use our raw materials only in exchange for the creation of new production facilities in our country. Kazakhstan must become a magnet for investment in the region. Our country must become the

Kazakhstan must become a magnet for investment in the region. Our country must become the most attractive place in Eurasia for investment and technology transfer. This is crucially important. To do this we must demonstrate our advantages to investors.

#### Fellow citizens!

In the interests of the nation's future and state security, we must create a strategic "reserve" of hydrocarbon commodities. The reserve will serve as the foundation of the country's energy security, providing another line of defence in troubled economic times.

# Plan for the next phase of industrialisation

Kazakhstan's first five year action plan for accelerated innovative industrialisation will come to an end in two years' time. The Government must develop a thorough plan for the next phase of industrialisation. We need to ensure a development scenario of technological trends with high potential.

As a result of this new industrialisation plan, the non-energy share of our total exports must double by 2025, and tri ple by 2040.

How will we achieve this?

- We must develop new industries with an emphasis on expanding our export- oriented non-energy sector.
- By 2050, Kazakhstan must apply the latest standards of technology to all of its production assets
- In the most competitive sectors we need to develop strategies to help domestic producers identify gaps in the market. This will allow Kazakhstan to avoid the potentially destructive effects of deindustrialisation, especially given our upcoming membership of the WTO.
- Domestic goods must become more competitive. January 1st 2012 marked the start of the single economic area between Kazakhstan, Russia and Belarus. This is a huge market, with a combined GDP of 2 trillion US dollars and a total of 170 million consumers forcing our businesses to compete. However our political sovereignty remains guaranteed.
- We must focus the state programme of accelerated innovative industrialisation on importing industrial capacity and exchanging technology. To achieve this we need to establish a sub-programme to create and develop joint international companies and beneficial partnerships.
- By 2030, Kazakhstan must expand its position in the world market for space services and bring to fruition a number of projects. These projects include an assembly and testing facility for spacecrafts in Astana, a remote sensing space system, a national space monitoring system and ground infrastructure, and our high-precision satellite navigation system.
- We need to continue the development of our two leading innovation clusters: Nazarbayev University and the Park of Innovative Technologies.
- We need to move swiftly towards a low carbon economy. To do this, I suggest we pursue an international initiative in 2013 called "Green Bridge", to promote green economies. We should also launch the Green 4 project, based on four satellite cities around Almaty.

The upcoming EXPO 2017 in Astana will provide a powerful impetus for the country's transition towards the "green" path of development. The world's greatest achievements in the fields of science and technology will be presented in our capital, allowing our citizens to witness first-hand the "energy of the future".

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I've touched upon the most fundamental issues which will determine Kazakhstan's preparedness for the Third industrial revolution.

#### Modernising the agricultural sector

We need a large scale modernisation of the agricultural sector, especially as we face growing global demand for agricultural products.

For us to become a leader in the global agriculture market and build up our agricultural production, we need to:

- Increase the sowing area in the country. Not all countries are able to do this, but we can.
- Ensure a significant rise in the crop yield, primarily by introducing new technologies.
- Creating a world class livestock forage base.
- Create nationally competitive brands with an eco-friendly focus.

Our agricultural industry must become a global player in eco-friendly production.

# Development of farming and SME in agricultural processing and trade

To develop farming and SMEs in agricultural processing and trade, we need to:

- Change the culture of farming and revive our tradition of animal breeding using the latest techniques and achievements in science, technology and agricultural management.
- Determine which products we are going to produce in large quantities to win over major export markets. Through these measures, the share of agriculture in Kazakhstan's GDP must increase 5 fold by 2050 I am setting the Government the following tasks for 2013:
- Adopt a new development programme for the agricultural sector until 2020.
- Increase state support for agriculture by 4.5 times by 2020.
- Set out a system of legal and economic incentives for creating medium and large agricultural enterprises, focused on applying new agro technologies.
- Introduce an increased tax rate on land that remains undeveloped for longer than a specified period.

# Policy regarding water resources

We need to develop a new policy regarding our country's water resources.

We need colossal volumes of water for agriculture, and it is therefore important that we:

- Examine international best practices in addressing water supply issues and modify the experience of countries such as Australia to our conditions.
- Introduce the most advanced extraction technology and be prudent in the use of our country's abundant underground water reserves.
- · Move to modern water-saving agricultural technologies.

Ultimately, our society needs to change its overall thinking. We must stop wasting water, which is one of our most precious natural assets.

I instruct the Government to develop a long term state programme on water, which will resolve the supply of drinking water by 2020, and the supply of irrigation water by 2040. By 2050 Kazakhstan must have once and for all solved the water supply problem.

# 2. Comprehensive support for entrepreneurship – a leading force in the national economy

Domestic entrepreneurshi p is a key driving force within Kazakhstan's new economic policy. Overall, the share of small and medium enterprises must double by 2030.

# 1. Development of small and medium enterprises

First, we must create the right conditions to enable people to develop businesses and become true partici pants of the country's economic transformation, rather than having an overreliance on the state to resolve our problems. We must therefore strengthen our domestic business culture and stimulate entrepreneurial initiative.

Specifically, we must strengthen our business culture and entrepreneurshi p by:

- Encouraging the pursuit of small and medium enterprises for unification and cooperation, and creating a system to support this.
- Developing the internal market through local business initiatives ensuring minimal, but tight regulation.
- Considering new, more rigorous systems of accountability for government officials, who create artificial barriers for businesses.
- Improving support for domestic producers and taking all the necessary actions to protect and promote their interests, within today's new reality, which includes our partici pation in the Eurasian Economic Space and upcoming membershi p of the WTO.

We need to create the necessary conditions to enable individual entrepreneurs and small business to grow into medium sized businesses.

Unfortunately, the current tax applied to SMEs prevents their growth and development. That is why, by the end of 2013, the Government needs to introduce amendments to legislation aimed at the clear separation of such terms as micro, small, medium and large business.

At the same time, we must be careful not to increase the burden on small and medium businesses. I instruct the Government to ban all the permits and licenses that have no direct influence on the security of Kazakhstan's citizens and replace them with notifications by the end of first half of 2013. We must also establish legal conditions under which businesses can self-regulate the control of the quality of their goods and services. We need to develop a new system for the protection of consumer rights, exempting them from multilevel systems of judicial decision-making.

2. New model of public private partnershi p: "Strong business – strong state" Secondly, to build a robust dialogue on the principles of public private partnership,

we must continue the process of business consolidation, which will allow many more entrepreneurs to engage with this new strategy.

International experience shows that consolidation of entrepreneurs within Chambers is key to an economy's efficiency.

Together with the "Atameken" Union, the Government has developed a conceptual model of compulsory membershi p in the National Chamber of Entrepreneurs.

This new model will ensure delegate many powers from state bodies down to the newly created National Chamber of Entrepreneurs, in areas such as foreign economic activity, vocational and technical education and service support for small business, especially in rural areas and single industry towns. The National Chamber of Entrepreneurs will become a reliable and competent partner to the Government.

With this, I instruct the Government to develop the appropriate draft law and submit it to Parliament in the first quarter of next year.

3. New stage of privatisation – the changing role of the state Thirdly, the state must fundamentally change its role as we pursue a second wave of wide-scale privatisation. This is not a simple step. It requires a redistribution of responsibilities between the state and the market. But we must take this step in order to maintain a high rate of economic growth.

Private businesses are normally more effective than state run enterprises. Therefore we must transfer non-strategic enterprises and services to the private sector. This is a crucial step for strengthening domestic entrepreneurship.

The successful start of the "People's IPO" programme was the first step in this direction. The public-private partnershi p model is first and foremost about the distribution of national wealth to the people. JSC "KazTransOil" announced the placement of shares worth 28 billion tenge and demand for these shares is twice as high as supply.

# 3. New principles of social policy - social guarantees and personal responsibility

# **New Principles of Social Policy**

1. Minimum social standards

First of all, the state, especially during a global crisis, should guarantee basic social standards to its citizens.

Our main goal will always be toprevent any increase in poverty. Living in poverty should not become a social prospect for any citizen. Basic social standards and guarantees, which should directly depend on economy and budget growth, must be established.

This should include:

- Expanding the list of individual needs by including education and healthcare provision (including for the unemployed and disabled to help them integrate better into society), healthy nutrition and lifestyle and meeting their needs for information.
- Calculating the costs of individual needs based on actual prices, which requires us to improve the gathering of statistics in the country.
- · Gradual improvements in living standards tied to economic growth.

Our budget for welfare should be linked to what is needed to meet these standards. This will increase the transparency of the budgetary processes and ensure the funds are better targeted. I instruct the Government to develop the legislation needed to achieve this.

#### 2. Targeted social support

Secondly, the State should provide social support only to those groups who need it. What needs to be done to achieve this?

- First, the State must accept full responsibility for targeted support of socially vulnerable groups such as those who have retired, the disabled, sick children.
- We have tocontinually improve social security and retirement and ensure the protection of mothers and children.
- We should provide clear training and retraining programmes for the unemployed tied to the needs of the labour market. The State should provide social support for the unemployed but only if they attend retraining programmes tolearn new occupational skills.
- We must encourage those in marginalized and vulnerable groups, when possible, to join the labour market. Only the disabled who really are unable to work should receive our social benefits. We should support those companies and corporations that employ the disabled.

#### 3. Addressing social imbalances in the regions

Third, we should focus on addressing the social imbalance in the development of our regions. Poor economic performance of a number of regions blocks employment and widens the gap between rich and poor.

- (1) To tackle this, we need to enhance coordination of regional development programmes and policies among our government agencies and ensure they focus better on the main priorities. By the first half of 2013, the Government must decide and set budgets for the essential programmes in the regions.
- (2) Over the past 12 months, we have launched a programme to help single-industry town. Significant resources have been allocated to create jobs, solve social problems and improve the efficiency of local enterprises.

We will improve the quality of local government. This work is under my personal control.

At the same time, we need new effective mechanisms for leveling social and economic conditions in the regions.

I instruct the Government, along with regional governors, to adopt a small town development programme in 2013. It must look long-term and across sectors. Their aim must be is help broaden the sector and industrial specialisations of towns and regions, creating jobs for young people and improving standards of living.

(3) We need to take measures to tackle the complex migration problems that have an impact on labour markets in the regions of the country.

This must include the strengthening of controls of migration from neighbouring countries.

We must aim as well to create good employment prospects for the local skilled workforce in order to prevent them leaving to take jobs abroad.

In 2013 the Government will have to develop and approve a comprehensive plan to resolve migration problems.

- (4) Special attention should be paid toKazakhstan's border territories. Their potential is not yet fully realised. It is necessary to make them more attractive places to live. The Government, working with governors, needs to develop a series of additional measures to develop the border regions.
- 4. Modernisation of the labour policy

Fourthly, we should modernise employment and salary policy.

(1) A key issue in the current global crisis is the increase in unemployment. The focus of all our programmes, national, regional and sectoral, must be to create additional jobs. Therefore I task the Government and governors 2013 to: Integrate all existing programmes of entrepreneurshi p development and business support.

Find ways to increase the proportion of budget funds to the regions with higher unemployment and low-income rates.

I personally task the Prime Minister and Governors to take responsibility for implementing this updated programme.

- (2) Six months ago, I set out in my article "Social Modernisation: 20 steps towards the Society of Universal Labour" the ambition of a new model for labour relations. We must accelerate the adoption of a new law which combines support for entrepreneurshi p with new protection for the interests of all employees.
- (3) The Government needs to take measures to ensure the payment of wages and minimise unfair disparities in pay.

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The most important part of this new social policy is improved protection of the rights of women and children.

#### Protection of motherhood: appealing to all women

The protection and promotion of motherhood and support for all women is not just important to me personally but important for the future of Kazakhstan.

#### Dear women!

You are a pillar of family, and therefore a pillar of the State.

The way our Kazakhstan develops in the future depends on the way we are bringing our children up today.

First of all, we must pay great attention to how our country brings up our daughters. Kazakhstan is a secular state. While we provide citizens freedom of conscience, the State will rebuff attempts to impose restrictions on our society that are contrary to our traditions and legislation.

We are determined to create the conditions where our girls can obtain a quality education, good jobs and individual freedom.

Kazakhstan has its own culture, traditions and customs. Women are an important part of our society. They should not be prevented from driving cars, pursuing a career or be forced to wear restrictive dress which has never been worn in Kazakhstan.

Our people emphasize that: "A girl's path is fragile". Girls and women have always being equal members of our society. Mothers are our most respected figures. Our mothers, wives, and daughters deserve our unconditional respect.

We must protect the rights of women. I am concerned about the growth in the domestic violence against women and children. This violence cannot be tolerated.

The State must intervene to prevent blatant cases of sexual slavery, where a woman is seen as nothing less than a commodity.

There are a large number of broken families in our country. The State must increase help for single mothers. We should provide women with flexible employment schemes and create conditions where they can work from home. The Law, State and I will be on the side of our women. We will create conditions sothat women's roles in the life of our country can grow and that the modern Kazakh woman can pursue a rewarding career.

It is alsonecessarytoincrease the involvement of women in government both nationally and, in particular, in the regions.

#### Children's rights

Even though our country is at peace, we have thousands of orphans and our orphanages and shelters are overcrowded. This problem is not restricted to Kazakhstan but is found across the world. But I want our country to stand against this global trend. We must encourage the adoption and fostering of children.

We are seeing a growth in an extremely irresponsible attitude of men to women and children. This is alien to our traditions and culture.

Children are the most vulnerable members of our society. They must not be deprived of their rights.

As the Leader of Nation I demand the protection of every child.

Any child born on our land is a Kazakhstan citizen – and the State must care for them.

I am against divorce. It is necessary to educate our youth about the importance of family values. "If the father cannot herd the sheep, the son cannot herd the yearling".

The upbringing of children is task for both parents, not only the mother.

But where divorce does occur, it is the father's duty to support his children by paying alimony. By toughening the punishment for nonpayment of alimony, the State will show its support of single mothers.

We must see the upbringing of our children as a huge investment in the future. We must aspire to provide our children with the best education.

I have devoted a great deal of effort toensure the State provides the young generation with increased opportunities for a better education. The "Balapan" programme is being introduced. Intellectual Schools, Nazarbayev University and the "Bolashak" programme are all operating. But these opportunities need well prepared and talented children. Preparing a child to this level is a parent's duty.

The "All the best to the children" slogan must be a guiding princi ple for all parents. I instruct the Government to:

- Carry out a thorough review of all legislation in the sphere of motherhood and childhood protection as well as family and marriage.
- Toughen punishment for crimes against women and children.
- Reform the family support system, including welfare payments financial and benefits in taxation, healthcare and social services, to encourage women to enter the labour market. We must get rid of dependency and give women confidence in their strength and abilities.
- Prevent gender discrimination and work to provide equal opportunities for women and men. I want employers to take a lead in this area.

#### Health of the nation as the basis of our successful future

The modernisation of our healthcare requires us to introduce common standards of quality for medical care and access to the right equipment, treatment and institutions for people wherever they live in our country.

# Key priorities in healthcare are:

- To provide affordable medical services with high standards of care.
- To provide improved diagnosis and treatment of a wide range of diseases.
- To develop a better system of preventive medical care, placing a larger emphasis on the provision of information to citizens about health threats and their prevention.
- To harness new technology to introduce smart medical care, remote diagnosis and treatment and electronic medical care. These new types of medical services are particularly valuable in a country the size of Kazakhstan.

### New approaches in healthcare for children

We must introduce new approaches in healthcare for children under 16 with minimum standards underpinned by legislation. This will be an important contribution to the better provision of healthcare in the nation.

#### Improving medical education system

We must improve Kazakhstan's medical education system by developing a network of specialised institutions which put the emphasis on the everyday practice of medicine as much as possible.

This requires us toplace increased importance on the practical scientific and research component (R&D) of the medical schools' activity. Higher education institutions should draw on global knowledge and technological achievements to replicate a system of university hospitals which in the US, for example, are the largest and most effective medical centres. This will be helped by the development of public-private partnershi ps in this area.

We have to encourage, too, the growth of private medical care. In the developed world, a significant part of medical services are provided by the private sector. We should create conditions for a rapid transition to private hospitals and clinics.

To improve standards, we must enshrine in Law international accreditation of the medical schools and institutions.

#### Quality of medical care in rural areas

We also have to take steps to improve medical care in rural areas. Over 43% of our population lives in rural areas yet the quality of the medical care provided to them remains poor.

# Physical training and sports

Physical training and sports should become a special area of interest for the State. Encouraging healthy lifestyles is the key to a healthy nation. We must address the shortage of sports facilities, infrastructure and equi pment in our country, making these affordable for all. In this regard the Government and local authorities must put in place measures for the development of physical training, increased sports partici pation and the construction of sports and physical training facilities. This work should commence in 2013.

# 4. Knowledge and professional skills are key landmarks of themodern education, training and retraining system

In order to become a developed and competitive nation we must become a highly educated nation. In the modern world simply embracing literacy is not enough. Our citizens must be ready to permanently gain new working skills using the most advanced equi pment and the most modern production techniques.

We must also place a high level of importance on the functional literacy of our children, and the next generation as a whole. It is important that our children are well adjusted to modern life.

# Our priorities in education are as follows.

1. Extending the "Balapan" programme until 2020

Like everywhere in the whole world, Kazakhstan needs toadopt new methods of preschool education. As some of you will know, I initiated the Balapan programme, the main aim of which is to equalise opportunities for children in the early years. Since implementation began, 3,956 new kindergartens and mini-centres have been introduced.

Taking into account Kazakhstan's continuing demographic growth, I have decided to extend the Balapan programme until 2020. I task the Government and Governors toachieve the target of 100% of children receiving preschool education.

# 2. Developing the engineering education system

Taking the "Kazakhstan 2050" policy into account I task the Government, starting from 2013, to development an engineering education system that provides education in modern technical specialties with certification to an international standard.

Vocational and higher education should be oriented towards the current and prospective demands of the national economy. This will assist in resolving employment issues for the population.

Higher education institutions should not limit themselves topurely educational functions. They should create and improve their applied science and R&D divisions.

Those higher education institutions that have been guaranteed academic autonomy must not limit themselves toimprovement of their curricula and must actively develop their R&D activities.

3. Developing a system of social responsibility in education

The social responsibility of the private sector, non-governmental organisations and charity organisations should be demonstrated in the sphere of education.

We must focus first of all on providing assistance toyouth whoare unable topay for their education, to ensure that they receive a worthy education. It is necessary:

To create a network of public-private partnershi ps for the development of higher and mid-level

- education.Develop a multistage system for education grants.
- Create a specialised education system of R&D and applied education including regional specialisations across the whole country.
- Tomake education in production practices obligatorybylaw during secondaryeducation.

# 4. Modernisation of teaching methods

We expect to implement the modernisation of teaching methods and actively develop online education systems, creating regional school centres.

We should intensively introduce innovative methods, solutions and tools into the home, including distance education and online education that is affordable for all.

We should remove outdated scientific and educational disci plines, while simultaneously improving demand in new areas.

We should change the direction and focus of the curricula for medium and higher education, including teaching practical skills and gaining practical qualifications.

We should create entrepreneurship oriented curricula, educational courses and institutions.

#### New innovative research and development policy

As the global experience demonstrates, recreating the whole innovative production cycle in a separate country means reinventing the wheel. It is a very expensive and not always a fruitful or productive activity.

A separate scientific base, founded on the experience of generations of scientists, terabytes of information and knowledge and historically established scientific schools, is needed for success. Not all countries are able to stay on the edge of new technological waves, to create absolute innovations. This is what we have to clearly understand.

Therefore we should establish a realistic and pragmatic strategy.

We must concentrate on non-capital-intensive research and development.

#### 1. Technology transfer

We must transfer the necessary technologies and train specialists in their implementation. EXPO 2017 must give an impetus to this process and help us to choose the newest technologies for development of future energy.

We are a young nation and we will make it.

In addition, we can actively particl pate in large-scale international R&D projects. This will enable us to integrate the efforts of our scientists with foreign R&D specialists on strategic innovative directions. Our aim is to become a part of the global technological revolution.

#### 2. Cooperation of science and business

In 2013 we must take measures to gain the full cooperation of science and business. I task the Government to unveil intersectoral areas with technology transfer ability and to create demand from the large subsoil users and national companies.

# 3. Roadmap for the development of prospective national clusters

Develop clear Roadmaps of development for prospective national clusters.

We must accelerate legislation defining private-public partnershi ps. Our aim is to introduce the most advanced tools and mechanisms for these partnershi ps.

We must revise legislation that regulates copyrights and patents. The Government should analyse all previously issued patents and registered copyrights by 2014 for their probable commercialisation.

# Appealing to the youth

#### Fellow citizens!

I would like to make a special address to our youth.

My announcement today of a new political and economic course aims to provide you with the best possible education, which will mean an even better future.

I rely on you, the new generation of Kazakhstan. You should become a powerhouse of this policy. As the Head of State I have done my best to provide you with all the necessary conditions for your education and growth. I have created a world class University, intellectual school and established the Bolashak programme.

The new concept of a Youth State Policy is underway. All the conditions for success will be created for you.

The State does everything to create new opportunities for you. Today you have opportunities your parents wouldn't even have dreamed about.

Remember: your personal success is the success of your parents, the success of your relatives, the success of your families, the success of all your fellow citizens and most of all the success of our Homeland.

# 5. Further strengthening of the statehood and development of Kazakhstan's democracy New type of state governance

Our aim is to create a new type of public management. It must meet the new tasks of serving society and strengthening the state.

#### 1. Improving the system of state planning and forecasting

We need to further improve the State planning and forecasting system. I set a task to improve the state bodies' responsibility for the plans and programmes development. In this regard I task the Government to:

Consider my vision of the Kazakhstan 2050 development strategy. Revisit the Strategic documents which the country works and lives by.

Elaborate on the introduction of a State audit concept and submit to Parliament a respective draft law next year. Our objective should be to create a state audit system based on the most advanced global experience.

In order to get our economic strategies implemented, the State should effectively antici pate crisis situations and withstand them. This requires us to create a multilevel anti-crisis system.

We should have standard action packs for probable crisis situations. This is especially important for the regions. As this system is developed it will be necessary to consider all the challenges I have mentioned.

#### **Decentralisation of power**

#### 1. Dividing responsibilities and power between the centre and the regions.

We should continue with our plans for decentralisation of governance to the regions. The substance of the decentralisation lies in delegating the necessary resources to move decisions from the centre to regional authorities. In 2013 we have to implement concrete measures for moving responsibility and powers from the centre to the regions

in order to strengthen local executive authorities. Powers of the authorities on the ground will be supported by financial and human resources.

#### 2. Development concept of local self-governance.

Citizens should be directly involved in the process of the state's decision making and in helping with implementation. Through local authorities we need to provide the population with a real opportunity to independently and responsibly resolve local issues. I have approved the Local self-governance development concept. It will allow us to increase the quality of management at the rural level and expand citizens' partici pation in local issues.

#### 3. Election of the rural Governors.

We will provide village-level Governors in rural areas with additional powers to improve their influence on the situation in villages.

However, at the same time we need to improve public control and citizens' influence over the situation on the ground. Therefore I decided to introduce appointment by election of rural Governors through local councils. We will start the elections in 2013. In total 2,533 Governors will be elected, including Governors of rural districts, villages and 50 Governors of towns of regional significance.

This makes 91.7% of Governors across all levels! The election process will cover all Governors who directly work with citizens and resolve the problems on the ground.

It is now time for the citizens to get actively involved in resolving relevant issues on the ground, supporting their local authorities to do so.

I task the Government jointly with my Administration to accelerate the necessary legislative acts, and the Parliament to provide their acceptance as a priority.

We should follow a civilized path, together with the whole world, and take this step towards further democratisation of society.

We should continue our policy of strengthening Parliament's powers.

At the same time, decentralisation should not be assessed exclusively as a process of creating new bodies of power at the local level, to transfer certain powers there.

Decentralisation first of all is a qualitative change in the state management system, a change of the resolution system at the local level.

Simultaneously, decentralisation should not lead to the weakening of the vertical of power, decreasing executive disci pline and order. We can't let that happen. The Government and governors on the ground must take this under special control.

# Creating a professional state apparatus

We expect tocreate a professional state apparatus, for which, according to the princi ples I have announced today, service to the people and State is paramount.

We should qualitativelyimprove the personnel of the public service through the introduction of improved methods of selection and professional training.

Decision makers at the State level should meet the following requirements: Be accountable for not only short-term, but alsolong-term results.

Be accountable for the multi plicative effect of their management decisions. Align with the fair competition, rules and freedom of entrepreneurship.

Exclude double interpretation of the functional duties of public servants. There should be clear legislative regulation of their activities.

#### 1. Second stage of administrative reform

Considering the new requirements, we have already started the second stage of administrative reform.

First of all the state apparatus will be reformed. I have signed the "New Public Service" Law. This provides improvements to counter corruption, increase the transparency of the selection of public servants, and promote the best personnel.

We will create a National Personnel Policy Commission. A new A-class of top professional managers will be created, which will be responsible for implementation of certain areas of state policy. First of all the A-class will include the Responsible Secretaries and Heads of Administrations of regional authorities, Committee Chairmen, Governors of the regions and towns. I task myAdministrations toprepare a draft Order regarding qualification requirements for the A-class candidates.

From now on every public servant has to demonstrate clear progression in their career through the development of skills and experience that allow them toincrease their professional level. Exceptions should be made tocover those public servants whodemonstrate outstanding performance against key indicators and demonstrate clear achievement at a senior level.

I task the State Service Agency to introduce by the end of 2013 this new mechanism of career promotion for state civil servants.

Special consideration should be made to increase the quality of state services. Our aim should be to signal a departure from the one-way power approach towards the interaction of the state with the population, and move towards an effective and operative provision whereby citizens and the state work together.

The draft "State Services" Law has been submitted to Parliament. It should be adopted by the end of the first quarter of 2013.

We should release state bodies from extrinsic functions, and increase the independence of state institutions. The Government should link its implementation with the introduction of a new mechanism for local budgets from 2014.

#### New system of interaction between state apparatus and business community

The state apparatus should develop a new system of interaction with the business community.

We should not intervene in business and "lead everyone by their hands". We should provide businesses with confidence in the future. Entrepreneurs should assess their abilities and know that the State will not cheat but will protect them. All that is requested from entrepreneurs is a fair working environment.

First, we have toguarantee de-factoimmutabilityof the private propertyrights. Second, it is necessary to guarantee protection of contracted liabilities.

The liability of the State is to provide its citizens with maximum opportunities to implement their business activities. This means caring about creating the infrastructure for our businesses.

(1) For these aims it is necessary in 2013 to start the next stage of modernisation of the national legal system.

The legislation should not only protect national interests, but synchronise with the developing international legal environment. I task the Government to adopt systemic measures to increase the competitiveness of our legal system in all its basic sectors, including public and private rights.

- (2) I task the Government jointly with my Administration in 2013:
- Tostart reforming Criminal, as well as Criminal Proceeding, legislation. An emphasis should be made on further humanisation, including decriminalisation of economic infringements;
- To prepare and submit to the Parliament drafts of three new Codes: the Criminal Proceedings, Criminal Executive and Administrative Infringements codes. Adopting these key legislative acts will conceptually modernise the criminal legal proceedings system and above all the criminal policy of the State. It will raise our rights to a level that allows us to adequately react to modern challenges.

# Introducing the "zero tolerance" principle towards disorder

The State should be bound to a zero tolerance policy towards disorder. Developed society starts from disci pline and order everywhere: comfortable doorways, safe backyards, clean streets and friendly faces.

We should not tolerate even the smallest infringements, hooliganism, or incivility, as they disturb public order and decrease the quality of life.

A feeling of disorder and permissiveness creates grounds for more serious crimes. This is why an atmosphere of intolerance to minor infringements is an important step towards enhancing social security and the fight against crime.

We need to overcome ignorance of the law and engage society in the public order preservation process.

We need to connect destructive social behaviour with employment opportunity. We must introduce punishment measures for hooligan behaviour in public places that will be reflected on their criminal files and should be considered by businesses during employment and promotion.

This must become a normal part of public life.

#### Fight against corruption

The State and society should stand against corruption as a united team.

Corruption is not just an infringement; it undermines belief in the effectiveness of the State and represents a direct threat to national security.

We should strengthen our fight against corruption, including improving anti- corruption legislation in order toachieve our ultimate goal: toeradicate corruption within Kazakhstan.

#### Reforming law enforcement bodies and special agencies

We should continue reforming the law enforcement bodies and special agencies. Without this we will not reach our aim to create "zero tolerance" towards disorder and the eradication of corruption. In the past three years a number of important reforms of the law enforcement bodies and special agencies were undertaken. This is an important step towards strengthening statehood. The legal basis of the law enforcement bodies has been enhanced and their functions clearly defined. Duplication of their activities has been excluded and their criminal policy humanised.

Total attestation of all law enforcement personnel has been undertaken. 12,500 out of 100,000 people were unable to pass the test and were dismissed.

We will further continue this work.

I task my Administration jointly with the Security Council and the Government:

- To prepare an action plan to increase the pay and retirement benefits of law enforcement employees. I task them to increase additional payments for special ranks by up to one month's salary according to their military ranks.
- To elaborate the personnel policy of the law enforcement bodies;
- To create a permanent personnel policy body for the law enforcement authorities based on the Supreme attestation commission;

- To create a Presidential reserve of leaders of the law enforcement bodies and special agencies.
- (3) I task my Administration and Security Council, jointly with the Government, to establish a cross-departmental task group by the end of the second quarter of 2013 to elaborate on the draft Programme for further modernisation of the law enforcement system.
- (4) The crucial issue of legal policy is to ensure that citizens use their rights for judicial protection, which is guaranteed by the Constitution.

For that we need to simplify the process of allowing justice to be done, by eliminating unnecessary bureaucracy. With the active introduction of new information technologies this will not be hard to achieve.

At the same time, in order to ease the burden on courts, we need to further develop institutions outside the court dispute settlement. We need to install the mechanism that would allow settling of small disputes outside the courts.

(5) It is necessary to implement a large-scale reform of the Border Service. The aim is to improve its effectiveness, modernise its stockpile and modernise its technical capability. In this regard I task the Security Council jointly with my Administration and the Government to prepare a special development plan for the Border Service and equi pment of the state frontier.

# 6. Consistent and predictable foreign policy is the promotion of national interests and strengthening of regional and global security

Over the last 20 years Kazakhstan has matured as a fully-fledged partici pant in international processes and we have managed to create favourable external conditions.

Our priorities remain unchanged: development of partnershi ps with our neighbours – Russia, China and Central Asian countries – as well as the USA, European Union and Asian nations. We will further strengthen the Customs Union and the Common Economic Space.

Our next aim is to create a Eurasian Economic Union in consensus with our partners, while respecting full political sovereignty.

Our balanced foreign policy means we are developing friendly and predictable relations with all states and playing a significant role in the global agenda that represents the interests of Kazakhstan.

Nevertheless, the international situation and geopolitical environment has changed dramatically. In some circumstances this has not been a favourable change. There is a giant arc of instability from Northern Africa and the Middle East to North-East Asia. Given these changes, the role of the regional security mechanisms has increased. Organisations such as the UN, OSCE, NATO, CSTO, SCO, CICA and others gain greater importance.

New national security threats have appeared in Central Asia. Just as we have sought to modernise our domestic policy we need to consider the impact of regional and global changes and modernise our foreign policy.

- 1. Foreign policy modernisation priorities
- Strengthen regional and national security by all means;
- Actively develop economic and trade di plomacy;
- Intensify international cooperation in the fields of culture, humanitarianism, science and education:
- Enhance the legal protection of our citizens and their personal, family and business interests abroad;
- 2. Development of economic and trade di plomacy

First, the promotion of our national interests overseas should be based purely on pragmatic principles.

Our aims are to diversify our foreign policy and develop economic and trade di plomacy to protect and promote national economic and trade interests.

### 3. Strengthening regional security

Secondly, we should further understand our responsibility for regional security and make our own contribution to the stabilisation of Central Asia.

Our aim is to help eradicate the causes of conflict situations in the region as much as possible.

The best way to stabilise the region is through interregional integration. In doing this we can decrease the conflict potential of our region, resolve vital social and economic problems and address shared concerns on water, energy and other potentially difficult issues.

Our voice should be heard across the whole world. Therefore during the Astana Economic Forum I suggested a new dialogue format, which we named G-Global.

No single country in the world can overcome the contemporary challenges we all face. The essence of my initiative is to unite all efforts to establish a fair and safe world order.

#### 4. Contribution to global security

Thirdly, our country should support progressive international initiatives and make its contribution to global security.

Together with all interested partners and our neighbours Kazakhstan will strive for immediate political stabilisation and restoration of Afghanistan.

As an influential OIC partici pant Kazakhstan is genuinely interested in a peaceful solution to the Middle East conflict. It is important that the released energy of people in the Arabic Islamic world is used for creative purposes and serves to resolve the social and economic problems of the region.

We should bring ourselves economically closer with Asian Pacific countries at an accelerated pace. Not only will it provide us with economic dividends, it will strengthen the equilibrium of our foreign policy.

# 5. Strengthening national defence capacity and military doctrine

Fourth, Kazakhstan should strengthen its defence capability and military doctrine and engage in various mechanisms of defensive containment.

By developing a national defence model we will cooperate with various countries and organisations.

Kazakhstan will closely interact with its CSTO allies and foster the improvement of potential and real military capability of Collective Rapid Reaction Forces.

# 7. New Kazakhstan patriotism is basis for success of our multiethnic andmulticonfessional society

Our main aim in this direction is simple and clear: we should preserve and strengthen the public consent. It is a priority condition for our existence as a State, as a society and as a nation.

The basis of patriotism in Kazakhstan is equal rights for all citizens based on their share of responsibility for the honour of our homeland.

This year at the London Olympic Games our team finished 12thin the medal rankings of 205 national teams. Our athletes have performed as one team, representing a multi- ethnic Kazakhstan, demonstrating a strong and united family of numerous ethnicities.

The Olympic triumph has further united our people, demonstrating the great value of patriotism. Mass sports and sports of the highest achievements require a complex systemic approach; after all, only a healthy nation could be competitive.

I task the Government to develop a Programme for the development of mass sports and sports of the highest achievements, taking into account international best practice.

#### **New Kazakhstan Patriotism**

One cannot build a fully developed state without demonstrating confidence in its future. It is vital that the objectives of the State and its citizens are fully aligned toensure future growth. This is precisely the task that the State should lead on.

Citizens will only trust the State if there are prospects and opportunities for development – this includes both personal and professional growth. The state and the people should understand this and work together to achieve this goal.

We should instill a new Kazakh patriotism in ourselves and in our children. We must take pride in our country and its achievements. But today a sophisticated understanding of our developed state is not enough. We need to bring the issue alive and into practice.

We love our country and we are proud of it. We can be even prouder if the State guarantees quality of life, security, equal opportunities and prospects for every citizen.

It is this promise that provides us with a practical and realistic vision of what it means to be proud of our country, and what our country can teach us.

By 2050 we need to build a political system that inspires confidence in each citizen of Kazakhstan. Our children and grandchildren should prefer living Kazakhstan to any other country in the world, because it is better for them here than abroad. Each and every citizen of Kazakhstan should understand they are a part of this land and part of our people.

# Equality of citizens of all ethnic groups

We are all citizens of Kazakhstan, with equal rights and equal opportunities.

The new Kazakh patriotism is something that should unite all society without any ethnic differences.

We are a multiethnic society and there should be no double standards when it comes to interethnic relations.

All citizens should be equal in the eyes of the State – no one should be discriminated against on the basis of ethnicity or other features.

As far as I am concerned this issue is non-negotiable. If anyone in our country is discriminated against then we should assume that this is discrimination against all Kazakh citizens.

There should not be any preference given to any ethnic groups. Our rights and liberties should be universal – they apply to all of you.

We are building a society with equal opportunities, a society where everyone is equal before the Law. We should never even consider that college enrolment, employment or career promotion could be influenced by someone's ethnicity.

I demand that the Government and Governors bring order to our labour policy. Only the best should be employed – especially in local government – irrespective of ethnicity. If people must be judged on single criterion it is this: they must conform to the highest standards of ethics and professionalism. We must fix the imbalance evident in the hiring processes of the Ministries and local administrations at all levels.

There should be no "outsiders" or "aliens", no "ours" and "theirs" in our society. We cannot leave behind a single citizen of our country. Every citizen of Kazakhstan should feel the support of the authorities.

Anyone who attempts to "drive a wedge" into the interethnic harmony of the nation should be prosecuted to the full extent of the law.

And here we Kazakhs bear a special responsibility.

We must understand that the era of single-ethnic states has gone.

Kazakhstan is our land. It is a land that has belonged to our ancestors. The land will belong to our descendants for generations to come. We bear a direct responsibility for the peace and harmony of our land.

We must be a responsible owner of our land – hospitable, friendly, generous and tolerant.

If we want to see our country as a strong and powerful state, we should not rock the boat in a way that will destroy peace and order, which are fragile.

We should not let anyone sow dissent or bring fear to our blessed land.

You should remember my request of you and the demands of people over time – to live in peace and harmony. There are many diverging powers in our country and abroad who want to play a game of "ethnic divide"; who want to blow up our harmony from the inside and prevent the strengthening of our state.

Don't follow their ideas!

We should improve, we should be people worthy of international respect – then, and only then, will our history culture, tradition and language be respected.

#### Kazakh language and the tripartite unity of languages

A responsible and respectful language policy is one of the factors that will help to consolidate Kazakh ethnicity.

(1) The Kazakh language is our spiritual centre.

Our aim is to actively develop the Kazakh language by using it in all areas of life. We should develop a modern Kazakh language as a legacy for our descendants, integrating the experience of past generations with our own living history.

The state does a lot to strengthen the positions of our state Language. It is necessary to continue implementation of the measures we have put in place to popularize the Kazakh language.

From 2025 we need tomodernise our language touse Latin fonts and a Latin alphabet. We make this decision for the sake of the future of our children – it is necessary for Kazakhstan to enjoy full global integration. This will enable our children to have a better understanding of the English language, the internet and reinforce our desire to modernise the Kazakh language.

We should modernise the Kazakh language. It is necessary to make the language modern, to allow agreement on issues of terminology, permanently resolving the issues that come from translating foreign words into Kazakh language. These issues should not be resolved by disparate individuals – the Government should resolve this.

There are terms commonly adopted across the world that enrich any language. But these tend tomake life unnecessarily complicated, bringing confusion and overwhelming our memories. There are plenty of examples of this.

I suggest a contest where our youth suggest a hundred modern books that are translated into Kazakh in a modern way.

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Language should function as a unifying influence for the people of Kazakhstan. Therefore our language policy should be implemented in a competent and consistent way and should not limit the ability of Kazakhstan's citizens to speak a language of their choosing.

You know our policy: by 2025 95% of Kazakhstan citizens should know the Kazakh language. We are creating the environment to allow that to happen. Today more than

60% of schoolchildren are educated in the state language. Kazakh-language education is being introduced in all schools. This means that in ten to twelve years we will have a new generation of Kazakhstan citizens all being able to speak the Kazakh language.

Thus, by 2025 the Kazakh language will be present in all spheres of life – Kazakh will become a widely-known language. This, of course, will become the most important achievement of our state. Our sovereignty and our independence will finally generate something that binds and cements the nation – a mother tongue. This will be the crown jewel of our state's sovereignty.

(2) Nowadays we take active measures to create the conditions for our children to learn Russian and English equally with the Kazakh language.

This three language policy should be encouraged on a State level.

We should treat Russian language and Cyrillic writing in the same careful way we do Kazakh. We appreciate that knowing the Russian language provided a historic advantage to our nation.

No one can ignore the fact that for centuries, because of the Russian language, Kazakh citizens have gained additional knowledge, expanded their world view and been able to better communicate both domestically and abroad.

We should work towards a similar breakthrough in learning the English language. Being able to communicate in the language of the modern world will reveal new and unlimited opportunities for each citizen of our country.

### Culture, traditions and distinction

Traditions and culture form the genetic code of a nation.

Despite all the burdens and adversities suffered under the Czars, and the shocks of revolutions and totalitarianism, Kazakhs have managed to preserve their cultural distinctions.

Moreover, in the independence years, despite globalization and westernization, our cultural foundation have been significantly strengthened.

Kazakhstan is a unique country where various cultural elements have united to complement and enrich each other.

We must preserve our national culture and traditions in all their diversity and greatness by collecting the elements of it together.

Our history teaches us that a country is strong only if its people are united. Therefore, the unity of Kazakhs is a key issue for us.

Whowould be interested in building a strong Kazakhstan besides us? The answer is clear.

We are facing the same problems faced by all nations in various periods of history. Those countries that overcame these problems have become strong nations and States.

As the Leader of Nation I am concerned that there are forces who wish to destroy inter-Kazakh unity.

Those who follow these calls, either consciously or non-consciously, begin to get divided by various properties, not least of all by Shejire.

People should not forget the essence of the Shejire tradition – it does not stop at a single tribe. Shejire is a Tree of Generations, which leads back to a common root. Shejire demonstrates and proves that our roots are common, that we Kazakhs are all one. Shejire does not divide us, but unites us.

I am concerned that the nation is artificially divided into "true Kazakhs" and "false Kazakhs". I feel very ashamed for those who want to make that division. It is particularly dangerous that those whoare doing this covered in the rhetoric of "love of the homeland".

Our youth should learn to appreciate this, love each other as children of a common parent, as a common people, wherever they would be.

# Role of the national intelligentsia

We are entering a period of development, where spiritual issues will have no less meaning than issues of economic and material concern.

The intelligentsia plays a major role in the spiritual development of our nation. Kazakhstan 2050 should be a society of progressive ideals.

The intelligentsia should lay the foundations of the modern views of our society.

(1) The intelligentsia should become a leading power in strengthening our nationwide values at a stage when the country has become an established state.

We should demonstrate and create new heroes of our time – those our youth will admire and seek to emulate.

- (2) The intelligentsia can, and must, play a key role in drafting a model of the future of our country, based on my vision of Kazakhstan 2050.
- (3) We have to continue our work to establish the historical conscience of the nation. A universal Kazakh identity must become the cornerstone in the minds of our people.

Today a Kazakhstan citizen of any ethnic and religious group is an equal member and citizen of our country.

The Kazakh people and our state language serve as the unifying core in the developing civil unity of Kazakhstan.

We are creating a fair society, where everyone can say: "I'm a citizen of Kazakhstan, and all the doors are open for me in my country!"

Today indeed all the doors, all the opportunities and roads, are open to our citizens. We are together and we are one – one country and one nation.

To be valuable for one's own country, to be responsible for the destiny of one's own homeland – this is a duty and honor for every responsible politician and for every citizen of Kazakhstan.

Unity and accord is the foundation of our society, the foundation of our special form of Kazakh tolerance.

We must carefully transfer those values to the future generations of our country.

#### Religion in Kazakhstan of 21st century

Todaythe pressing issue for Kazakhstan in the religious arena is working with religions that have not been traditionally practiced in our country. We have also seen an influx of people claiming to represent an unrecognised faith or belief.

Some of our young people unconsciouslyaccept these views because of our society's lack of immunity to pseudo-religious influence.

It is a fact that our Constitution guarantees freedom of faith. However, as you might know, this is not unrestricted freedom. Unrestricted freedom would produce chaos. Everything should be subject to the constitution and our laws.

Everyone enjoys freedom of choice. However, it is necessary to be very responsible in choosing religious preferences: lifestyles, households and entire lives can depend on this choice.

In this internet age, with many new technologies and incredible volumes of information flows, it is vital that people should be able to apply a filter to what they see and hear.

Your internal filter must ask questions: dowe need our mothers, sisters and daughters to wear the clothes of foreign nationals? Do they need to be wrapped in headscarves? Should they not be able to sit at the same table with us? Should they not be allowed to drive cars? These all are long-standing traditions of other nations. They are our brothers and we respect them, but those customs have never existed in our Steppe.

Read the classical literature, watch the movies. Our women have national pride, their own traditional style of clothes, but it is covered by a modesty, that we, men, often abuse.

We are proud to be a part of the Muslim Ummah. It is part of our traditions. However we should not forget that we also have secular traditions, and that Kazakhstan is a secular state. We should create a religious conscience relevant to the traditions and cultural norms of our country. We should use the best models of behaviour. The strategy I am announcing prepares our people to live in the 21st century, not in the Middle Ages.

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The State and its citizens should come forward together against all forms of radicalism, extremism and terrorism.

A particular concern is caused by the threat of so called religious extremism. This concern is also shared by the spiritual hierarchy. We cannot allow a true faith in God to be replaced by aggressive and destructive fanaticism.

This blind fanaticism is absolutely alien to the psychology and mentality of our peaceful people. It contradicts the Hanafi Madhab, an ideology held by believers in Kazakhstan.

Extremism and terrorism in Kazakhstan has not an ideological but a criminal foundation. The pseudo-religious rhetoric hides criminal activities that undermine basis of the society.

It is an assault on the peace and stability of our country. It tests the durability of our statehood and maturity of our civil society.

We should improve our legislation in order toneutralise the signs of religious radicalism and extremism. We should improve counter-terrorism legislation. The State should stop extremism and radicalism, wherever it comes from.

We should establish new reliable mechanisms to overcome social, ethnic and religious tensions and conflicts. It is necessary to put a firm stop to the activities of non-traditional sects and questionable pseudo-religious groups.

We should strengthen preventive measures against religious extremism in society, especially among the youth of our country.

It is also necessary to use the advantages provided by the Forum of the Leaders of World and Traditional Religions. On the basis of this dialogue we should create a new platform for resolving conflicts on religious grounds.

We should be ready to mediate in the hot spots of our region, particularly in the Middle East, and at a larger global level to resolve religious and ethnic conflicts.

The secular nature of our State is an important condition of the successful development of Kazakhstan. This should be clearly understood by current and future Kazakhstan's officials and all Kazakh citizens.

I task the Government, in conjunction with my Administration, to continue to develop a State programme on the fight against religious extremism and terrorism.

At the same time I would like to warn the nation. The fight against extremism should not be used as a witch hunt or to be used to fight religion.

Whenever we contemplate religion we must adopt a thoughtful approach and proceed with extreme caution. It is not the State's role to intervene in the internal affairs of religious communities. We remain steadfastly committed to the freedom of conscience, tolerance of traditions and princi ples.

#### Fellow citizens!

Today in my Address I appeal to every one of you.

Our country faces large-scale tasks. And I am confident in our success. What Kazakhstan do I see in future?

I am strongly confident that Kazakhstan's citizens of 2050 represent a society of educated, free people speaking in three languages.

They are citizens of the world. They travel. They are open to new knowledge. They are industrious. They are patriots of their country.

I am convinced that the Kazakhstan of 2050 is a society of universal labour. It is a State with a strong economy, with every opportunity available for each person. It is a society with strong education and great healthcare. It is a society with peace and serenity. With citizens who are free and equal, and whose authority is fair. With citizens subject only to the supremacy of the Law. Appealing to the nation

I believe that we are committed to the right course and nothing can distract us from this. If we can be strong, we will be a force to be reckoned with.

If we only hope for a miracle or rely on others we will lose what we have achieved. And today there is only one right choice for us to make.

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The responsibility for the success of Kazakhstan 2050 lies with us all, as Kazakhs.

We should not forget that we will only be able to adequately respond to the challenges of our time if we preserve our cultural code: language, spirituality, traditions and values.

Only by sticking to our great Kazakh traditions – our language, spirituality and values

will we be able to tackle the tough challenges of our time.

Allow me to use an analogy, which I believe our youth in particular will understand: When does a virus invade your computers?

The answer is that a virus invades your computers when the programme coding is broken. The virus analogy is similar to real life. If a nation loses its cultural code, then that nation is broken. We cannot let this happen to Kazakhstan!

I strongly believe that we will overcome the future adversities that we face. Kazakhstan has a long and rich history of inspiring ancestors who, united, were able to turn their burdens into victories.

It was almost 300 years ago, by Anyrakay, where the Kazakh people united together. At that moment, devotion to our land and common sense won. This act was made by an ancestor of every one of us.

Our ability to overcome our burdens in future years will also depend on our unity. As our ancestors used to say: "The Homeland is hotter than fire."

So with this, I first appeal to our older generation. Your wisdom should help our younger generations to follow the right path, to love the Homeland.

Secondly, I appeal to our middle-aged generation. In your lifetimes, you have witnessed the falling of one country and the raising of another. You have witnessed a time of hard decisions and the experience you have gained is a priceless asset that will help all of us to overcome adversities.

Third and finally, I appeal to our youth. You embody all of our dreams for the future. Everything we do today, we do for you. Some of you are only as old as our independent Kazakhstan. But by 2050 you will all be mature citizens, whohave helped todrive forward the Kazakhstan 2050 programme. The future course of our country will be defined by you, the youth.

You are educated only knowing independence – something our older generations did not have. Your young and independent vision will help us to lead the country to new heights in the future; heights which we might not dare to believe are possible today.

I call on all of our people to arm themselves with the eternal qualities of diligence, hard work and purposefulness. These qualities will help us to stand tall and create a better and deserved future for our great Homeland.

People of Kazakhstan, I believe in you. I believe that this historic opportunity will not be lost.

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