

# THE HISTORY OF ECONOMIC DEVELOPMENT OF THE REPUBLIC OF UZBEKISTAN AND THE REPUBLIC OF KAZAKHSTAN

**Shukurov Sobir**

Senior Lecturer, Shahrizabz State Pedagogical Institute

**Abstract.** This article examines the economic cooperation between Uzbekistan and Kazakhstan, one of Uzbekistan's major partners in Central Asia, from independence to the present, as well as the main directions and prospects. Strengthening regional integration, developing trade and economic ties, and issues of cooperation in the fields of energy and transport are at the center of the discussion. Security between the two countries, as well as the deepening of economic relations, efforts, and strategic significance, will be highlighted on a scientific-theoretical basis for future economic directions.

**Keywords:** Uzbekistan, Kazakhstan, economic ties, trade and economic cooperation, integration, energy, transport and logistics, investment development, economic policy, strategic partnership.

## Introduction

Since gaining independence, the Republic of Uzbekistan has paid special attention to strengthening peace, stability, and security within its territory, as well as improving economic relations with neighboring countries. From the very first days of President Shavkat Mirziyoyev's tenure, the principle "Central Asia as a top priority in Uzbekistan's foreign policy" has been actively implemented. As a result, a completely new political environment has been created in the region, and relations based on mutual trust and good neighborliness have been strengthened. Particular attention is being paid to systematically establishing reliable transport and transit routes to bring Uzbekistan's foreign trade goods to key global and regional markets [1].

In today's process of globalization, the economic development of each country is closely linked to the growth of various economic relations. Since gaining independence, Uzbekistan has based its foreign policy and economy on openness and mutually beneficial cooperation. Developing and expanding economic relations with all countries has been recognized as one of the stable strategic directions [2].

At the same time, the Republic of Kazakhstan is considered one of Uzbekistan's most important economic partners. Both countries share historical roots, cultural closeness, and geopolitical interests, and their relations are not only favorable but also constitute a close strategic partnership at the international level.

## Literature Review

An analysis of the literature on economic cooperation between Uzbekistan and Kazakhstan allows for a broad and in-depth study of the topic. The literature includes scientific works conducted in this field. Since the years of independence, the economic and political relations between these two countries have been actively studied. Several books and scientific articles have been published, including the works of Z. Kuldasheva, G. Mirzayev, A. Razzoqov, Sh. Toshmatov, and other scholars.

Additionally, textbooks such as *“History of Economic Doctrines”* by Sh. Tashmatov, X. Asatullaev, and Z. Allaberganov contain studies on the development of scientific reform concepts. Issues related to the specific features of Uzbekistan’s cooperation with Central Asian countries are reflected in the research of G. R. Mirzayev and other scholars.

### **Methodology**

This study uses historical-analytical, comparative, and systematic methods. The research is based on political-economic indicators, intergovernmental agreements, official statistical data, reports, the latest statistics, as well as scientific articles and monographs dedicated to the economic structures of Uzbekistan and Kazakhstan.

The article examines the historical context of economic relations at different trade stages, as well as analyses of economic, transport-logistics, energy, and investment cooperation formed between the two countries in the post-independence period. The role and prospects of economic integration in economic growth are studied in depth.

This study also focuses on identifying the main directions of modern economic policy, addressing existing problems, and proposing recommendations for further development. The literature review provided comprehensive and high-quality scientific support for the topic.

### **Results**

Strengthening trade and economic relations, as emphasized by President Sh. M. Mirziyoyev, serves the development of regional economic cooperation:

*“...based on mutual trust and interests, foreign countries, first and foremost neighboring states, should closely cooperate in accordance with the demands of the present day”* [3].

At the beginning of the 1990s, imports of Uzbek goods to Kazakhstan increased, mainly consisting of agricultural products, natural gas, certain types of industrial products, and automobiles produced in Uzbekistan. However, due to the growth of Uzbekistan’s trade volume with other countries, the volume of trade between Uzbekistan and Kazakhstan among the CIS countries decreased. In 1996, the delivery of goods from Kazakhstan to Uzbekistan steadily increased, while the supply of Uzbek goods to the Kazakh domestic market almost halved. Later, the number of enterprises established with capital from both Uzbekistan and Kazakhstan increased significantly by 2005. By early 2006, 87 enterprises involving Uzbek entrepreneurs operated in Kazakhstan, while 73 enterprises with Kazakh investments existed in Uzbekistan [4].

By 2016, there were 151 enterprises in Kazakhstan and 206 enterprises in Uzbekistan involving business people from both republics, including more than 170 joint ventures [5]. By 2019, Kazakhstan became one of Uzbekistan’s top three trading partners. According to the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan, in 2019, trade with Kazakhstan amounted to \$3.32 billion, accounting for 8% of the total foreign trade turnover. Cooperation in the financial sector has also advanced, with two major Kazakh financial institutions, *Tenge Bank* and the export insurance company *KazakhExport*, opening representative offices in Tashkent [6].

The trade turnover between the two countries was \$2.9196 billion in 2018, \$3.335 billion in 2019, \$3.0185 billion in 2020, and \$3.9 billion in 2021, indicating a positive trend in mutual trade [7]. These results show that the stable development of the two countries’ economies, which have recently shown significant growth, requires strengthening trade and production relations between economic entities.

Cultural exchange programs between Uzbekistan and Kazakhstan are implemented in various fields. Through these programs, artists and scientific communities from both countries exchange experiences. Major art festivals, concerts, theatrical performances, and exhibitions are regularly held in both countries. For instance, unique music and theater festivals in Tashkent and Almaty have brought the art of both peoples closer together [8].

As outlined in the joint declaration on deepening strategic partnership and strengthening good-neighborliness between Uzbekistan and Kazakhstan, the parties pledged to create favorable conditions for preserving and developing the mother tongue, national culture, traditions, and customs for the Uzbek and Kazakh ethnic communities residing in both countries [9].

The first visit of the Assembly of the Peoples of Kazakhstan's delegation to Uzbekistan in February 2017 confirmed the deepening of bilateral cultural and humanitarian relations. During the visit, meetings were held with Uzbek scientific-academic circles and the Kazakh population residing in Tashkent, contributing to the prospects of cultural cooperation. Large-scale events were held in 2018 under the theme "*Year of Uzbekistan in Kazakhstan*" and in 2019 as "*Year of Kazakhstan in Uzbekistan*." These events laid the foundation for establishing diplomatic relations based on universal human values in Central Asia since Uzbekistan's independence.

### **Conclusion.**

Economic activity between Uzbekistan and Kazakhstan has not only strengthened bilateral relations but also accelerated regional integration processes in Central Asia. Since independence, cooperation has reached a strategic partnership level, encompassing national trade and economy, transport and logistics, energy, investment, culture, and humanitarian spheres.

Historical, cultural, and geopolitical proximity, as well as mutual trust and shared interests, play a key role in the development of both countries. Recent statistics demonstrate the growth of trade turnover, increased joint ventures, investment activities, and the deepening of cultural-humanitarian cooperation, serving as a foundation for economic integration. This contributes to peace, stability, and sustainable development in both countries.

In the future, Uzbekistan and Kazakhstan will need to further deepen economic cooperation, develop industrial enterprises, implement innovative technologies, and adopt green economy practices. These measures, carried out under strategic oversight, not only ensure mutual benefits but also serve the broader development and international standing of both nations.

In summary, developing all aspects of bilateral economic, political, and cultural relations benefits both countries and plays a decisive role in the economic development of the entire Central Asian region. Cultural integration, transport-logistics cooperation, investment expansion, and strengthened energy and financial systems are key indicators of the achievements in this direction.

### **References**

1. Address of Sh. Mirziyoyev to the Oliy Majlis, 25.12.2017.
2. Ministry of Foreign Affairs of the Republic of Uzbekistan. (2024). Political relations between Uzbekistan and Kazakhstan.
3. Mirziyoyev Sh.M. "*Building a Free, Prosperous, and Democratic Uzbekistan Together*." Tashkent: Uzbekistan, 2016.



4. Mirzayev G.R. *“Uzbekistan’s Cooperation with Central Asian Countries.”*
5. Rakhimov M.A. *“Relations between Uzbekistan and Kazakhstan: Key Trends and Stability Factors in Central Asia.”*
6. Data from the Statistics Agency under the President of the Republic of Uzbekistan.
7. A. Razzoqov, Sh. Toshmatov, N. O‘Rmonov, P. Xoshimov, F. Egamberdiyev. *“History of Economic Doctrines.”*
8. *Xalq So‘zi*, April 27, 2017.
9. *Xalq So‘zi*, March 21, 2017.