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THE NATURAL RESOURCE CURSE IN KAZAKHSTAN: ECONOMIC AND STRUCTURAL PROBLEMS AND SOLUTION PROPOSALS

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This study aims to analyze the structural vulnerabilities caused by Kazakhstan' s natural resource-based economic structure and to identify transformation requirements for sustainable development. The research conducted a literature review based on secondary data and utilized SWOT and PEST analyses to assess the country' s internal and external dynamics. The findings demonstrate that Kazakhstan' s economic growth is largely dependent on oil and natural gas revenues, leading to fundamental problems such as a lack of economic diversification, inadequate institutional capacity, and high vulnerability to external shocks. Theoretically, consistent with the natural resource curse, the Dutch disease, and the linkage theory, Kazakhstan has achieved limited success in transforming its natural resource wealth into sustainable development. Comparisons with the examples of Norway, Canada, and Botswana reveal that successful countries have transformed resource dependency into an opportunity through strong institutional structures, transparent revenue management, and economic diversification. For Kazakhstan, institutional reforms, human capital investments, and green economy strategies are highlighted as priority policy areas. Based on the data provided by SWOT and PEST analyses, the research systematically examines the main threats and potential opportunities Kazakhstan faces on its path to sustainable development. The results point to the need for multidimensional policy interventions to transform natural resource wealth into a development advantage. In this context, recommendations are presented as strategic roadmaps for policymakers and academia.

Keywords: natural resource curse, economic diversification, institutional capacity, SWOT analysis, PEST analysis, sustainable development, Dutch disease, Kazakhstan economy.

ҚАЗАҚСТАНДАҒЫ ТАБИҒИ РЕСУРСТАРДЫҢ ҚАРҒЫСЫ: ЭКОНОМИКАЛЫҚ ЖӘНЕ ҚҰРЫЛЫМДЫҚ МӘСЕЛЕЛЕР ЖӘНЕ ШЕШІМ ҰСЫНЫСТАРЫ

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Бұл зерттеудің мақсаты-Қазақстанның табиғи ресурстарға негізделген экономикалық құрылымынан туындаған құрылымдық осалдықтарды талдау және тұрақты даму үшін трансформация талаптарын анықтау. Зерттеу барысында екінші реттік деректерге негізделген әдебиеттерге шолу жасалды және елдің ішкі және сыртқы динамикасын бағалау үшін SWOT және PEST талдаулары қолданылды. Зерттеу нәтижелері Қазақстанның экономикалық өсуі көбінесе мұнай мен табиғи газ

кірістеріне тәуелді екенін көрсетеді, бұл экономикалық әртараптандырудың болмауы, институционалдық әлеуеттің жеткіліксіздігі және сыртқы соққыларға жоғары осалдығы сияқты іргелі мәселелерге әкеледі. Теориялық тұрғыдан алғанда, табиғи ресурстардың қарғысына, голланд ауруына және байланыс теориясына сәйкес, Қазақстан өзінің табиғи ресурстарға байлығын тұрақты дамуға айналдыруда шектеулі табысқа жетті. Норвегия, Канада және Ботсвананың мысалдарымен салыстыру табысты елдердің күшті институционалдық құрылымдар, ашық кірістерді басқару және экономикалық әртараптандыру арқылы ресурстарға тәуелділікті мүмкіндікке айналдырғанын көрсетеді. Қазақстан үшін институционалдық реформалар, адами капиталға инвестициялар және жасыл экономика стратегиялары басым саясат салалары ретінде белгіленген. SWOT және PEST талдаулары ұсынған деректерге сүйене отырып, зерттеу Қазақстанның тұрақты даму жолында кездесетін негізгі қауіптер мен әлеуетті мүмкіндіктерді жүйелі түрде зерттейді. Нәтижелер табиғи ресурстар байлығын даму артықшылығына айналдыру үшін көп өлшемді саяси араласулардың қажеттілігін көрсетеді. Осыған байланысты ұсыныстар саясаткерлер мен академиялық топтар үшін стратегиялық жол карталары ретінде ұсынылған.

Түйін сөздер: табиғи ресурстардың қарғысы, экономикалық әртараптандыру, институционалдық әлеует, SWOT талдауы, PEST талдауы, тұрақты даму, голланд ауруы, Қазақстан экономикасы.

ПРОКЛЯТИЕ ПРИРОДНЫХ РЕСУРСОВ В КАЗАХСТАНЕ: ЭКОНОМИЧЕСКИЕ И СТРУКТУРНЫЕ ПРОБЛЕМЫ И ПРЕДЛОЖЕНИЯ ПО РЕШЕНИЮ

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Целью данного исследования является анализ структурной уязвимости, обусловленной ресурсоориентированной структурой экономики Казахстана, и определение необходимых преобразований для обеспечения устойчивого развития. В рамках исследования был проведен обзор литературы на основе вторичных данных, а также применены SWOT- и PEST-анализы для оценки внутренней и внешней динамики страны. Результаты показывают, что экономический рост Казахстана в значительной степени зависит от доходов от нефти и природного газа, что приводит к таким фундаментальным проблемам, как отсутствие экономической диверсификации, недостаточный институциональный потенциал и высокая уязвимость к внешним шокам. Теоретически, в соответствии с «ресурсным проклятием», «голландской болезнью» и теорией взаимосвязей, Казахстан добился ограниченных успехов в преобразовании своего богатства от природных ресурсов в устойчивое развитие. Сравнение с примерами Норвегии, Канады и Ботсваны показывает, что успешные страны преобразовали ресурсную зависимость в возможности благодаря сильным институциональным структурам, прозрачному управлению доходами и экономической диверсификации. Для Казахстана институциональные реформы, инвестиции в человеческий капитал и стратегии зеленой экономики выделены в качестве приоритетных направлений политики. На основе данных SWOT- и PEST-анализов исследование систематически рассматривает основные угрозы и потенциальные возможности, с которыми сталкивается Казахстан на пути к устойчивому развитию. Результаты указывают на необходимость многомерных политических мер для преобразования богатства природных ресурсов в преимущество в области развития. В этом контексте рекомендации представлены в виде стратегических дорожных карт для политиков и академических кругов.

Ключевые слова: проклятие природных ресурсов, экономическая диверсификация, институциональный потенциал, SWOT-анализ, PEST-анализ, устойчивое развитие, голландская болезнь, экономика Казахстана.

Introduction. Natural resources have historically played an important role in the economic development of many countries. However, in some cases, resource abundance may hinder long-term development by creating economic distortions, institutional weaknesses, and environmental challenges. This phenomenon is widely known in the literature as the “resource curse” [1,2].

Kazakhstan is one of the most resource-rich countries in Central Asia. Although natural resources have been an important source of economic growth, excessive dependence on the extractive sector has generated structural economic, social, and environmental challenges [3, 4].

After gaining independence, Kazakhstan faced major structural challenges during its transition to a market economy. Resource revenues became a key driver of economic growth; however, this dependence also contributed to structural imbalances, limited diversification, and institutional challenges [5- 7].

The aim of this study is to examine Kazakhstan’ s current economic structure and propose concrete strategic steps to reduce its dependence on natural resources and establish a sustainable economic structure. Within this framework, the study emphasizes that areas such as industrialization, education reforms, green transformation, foreign trade strategies, and institutional development offer potential solutions for Kazakhstan. Successful implementation of these strategies can contribute to Kazakhstan’ s long-term development goals by increasing its economic diversification.

To this end, strategic analytical approaches are proposed to support Kazakhstan in adopting a more balanced and sustainable development model by reducing its dependence on natural resources. In this context, SWOT (Strengths, Weaknesses, Opportunities, Threats) and PEST (Political, Economic, Social, Technological) analytical frameworks are employed in this study.

Within this framework, the study highlights several key policy areas including economic diversification, human capital development, green transformation, and international economic integration.

The following section outlines the theoretical foundations of the study. The relationship between natural resources and economic performance has been the subject of theoretical and empirical investigation for many years. Until the mid-20th century, the prevailing view was that abundant natural resources would foster development by accelerating industrialization. However, the Singer–Prebisch thesis a significant critique of this optimistic view. According to the Singer-Prebisch thesis, countries relying on primary commodity exports gradually become dependent on industrialized core countries due to unfavorable trends in their terms of trade. In other words, peripheral countries exporting raw materials find themselves increasingly disadvantaged by core countries importing processed industrial goods and face structural obstacles to development. These early discussions first highlighted the risks of natural resource-based growth strategies.

Modern literature has developed a number of theoretical approaches to explain the mechanisms by which natural resource shocks affect the economy. One of these approaches, the Dutch disease theory, suggests that large inflows of foreign currency from natural resource exports may appreciate the domestic currency and reduce the competitiveness of other sectors. This appreciation of the local currency leads to higher export prices for tradable sectors such as manufacturing and agriculture, leading to a contraction in production. Another approach, linkage theory, draws on the work of Albert Hirschman and emphasizes that industrialization will be limited if the natural resource sector cannot establish forward and backward linkages with other sectors [8]. Strong linkages imply that natural resource revenues

are channeled into investments in sectors such as manufacturing and services, thereby fostering economic expansion. If the natural resource sector remains an enclave within the economy and does not support other sectors, its growth potential is limited. Indeed, as some countries like Norway have successfully demonstrated, integrating natural resource sectors like oil with other sectors within a country can mitigate perceived negative effects and create a balanced development model.

Empirical findings on the natural resource curse are quite controversial. Many studies have found that natural resource abundance is negatively correlated with economic growth [1,4]. However, some argue in the literature that this relationship is not inevitable. Some economists argue that resource abundance can be a boon, that is, it can support growth, when the right policies are implemented [9,10]. Conversely, many other studies point to resource abundance as the primary cause of economic stagnation or contraction. Some researchers have even argued that the natural resource curse is the exception, not the rule: For example, Alssadek and Benhin [11] note that not all resource-rich countries experience the curse, while Wang et al. [12] and Herb [13] find no statistically significant link between natural resource abundance and low growth. However, the common thread across all these debates is the consensus on the decisive role of institutional factors. As nearly all researchers agree, strong and transparent institutions and a stable, diversified economic structure can mitigate the potential negative impacts of natural resources. Recent studies have shown that some countries (like Norway) have been able to leverage their wealth of natural resources thanks to favorable institutional environments, while others (like Nigeria) face economic hardship despite their abundance of resources due to weak institutions. This has contributed to a more balanced perspective in the literature.

Although numerous studies examine the macroeconomic effects of resource dependence, fewer studies integrate strategic analytical tools to evaluate both internal and external drivers of structural transformation.

The scientific novelty of this study lies in the integration of SWOT and PEST analytical frameworks with macroeconomic trend analysis in order to assess Kazakhstan’s resource dependency and identify structural transformation pathways.

This research contributes to the existing literature in three ways:

First, it provides an updated structural analysis of Kazakhstan’s resource-based economy using macroeconomic data covering the period from 1992 to 2024.

Second, the study integrates strategic management tools (SWOT and PEST analysis) with economic development theory to diagnose structural weaknesses and policy priorities.

Third, it develops a policy-oriented analytical framework that identifies key transformation pathways for Kazakhstan’s transition from a resource-dependent economy to a diversified and sustainable development model.

Materials and methods. After gaining independence in 1991, Kazakhstan experienced the throes of transitioning to a market economy until 1998. While real gross domestic product increased significantly with the rise in oil prices from 2000 onward, a structure dependent on natural resources emerged in terms of production, employment, and foreign trade. Therefore, this section will present the macroeconomic indicators of the Kazakh economy and analyze its dependence on natural resources in terms of production, employment, and foreign trade. The purpose of this analysis is to reveal the impact of production structure on the factors leading to the natural resource curse. In this context, a combination of macroeconomic indicators and Brent oil prices will provide a more useful analysis of the Kazakh economy (see Table 1).

Table 1 - Some Macroeconomic Indicators of Kazakhstan

Years	GDP (Billion Dollars)	Growth Rate (%)	Inflation (%)	Unemployment (%)
1992	3	-2,9	1381	n/a
1993	5	-9,2	1662,3	0,5
1994	12	-12,6	854,6	7,5
1995	17	-8,2	60,4	11,0
1996	21	0,5	28,7	13,0
1997	22	1,7	11,2	13,0
1998	22	-1,9	1,9	13,1
1999	17	2,7	17,8	13,5
2000	18	9,8	9,8	12,8
2001	22	13,5	6,4	10,4
2002	25	9,8	6,6	9,3
2003	31	9,3	6,8	8,8
2004	43	9,6	6,7	8,4
2005	57	9,7	7,6	8,1
2006	81	10,7	8,4	7,8
2007	105	8,9	18,8	7,3
2008	133	3,3	9,5	6,6
2009	115	1,2	6,2	6,6
2010	148	7,3	7,8	5,8
2011	193	7,5	7,4	5,4
2012	208	5,0	6,0	5,3
2013	237	5,9	4,8	5,2
2014	221	4,3	7,4	5,1
2015	184	1,0	13,6	5,0
2016	137	0,9	8,5	4,9
2017	167	3,9	7,1	4,9
2018	179	4,1	5,3	4,8
2019	182	4,5	5,4	4,8
2020	171	-2,6	7,5	4,9
2021	197	4,1	8,4	4,9
2022	226	3,3	20,3	4,9
2023	263	5,1	9,8	4,8
2024	293	3,5	8,0	4,8

Source: [14,15]

As shown in Table 1, Kazakhstan's macroeconomic data from 1992 to 2024 reveal the transformation and structural vulnerabilities of natural resource-based economies. Having newly gained independence in the early 1990s, the country experienced major economic contractions during the transitional economy. Negative growth, hyperinflation (e.g., 1662.3% in 1993) and double-digit unemployment rates are notable during the 1993-1995 period. Thanks to the growth model based on oil and natural gas exports in the post-2000 period, Kazakhstan' s GDP has increased significantly. GDP, which was $18 billion in 2000, rose to $237 billion in 2013. During this period, growth rates varied between 9-13%; however, inflation also remained in double-digits at times. The unemployment rate, on the other hand, showed a steady downward trend. After 2014, the growth rate slowed down due to the decline in oil prices, the ruble crisis and global fluctuations; GDP declined to $184 billion in 2015. Inflation rose to 13.6% in 2015, and growth nearly stalled (1.0%). This demonstrates that the Kazakh economy remains highly vulnerable to external shocks. After contracting by 2.6% in 2020 due to the pandemic, the economy recovered in subsequent years. Growth was recorded at 5.1% in 2023, with GDP reaching $263 billion. However, inflation reached a remarkable 20.3% in 2022, posing risks to the sustainability of price stability. Overall, these data demonstrate that Kazakhstan' s natural resource-based growth has provided short-term prosperity, but the economic structure remains vulnerable to external shocks. While GDP has increased, inflation has fluctuated, and weak institutional structures and production diversification have exacerbated fragility. Sustainable growth requires not only resource revenues but also structural transformation in the industrial and service sectors.

Accordingly, production diversification aimed to make Kazakhstan' s economic structure more balanced and sustainable. Growth in the agricultural and manufacturing sectors has helped to gradually reduce the share of natural resource revenues in GDP. Thanks to these diversification efforts, Kazakhstan has partially transitioned from an energy-based economy to a more diversified one. Beginning in the 2010s, driven by production diversification strategies, the share of Kazakhstan' s natural resource revenues in GDP has gradually declined, while the contributions of the agricultural and manufacturing sectors have increased. At the same time, the country' s economy has become less dependent on external resources, and the share of natural resource-based revenues has decreased (see Figure 1).

According to Figure 1, Kazakhstan' s economic growth is largely dependent on natural resources, particularly the oil and natural gas sector. Over the period spanning 1992-2024, the share of natural resource revenues in GDP has fluctuated depending on the country' s economic policies, global market conditions, and fluctuations in energy prices. Between these years, the Kazakh economy has followed a natural resource-based growth model, with the oil and natural gas sector serving as a key driver of the country' s economic development. The share of natural resource revenues in GDP peaked at over 66% in the mid-2000s, but this ratio has declined in subsequent years due to economic diversification policies and global market fluctuations. Although a significant decline was observed in the ratio of natural resource revenues to GDP in 2015, this ratio has risen again since 2020. It can be said that as of 2024, the economic contribution of natural resource revenues remains significant, but efforts to transform Kazakhstan' s economy into a more sustainable and diversified structure are ongoing.

After gaining independence in 1991, Kazakhstan implemented a series of reforms and strategies to achieve macroeconomic stability. The country' s primary objectives were to transition to a market economy, support economic growth, and maintain financial stability. Within this framework, the government developed various macroeconomic policies to control inflation, ensure fiscal discipline, and reduce budget deficits. Table 2 below lists the main macroeconomic policies implemented by Kazakhstan to control inflation, ensure fiscal discipline, and reduce budget deficits.

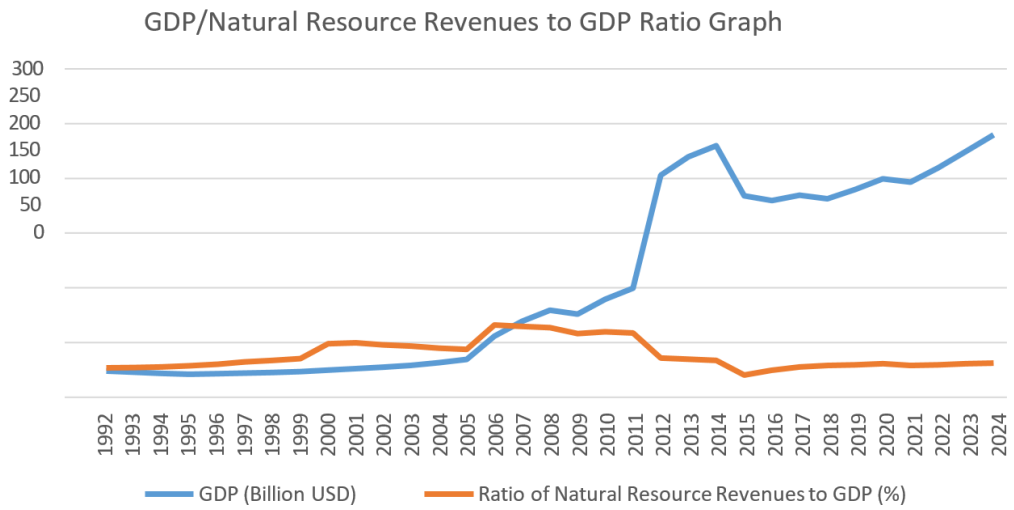


Fig.1 - GDP/Ratio of Natural Resource Revenues to GDP
Source: [14, 15]

Table 2 - Macroeconomic Policies Implemented by Kazakhstan

Policies	Explanations
Monetary Policy Improvements	To control inflation, the Central Bank increased interest rates and tightened the money supply.
Budget Discipline Practices	The government implemented policies that strengthened budget discipline to balance expenditures and revenues.
Fiscal Reforms	Reforms were implemented to review the tax system, broaden the tax base, and increase tax compliance.
Inflation Targeting	The Central Bank set a specific inflation target and shaped its monetary policies to achieve this target.
Restructuring Social Assistance	To reduce budget deficits, social assistance programs were reviewed, and regulations were implemented to ensure more efficient use of resources.
Expenditure Cuts	Public spending was cut and redirected to priority projects.
Policies to Encourage Domestic Production	Various incentives were provided to encourage domestic production, reduce foreign exchange demand, and reduce import dependency.
Control over Exchange Rates	The Central Bank intervened using its foreign exchange reserves to control exchange rate fluctuations.
Use of International Financing Sources	The aim was to secure and restructure financial resources through cooperation with international financial institutions.
Economic Stabilization Programs	Various economic stability programs were developed to control inflation and ensure fiscal discipline.

Note - Compiled by the authors

According to Table 2, following its independence, Kazakhstan pursued structural transformation through rapid economic reforms, transitioning to a market economy through privatization and tight monetary and fiscal policies. The Central Bank implemented policies to combat inflation

and stabilize the exchange rate, while fiscal management targeted budget discipline through tax reforms and incentives. Oil and natural gas revenues supported economic growth, but excessive dependence on these resources highlighted the need for economic diversification. The country aimed to diversify its economic structure by encouraging foreign direct investment and strengthening its human capital through investments in education, healthcare, and social security. Kazakhstan also implemented incentive packages to maintain stability in the face of global crises and pandemics and targeted sustainable growth with development plans for 2025. Based on this data and information, we can say that this research is based entirely on secondary data sources. A comprehensive literature review was conducted on the subject, examining academic sources (books, peer-reviewed articles, and theses). Additionally, reports and datasets published by international organizations (World Bank, IMF, UNDP, EBRD, etc.) on the Kazakh economy were evaluated. Official statistics provided by the National Statistical Institute of Kazakhstan, investor bulletins, and economic analysis reports were also used in the data collection process. This secondary data, compiled from diverse and reliable sources, provided a solid basis for the study' s analyses.

The conceptual framework of the research was established through a systematic review of the relevant literature. Within this scope, concepts such as the "natural resource curse" and "Dutch disease," which explain the effects of natural resource wealth on economic development, as well as theoretical approaches such as linkage theory, were examined in depth. The literature review combined classic studies that shed light on the subject with recent contemporary research. Thus, the theoretical framework was structured in a comprehensive and balanced manner, encompassing both traditional perspectives and new trends.

SWOT and PEST analyses were utilized in conjunction to assess the current structure and transformation potential of the Kazakhstani economy. SWOT analysis reveals a country' s internal factors (strengths and weaknesses), while PEST analysis systematically examines the political, economic, social, and technological elements that constitute the external environment. These two methods were integrated, addressing internal dynamics and external factors with a holistic approach. The data used in the analyses were compiled from the aforementioned empirical sources; key economic indicators, institutional indices, and similar data were visualized through tables and graphs. The findings were interpreted qualitatively in light of these tables and graphs. Each SWOT component was linked to the relevant PEST elements, providing a comprehensive analysis of Kazakhstan' s strengths and weaknesses, as well as the opportunities and threats it faces.

The study also adopted a comparative method to better assess Kazakhstan' s economic structure, which is based on natural resource revenue. Within this framework, Norway, Canada, and Botswana, among the countries that stand out in managing their natural resource wealth for development, were selected and examined. How these countries manage their natural resource revenues, strengthen their institutional structures, and their long-term development performance are evaluated alongside Kazakhstan' s case. This comparative analysis highlights the impact of different policy approaches and institutional practices on economic development, identifying positive examples and strategies that can serve as lessons for Kazakhstan.

It' s important to note that this research has certain limitations. First, because the study relies solely on secondary sources, no primary data (field research, surveys, or interviews) was included. Therefore, the findings are limited by the accuracy and scope of existing datasets. Furthermore, the historical range and sectoral coverage of the data used pose limitations that may impact the generalizability of the analysis results. These limitations were considered when interpreting the results, and the research findings were carefully evaluated within this framework.

Results and discussion. The results indicate that Kazakhstan's economic structure exhibits several characteristics of the natural resource curse. Excessive reliance on oil and gas revenues has

limited economic diversification and increased vulnerability to external shocks. These findings are consistent with previous studies suggesting that resource dependence may constrain long-term economic development.

The analysis also reveals signs of Dutch disease dynamics. Rapid growth in the oil sector has weakened the competitiveness of other industries, particularly manufacturing. In addition, weak linkages between the extractive sector and other industries have limited broader industrial development. These patterns also reflect structural dependency typical of resource-exporting economies, where reliance on raw material exports increases exposure to external economic fluctuations.

Although Kazakhstan's resource-based growth model has generated significant economic expansion since the 2000s, it has also produced structural imbalances. By 2023, more than 50% of the country's exports consisted of oil and gas, making economic performance highly sensitive to global commodity prices. The dominance of the extractive sector has also constrained the development of manufacturing and agriculture, limiting the diversification of the economy.

From an institutional perspective, resource dependence has created governance challenges, including weaker fiscal accountability and limited incentives for institutional reforms. Furthermore, the capital-intensive nature of the oil sector has restricted employment generation and contributed to regional income disparities. Overall, Kazakhstan's resource-based growth model has created economic, institutional, and social imbalances that may hinder long-term sustainable development.

The SWOT and PEST analyses further clarify the internal strengths and weaknesses of Kazakhstan's economy, as well as the external opportunities and threats affecting its development.

Kazakhstan's main strengths include its substantial natural resource reserves, strategic geographic location between Europe and Asia, and recent investments in infrastructure and human capital. These factors provide a foundation for future economic transformation.

However, several weaknesses remain. The economy continues to depend heavily on fossil fuel exports, while limited diversification and institutional inefficiencies constrain sustainable growth. In addition, governance challenges and uneven income distribution highlight difficulties in converting resource wealth into broader social benefits.

Table 3 - SWOT Analytical Synthesis Table

Analytical Dimension	Key Findings	Strategic Implication
Strengths	Large natural resource reserves	Can finance diversification if managed effectively
Weaknesses	Lack of economic diversification	Structural reforms required
Opportunities	Renewable energy potential	Green transition strategy
Threats	Oil price volatility	Need for resilient economic structure

Note - Compiled by the authors

At the same time, several opportunities exist for economic transformation. These include renewable energy development, digital transformation, and deeper regional economic integration through initiatives such as the Belt and Road Initiative. These factors could support the diversification of Kazakhstan's economy and strengthen its long-term competitiveness.

Nevertheless, Kazakhstan also faces significant external risks. These include volatility in global commodity markets, climate-related challenges, geopolitical uncertainties, and technological competition. Such risks may affect the stability of export revenues and slow economic modernization if appropriate policy measures are not implemented.

To summarize the strategic assessment, the key results of the SWOT analysis are presented in Table 3. While Kazakhstan possesses considerable natural resource wealth, the economy remains highly dependent on the extractive sector. At the same time, renewable energy development and technological modernization create opportunities for diversification. However, global oil price volatility and external economic shocks remain major risks. These findings highlight the importance of diversification, institutional strengthening, and economic resilience for achieving sustainable development.

The results of the SWOT and PEST analyses highlight the key challenges and opportunities facing Kazakhstan in achieving sustainable development. Based on these findings, several priority policy directions can be identified:

- economic diversification. Reducing excessive dependence on the oil sector requires the development of non-resource industries such as manufacturing, agriculture, tourism, and information technologies. Diversification policies should focus on attracting private investment and supporting industrial development programs;

- institutional reforms. Strengthening institutional capacity is essential for the effective management of natural resource revenues. Increasing transparency, improving public governance, and strengthening anti-corruption mechanisms will enhance investor confidence and support sustainable development;

- human capital development. Investments in education and healthcare are necessary to increase labor productivity and support the growth of high-value sectors. Improving vocational and technical education will help align workforce skills with the needs of a diversified economy;

- green economy transition. Expanding renewable energy and improving energy efficiency can reduce dependence on fossil fuels and support Kazakhstan's environmental sustainability goals. Such measures will also help mitigate risks related to global carbon regulation;

- trade diversification and international cooperation. Expanding trade partnerships and strengthening regional economic cooperation can reduce reliance on energy exports and broaden Kazakhstan's export structure;

- digital transformation. Developing digital infrastructure and supporting technological innovation can enhance productivity, stimulate new industries, and strengthen the country's position in the global economy.

Overall, these policy priorities provide a strategic framework for reducing resource dependence and supporting long-term sustainable development in Kazakhstan.

Conclusions. This study examined the structural vulnerabilities of Kazakhstan's resource-dependent economic model and identified key transformation needs using a combined SWOT and PEST analytical framework. The findings confirm the main assumptions of the natural resource curse literature, showing that excessive reliance on natural resources may hinder long-term development when economic diversification and institutional capacity remain limited.

The results demonstrate that Kazakhstan's economic growth remains strongly dependent on oil and gas revenues, which increases vulnerability to external shocks and limits the development of other sectors. Institutional weaknesses and insufficient diversification further constrain the effective use of resource wealth. At the same time, opportunities related to renewable energy, technological development, and digital transformation create potential pathways for economic restructuring.

From a policy perspective, the findings suggest several strategic priorities. First, economic diversification should be accelerated by supporting manufacturing, agriculture, tourism, and technology sectors. Second, institutional reforms aimed at improving transparency, governance

quality, and the management of natural resource revenues are essential. Third, investments in human capital, innovation, and green technologies are necessary to support long-term sustainable development.

This study also highlights several limitations. The SWOT and PEST approaches rely on qualitative assessment and therefore may involve a certain degree of subjectivity. In addition, the analysis focuses on a single country case, which limits the generalizability of the findings. Future studies may expand the research through quantitative modeling and comparative analysis of multiple resource-rich economies.

Despite these limitations, the study contributes to the literature by demonstrating that the negative effects of resource dependence are strongly linked to institutional quality and economic diversification. The findings support the argument that natural resource abundance alone does not determine economic outcomes; rather, effective governance and appropriate economic policies play a decisive role.

Overall, Kazakhstan's experience illustrates that resource wealth can either become a development opportunity or a structural constraint. By strengthening institutions, diversifying its economic structure, and investing in innovation and sustainable energy, Kazakhstan can transform its natural resource wealth into a long-term development advantage.

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