

REGIONAL STUDY ON HUMAN DEVELOPMENT AND HUMAN RIGHTS—CENTRAL ASIA Martha Olcott

summary

This report focuses on the five new states of Central Asia (Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan), and draws some parallels between these states and Mongolia, although the latter enjoys a very distinct history.

Central Asia is an area that does not divide nicely into regime successes and regime failures, either with regard to economic and social rights or as relates to civil and political rights. At the same time, though, it is possible to argue persuasively that some states have done better than have others.

We will look at states where economic and social as well as civil and political rights have been advanced. Our primary example in this category will be Kazakhstan. We recognize, though, that Kazakhstan has made very uneven strides toward building a democracy, and that it is not the most democratic state in the region. However, as our analysis will show, it is a state in which there has been a comprehensive overhaul of the political and economic system, and these developments are likely to be sustainable.

Our report will also examine states where there has been a reversal in social and economic development while there has been progress in social and political rights. Our prime example here will be Kyrgyzstan, although we recognize that it does not fit nicely into either the first or the second category. Kyrgyzstan has made vast strides in terms of development of democratic political institutions, and has done so in an atmosphere which has generally been very supportive of individual human rights.

Finally, we will look at states in which there has been a reversal of economic, social, civil and political rights. Uzbekistan is a state which is a good example of this. Again, though, the case is not a clear-cut one. There is no question that political and civil rights have come under threat and been curtailed in Uzbekistan in recent years, and that economic reforms have been introduced quite slowly, and without significantly expanding the economic rights of the population. At the same time, Uzbekistan has worked hard to maintain a wide range of social welfare benefits, and has oftentimes used their commitment to this goal as a partial explanation for why economic reforms are being held up.

An Overview of the Region

Much attention has been recently focused on Central Asia, a region that President Nazarbayev of Kazakhstan frequently calls a "bridge between Europe and Asia." Its territory is 3.9 million square kilometers, which is comparable in size to Western Europe, however, Central Asia's total population of 55.6 million is about 7 times smaller than that of Europe. The region is of geostrategic importance not only because of its location but also because of what it has to offer. The area has valuable natural resources including major deposits of oil, natural gas, coal, iron ore, gold, silver, uranium, and others.

This has provided handsome motivation for many rulers to try and dominate the region. Persians, Greeks, Chinese, Turks, Arabs, and Mongols have all flexed their muscles in what is now Central Asia. The region's borders were defined first by the outcome of the Russian-British "Great Game" and later by the Soviet Union. Russian military began to explore the Kazakh steppes in the early 18th century under Peter the Great and by the middle of the 19th century Kazakhstan fell under Russia's control. By 1900 the conquest of Turkestan and eastern Pamirs was complete.

When the Bolsheviks came to power in October 1917, they proclaimed the right of nations to self-determination, but fought a nearly decade long civil war to retain control of the region. The Soviets termed this opposition the Basmachi (or brigands) revolt, while the Central Asians referred to it as the Freeman's Movement. As early as 1920 Lenin concluded that the "political map" of Turkestan needed to include three primary units, "Uzbekia, Kirgizia, and Turkmenia."¹ The region was arbitrarily redistricted in 1924 and those communities that supported Basmachi's revolt against the Bolsheviks were moved across new administrative borders in an attempt to uproot them. Sporadic resistance continued until the mid-1930s. By 1940 five republics, the Tajik, Turkmen, Kazakh, Kyrgyz, and Uzbek Soviet Socialist Republics, had all been created.

The Soviet experience completely shaped the economic development of these five states. Until the collapse of the Soviet Union in December 1991, these republics had gone through forced "nationalization, collectivization, and industrialization" but their economic development had largely been designed to maximize their potential as exporters of raw mineral and agricultural materials. The economies of the five were designed to maximize their contributions to the metropol. In 1989 Kazakhstan accounted for 20 percent of the total Soviet coal production; Kyrgyzstan was a leading producer of uranium, Tajikistan a major producer of hydroelectric power, and Uzbekistan was the world's fourth largest producer of cotton and its third largest exporter, the third largest producer of natural gas in the former Soviet Union.²

In 1986 Central Asia had the lowest per capita industrial output in the country.³ A large part of the existing industrial production, such as for example, oil refining, heavy metallurgy, and petrochemical production in Kazakhstan, was based on the rich natural resources. Machinery and heavy equipment produced in Uzbekistan was used for cotton cultivation, harvesting, and processing, while Kyrgyzstan produced agricultural machinery and exported sheep products and some gold. The region's natural resources were largely processed and refined in the European part of the Soviet Union. For example, while Central Asia produced about nine-tenths of the Soviet cotton output, it accounted for just 5 percent of the country's textiles.⁴ As a result, the countries of Central Asia were not truly industrialized or self-sufficient and were dependent on the Soviet distribution system for both goods and transfers.⁵

This pattern of economic development had unavoidable social implications. The Central Asian republics had the lowest levels of income per capita among the Soviet republics save Azerbaijan. In general, these countries had the lowest per-capita consumption spending, highest birth rates,⁶ higher than average unemployment rates, the least living space, the worst living conditions, the fewest doctors, the largest families, the shortest life expectancies, and the highest levels of infant mortality. With an exception of Kazakhstan, all of the Central Asian republics had above average expenditures on food and below average savings.⁷

The region also fell victim to the Russian and Soviet nationality policies, which among other things dramatically changed the demographic portrait of society. Ethnic Russians and Ukrainians were encouraged to move into Central Asia beginning in the second half of the 19th century to farm what the colonial rulers termed "surplus" lands. At the same time more than a half million Kyrgyz and Kazakhs were deported from the region in the aftermath of the 1916 uprising when they protested conscription in forced labor brigades during World War I.

Later a similar policy was used by Stalin to punish peoples he suspected to be "unfaithful," such as the Crimean Tatars, the Volga Germans, and the Chechens. For example, in 1989 about half of the total Crimean Tatar population lived in Uzbekistan.⁸ During 1950s, in an attempt to increase agricultural production, thousands of Russians and other Europeans moved to Kazakhstan to make the so-called Virgin Lands suitable for agricultural production. As a result of these policies each Central Asian state became a multi-ethnic entity, and at the time of independence ethnic Russians accounted for a third of the population of Kazakhstan, and a fifth of the population of Kyrgyzstan.

The Soviet policies of social engineering also had some positive aspects. As a result, all of these republics began their lives as independent states with a comprehensive albeit flawed social welfare net in place. The Soviet Union provided a system of social guarantees that included comprehensive health care and educational systems, as well as a well-developed pension system. They introduced universal literacy and opened many new schools and the right to secondary education was on average guaranteed. Health-care though was of diminishing quality, and education was skewed to favor graduates of Russian language schools.

Despite the fact that the five post-Soviet states were very similar, all with the same package of individual social and economic guarantees, their starting points as independent states were still quite different. Historically, Uzbeks and Tajiks were settled peoples while (like the Mongolians) the Kazakhs and Kyrgyz were nomads and this continued to manifest itself in the way of life. During the Soviet times, Turkmenistan and Uzbekistan were largely agricultural republics, where industry accounted for a smaller share of the labor force than did agriculture. Kazakhstan was by far the most industrialized of the Central Asian states. It is not surprising that it had the highest percentage among all Central Asian states of labor force employed by the state. Kazakhstan was also the only non-Slavic post-Soviet republic to have inherited nuclear weapons.

Kazakhstan was the third largest republic of the former Soviet Union and is almost as big as all of Western Europe. Because of its size it has the second lowest population density among the Central Asian states, with just 5.7 people per square kilometer. About two thirds of the neighboring Uzbekistan's territory consists of steppe, desert, and semi-arid terrain. It has the largest population among the Central Asian states and was the Soviet Union's third most populous republic. Its Ferghana valley is one of the most heavily populated areas in the world with more than 300 persons per square kilometer, with the Andijan oblast having up to 427 persons per square kilometer.⁹ Kyrgyzstan is a small landlocked country that is not well endowed with mineral resources and is surrounded by much bigger neighbors.

Ethnic composition also varied from country to country. By the time of independence Kazakhs accounted for 36 percent of the population of Kazakhstan (57.1 percent in 1926) and Kyrgyz for 52.4 percent of the population of Kyrgyzstan (66.8 percent in 1926). Kazakhstan was the only post-

Soviet country in which titular nation was not a clear majority. Thirty nine percent of the population was Russian and that caused a certain degree of nervousness in Kazakhstan that shares an over 6,000 kilometer long border with Russia. Approximately one third of the population of Kyrgyzstan lives in the south of the country. In the south, Uzbeks account for 28.1 percent of the population. It was a site of an ethnic conflict that erupted in 1990 in the Osh oblast over what was perceived as an unfair distribution of land between the local Uzbeks and the Kyrgyz.¹⁰ The situation was more homogenous in Tajikistan where at the time of independence Tajiks accounted for 64.9 percent of the population (74.8 in 1926), in Turkmenistan where Turkmen accounted for 73.3 percent (73.8 in 1926), and in Uzbekistan, where Uzbeks accounted for 71.4 percent of the total population (75.4 in 1926).¹¹ Mongolia is an ethnically homogeneous country with Khalkha Mongols accounting for 90 percent of the population.

By 1990 all of the countries in the region found their economies to be in complete disarray with rising prices, plummeting production, and monetary emission. Independence was desired but unexpected to all of these countries. It is not surprising that initially their leaders were at a loss, however, all of them have accepted the need to transform their societies into market economies. Nevertheless, it was unclear what this transformation should look like and how to get through the adjustment period. The results of the process were different. In this report we will look at the three most interesting scenarios for development.

STATES THAT SHOWED SOME IMPROVEMENT IN ECONOMIC AND POLITICAL RIGHTS

KAZAKHSTAN

Summary: Kazakhstan can be categorized as a state where economic and social as well as civil and political rights have been advanced. However, even Kazakhstan has made very uneven strides toward building a democracy, and that it is not the most democratic state in the region. Nevertheless, it is a state in which there has been a comprehensive overhaul of the political and economic system, and these developments are likely to be sustainable. The country has engaged in macro as well as micro economic reforms, and has done so in an environment which offers a limited commitment to developing the institutions associated with a democratic society.

Moreover, given Kazakhstan's vast mineral wealth and very diverse agricultural and industrial economy, the long-term prospects that economic reform will succeed are quite good, which should give the government the ability to successfully fund the social reform programs which have been instituted in recent years. It may also make the government less reluctant to engage in more thoroughgoing democratic reforms.

Kazakhstan's economy

Kazakhstan had characteristics that set it apart from its Central Asian neighbors. Firstly, it is a rather big country by international standards not to mention by comparison to its Central Asian neighbors. Secondly, the country's northern oblasts were rather industrialized and dominated by Russians. Between 1985 and 1990, investment in fixed capital in Kazakhstan rose an average of 3.9 percent per year.¹² The structure of investment was also interesting as a major part of it (40 percent) went into modernization of the existing enterprises. However, agriculture still accounted for 40 percent of GNP in 1990 twice that of industry.¹³ Kazakhstan's main industries include coal,

oil, iron, steel, non-ferrous metals, cement, and fertilizers. The overwhelming majority of the Kazakh exports consisted of raw materials.

Kazakhstan was the only Central Asian state that did not declare itself independent in the wake of the August 1991 coup. President Nazarbayev did not expect the Soviet Union to collapse and at the time remained more loyal to President Gorbachev than to Yeltsin. With the collapse of the Soviet Union and unexpected independence, the country was faced with several dilemmas, among them how to deal with Russia with whom the country shared an over 6,000 kilometer long border, how to deal with the Russian minority that constituted 39 percent of the countries population (while the titular nation accounted for just 36 percent).

Deteriorating economic conditions made the choice of strategy more pressing. From 1991 to 1992, Kazakhstan's per capita GDP at the purchasing power parity (PPP) declined by 5 percent, industrial production by 17 percent, construction declined by 43 percent. Over the same period expenditures on education, culture, and scientific research decreased by 1.5 percent and the population disposable incomes declined by 45.8 percent.¹⁴ As a result, some Western experts believed that 71 percent of the population lived below the official poverty level.¹⁵

There has been a basic tension in Kazakhstan's foreign economic policy from the onset. Kazakhstan's first response was to preserve some degree of integration among the former republics of the Soviet Union. President Nazarbayev is one of the strongest supporters of some sort of integration be it within the CIS framework or within Euro-Asian Union. However, he was never happy with the Russian domination of the CIS and wanted to build relations on the basis of equal partnership. Nevertheless, he still supports the Customs Union of Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan. Nazarbayev has recently reiterated that he would like to see Central Asia as a single geopolitical and geo-economic region.

However, the President realized that in order for Kazakhstan to be a desirable partner, it had to achieve economic growth and prosperity. This could only be done as a result of a complete overhaul of the existing economic structure. Introduction of private property was an important first step. Privatization in Kazakhstan was done in several stages: privatization of housing using flat coupons (1991-92), mass privatization using investment privatization coupons (1993-95), and privatization on the basis of individual projects (1996-98). As a result by 1999 the private sector employed around 60 percent of the labor force.¹⁶ As of July 1999, 75.6 percent of the economy was privatized, including 80.2 percent of small enterprises, 40.8 percent of medium enterprises, and 52 percent of large enterprises.¹⁷ The process was not as equitable and fair as was hoped. In fact, the Financial Times labeled the latest stage of privatization "the Kazakh sale of the century."¹⁸

In economic terms, Kazakhstan can be considered a relative success in the post-Soviet world. Kazakhstan consciously conducted internationally oriented policies to counteract Russia's influence. Kazakhstan received \$1.65 billion in World Bank loans between 1992 and 1998 and \$500 million in IMF loans between 1993 and 1998.¹⁹ The country has attracted the highest rate in the CIS of per capita direct foreign investment, having received about \$8.2 billion by 2000.²⁰ In 1999 alone, foreign direct investment totaled \$1.5 billion.²¹ Kazakhstan's per capita GDP was second only to Russia, at \$1,340 in 1997.²²

These numbers should be taken with a grain of salt since FDI was concentrated in oil and gas sectors, which received 47.9 percent of the total FDI from 1993 and 1998 and 82.1 percent of FDI in the first quarter of 1999.²³ Despite of the region's highest GDP per capita over half of the population live below the poverty line. In 1998, despite some macroeconomic improvement, there were further signs of trouble. In February the government suspended privatization in the oil sector due to the industry's crisis brought about by low world prices for oil. The Russian financial meltdown in August 1998 affected many of its neighbors, including Kazakhstan. The country was forced to devalue its currency, the tenge, and by the end of 1999 it has depreciated by 40 percent.

President Nazarbayev has pursued a very public anti-corruption campaign. He believes that corruption "threatens the existence of the state."²⁴ The amount of corruption is staggering. For example, Kazakhstan is said to have lost \$500 million just in 1996 because of corruption in the oil sector.²⁵ A scandal erupted in January 1996 after some Kazakh diplomats who accompanied President Nazarbayev on his visit to Israel, spent \$250,000 on a shopping spree.²⁶ During the anti-corruption campaign the president dismissed Chief Justice Mikhail Malakhov for taking over \$100,000 in bribes, Minister of Economics Mars Urkumbayev for power abuse and currency machinations, former Central Bank chairman Galym Bainazarov for offering a bribe to then Interior Minister Baekenov, and Interior Minister Vladimir Shumov for covering up his son's bribe-taking, just to name a few.²⁷ In November 1997, Nazarbayev ordered high-ranking officials to declare all personal income. In October 1999 as a result of the latest government reshuffle Kazymzhomart Tokayev was appointed prime minister and Grigory Marchenko head of the National Bank. In making the announcement, Nazarbayev stressed clean records of both of his nominees and their personal moral purity. Yet charges of corruption still dog key figures in the Kazakh government and their families.

At the same time there is reason for optimism that Kazakhstan will succeed in realizing increasing profits from its oil and gas sector. From the beginning, Kazakhstan has been dogged by the challenge of trying to export its oil. The Tengiz oil deposit (being developed by Chevron and an international consortium) is to export oil through a CPC (Caspian Pipeline Consortium) which goes across Russia. Additional oil development will require new pipeline routes.

There is some progress in this regard. In November 1999 Georgia, Azerbaijan, Kazakhstan, and Turkey finally signed an agreement to build a pipeline from Baku (Azerbaijan) to Ceyhan (Turkey) that would transport Caspian oil from Kazakhstan and Azerbaijan to the rest of the world. However, it is still not clear how Russia is going to react to this and how the whole thing is going to play out. If it is successful, Kazakhstan stands to receive considerable revenue for the country's annual crude oil potential is about 15 million metric tons but in the longer run it will rise 10-fold.²⁸

Even now Kazakhstan's economy shows signs of improvement. Third quarter economic performance statistics from 1999 indicate that Kazakhstan is recovering from the economic crisis of 1998, as they show an increase in GDP of 0.3 percent over the same period last year.²⁹ Only time will tell if this is going to be sustained.

Kazakhstan's Political System

Yet Kazakhstan's political institutions may not be changing fast enough to support and strengthen the economic reforms that have been taken. Kazakhstan has a strong presidential system of

government, which to date has been led by only one man. President Nazarbayev, former first-secretary of the Kazakhstan Communist Party, was directly elected president in 1991. In March 1995, Nazarbayev dissolved parliament and ruled by decree. In April 1995, a reported 95 percent of voters approved extending his rule to the year 2000. In August 1995 as a result of another popular referendum, a new constitution was adopted. It gave the president more powers, including the right to dissolve parliament if it passes a no-confidence vote in the government or twice rejects a president's nominee for prime minister. The president can ask the parliament to delegate legislative powers to him for a term not exceeding one year. Such a request must be approved by two-thirds of deputies at the joint session of parliament. In accordance with the current constitution the president appoints government and regional leaders. The president also has a right to annul or suspend decrees by government and akims of oblasts, major cities, and the capital.

The country's parliament consists of two chambers: the lower (Majilis) and the upper (the Senate). Deputies of the lower chamber are elected by direct secret ballot and senators are elected by regional councils. As a result of the December 1995 parliamentary elections the president received a rather compliant parliament in largely uncontested election, with Nazarbayev supporters taking all the seats. The PNEK (People's National Unity Party) dominated the vote for the Majilis, or lower house.

Kazakhstan is a presidential state. Groups loyal to President Nazarbayev and members of his family dominate key parts of the economy and government positions. His daughter, Dariga, controls the national television network. Her husband, Rakhat Aliyev, is head of the tax police. Another son-in-law, Timur Kulibayev, is the financial director and vice president of Kazakhoil. The company is believed to have provided funds for the move to a new capital.³⁰

The government of the country has become less democratic as the control of the president and his family has been enhanced. In October 1998, the parliament adopted nineteen amendments to the constitution, thirteen of which were proposed by President Nazarbayev. As a result, the presidential election was moved from December 2000 to January 1999, the president's term of office was extended from five to seven years, the age-limit and two-term restrictions were dropped. In addition to the already constitutionalized right to appoint and dismiss the government, regional leaders, and the head of the country's National Bank among others, the President received a right appoint chairman of the budget committee and two of his deputies. The president no longer has to submit international treaties for parliamentary approval.

Since the October 1998 constitutional amendments were unexpected, the opposition had slightly over a month to register a presidential candidate. In addition, in November 1998 former Prime Minister Akezhan Kazhegeldin was denied registration because of his participation in a meeting of the unsanctioned "Movement for Fair Elections", as these activities gained him a recent criminal record, and the latter was a legal bar to running for office. The OSCE observers criticized the election campaign for violations and petitioned to postpone the elections to give opponents more time to campaign. The requests were denied and in January 1999 Nazarbayev was reelected president for a seven-year term.

In addition, the October 1998 constitutional amendments raised term of office of a deputy of the lower chamber (Majilis) was from 4 to 5 years and that of a deputy of the upper chamber (Senate)

from 5 to 6 years; the number of deputies of Majilis was increased from 67 to 77 with additional ten seats to be contested by political parties. The constitutional changes opened up the electoral process to some degree. The amendments lower the size of the election fee for candidates (from 1,000 to 100 minimum wages for a presidential candidate and from 100 to 50 minimum wages for a parliamentary candidate), lift the ban on electing people who earlier were held responsible for participation in unregistered public groups, and cancel the 50 percent minimum figure for voter turnout to make the polls legitimate.

In the October 1999 parliamentary elections to Majilis, members of four political parties got over the seven percent threshold and will occupy the ten seats. Communists and Agrarians are the only opposition parties, whereas Otan (Fatherland) and the Civic party are clearly pro-presidential. Otan won 23 seats (4 on the party ticket and 19 in single-mandate constituencies). The Civic party won 12 seats, the Communist party 3, the Agrarian party 2, and the Republican Party 1. The remaining 33 seats were taken by various pressure groups and individuals.³¹

During the first round Otan received 30.89 percent of the vote, the Communists-17.75 percent, the Agrarian party 12.63, the Civic party 11.23 percent, the Azamat 4.57 percent, the people's congress of Kazakhstan 2.83, the Alash party 2.76 percent, the Revival party 1.97, and the Labor party 1.38 percent. Voter turnout was 59.78 percent.³²

One hundred seventy international observers, including 150 from OSCE monitored the voting. Vladimir Yatsenko, member of the Ukrainian parliament and the CIS Interparliamentary assembly said that there were no major irregularities in the elections.³³ However, the general view was not that optimistic and the majority of the outside observers considered Kazakhstan's 1999 parliamentary elections to be seriously flawed. Many of Kazakhstan's opposition parties, the Azamat, Socialists (former Communists), the nationalist Azat (Freedom) Party, the ethnic-Russian Unity Party, and the rightist Respublika Party, have complained of harassment, surveillance, denial of access to the state-run media, and arbitrary banning from registering candidates.

Vladimir Chernyshev, who formerly stood for election as a deputy in the lower house of parliament has officially requested the British embassy in Kazakhstan to grant him political asylum. The reason cited is the "impossibility of being able to exercise the right to be elected;" and Chernyshev has maintained the "It is better to live in a monarchy than in secular, law-government Kazakhstan."³⁴

Political and Human Rights in Kazakhstan

These charges are consistent with the growing number of complaints of human rights violations by Kazakh political activists.

Political freedom: In June 1998 Kazakhstan adopted a law on the national security. Threats to national security include political extremism, incitement of social discontent, unsanctioned gatherings, hindrance of investment activity, deterioration in the demographic situation and the quality of education. The procurator general can suspend the activity of the news media without providing for any right of appeal. Dissemination of all foreign media that undermines national security is also outlawed and in October 1999 authorities briefly took off the air Russian TV channels that broadcast the discovery of President Nazarbayev's Swiss bank account.

Yevgeny Zhovtis, Kazakh International Human Rights Director, said that no citizen of Kazakhstan is safe from unlawful arrests, criminal cases falsifications, tortures, beatings, unjust court proceedings.³⁵ In May 1998, the country's mass media was investigated for committing over 200 violations of the Law on the Press. Mass media were charged with "abuses of freedom of speech, incitement of national enmity...aimed at instigating disputes and controversy over the country's history and sovereignty" and for permitting "non-objective, insulting statements directed at government organs, officials and ordinary citizens... it is the media that should shape the ideals of our state and patriotic feelings." In late 1999 the headquarters of the human rights organization that Zhovtis heads was destroyed by fire, including all of his archives and computer equipment.

Despite the growing atmosphere of intimidation, there are still several independent newspapers, though most of them have been shut down under various pretences and some were even subject to firebomb attacks. Newspaper distribution system is controlled by the state. The government has used exorbitant rates to price out independent radio stations. As a result, there are now only four nominally non-state television channels and three independent radio stations in Almaty. Libel laws are used by authorities to discourage free speech. Insulting the president is a criminal offense and at least one journalist has received a year-long sentence based on this charge.

Official delay of registration of political parties, movements, and organizations is another popular tactic. In February 1999, the Kazakh agency for property and legal enterprise registration was accused of delaying registration in Almaty of an opposition organization (a republican movement For Fair Elections) in violation of the country's legislation. Similar incidents have been reported in other regions. Freedom of assembly is restricted. Several unsanctioned rallies by workers, pensioners, and the political opposition to protest deteriorating social and economic conditions were broken up by police who detained demonstrators.

Ethnic relations: Kazakhstan is the most multi-ethnic among the former Soviet States with a large Russian minority. In fact it was the only one at which the eponymous nationality was not a majority at the time of independence. This affects the strategy that the country chooses and also determines the degree of vulnerability to the Russian security threats and Russian views of the territory as "its own". Maintaining ethnic harmony is one of the most important challenges that Kazakhstan faces and the leaders are determined to single-mindedly pursue this goal. The need for the government to keep potential ethnic antagonisms in check is a frequently cited reason for why informal political groups and political parties that are organized largely along ethnic lines are either banned or kept in close check by the government. Political parties cannot be organized exclusively along ethnic lines, and ethnic affinity groups must be careful that their charters not be able to be construed as advocating ethnic exclusivity or they too are apt to be denied registration. For example, Russian Lad (Harmony) and Edinstvo (Unity), as well as the Kazakh group Azat (Freedom) were denied registration as political parties and could register as public organizations, which did not allow them to run in parliamentary elections. However, the Kazakh group Alash, named after a mythic founder of the Kazakh people, and several of the Cossack organizations were banned since a program of radical Islam in the case of the former and demands for ethnic autonomy by the latter were equally unacceptable.

While Kazakh groups have occasionally been denied registration, most prominently Alash, non-Kazakhs generally claim that they are subjected to a different standard than are the Kazakhs.

Russians, Germans, and other non-Kazakhs also have charged discrimination in favor of ethnic Kazakhs in state-run businesses, government, housing and education. Since gaining independence, over a million Russians have left the country, and two thirds of the country's ethnic German have moved to the Federal Republic of Germany. These two communities have left for a complex set of motives. The Uighurs who have ethnic ties to their restive kin in China's Xinjiang province, have been a particular target of the Kazakh government. Given Kazakhstan's desire to remain on good terms with China, and have been banned from demonstrating and holding political meetings.

Changing language laws make non-Kazakhs feel disadvantaged. This is the case because the constitution mandated that Kazakh would become the official state language, even though the deadline by which this is to be achieved has been repeatedly pushed back. Legislation passed in 1989 made Kazakh the official language of the republic, although the law would not take effect in the most heavily populated Russian areas for fifteen years. A new language law was passed in 1997, extending the date by which all citizens would be expected to function in Kazakh to January 1, 2006. This law purported to put Russian on an equal footing with the Kazakh through such provisions as requiring both languages to be used in the armed forces, police, and security services.³⁶

At the same time, Kazakh is beginning to push Russian out of public life. Currently Kazakh is the language of instruction in 3,357 schools; Russian in 2,412 schools, 2,153 schools use both languages, 78 use Uzbek, 13 use Uighur, and several schools use Tajik, Ukrainian, Turkish, and German. In colleges and universities students are educated in Kazakh (27%), Russian (72%), or in Uzbek, English, and German (0.5%).³⁷

Russian groups feel disadvantaged in other ways. One particular target of the Kazakh government has been the Cossacks, the descendants of the old Tsarist frontier forces. The Cossacks are viewed by the Kazakh authorities as having strong separatist inclinations. As a result, there is a ban on wearing traditional Cossack uniform and criminal charges were brought against the Cossack ataman in March 1999 under clause 236 of the criminal code (for organizing para-military units), which could result in 3-7 year prison term. Semirechensk Cossack community waited 16 months to be officially registered and the Association of Russian, Cossack and Slavonic organizations waited 10 months. As of August 1999, the authorities were denying registration to four regional branches of the organization in Pavlodarsk, Kustanai, and two other places.³⁸

Social conditions in Kazakhstan

Social indicators:³⁹

Since independence many of the formerly guaranteed privileges have been abolished, while the government is attempting to reorganize and redefine others to make them self-supporting financially. These changes are all part of an effort to make link state payment of benefits to the economic capacity of the state.

The overhaul of the pension system is the most dramatic change. The government has also introduced a three-stage pension reform aimed at changing the country's pension system from a benefit to a contribution one. Private pension funds have been created and now employers are

required to deposit fifteen percent of salaries in those funds. The Asian Development Bank praised the reform efforts and provided a \$100 million loan to support it.

The country's population is slowly aging for the 1997 rate of natural increase was -0.4 percent. Only 29.3 percent of the population are less than fifteen years old. Life expectancy at birth is 59 years for males and 70 years for females. This makes reforming the healthcare system a much more urgent task than was originally believed. However, in 1997 the number of doctors per 10,000 people dropped from 33.1 to 32.4 percent. More than 1,500 villages and auls do not have any medical personnel. Kazakhstan's budget owes the country's medical personnel 15.3 million tenge.

Kazakhstan continues to finance mandatory, free, and secular secondary school education and in 1997 allocated 3.4 percent of GDP for these purposes. In an attempt to educate diverse groups of population, the government mandated that students from rural areas should comprise at least 30 percent of the student body in colleges and universities. However, teachers' average salary is 70 percent of the country's average. This forces many of them to look for alternative employment. As a result, the number of secondary schools in rural areas has been reduced. Many children have to travel for hours before they get to school. Thus, in 1997, 27,000 children did not attend school because it was too far away. About 50 percent of the existing schools provide only elementary or incomplete secondary education.

Some benefits have been reduced or abolished outright. For example, single mothers used to receive child support payment from the state that were made regardless of a mother's income. Now these subsidies are available only to those, whose total income per person is less than twice the indicator used in calculating pensions and other social benefits. In 1996, 1.5 million children received those benefits but in 1997 their number was just 1 million. However, special subsidies to WWII veterans and to families of victims of Chernobyl and other radiation accidents at military and civilian installations continue to be allocated.

Income distribution became more uneven between urban and rural areas. The Gini coefficient increased from 20.2 percent in 1991 to 33.8 percent in 1997. In 1996, a little over a third of population lived below the official poverty line. In 1997 the relevant number was 43%, out of which 39.8 percent lived in urban and 46% in rural areas. Rural population is 45.2 percent of the country's total population. Urban population's incomes are 2-2.5 times higher than are those of the rural population. At the end of 1998, number of unemployed receiving unemployment benefits was 149,200 (59.2%). Out of them 53,400 lived in rural areas.

The population at the beginning of 1998 was 15.6 million people, which represents a net loss of almost one million people since the last Soviet census in 1989.⁴⁰ The out-migration is also disproportionately affecting urban areas that are home to fifty five percent of the population. In 1996-98, 132,600 people immigrated to and 772,500 emigrated from Kazakhstan; 64.5 percent of emigrants were in the labor force; 50,600 people from rural areas and 106,500 people from urban areas. In 1997, 35,936 people immigrated to and 239,441 emigrated from Kazakhstan and the country had a negative migration balance with Belarus, Kyrgyzstan, Moldova, Russia, Ukraine, and Uzbekistan.⁴¹

The migration process is changing the ethnic makeup of the country. Currently Kazakhs account for at least 46 percent of the population of the country, and official Kazakh government sources put them at 52 percent.⁴² Russians make up between 30-35 percent, again, depending upon the source while Ukrainians are about 5 percent, German approximately 3 percent), Uzbeks and Tatars 2 percent each (although it is very easy for Uzbeks and Tatars to "switch" to Kazakh nationality).

In addition, Kazakhstan has a refugee population and hosts about 35,000 refugees including 25,000 ethnic Kazakh in-migrants, 6,000 Tajiks, 3,000 Afghans, Chechens, Georgians and Armenians, as well as some cases from African and other countries including China. The majority of the refugee population is located in the south of the country.⁴³

In January 1999, Kazakhstan acceded to the 1951 UN Refugee Convention and 1967 Protocol. These documents do not require states to provide asylum to refugees but they do include an explicit prohibition against refoulement -- expelling or returning refugees to countries where their lives or freedom would be threatened. The Kazakh government tries hard to keep their country from becoming a safe haven for potentially politically troublesome people. For example, in August 1998 three Uighurs illegally crossed the Kazakh border and requested political asylum on "ethnic and political grounds." However, in February 1999 Kazakhstan deported them back to China. An even more striking case came during Russia's second Chechen war, in November 1999, when the Kazakh government introduced strict border regimes to try and limit Chechen refugees from entering the country. This behavior indicates that there is some awareness on the part of the government of the potential vulnerability of the state, but the government shows no signs of panicking over the prospect that it may face social or political problems in the future.

STATES THAT HAVE HAD AN INCREASE IN POLITICAL RIGHTS WHILE LOSING GROUND IN THE ECONOMY

KYRGYZSTAN

Summary: Despite the fact that Kyrgyzstan has had a very comprehensive economic reform, at least when judged by the standards of the region, the country has generally witnessed a reversal in social and economic development. At the same time, overall the country has made substantial progress in terms of development of democratic political institutions, and has done so in an atmosphere, which has generally been very supportive of individual human rights. Over the past few years, however, there have been disturbing signs of backsliding on some of these areas, and these will receive particular attention.

One of the great challenges to Kyrgyzstan's proponents of democratic reform has been to find ways to address the country's serious economic problems. These problems, which are partly the consequence of the country's economic starting point, persist despite serious state efforts to sponsor macro-economic reforms. These problems are becoming increasingly more serious as support from the international community is reaching a point in which it is intended to lead to self-sustaining economic changes. The current economic climate will make it harder to sustain social rights, which in turn could create serious challenges for the political system.

The Crisis of Independence in Kyrgyzstan

With population of 4.7 million Kyrgyzstan is more densely populated than is Kazakhstan (22 people per square kilometer) and over 60 percent of the population live in rural areas. Kyrgyzstan was traditionally one of the poorest countries of the former Soviet Union with per capita GDP in 1991 at PPP of just \$3,525, which was slightly over a half of Russia's. ⁴⁴ Out of the 15 republics of the former Soviet Union only Tajikistan and Uzbekistan had a lower per capita GDP in 1991. ⁴⁵ Trade was predominantly conducted with the FSU and the country had a trade deficit of about 14 percent. As a result foreign exchange reserves were negligible.

The collapse of the Soviet Union aggravated the economic situation in Kyrgyzstan. In 1992 Kyrgyzstan's GDP per capita at PPP declined by 18 percent, industrial production dropped by over 26 percent, agriculture and forestry declined by almost 7 percent, and share of transportation and communications in GDP by over one third. Heavily dependent on trade with the former Soviet republics, it saw its net exports decline sevenfold. ⁴⁶ Between 1991 and 1995 the country's GDP plummeted by 45 percent. Industrial output in 1998 was only one-third of the 1991 level. ⁴⁷

This had to have devastating effects on the country's social safety net. Just in 1992 health services declined by 44 percent and spending on education, culture, and science by 31 percent, a trend that continued until 1996 when for the first time since 1991 they increased by three percent. ⁴⁸ Nevertheless, in 1995 Kyrgyzstan spent 55 percent of its budget on social needs, more than any other CIS state. ⁴⁹ The situation was exacerbated by the fact that 40 percent of the population are children under 16 and fifteen percent are pensioners, so the pressure on the social safety net is enormous. This pressure created strong incentives for the country to engage in economic and political reforms.

Economic reforms

Kyrgyzstan initially achieved considerable international support for its economic reforms by being the first former Soviet republic to leave the ruble zone in May 1993 and the first to introduce its own internationally supported currency, the som; it was the first CIS country to introduce Bankruptcy Law in December 1993, the first CIS country to enjoy GDP growth in 1996, and the first CIS country to be admitted into the WTO in December 1998.

The country embarked on an ambitious privatization program, divided into three stages. During the first stage (1991 to 1993) 97.2 percent of small companies in retail and food production/primary processing, 86.7 percent of companies in catering, and 100 percent of service companies were privatized. During the second stage (1994-1995) 6,269 companies in core sectors, such as industry, transport, and construction, were privatized. ⁵⁰ By April 1997, 62.9 percent of the economy have been privatized, including 80.4 percent of industry, 56.8 percent of construction, 51.2 percent of transportation. ⁵¹ The current, third, stage aims to privatize large companies in the major sectors of the national economy, subject to certain restrictions.

Kyrgyzstan's geographic location and economic inheritance from the Soviet Union made president Akaev's task so much harder. Those in power in Kyrgyzstan have further complicated their economic tasks by not taking adequate measures to combat and punish corruption.

Nation building and democracy are generally taxing on the economy but Kyrgyzstan's case was complicated by the fact that the country did not have many resources at its disposal. Its only hope for survival lies in attracting foreign support. Kyrgyzstan is not rich in mineral resources with an exception of gold and hydroelectric power. The country's gold reserves are estimated to be around 600 tons. According to experts at Kyrgyzenergo, the country's total hydropower reserves exceed 43 billion kWt/H. However, existing hydropower potential is utilized at only thirty percent.⁵² Electricity accounts for 19 percent of the country's exports.

To attract foreign investment Kyrgyzstan conducted a comprehensive land reform with the October 1998 national referendum approving private ownership of land. The country also embarked on a radical tax reform that reduced the number of taxes and lowered tax rates. In 1998, countries of the European Union invested about \$14.5 million and the US \$24 million.⁵³ But the 1996 \$90 million investment by the Canadian gold company Cameco to develop Kumtor gold mine, which is considered the world's 10th largest gold deposit, had the most significant affect on the Kyrgyz economy.⁵⁴ To illustrate the degree of Kyrgyzstan's dependence on foreign investment, it should be sufficient to say that the country's GDP growth in both 1996 and 1997 and possibly even in 1998 was generated by this investment. There is a possibility of succumbing to the "Dutch disease" where the country's economy becomes inextricably tied to gold production and other industries remain underdeveloped.⁵⁵

However, investors' confidence began to decline in 1998 when allegations of corruption involving sales of gold and manipulations of privatization began to resurface. This caused the resignation of long time Prime Minister Dzumagulov and a reshuffle of the whole government. The country had \$1 billion in foreign debt, a substantial budget deficit, and plunging exports. This made foreign investors more cautious, particularly since there began to accumulate evidence that efforts to curtail corrupt practices were oftentimes being made to settle political scores rather than as part of an effort to even the playing field.

Kyrgyzstan's economy was dealt a further blow by the Russian economic meltdown of August 17, 1998. Kyrgyzstan is dependent on sales to Russia and it saw its exports to Russia collapse as a result of the Russian financial crisis. As a result, Kyrgyzstan's exports to CIS countries fell 28 percent in 1998.⁵⁶ The country's GDP growth slowed from 10 percent in 1997 to barely 2 percent in 1998. In addition, the country plans to spend 40 percent of the 2000 budget to repay foreign debt.⁵⁷ The latest FDI trends are also not favorable for most of foreign investment in the region is going into oil and gas sectors which Kyrgyzstan has none. This creates a double bind for Kyrgyzstan, which has to try harder to entice foreign investors, and is also dependent on imports of natural gas and oil from Uzbekistan and exports of electricity to Kazakhstan. The Russian financial crisis affected these countries as well and thus, worsened the situation in Kyrgyzstan.

Political reforms

The leadership in Kyrgyzstan has taken great pains to create a sense of history that emphasizes the democratic elements which have allegedly always been present in its society. Its leaders like to boast that unlike other Asian countries, the Kyrgyz elected their khans (rulers). Women had equal rights with men, and there was freedom of speech. There is also an emphasis on the consultative aspect of nomadic society, where decisions affecting the community were traditionally taken by the Khans in consultation with tribes.

At the same time, like Kazakhstan, over time power in Kyrgyzstan has become more vested in the presidency. In October 1994 President Akaev held a national referendum on constitutional changes and creation of a new parliament structure, that was to be a body of professional legislators. Three fourths of those who turned out to vote approved the changes and a creation of a bicameral, 105-member parliament (Jogorku Kenesh), with a 35-seat lower chamber as a permanent legislature and a 70-member upper chamber to meet only occasionally to approve the budget and consider presidential appointees to various government posts. The upper chamber was to be comprised of regional elite who would represent their local interests and in Akaev's view would resemble the House of Lords.⁵⁸ As a result of the referendum the old Communist-dominated parliament was dissolved.

In the February 1995 parliamentary elections, Communists gained only a few seats and the majority of the 82 seats went to the president's supporters. Akaev won the December 24, 1995 contested presidential elections and received 75 percent of the popular vote. By contrast, the presidents of Kazakhstan, Turkmenistan, and Uzbekistan chose to extend their terms through the use of referendum.

In early January 1996 the newly re-elected President stressed the need for expanding presidential powers and proposed to hold another referendum on February 10 that changed more than half of the constitution to enhance presidential power. The new document gave the president the power to appoint all top officials, although the prime minister still requires parliamentary approval. If parliament rejects three of the president's nominees, he can dissolve the body. In July 1998 the Constitutional Court ruled that Akaev can seek a third term in office.

In October 1998, another national referendum on constitutional amendments was held. Members of the lower house of parliament (the Legislative Assembly) were to be elected by a simple majority and the number of seats were to be increased from 35 to 60, fifteen out of which were to be given to representatives of political parties. Parliamentary immunity was also limited. The number of seats in the upper house of parliament (Assembly of People's Representatives) was decreased from 70 to 45. These changes effectively further circumscribed the power and independence of parliament, but they also created increased incentives for the formation of political parties.

In February 2000, Kyrgyzstan held parliamentary elections. Eleven political parties contested 15 party seats. However, only six managed to clear the 5 percent barrier: the Communist Party gained 27 percent of the vote, the pro-government Union of Democratic Forces 17 percent, the Women's Democratic Party 13 percent, the Party of War Veterans 9 percent, the pro-presidential "My Country" 5.7 percent, and the moderate opposition Ata-Meken 5.6 percent. The March run-off elections in single-mandate districts resulted in the parliament's overall centrist orientation. The OSCE characterized the February Kyrgyz parliamentary elections as "not in full compliance with OSCE commitments." The statement noted interference in the election campaign by public prosecutors, the exclusion of major opposition parties, attempts by some candidates to bribe voters, and cases of multiple voting or pressure on voters to cast their ballot for a specific candidate.⁵⁹

Political and human rights in Kyrgyzstan

Political freedoms: Kyrgyzstan is sometimes called a center of democracy in Central Asia.

President Akaev is careful to present his country this way to be able to attract foreign investment that the country desperately needs. He tries to appear to be a true "people's" president, and this was an important factor in the decision to hold presidential elections in 1995. Pressure by the international community was said to have also played an important role, and again it was more effective in Kyrgyzstan than elsewhere because of the importance to Akaev of fostering the image of democratic ruler. Reports indicated that ballot stuffing, inflation of voter turnout, and intimidation of the press marred the 1995 presidential elections.

In many ways Kyrgyzstan is more solicitous of the need to protect the human rights of its citizens than virtually all of the other states in the region. However, violations of human rights do occur, and not infrequently. There is evidence of police abuse, religious persecution, trafficking of women, violations of the right to free expression, and intolerance of opposition.

According to the 1999 Human Rights Watch report there were at least 2 reported deaths in 1998 that occurred while suspects were in police custody and one of them was reportedly buried alive.⁶⁰ There are also reports of increased trafficking of women who respond to advertisements that promise them well-paid jobs abroad. In the end many of them are literally sold to various sex industry establishments in Turkey, the United Arab Emirates and other countries. Kyrgyz officials are said to turn a blind eye to such a trafficking of women out of the country, by receiving bribes from in return for forged travel documents.

President Akaev has created himself an image of a supporter of the freedom of speech. He put on a national referendum an amendment to the constitution that would guarantee greater freedom of speech, proposed to decriminalize slander and make it a civil offence, vetoed a media law that limited the topics legally covered by journalists and mandated them to reveal their sources under certain circumstances. At the same time during his tenure journalists have been harassed and sent to prisons for libel. Private radio stations have also been shut down.

Kyrgyzstan currently finds itself in the difficult position of trying to balance the freedom of religion that is guaranteed by the constitution and the dangers posed by the rise of Islamic extremism. Kyrgyzstan had the first hand experience on the matter. In August 1999, about 500 Islamic extremists attacked its territory and took several people hostage, including Japanese geologists and Major General Anarbek Shamkeyev, commander of Kyrgyzstan's Interior Troops. The captors were said to be Uzbek militants that were hiding in Tajikistan. They demanded free passage for Majahedeen troops to the Uzbek territory and release of their supporters who are currently jailed in Uzbekistan. They were believed to have links with the Islamic Hizb-ut-Tahrir (Liberation Party) organization. This crisis continued for several months, and only ended after the Japanese were alleged to have paid the captors a substantial ransom for the release of their citizens. The latter is rumored to have gone on with the approval of the Kyrgyz government. This money will certainly enhance the capacity of militants to threaten the states of the region.

At the same time, the Kyrgyz authorities have also shown excessive zeal in their quest against Muslim extremism. They closed an Islamic Center after accusing its leaders to be Wahhabi, the term used by the authorities to describe all Islamic fundamentalists. They then deported "Wahhabi supporters" from the country, even though in some cases they were CIS citizens (they included citizens of the neighboring Pakistan and Uzbekistan, a refugee from Tajikistan).

The government continues to display intolerance of political opposition members. Some are arrested on charges of criminal libel and insulting the honor and dignity of the president, others on charges of embezzlement, which seems to be a prevalent charge. Before the October 1998 referendum the Ministry of Justice revoked the registration of the Kyrgyz Committee for Human Rights, which made it impossible for the organization to monitor the voting.

There are about 20 officially registered political parties, the largest being the Communists on the left, the nationalist Asaba, and the Social Democrats, the Republican Party, the Agrarians, and Erkin (Freedom). The largest political movement is the pro-government Democratic Movement of Kyrgyzstan. Most parties are small and weak, with vague platforms and little financial support. The newest political party is Ar-Namys (Dignity) that was founded in August 1999 by the former mayor of Bishkek Felix Kulov. With 11,000 members it has already become the third largest party in the country, and is likely to become the largest opposition group. However, in March 2000 Felix Kulov was arrested on three charges: arranging for the transfer of military and security material to Tajikistan in 1994-95 without government authorization, purchasing surveillance equipment with outside funds for use by the Ministry of State Security when he was Minister, and promoting a subordinate who lacked higher education, or extensive experience. Arrests of opposition leaders are nothing new for in January 2000, Daniyar Usenov, opposition EI (Bei-Bechara) Party leader and parliament deputy, was arrested for failing to appear in court in connection with a case brought against him in 1996 and subsequently closed. In addition, several opposition parties were precluded from participation in the February 2000 parliamentary elections.

Kyrgyzstan is constantly afraid of ruining relations with its big and powerful neighbors. Though many Kyrgyz live across the border in China, Bishkek does little to support them. Nor does it allow much of the activities of the Uighurs on its territory in order not to anger China. On the contrary the government discourages local Uighur population from supporting their co-nationals in China, who seek independence. It is not surprising that around the time of president Akaev's visit to China in April 1999, the Kyrgyz security forces broke up an Uighur separatist network with links to Islamists in Pakistan.

President Akaev is probably the region's leading crusader in the war against drugs. Kyrgyzstan is also extremely concerned about proliferation of drugs in the region and is trying to strengthen its border with Tajikistan, which due to political instability is one of the main conduits for the Afghan drugs on their way to Europe. Kyrgyzstan now has 50,000 officially registered drug users but the actual number of drug addicts is probably much higher. This is a sharp increase from only 3.9 per hundred thousand in 1991. What is more alarming is that some 75 percent of the addicts are between the ages of 14 and 30. It is doubtful that the country has resources to deal with the strain that drug trafficking and proliferation would put on the country's budget for it will have to devote considerable resources to combat the spread of crime, corruption, and diseases, including AIDS, hepatitis, and others.⁶¹

Ethnic relations: Kyrgyzstan is a multinational country in which 52 percent of the population are Kyrgyz, 18 percent Russian, 13 percent Uzbek, 3 percent Ukrainian, 2 percent German, and other smaller nationalities account for the remaining 12 percent. Kyrgyzstan has made much effort to maintain ethnic harmony among its population to make sure its powerful neighbors are happy as

well as to prevent mass exodus of educated and skilled minorities. In May 2000 Kyrgyzstan designated Russian as the Republic's official language.

The constitution guarantees rights of minorities, and there has been particular effort to try and satisfy the demands of the local Russian population. Russian has been made an official state language, equal in status to the Kyrgyz. Bishkek is also home a Kyrgyz-Russian Slavic University, which uses Russian as its language and is financed by the Russian government. By contrast, at the same time the Uigur organization Ittipak (Unity) has faced sporadic suspension for "separatist activities."

In many ways, the Uzbeks are Kyrgyzstan's most important minority. Kyrgyzstan considers the presence of a large Uzbek minority in southern Kyrgyzstan to be a major internal security threat, particularly since about 30 percent of the country's population lives there. In the south, Uzbeks account for 28.1 percent of the population. Memories of the 1990 Osh riots are still fresh in people's memory. More than 200 people died in those riots and several hundred were injured. On the surface tensions between the two nationalities have eased somewhat but this view is deceptive, as the presence of this large Uzbek population is seen to provide President Karimov (as well as future Uzbek leaders) with a powerful wedge to use in gaining favorable policy decisions from the Kyrgyz government.

Social conditions:

The country's population is 4.8 million and 62 percent of them live in rural areas. In addition, 37 percent of the population is younger than fifteen years of age. Life expectancy is 62.5 years for males and 71.3 for females. Some 48 percent of the labor force are employed in agriculture and only 10 percent in industry. Unemployment rate is 7.6 percent. In 1997, total expenditure on education was approximately five percent of the GDP.⁶² The population growth rate is estimated at 1.4 percent. In June 1997 in accordance with President Akaev's decree eight percent of state holdings in several telecommunications and power supply companies as well as in Air Kyrgyzstan were transferred to benefit war veterans and pensioners.⁶³ However, the funds raised through this transfer of shares are not sufficient to meet the government's social welfare needs. Just in December 1999 the government announced that it owed 112 million soms (about \$2.5 million) in pension arrears, 54 million soms to the health care system and a similar amount to educational establishments.⁶⁴ As a result, public demonstrations by the poorer sectors of society have become a way of life.

There are about 13,000 officially registered refugees, mainly ethnic Kyrgyz from Tajikistan and some - about 700 - from Afghanistan.⁶⁵ However, most of the refugees are not registered and their total number can be as high as 50,000 or approximately one percent of Kyrgyzstan's population. Claiming refugee status is not an easy task since for example, the claim should be made within three days of arrival and a safe third country rule applies, which means that those who qualify are more likely to cross over to Kyrgyzstan from Uzbekistan.⁶⁶

MONGOLIA

Summary Mongolia is a state that like Kyrgyzstan does not fit neatly into either of the first two categories. Like Kyrgyzstan, it is a close society and sparsely populated, so that elite consensus

can lead to rapid and dramatic political changes. Yet, it is still too soon to feel confident that the economic changes necessary to sustain the democratization process will continue to occur.

Mongolia is a land-locked country sparsely populated country with an area of 1,565,000 square kilometers and a population of 2.4 million people. The country boasts 2,200 years of statehood and being home for great rulers that dominated Asia and a major part of Europe for several centuries. However, the country had its share of strong external rulers as well. China controlled this vast Central Asian region for two centuries until 1911 and again from 1919 until a Marxist revolt in 1921. The Mongol Socialist Republic was formed in 1924 and for the next 66 years it was a Soviet satellite state.

Mongolia is rich in mineral resources and has coal, iron, copper, gold, flourspar, uranium, and silver. Mongolia's two biggest foreign revenue earners are copper and cashmere. The country's geographic location between Russia and China predetermines its dependence on the big and powerful neighbors. During the Communist rule Mongolia heavily relied on Soviet support. By early 1990s subsidies from the Soviet Union amounted up to 30 percent of the country's GDP.⁶⁷ The collapse of the Soviet Union devastated Mongolia's economy. To avoid future dependence Mongolia tried to maintain equal distance from its powerful neighbors. Keeping its distance from Russia was not easy. In August 1994 Mongolian prime minister Puntsagiyn Jasray had to admit that "[the country's] economy, especially industry, [is] closely linked with corresponding sectors of the Russian economy because they were created with Russia's help and their products are intended for the Russian market."⁶⁸

Russia continues to exert influence over the country's economy. A ban by Russia on the export of petroleum caused chaos in Mongolia in August and September 1999 and led to the introduction of rationing. Even though the ban was later lifted, Mongolia was faced with higher fuel prices and a depreciating currency. The country lives in constant fear that Siberian power companies will cut off electricity supplies to the western part of the country.

Mongolia was more successful at resisting being pulled into China's orbit. The two countries signed a friendship treaty in 1994 but Mongolia was not keen on becoming "friends," particularly after it discovered in 1995 that its embassy in Beijing had been bugged. However, Ulaanbaator is concerned about China's treatment of over 3 million Mongolians who live in the Chinese autonomous region of Inner Mongolia. At the same time, it maintains good relations with Tibet and even allows the Dalai Lama to pay an annual visit to Mongolia. Mongolia is relatively successful at navigating the region's "dangerous waters" for over the last eight years China has become the country's leading foreign investor and export market. President Jiang Zemin visited the country in July 1999.

To be able to conduct a more or less independent course, Mongolia embarked on an ambitious reform plan. The 1992 constitution allowed private property on land. The country started a rapid privatization program. In 1990 the private sector accounted for just 10 percent of GDP. In 1990-92 around 3,000 small and large enterprises have been privatized. By 1999 the private sector was responsible for 64 percent of economic activity (79 percent in agriculture and 90 percent in trade and services).⁶⁹ However, the latest stage of privatization that was set to begin in August 1999 by sale of government shares in large enterprises has been delayed by parliamentarians, who are

reluctant to relinquish control over strategic companies. In October 1999 Mongolia's parliament (the Great Hural) approved a list of 18 companies that were to remain under full government control.⁷⁰

In 1996 the government froze spending, lifted price controls, cut pension rolls, and abolished tariff protection from domestic industries. As a result of these reform-oriented policies, Mongolia was the first state from the Central Asian region to be allowed to join the WTO, in January 1997. In August 1997 the country embarked on an ambitious program aimed at stabilizing the economy, reducing inflation, boosting the private sector, and reform social security, simplify the bureaucracy and channel more aid to the needy.

By late 1990s the country had few capital controls. Inflation declined from 49.3 percent in 1996 to 10.2 percent in 1998 and is likely to remain in the single digits in 1999.⁷¹ In December 1998 Mongolia's central bank announced that it was expanding the reform of financial system and that maintaining the stability of the currency, the togrog, would be among the top priorities for 1999.⁷² This year saw an increase in industrial and agricultural production and a decrease in the trade deficit.

However, real GDP per capita at PPP fell from \$1,640 in 1990 to \$1,356 in 1998. The only growth industry was animal husbandry. Agriculture continues to account for about one-third of the country's GDP. According to official estimates, unemployment in 1998 was 3 percent. However, it is believed that the actual numbers are at least three times higher. ⁷³

Mongolia needs foreign assistance to be able to survive; however, the level of foreign investment remains low. In June 1999 President Bagabandi called for more foreign aid. During the past 8 years the international community has provided Mongolia with loans and assistance worth \$2 billion.⁷⁴ This year the IMF announced the resumption of enhanced structural adjustment facility (ESAF) payments. In June 1999 participants of an investment conference in Ulaanbaator pledged \$320 million in loans and aid, which was the highest to date.⁷⁵

Political process:

In July 1990 Mongolia held its first multiparty parliamentary elections, that were dominated by the Communist party, and in September Punsalmaagiyn Orchirbat, the party's chairman, was named president. In February 1992 the country adopted a new Constitution that established a single chamber parliament (the Great State Hural (Ulsyn Ikh Khural). Its 76 members were to be directly elected for a four-year term. The parliament has powers to nominate the president, elect the prime minister, and appoint the cabinet.⁷⁶ The president is elected in direct elections for a term of four years. The president must approve candidates for prime minister and can veto legislation, subject to a two-thirds parliamentary override. After a prolonged deliberations the Constitutional Court finally ruled on November 24, 1998, that members of the Hural could not simultaneously hold ministerial posts.

Mongolia's course toward rapid economic restructuring affected population's voting patterns. Reforms became synonymous with skyrocketing inflation and unemployment. As a result, the Communists managed to retain control during the 1992 parliamentary elections. Orchirbat was reelected in the 1993 presidential elections. It is interesting to note that he was not nominated by the Communists and ran as the candidate of the two main opposition parties, the National

Democratic Party (NDP) and the Social Democratic Party (SDP). These parties have later formed the opposition Democratic Union Coalition (DUC). By the end of 1995 the economy showed signs of recovery and people were ready to believe in the possibility of a better future. As a result the DUC won 50 seats in the June 1996 parliamentary elections. The Communists won just 25 seats and were out of power for the first time since 1924. A team of observers from the United States believed the elections to be "free and fair."⁷⁷

However, as the world commodity prices continued to decline, reformers once again fell out of favor. Nachagyn Bagbandy of the People's Revolutionary Party captured the May 1997 presidential elections with 60.81 percent of the vote. Incumbent president Ochirbat got 29.81 percent of the votes.⁷⁸ Therefore, the country entered the period of co-habitation between a leftist president and a rightist government.

The situation was complicated by the in fighting within the governing parliamentary coalition, which caused Enksaikhan government to resign in April 1998. Tsakhiagiin Elbegdorj of the NDP was elected new prime minister but he was also forced to resign in July over the controversial bank mergers. The establishment of separation of powers in Mongolia has not been an easy process and in 1998 president Bagabandy repeatedly used his constitutional power to reject several candidates for prime minister suggested by the opposition parliament.⁷⁹ Developments of October 1998 were sensational: the president and the parliament finally reached an agreement only to see their candidate for prime minister, Sanjaasuren Zorig, murdered that same night in his Ulaanbaator apartment. Conspiracy theories attributed his death to corruption or alternatively to the corrupt officials' fear of being exposed and even to the Russian mafia.⁸⁰

The new prime minister was finally appointed on December 9, 1998. However, Janlavin Narantsatsralt, formerly mayor of Ulaanbaatar, did not stay in power for long. He was dismissed in July 1999 over the proposed privatization of Russian state interests in the country's largest copper mine, Erdenet. Rinchinnyamiyn Amarjargal was approved as the country's 20th prime minister on July 30, 1999.

The government crisis exposed the constitutional weakness of Mongolia's political system, where neither the parliament nor the president have the ability to single-handedly dictate policy but each have enough power to obstruct the other's actions.

Political and Human Rights

Mongolia seems to have embraced democracy and to allow free speech. There are many private newspapers, a television station, and several radio stations that express views from all over the political spectrum. Foreign satellite and cable broadcasts are also available. Many NGOs are flourishing. The country has 18 registered parties that represent all different walks of life. Freedom of religion is respected and over the past nine years Mongolia has witnessed a Buddhist renaissance throughout the country.

Social conditions⁸¹

Khalkha Mongols constitute 90 percent of the population, Kazakhs 4 percent; Russians and Chinese constitute about 2 percent of the population each. 37 percent of the population are under 15 years of age and 4 percent are over 65. Between 1989 and 1999 the crude birth rate per

1000 population fell from 37 to 21. The population growth rate in 1998 was 1.9 percent.⁸² Life expectancy at birth is 59.4 years and 63.61 years for females. Between 1960 and 1990, life expectancy increased from 47 to 62.

Between 1992 and 1998, as proportion of GDP, government spending on health, education, and social security continued to drop--from 16.2 to 14.8 percent. The government developed a comprehensive social assistance program in 1996, and a new pension system in 1995. The existing system of health insurance now covers about 90 percent of the population. However, according to the Gini coefficient measure, the inequality between the rich and the poor is on the rise.

There is one physician for every 411 people and 78 beds per 10,000 people. In 1998 infant mortality (per 1,000 live births) was 52, which is much higher than the similar indicator for East Asia and the Pacific (37) but lower than among the low-income countries (69). However, twelve percent of children were malnourished.⁸³ Between 1990 and 1995 the number of primary schools fell from 96 to 79 and the overall enrollment ratio for children aged 8 to 15 fell from 98 to 84 percent. By 1998 enrollment reached 87 percent. Gross primary enrollment as percent of the school- age population was higher for women (91 percent) than for men (86 percent).⁸⁴ According to the UN statistics, in 1996 expected number of formal schooling was 7.7. In 1998, 96 percent of the population were literate; around 85 percent of women were working.

The percent of population that live below the poverty line has decreased between 1995 and 1998 from 36.3 percent to 35.6 percent. The situation, however, worsened in urban areas where there is an increase from 38.5 percent in 1995 to 39.4 percent in 1998, while in rural areas the number decreased from 33.1 percent to 32.6 percent. Mongolia is a relatively urbanized country with 62 percent of population living in cities and towns.⁸⁵ 80 percent of rural households do not have electricity. In 1996, 68 percent of rural population had access to safe water and 54 percent to adequate sanitation.

STATES THAT HAVE EXPERIENCED A DECLINE IN ECONOMIC AND POLITICAL RIGHTS

UZBEKISTAN

Summary: Uzbekistan is a good example of a state in which there has been a reversal of economic, social, civil and political rights. There is no question that political and civil rights have come under threat and been curtailed in Uzbekistan in recent years, and that economic reforms have been introduced quite slowly, and without significantly expanding the economic rights of the population. At the same time, Uzbekistan has worked hard to maintain a wide range of social welfare benefits, and the government has often used its commitment to this goal as a partial explanation for why economic reforms are being held up. The threat of domestic extremist groups is the other frequently given explanation for why political rights must be restricted as well.

The main question is whether the current situation is a stable one, whether the current social levels and political controls can be maintained in the absence of systemic economic reforms.

In December 1991 Islam Karimov was elected president of Uzbekistan in what was a "Soviet style election" in which to borrow from Stalin's famous saying "it did not matter who voted, it only mattered who counted the votes." He received 86 percent of the vote, while his opponent Muhammad Salih received 12 percent in the election that was almost universally considered unfair and not free. President Karimov has avoided elections in 1996 and extended his term in office by four years, until 2000, by a popular referendum in March 1995.

Economic Situation:

Uzbekistan had adopted the slowest and the most gradual approach to market reforms. In fact, Karimov once greatly admired the Chinese model and suggested that Uzbekistan should follow a similar path. However, his statement on the matter caused an outrage across the political spectrum and the President was forced to retract it. Uzbekistan's economic transformation is based on five basic principles: economy takes priority over politics; the state is the principal reformer and guarantor of economic transformation; supremacy of law in all spheres of activity; the state has to raise public welfare and it is one of its main functions during transition to a market economy; and economic reforms should be implemented consistently but gradually.⁸⁶

Uzbekistan has seen the smallest decline in its GDP since independence among the CIS states. The 1999 GDP shows only a 9 percent decline from 1991. Such a remarkable situation is a result of an extensive government control over the economy. It is one of the few countries in the region that still has exchange rate controls, severe currency restrictions, including a ban on foreign currency operations within the country. As a result, a black market for US dollar is thriving.

The country is largely isolated from the global financial system. The growth of industrial output is largely due to the activities of DAEWOO, the Korean firm that in June 1996 opened a \$1.2 billion auto plant with the Uzbek partners and the new Tico, Nexia, and Damas cars are quite popular in the country. However, since the introduction of the fixed exchange rate and a thriving black market for US dollar, the company raised its rates and became less competitive. Samsung Electronics has suspended indefinitely the production of household appliances in Uzbekistan due to problems arising from non-convertibility of the Uzbek som.⁸⁷ Uzbekistan's crisis is so severe that the government in Tashkent maintains that in 2000 it will finally make the som freely convertible, in the hopes of attracting foreign investment and as part of an effort to receive an international financial rescue plan. The IMF created a \$185 million stand-by facility for Uzbekistan in December 1995, but it was suspended in November 1996 when the Uzbek government failed to support the flaying som.

Things, though, could have been worse. Uzbekistan is the only CIS state that has considerably increased its oil and gas production since gaining independence. Starting 1995 the country became a net oil exporter. Uzbekistan is currently the fourth largest oil producer in the post-Soviet space.⁸⁸ Since 1994 Uzbekistan surpassed Turkmenistan to become a leading producer of gas in the post-Soviet space, second only to Russia.⁸⁹ It supplies gas to southern Kyrgyzstan, southern Kazakhstan, and Tajikistan. Uzbekistan is in a position to get concessions from the neighboring countries by threatening to or actually stopping gas deliveries, as it did in 1998 to Kazakhstan and Kyrgyzstan, which have run up substantial debts.

Uzbekistan remains an agricultural producer. During the Soviet period, cotton was truly a monoculture and excessive cultivation and irrigation led not only to economic imbalances but also

to deterioration of land and to an environmental disaster at the Aral sea. In 1998 agriculture accounted for 26.4 percent of GDP, industry for 15 percent, construction for 7.8 percent, services for 35.3 percent, net taxes for 15.5 percent.⁹⁰ Uzbekistan remains the world's fifth largest producer of cotton with an ability to affect the world price. A new land code was introduced in July 1998 and though all land remained in the hands of the state, Uzbek citizens engaged in agriculture or wishing to construct a private house were allowed to lease plots. This gave a boost to the agricultural sector and in 1999 Uzbekistan harvested about 2.5 million tons of grain from 905 hectares. However, farmers have continued to be forced to sell 95 percent of the crop to the state and the government has not paid the debts for years. According to estimates, Uzbekistan needs over 4 million of grain to satisfy domestic demand. The US Department of agriculture estimates that in 1998 Uzbekistan imported about 650,000 tons of grain, mainly from Kazakhstan and Europe.⁹¹

Some steps have been made towards privatization. In October 1992 the country introduced privatization of small-scale enterprises. In 1994, privatization of medium-size enterprises began, including light industrial and manufacturing enterprises. However, the state retained up to 26 percent stake at those enterprises.⁹² However, when the small-scale privatization program was winding down by the end of 1996, less than 20 per cent of medium and large enterprises have been transferred to the private sector. In 1998 private sector accounted for 45 percent of GDP.⁹³ The government is concerned that "excessive" privatization would lead to increased unemployment and social tensions. However, it is beginning to realize the need for privatization. The state privatization program for 1999-2000 envisions sale of 159 medium and large firms; divestiture of 69 medium sized companies; and sale of 25-50 percent stake in the largest 30 firms. However, the government still has no plans to privatize the energy sector.⁹⁴

Uzbekistan is desperately trying to attract foreign investment. President Karimov's decree in April 1998 lowers the amount of charter capital from \$300,000 to \$150,000.⁹⁵ In May 1998 Uzbekistan introduced a new program that granted foreign investors a seven-year profit tax holiday and exempted them from import tariffs on equipment for their ventures. However, foreign investment remains low. As noted, the IMF suspended the loans to the country in 1996 since Uzbekistan was not compliant with its conditionality. In 1998 the EBRD publicly questioned the extent of its involvement in the country that established new exchange controls and introduced other impediments to foreign activity. Lack of funds slows modernization of the economy, which elsewhere is being largely financed by foreign capital. Left to its own devices much of the industry would remain non-competitive and would be able to survive largely due to soft budget constraints and restrictions on foreign competitors. Currently industrial production accounts for 19 percent of GDP and employs 13.5 percent of the population.⁹⁶ In search for new partners the country is turning to its large neighbor to the east. In November 1999 China agreed to advance an \$11 million loan to Uzbekistan.

Political Life: National Idea and Outlook for the Future:

President Karimov has stated on several occasions that a strong hand is needed to preserve stability, and that this goal is paramount, more important than political reform or the protection of human rights. To help advance this Karimov sponsored the development of a national idea based on the legacy of Amir Timur (Tamerlane), a 14th century Mongol conqueror, who was made into a national hero with a lavish museum in Central Tashkent as well as with numerous monuments throughout the country.

Sharaf Rashidov, head of the Communist Party of Soviet Uzbekistan for 24 years (and candidate Politburo member) has been made into a "smaller scale" national hero. In order to make people believe that Uzbekistan is a nation with a great future, Karimov has sought to prove to the world that his is a nation with a great past. This campaign is consolidating the nation. If earlier, citizens of the country considered themselves members of either Samarkand (Samarkand-Bukhara), Tashkent, Ferghana or Kashkadaryin clans and identified primarily with regions, today more and more people identify themselves with the country first, and then with their region, clan, or nationality. Uzbek is the state language and it is spoken by 75 percent of the population. As part of the language reform the script is to be switched from Cyrillic to Latin. However, the original deadline set for September 2000 was moved to September 2005.

Uzbekistan is one of the few post-Soviet states that has not gone through a series of constitutional stages, and almost immediately created a presidential state.⁹⁷ The country's constitution was adopted on December 8, 1992 and it provided the president with extraordinary powers. The president of the republic is also the chairman of the cabinet of ministers and has the right to appoint and dismiss the cabinet ministers, the Chairman of the Board of the Central Bank, high command of the armed forces, governors, and judges of regional, district, city, and commercial courts. He can form and abolish ministries, state committees, and other state management agencies, subject to subsequent parliamentary approval. The President issues decrees, resolutions, and orders that become laws of the country. The president may disband the parliament. The Constitution does not provide for an impeachment procedure. Chapter 7 guarantees basic human rights however, most of them have the "unless otherwise envisioned by law" clauses.

In January 2000, Uzbekistan held presidential elections. The voter turnout was 95.1 percent and incumbent Islam Karimov was reelected with 91.9 percent of the vote. His only opponent, philosophy professor Abdulkhafiz Djalalov, received 4.17 percent. United States condemned the poll for it was "neither free nor fair," adding that voters were offered "no real choice" and opposition parties were not permitted to register or nominate presidential candidates.⁹⁸

Political process: The President's almost absolute power manifests itself in all areas of life. It is rather common for authorities to arbitrarily detain and arrest people, to fail to release prisoners upon completion of sentences, to plant evidence and physically abuse detainees, to violate the right of freedom of association, to close mosques and Islamic schools, to arbitrarily dismiss Islamic teachers and expel Muslim students, to force men to shave off beards, and to intimidate their families. Human rights observers suspect that the state also sponsored "disappearances" of its political opponents. Certainly it is hard to believe that it is coincidental that the younger brother of exiled Uzbek opposition leader (and former presidential candidate) Muhammad Solih simply disappeared while in state custody. The Human Rights Watch has confirmed his disappearance. Other prisoners complained that torture methods included electric shocks, beatings with batons and plastic bottles filled with water, and the use of the "bag of death," a plastic bag used to temporarily suffocate victims.

At the same time the constitution tries to create the impression that the country is a parliamentary democracy, because it mandates the creation of a multi-party political system, without providing for any of the legal guarantees necessary to insure that the country has a free, open and competitive

political system. Article 77 of the Constitution stipulates that the parliament of Uzbekistan (Oliy Majlis) is elected from territorial electoral districts in multi-party elections for a term of five years.

Two parties -- the People's Democratic Party (PDP) and Vatan Tarakkiyeti (the Progress of Fatherland) contested the elections held in December 1994. The PDP is the country's largest party and is headed by President Karimov. It is the successor to the Communist Party and is the country's first officially registered party. Vatan Tarakkiyeti (the Progress of Fatherland) became a second official party in the country and was founded by Usman Azimov, Karimov's Advisor on Problems of Youth, prior to the parliamentary elections in order to ensure the multi-party element mandated by the Constitution. Leaders of the democratic party Erk, the Communist Workers party, the people's movement Birlik, and the society for Human Rights have been forced to leave the country prior to the elections. As a result, Karimov received a 250-member parliament that is loyal to the President.

To boost the "multi-party" element Adolat (Justice) Social Democratic Party was created just days before the parliament's opening session. Since candidates for parliament are appointed either by officially registered parties or by regional legislative parties, whose heads are appointed by the president, until there is systemic political change, elections will inevitably produce a parliament that is pro-presidential. There are also Xalq Birligi (People's Unity) Social movement and the Milliy Tiklanish (National Revival) Democratic Party.

The programs of all the legally registered parties are largely identical and are similar to Karimov's rhetoric of building a democratic and secular Uzbekistan. None of the opposition parties are officially registered. For example, Birlik popular movement and Erk political party, its more radical element that later became independent, have been established and officially registered prior to Uzbekistan's independence. However, in 1993 all parties were mandated to re-register. Birlik was denied registration and Erk did not even submit documents by claiming the unconstitutionality of re-registration.

The latest parliamentary elections were held in December 1999. On November 23, the OSCE announced that it will send only a limited number of observers to the upcoming parliamentary elections since it is a priori clear that they will be unfair and not free.⁹⁹ Not surprisingly, the Central Electoral Commission of Uzbekistan declared elections valid and reported a 95 percent voter turnout in the first round and over 87 percent in the second round. People's Democratic Party of Uzbekistan received 48 seats, Vatan Tarakkiyeti 20 seats, Adolat 11 seats, Milliy Tiklanish 10 seats, Fidokorlar 34 seats, local authorities 110 seats, and initiative groups 16 seats.¹⁰⁰ It is obvious that the newly elected parliament will be as compliant as the previous one.

Freedom of speech:

Many of the opposition groups publications are banned outright. Even independent music radio stations were taken off the air unexpectedly in early 1998. In 1999 Reporters Sans Frontiers named Uzbekistan among 45 countries worldwide that control access and censor websites, though it was not among the worst offenders.¹⁰¹ It is rather easy to start an investigation into a person's activities. According to article 159 of the criminal code, which punishes anti-state activity, two witnesses to a private conversation are sufficient for beginning inquiry. In a true Soviet tradition citizens are routinely required to fill out special questionnaires and provide information on the

residence permits, the existence of relatives overseas, and so on. Article 67 of the Constitution bans censorship of mass media. However, there is no free and independent media in Uzbekistan and the State Control Inspectorate censors all press materials.

Freedom of Religion, Islamic Extremism, and Security Concerns:

The Uzbek government has identified the risk of religious extremism as its most serious security concern. As a result it offered a harsh Law on Freedom of Conscience and Religious Organizations, which was adopted by the Supreme Council on May 1, 1998. In many respects this legislation is harsher than Soviet-era restrictions, and those were the products of an atheistic state, whereas the Uzbek government claims pride in its Islamic heritage. For example, article 5 prohibits all missionary activities; penalties range from a fine (50 to 100 times the minimum monthly wage) to three years of imprisonment. The law bans political parties and movements that are formed along religious lines, as well as use of religion to conduct anti-state propaganda. The law also prohibits private teaching of religious principles. Article 14 forbids non-clerics from wearing "ritual" attire in public, punishable by a fine of five to ten times the amount of the minimum monthly wage or by administrative arrest for up to fifteen days. Under the law, religious groups face excessively burdensome registration requirements: for example, they must have at least a hundred members who are citizens of Uzbekistan and are over the age of 18. The law, together with amendments to the criminal code, sets out penalties of up to five years of imprisonment for religious leaders who fail to register their groups and for those who participate actively in a prohibited religious group. Article 12 of the Constitution specifically forbids any ideology to be established as a state ideology. President Karimov frequently uses that to justify his intolerance of various religious groups. The government Qanoat Center reviews all religious literature and video and audiotapes and has to approve them for distribution.

The Ferghana valley continues to be a source of instability and to pose a security threat. It does have a history of ethnic violence. In 1989 rioting broke out between Uzbeks and the local Mesketian Turk population, resulting in more than 100 deaths. In 1990, Kyrgyz and Uzbeks clashed over housing and land rights in the Osh valley in Kyrgyzstan, leaving more than 200 dead and several hundred injured. December 1997 unrest in Namangan left several policemen dead, one of them decapitated. The latter even led to a crackdown that included mass arrests, and public trials of Islamic fundamentalists or so-called Wahhabis who were believed to be responsible for the massacre. Those arrested were generally charged with possession of narcotics and ammunition. The use of this tactic allows the government to say that there are no prisoners of consciousness in the country.

The campaign against religious activists became more severe after a series of blasts shook central Tashkent on February 16, 1999. Uzbekistan repeatedly accused Iran, Pakistan, Turkey, and Chechnya of sponsoring training camps for Islamic fundamentalists who they believe were behind the explosions. According to president Karimov "Such people [Islamic fundamentalists or guerillas] must be shot in the head. If necessary, I'll shoot them myself."¹⁰²

Uzbekistan is struggling to find a workable formula with which to try and accommodate its Islamic heritage. In March 1999, Karimov declared that "the Uzbek nation will never turn away from the religion of Islam. But Islam should not be raised to the political plane in our country. Uzbekistan shall remain a secular state. The conditions and environment for extremism, terrorism, and

communal strife do not exist in Uzbekistan. Islamic extremists and religious fanaticism are operating from without, against the Uzbek nation and against the changes that are now taking place in our state." Olivier Roy has observed that "an authentic, national and moderate Islam was proposed as a bulwark against radical ideologies imported from abroad."¹⁰³ On the one hand, in June 1999 police arrested children aged 9-12 for allegedly spreading leaflets propagating fundamentalist Islam and calling for the overthrow of President Islam Karimov.¹⁰⁴ On the other, in September 1999, at the opening ceremony of the Tashkent Islamic University, Karimov said that the university will teach the history and philosophy of Islam, Islamic law, economy, and natural sciences, noting that instruction will be based "on original sources handed down from [our] ancestors."¹⁰⁵

There can be no question, though, where the emphasis of government policy is. At the time that this small Islamic university was opened, the government was also closing down all mosques that lacked official registration, which has resulted in the closure of some 80 percent of the country's mosques. Prior to this, in January 1998, the Muslim Board of Uzbekistan had ordered the removal of all loudspeakers and microphones from the country mosques. Once again, though, in a show of government support for Islam, Uzbeks have been allowed to make pilgrimage to Mecca and have even been flown to Saudi Arabia on Air Uzbekistan. But potential pilgrims are subjected to rigorous scrutiny, and it is said that they are even tested for their knowledge of Karimov's work when they completing various papers for to be considered for a hajj.

Uzbekistan is also worried that developments in Afghanistan create new risks of political instability, encourage the rise of religious fundamentalism, and stimulate trafficking of drugs and weapons. President Karimov has played an active role in negotiating peace accords. However, he recognizes that there is no guarantee that Taliban forces will not launch a northbound campaign. The situation in Afghanistan heightens tensions between Tajikistan and Uzbekistan, as Tashkent views Tajikistan as particularly vulnerable to ethnic appeals as well as the general criminalization of society which appears to emanate from Afghanistan. For their part, Tajiks remain suspicious of Uzbeks and tend to view Uzbek behavior as conspiratorial in origin.¹⁰⁶

Karimov's rhetoric gives them further grounds for concern, as do his actions. President Karimov has promised to use any means possible to alleviate the terrorist threat in Uzbekistan, even if it involves bombing territory of sovereign states. Since he believes that most of the guerrillas active in Uzbekistan are able to hide in Tajikistan (and that some are ethnic Tajiks), who have been trained in Afghanistan, he feels he has a right to bomb the Tajik territory.¹⁰⁷ When the forces of Djuma Namangani, moved from Tajikistan to Kyrgyzstan (in part because of exerted by the Uzbeks on the Tajiks) Karimov ordered the Uzbek Air Force to bomb their strong-holds in Kyrgyzstan as well, which risked provoking a diplomatic incident when a peaceful Kyrgyz village was mistaken for the rebel strong-hold. Informed Tajik sources also strongly believe that the Uzbeks aided Colonel Mahmud Khudoiberdiev, who sought to seize power in Khujand oblast in November 1998, and then it is alleged that they provided him with safe passage or asylum, when his coup attempt failed.

Karimov was also successful at convincing other countries to extradite suspects back to Uzbekistan. On April 9, 1999 in Moscow the police arrested Makhmuddzhan Khadzhiyev, a citizen of Russia and a member of the Birlik popular movement. He was extradited to Uzbekistan on the grounds that he was wanted in Namangan. In general, Uzbekistan is seeking closer cooperation

with Russia in the area of security and in December 1999, the two countries signed a treaty on further cooperation between their military. In return for Russian military support, Uzbekistan is a strong supporter of Moscow's Chechnya campaign.

Ethnic composition: Demography offers part of the explanation for why the Uzbek's are committed to their policy of national consolidation, and the concomitant concentration of state power. Uzbeks account for 80 percent of the population, Russians for 5.5 percent, Tajiks for 5 percent, Kazakh for 3 percent; Karakalpak and Tatar for 2.5 percent each, and other nationalities account for 2.5 percent. Uzbekistan is not a party to the 1951 UN Refugee Convention and 1967 Protocol. Over the last nine years net migration remained negative with peaks in 1990 and 1994. Emigration was directed to Russia and immigration was mainly from Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan.

Social conditions:

From the onset the Uzbek leadership has been cognizant of the fact that the success of their political strategy requires that the state insures that the social welfare obligations due to ordinary citizens are being satisfactorily met.

To this end President Karimov declared 1999 "The Year of Women" and women became entitled to additional benefits under the new laws on social protection that came into effect in 1999. In mid-1998 the country's population was 24.1 million people with 23.3 births and 5.9 deaths per 1,000 population. If growth continues at the current rate the country's population would double in 35 years. In 1998 life expectancy at birth was 66 year for males and 72 years for females.

Almost two-thirds of the population live in the country's rural areas. 41 percent of the population is under fifteen years old. Over the last five years the share of the working age population in total population increased by 1.6 percent and now is approximately 51 percent. As a result, despite a 4.1 percent annual increase in total employment over the past four years, the ratio of employed people to total working age population dropped from 76.4 percent in 1994 to 72.5 percent in 1998.¹⁰⁸ According to official statistics, more than 107,000 people were looking for jobs during the second quarter of 1999 and this is a 22.8 percent increase over the same period of 1998. However, official unemployment rate in the country is reported to be about 0.7 percent. This is probably an inaccurate estimate and the actual unemployment rate is higher, possibly 5.3 percent. Some estimates place it at 5.3 percent.¹⁰⁹ According to some estimates 80 percent of the population is living below the poverty line.

This situation is not a reassuring one from the point of view of the Uzbek regime, and it makes it highly unlikely that they will consider any sort of serious political liberalization in the foreseeable future. If anything repression of dissident secular and religious groups is likely to further increase.

TURKMENISTAN

Turkmenistan is a country of vast natural resources that the Soviet Union was systematically, but not exhaustively exploited. In this regard, Turkmenistan served as a traditional colonial outpost providing raw materials to the metropol. Turkmenistan was the second largest producer of cotton in the former Soviet Union and the tenth largest producer in the world, but by 1993 only about four percent of the cotton crop was processed locally. The country is also the world's fourth largest

natural gas producer. According to the Soviet data, Turkmenistan's gas reserves are estimated at 10-14 tcm. In 1996 gas exports accounted for nearly one-third of GDP.¹¹⁰ However, Turkmenistan has had great difficulty establishing dependable and transit routes for its gas, and so profits in this sector continue to be much smaller than anticipated. Despite this the government has been able to keep much of the social welfare net intact, in part by failing to move forward with comprehensive economic reforms. It further keeps the population in check through the institution of an autocratic political system, that is focused on the development of a cult of personality around the country's president.

Economy:

The country's territory of 488,000 square kilometers is slightly larger than that of California. However, 80 percent of it is covered by the Karakum desert.

Turkmenistan's abundant natural resources offer the prospect of prosperity and hard currency revenue but so far the Turkmen have had difficulty realizing these goals. During the late 1980s, the country exported 90 billion cubic meters of gas a year through Russian pipelines to the rest of the former Soviet Union and Eastern Europe. However, after the collapse of the Soviet Union, however, as an independent country Turkmenistan lacks direct access to foreign consumers, and in particular it found itself at Russia's mercy.

As a result, Turkmen exports fell to 77 bcf in 1998 from 2.4 tcf in 1987.¹¹¹ This affected the country's economy for 70 percent of hard currency revenue is from export of gas and up to 60 percent of the budget is formed based on this revenue.

Moscow was quick and forceful in the use of its advantage. In 1993 Moscow cut the country's access to potential paying customers in Central and Western Europe and redirected its gas to poverty-stricken Ukraine and the states of the Transcaucasus. As a result, the Turkmenistan's gas exports declined considerably. In addition, the country was not paid for what it did deliver and by 1997 Ukraine accumulated a \$1.5 billion debt to Turkmenistan. Gas deliveries to Ukraine were halted in 1997, then resumed in early 1999 but were halted again in June 1999 and Turkmenistan is threatening to go to court to settle the debt. As of August 12, 1999 Ukraine paid for less than ten percent of deliveries, owing Turkmenistan more than \$665 million.¹¹² Georgia's debt was about \$374 million, and Azerbaijan's \$56 million.¹¹³

Turkmen access to these customers (which the government in Ashgabat was also reluctant to service) was cut off in March 1997, when Gazprom denied Turkmenistan access to the pipelines. This was in retaliation for an earlier decision by President Niyazov to suspend a Russian-Turkmen gas venture. The Turkmen feared that Moscow was using the venture as yet another way to monopolize gas exports in the region. Their official explanation for terminating the venture was a pricing dispute over the purchase price for Turkmen gas that traveled along the Russian pipeline route. This dispute continued into early 1999, when access to the pipelines was granted again. Even now, though, the transportation prices that Gazprom charges are so high that Turkmenistan can barely make money on the exports.

Turkmenistan is desperate to find alternative routes. In December 1997 a 200-kilometer pipeline was completed that connected it to Iran. However, with a capacity of four bcm a year it is not

capable of solving the country's problems. During the April 1998 visit to Washington, President Niyazov secured a \$750,000 investment into the Trans-Caspian pipeline feasibility study, yet it may be many years before this pipeline is actually constructed, for a host of economic as well as political reasons. Political conditions (this time the situation in Afghanistan) crippled another potential gas pipeline project. In December 1998 Unocal withdrew from a project to build a 1,271-kilometer gas export pipeline to Pakistan via Afghanistan. Despite that, in April 1999 Pakistan, Afghanistan, and Turkmenistan signed an agreement to expedite the start of the project, which is now being constructed under the auspices of the remaining members of the CENTGAS consortium.¹¹⁴ In May 1999 Turkmenistan signed an agreement with Turkey to transport natural gas, but this project is also unlikely to be realized for at least another five years.

Turkmenistan has a tightly controlled government-led economy and President Niyazov micro-manages it at almost every level. In 1994 the government launched an economic program entitled 10 Years of Prosperity. The program's goal is to achieve economic independence and prosperity through the creation of market economy. However, the goals of the program are not realistic, particularly taking into account that in 1998 GDP was just 65 percent of the 1992 level.¹¹⁵ It is very difficult to accurately estimate the economy's performance because Turkmenistan's officials are increasingly reluctant to provide relevant economic information.

Privatization has been slow, and by 1996 only 2,000 units had been privatized.¹¹⁶ At the end of 1996 no large enterprises had been privatized, but in the first half of 1997 a small number of companies were sold. The largest sale was that of a 50 per cent stake in the Ashgabat Ice Cream Factory, sold to a Turkish investor for US \$ 2 million. By mid-1997 the private sector accounted for little more than 25 per cent of GDP.¹¹⁷ President Niyazov tried to revive the program in 1997, and there has been some increase in foreign investment in the private sector since then. The service sector has been privatized. However, constantly changing regulations and tax laws make operation difficult for independent entrepreneurs.

Foreign investment remains limited, and is largely concentrated in projects in which the state is the Turkmen partner. In 1994 the World Bank lent the country \$25 million to fund the development and consolidation of institutions. Two more loans approved in 1997 provided \$30.3 million to improve water supply and sanitation in the Dashkovuz region and \$ 4.2 million to modernize urban transport in three cities.¹¹⁸ Since 1992 ten free economic zones have been created and foreign investors have been granted special exemptions and tax holidays by the president. However, US foreign investment has been low partially because of US restrictions on doing business with Iran, a state which enjoys good relations with Turkmenistan, and which serves as a logical transit point.

The economy was aided somewhat by the government's tight monetary policy, which is responsible for curbing inflation to 19.8 percent in 1998 from over 1,700 percent in 1994.

Agriculture accounts for nearly half of the country's GDP and employs more than two-fifths of the labor force. Turkmenistan implemented reforms in the agricultural sector. A 1996 land reform allowed private ownership of land, and during the first half of 1997 almost all arable land was allocated to private farmers. In 1999 Turkmenistan posted a record grain harvest of 1.5 million tons, which exceeds the original target and satisfies domestic grain requirement.¹¹⁹ The 1999 cotton harvest represents at least a 35% increase over the same period last year.

In May 1999 a draft government program was unveiled in which per capita GDP is projected to reach \$7,500 by 2005 and \$15,000 by 2010.¹²⁰ However, this largely depends on the country's ability to get its natural resources to foreign consumers.

Political developments:

Saparmurad Niyazov was been in charge of Turkmenistan since 1985, when he was appointed head of the Communist Party of Turkmenistan. He also took over the post of Chairman of the Turkmen Supreme Soviet, and then created the post of president of the republic. He became president of the sovereign state of Turkmenistan when the country declared independence in October 1991. In June 1992 he ran unopposed for president, and once victorious awarded himself a title of Turkmenbashi (Leader of All Turkmens). The new Constitution was adopted in May 1992. The Constitution stresses the country's neutrality, and in December 1995 the United Nations General Assembly recognized this status after 185 countries passed a relevant resolution.

The 1992 constitution has created a new parliamentary structure that consists of two chambers: the Majlis (Assembly) and the Halk Maslakaly (People's Council). The Majlis has 50 members elected by majority vote from single-seat districts and the People's Council includes those as well as 50 directly elected 'people's advisors' plus executive and judicial officials. The president chairs the Council. All parliament members elected during the December 1994 elections belong to the Democratic party of Turkmenistan, which is the successor of the Communist party and the country's only official party. The parliament is subordinate to the executive branch and president makes all decisions. The latest parliamentary elections took place on December 12, 1999 with reported turnout of 98.9 percent. The OSCE did not send any observers to Turkmenistan since the preparations for elections did "not meet minimal OSCE commitments for democratic elections." The United States stated that the elections were further evidence of "the increased degree of governmental control and repression that has been instituted in Turkmenistan in recent months" and "an unwelcome indication of Turkmenistan's continuing disregard for international norms."

The January 1994 referendum confirmed the December 1993 parliamentary decision and extended the president's term in office until 2002. According to article 75 of the Constitution, the president is also chairman of the cabinet of ministers. The president has absolute power and has indeed established a personality cult. He has banned opposition parties, tightly controls media, and closely monitors the location and movement of foreigners. In 1999 Turkmenistan introduced strict visa requirements for foreign citizens, including those of the other CIS countries.

Turkmenbashi has a city, an airport, numerous streets and even yogurts, not to mention a French perfume named after him. The country is "decorated" with gigantic posters of the leader who lives in a \$80 million palace adjoined by beautiful fountains.

The 'Turkmen's Oath' that swears allegiance to the motherland, the president, and the holy banner has been made compulsory at the beginning of all public meetings. A golden forty-foot statue of the president stands atop the Arch of Neutrality, a national symbol erected in 1999 in downtown Ashgabat and Turkmenbashi, his hand held out to his people, rotates to face the sun

There are virtually no means for sponsoring democratic change in Turkmenistan. The country does not have independent press or media. Libel is a criminal offense punishable by either a fine or by up to two years of forced labor and a reporter can get up to five years prison sentence for the same charge.¹²¹ Opposition political parties are banned. There is no freedom of speech, assembly, or

expression. The only positive move in the area of human rights was the January 1999 introduction of a moratorium on death penalty by president Niyazov. This has been subsequently approved by Halk Maslakaly and made into a constitutional amendment.

Social Conditions:

Turkmenistan's population is 4.4 million. Turkmen comprise 73 percent, Russian 6.7 percent, Uzbek 9 percent, Kazakh 2 percent, and others 6 percent. The population is 45 percent urban. Turkmen is the official language and is spoken by 75 percent of the population. Population growth rate is 2 percent per year. Average population age is 23 years; 43 percent of population are younger than 15 years and 10 percent of the population are over 65. Between 1980 and 1996 life expectancy increased from 64 to 66 years, infant mortality (per 1,000 live births) decreased from 54 to 41, adult male mortality decreased from 263 to 250 and adult female mortality from 154 to 122.¹²²

In 1979, 1,000 employed had to support 1,187 unemployed, by 1995 the latter number increased to 1,287. In 1997, only 37 percent of the population were employed (38 per cent of these were employed in agriculture, 22 per cent in industry and 40 per cent in services). In 1998 the retirement age for women was raised from 55 to 57 and for men from 60 to 62. However, income distribution was more equal than in other countries. For example, in 1997 the ratio between the richest and poorest deciles in Turkmenistan equaled 5, whereas in Russia it equaled 13. However, it has been estimated that 48 percent of the population live in poverty.¹²³

The existing social safety net experiences problems yet remains functioning. Though the government curtailed expenditures on wages, pensions, stipends, and medicines to keep the budget deficit under control, housing and utilities are provided by the state free of charge and key consumer goods remain heavily subsidized. Turkmenistan has abolished the ten-year secondary education and introduced nine-year secondary education (instead of the previously existing ten-year). The country's healthcare system has received government funding and the number of physicians increased from 2.9 per 1,000 people in 1980 to 3.2 in 1994. The number of hospital beds also increased from 10.6 in 1980 to 11.5 in 1994.¹²⁴ At the same time the country is witnessing a severe shortage of medicines and equipment. China granted Turkmenistan a US \$ 6 million credit to purchase medicines in January 1996. In 1995, 85 percent of the population had access to safe drinking water, 60 percent had access to sanitation.

A STATE THAT DEFIES CLASSIFICATION

TAJIKISTAN

The Tajiks can be considered Central Asia's oldest nationality, as they represent a stable ethnic formation that dates back over two and a half thousand years to the region's earliest Indo-European population. Out of 1.1 million Tajiks in 1929, only 300,000 were included within the Soviet Socialist Republic of Tajikistan, over time more of them moved from Uzbekistan and Kyrgyzstan into Tajikistan, so that at the time of last Soviet census in 1989 the republic was 65 percent Tajik. The country has had an unfortunate history since independence, including five years of civil war, which though formally ended has still not left the government in firm control of all parts of the country.

Economy:

In real terms the economy has shrunk by approximately 65 percent since 1991. Complete devastation of the economy is illustrated by the fact that in 1996 Regar aluminum smelter at Tursun-Zade accounted for over 50 percent of the country's exports even as its output was declining.¹²⁵ By mid-1997 private enterprise accounted for just 20-30 percent of GDP. In 1998 more than \$7.5 million was made on the sale of 1,643 government owned commercial firms and small enterprises.¹²⁶ However, legal protection of private property is weak. In December 1999, President Rakhmonov signed a decree on "Measures for Further Development and Enhancing the Effectiveness of Economic Reforms." The degree is intended to expedite and expand privatization. It also mandates the government to take steps to improve the investment climate and to draft legislation on the state treasury and national social security measures to protect the most vulnerable groups of the population.

The country is a significant source of hydroelectric power. Agriculture accounts for nearly one-quarter of the GDP. Cotton production accounts for approximately two-thirds of the agricultural sector.

Political Developments

Tajikistan declared independence in September 1991. In November 1991, Rakhmon Nabiev won the first presidential elections. Regional rivalries have marked the country's political life. Violent clashes began in March 1992 and in September Nabiev was forced to resign. The violence turned into a full-scale war between supporters of the former Communist hardliners and the United Tajik Opposition (UTO), a coalition of Islamic, nationalist, and democratic forces. In December 1992, Emomali Rakhmonov was elected president. Beginning December, opposition parties and movements are banned and newspapers that supported the previous coalition government and the Islamic-democratic forces are closed. The war continued to rage on. On November 6, 1994, Emomali Rakhmonov won the presidential elections against Abdumalik Abdullojanov and captured 58 percent of the vote. The OSCE did not send any observers to the elections since those, who at the time were in formal opposition, were not allowed to run. Observers from the CIS, Turkey, Iran and Pakistan reported widespread irregularities. Voters also approved the constitution, which established a 181-member parliament that is elected for a term of 5 years. The Constitution also banned religious based parties. Article 69 of the Constitution allowed the President to appoint and dismiss local leaders. The February 1995 local and parliamentary elections were boycotted by the UTO after the election commission rejected the candidacy of the former Tajik Prime Minister Abdullojanov. In June 1997 the final peace agreement was signed, however, outbreaks of violence continued.

In August 1999 the Tajik Supreme Court finally lifted the ban on opposition parties in a step toward implementing the 1997 peace agreement. In September in a nation-wide referendum voter approved constitutional amendments that would allow for a creation of a bi-cameral parliament, for the extension of the president's term in office from five to seven years, and for a formation of religious-based political parties.¹²⁷ A few days later the Islamic Renaissance Party has been re-registered. However, by mid- December the Supreme Court has annulled the registration by the Justice Ministry of the Democratic Party of Tajikistan (Tehran Platform), the Justice and Development and the Renaissance of Tajikistan parties. It has banned the Agrarian Party and the Party of National Unity. The Justice Ministry has refused to register the Party of the National Movement of Tajikistan.¹²⁸

The country seemed to be on the right track preparing for the November 1999 presidential elections. However, in October the UTO withdrew from the Central Electoral Commission citing sabotage of the upcoming elections by local officials and the Commission's inability to ensure free and fair elections. Nevertheless, elections took place as scheduled and President Rakhmonov was re-elected by capturing almost 97 percent of the vote. [129](#)

In December 1999 President Rakhmonov signed a decree on "Expanding the Process of Democratization of Socio-Political Life in the Republic," which is intended to guarantee political pluralism and the free participation of all political parties in elections and in the state administration. On December 3, 1999 the government and the opposition reached agreement on election law in view of the upcoming parliamentary elections in February 2000. According to the agreement, the lower chamber of parliament will consist of 63 deputies and the upper chamber 33 senators.

Parliamentary elections were held in February-March 2000. The People's Democratic Party of Tajikistan received 64.91% of votes and 15 seats in parliament. The Communists received five seats with 20.63% of votes. The Islamic Revival Party won 7.31% of votes and two seats in parliament. The other parties could not overcome the 5 percent barrier. [130](#)

Social and political: The country has several independent newspapers. However, the government dominates the broadcast media. Libel is a criminal offense; however, the charges were not often brought because of the widespread self-censorship.

The country's population is approximately 6 million. In 1991, about 600,000 people were internally displaced and another 60,000 fled to Northern Afghanistan as a result of the civil war. 41 percent is younger than 15 years and 5 percent are older than 65. Life expectancy at birth is 68 years. Infant mortality (per 1,000 live births) is 20. Tajiks account for 65 percent of the population, Uzbeks for 25 percent. One-third of the population lives in urban areas. The population growth rate in 1998 was 1.5 percent. An estimated 85 percent of the population live below the poverty line and 69 percent have access to safe water. This is one reason why narcotics trade is becoming more pervasive in the country.

LOOKING AHEAD

All of the states of this region have changed dramatically since the collapse of the Soviet Union, including Mongolia, which was never formally a part of the now defunct USSR. While it is still too early to definitively assess the changes that have occurred, there is much to be concerned about recent trends in virtually every country in the area.

Not a single state has made steady progress in expanding the political and economic rights of its citizens. Several that were showing promise of developing in democratic ways in the first half of the decade, have shown a marked pattern of reducing the arenas of political competition. This is most specifically true of Kazakhstan and Kyrgyzstan. Mongolia does not appear to have as sharp a shift in political course, but like Kyrgyzstan, it is beset by serious economic problems, and this poses a risk that Mongolia's commitment to democratic political reforms may be undermined by a desire of the ruling elite to remain in power.

All of the countries of the region have been experiencing economic problems, irrespective of their commitment to economic restructuring. This is even true of Kazakhstan, can be considered to have made the greatest economic transition. Potentially Kazakhstan has a rich and diverse economy. However, some of the problems that the country is experiencing are the result of an incomplete systematic macro-economic reform. Some of the difficulties are the result of global and regional financial crises, but others are a product of a flagging commitment to reform, and the refusal of the ruling elite to attack the problems of corruption, especially among the elite itself. Much of the future stability of the country will depend upon the speed of economic recovery, and as the diversity and partial restructuring of the economy may be sufficient to provide enough revenue to address the country's social service needs.

Prospect are far more guarded for the region's less wealthy states. Kyrgyzstan and Mongolia, may be able to use an expanded popular sense of empowerment to compensate for the greater social dislocation that many are experiencing.

It is far more difficult to be positive about the prospects of the region's more autocratic regimes. Turkmenistan and Uzbekistan have both favored the cause of stability over that of economic reform. The stability of the regime in each case is focused heavily on the person of the leader. The situation in Uzbekistan appears to be much more tenuously balanced than that of Turkmenistan. Uzbekistan is a larger and more complex society, with fewer natural resources to fall back on. Uzbekistan's fate is also more closely linked to that of Tajikistan, whose political and economic systems have yet to be fully reconstructed in the aftermath of its civil war. It is unclear whether the political systems of Uzbekistan and Turkmenistan will be able to weather the social shocks that might be ahead.

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