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CONTENTS

UZBEKISTAN
  General Observations on the Country ........................................ 1
  Interviews .................................................................................. 3

KYRGYZSTAN
  General Observations on the Country ........................................ 12
  Interviews .................................................................................. 14

KAZAKHSTAN
  General Observations on the Country ........................................ 26
  Interviews .................................................................................. 28

TURKMENISTAN
  General Observations on the Country ........................................ 36
  Interviews .................................................................................. 38
A Note to Readers: This document covers Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan. The interviews in Uzbekistan, Kyrgyzstan, and Kazakhstan were conducted in December 1994; the ones in Turkmenistan in June 1995. The document is organized by country and begins with a brief overview of the situation in each of these Central Asian states. The country analyses are a summation of observations and impressions, and do not purport to be an exhaustive research-based account. (Those interested in such an account should read the main report, see NCSEER NOTE opposite) Rather, the country analyses are meant to offer first-hand impressions and to set the stage for the interviews that follow. The interviews themselves are not full transcripts, but they are detailed accounts. I have not organized the content of the interviews in logical progression or taken issue with the views expressed. This approach is deliberate, and is meant to give readers as full a picture of what the people interviewed said and how they said it. While the interviews may be used by researchers and policymakers to supplement their knowledge about Central Asia, they are not for citation, quotation, or attribution in any form. It was on the basis of this guarantee that the interviews were given.

I. UZBEKISTAN

GENERAL OBSERVATIONS ON THE COUNTRY: The Karimov regime rules with a heavy hand, and there is no real political opposition worthy of the name. Both Birlik and Erk have been banned and are not registered (despite the latter's more conciliatory stand toward the regime), while the Islamic Revolutionary Party has been driven underground following a ban. The only legal opposition party, Watan Tariqiatti, was set up at Karimov's behest, clearly in order to sell the West on the idea that there is democracy in Uzbekistan. But it is led by uninspiring men: Karimov loyalists putting on a transparent act.

While the mix of an absent opposition (most opposition leaders live in Turkey or Russia) and a quiescent, passive populace preoccupied with economic survival means that Karimov has a solid grip on power, there are tensions simmering beneath. The economic situation continues to deteriorate: unemployment is high as are the birth rate and inflation. The regime does a lot of posturing but has really not bitten the bullet and moved on economic reform: partly because
the conservative ex-apparatchiks still run the country, but also because there is a fear that reform could unleash instability by aggravating unemployment and increasing prices. The Ferghana Valley is clearly the potential flashpoint: economic conditions are particularly bad there, while Islam has the greatest appeal there as well. The regime does all it can to discourage foreigners from travelling to the Ferghana Valley.

The average wage in Uzbekistan is now 250 som ($1=25 som at the official rate; 35 on the flourishing black market). The typical, round Uzbekistan bread costs 1 som a loaf; meat costs 25 som per kilogram; utilities amount to about 6 som a month. Our interpreter in Samarkand, Lena, made 150 som a month. She wore stylish leather boots, which she said cost 5,000 som. She and her husband (a doctor) have thought of emigrating, but "Uzbekistan is my home and I don't like Russia." Moreover, she said that there was nothing waiting for her in Russia in terms of opportunities. The bulk of the Russians who want to emigrate have already done so, according to her. She felt that the economic situation was incomparably worse after the Soviet collapse and that things were in a bad way. But Karimov does at least provide political stability and events such as were taking place in Tajikistan were unlikely in Uzbekistan for this reason. Samarkand and Bukhara have great tourist potential according to Lena, but tourism had fallen sharply and hotels are under-occupied. Some of the mosques and monuments of Samarkand are in bad shape and unless this is taken care of, tourism will not prosper.

Both in Bukhara and Samarkand the bazaars were full of food: bread, fruits, vegetables, spices, and nuts. Meat was also plentiful and carcasses—kept from spoiling by the frigid December weather—hang from trees as one drives along the highways.

There is not much evidence of Turkey's cultural or economic impact. There is a Turkish TV channel ("Avrasya"), but its popularity is uncertain. (Nevertheless, satellite dishes adorned the top of many an apartment building.) The limited amount of Turkish economic activity is in sharp contrast to Kazakhstan and Turkmenistan.

Both the fear of running afoul of the government and the longstanding tradition of rule by strong, dictatorial figures (both before and during the Soviet period) makes people unwilling to criticize Karimov. Getting interviews was hard in Uzbekistan—some people cancelled unaccountably after having agreed to meet us—and we sensed that our Uzbek hosts, who did not want to run afoul of the government, were making sure to steer us toward "safe" interviews and away from sensitive areas like the Ferghana Valley. But the political system is under-institutionalized and over-personalized, and it is an open question whether Karimov's skills at ruling via cooptation (balancing off regional and clan interests while posing as an
Uzbek national leader) are transferrable. There is no visual Karimov cult (comparable to that of Niazov in Turkmenistan) but his sayings are everywhere.

Within the region, the Uzbeks have the potential to play the role of hegemon. Uzbekistan is the most populous state in Central Asia and there is a large diaspora in southern Kazakhstan (Chimkent oblast), northern Tajikistan (Khujand), and southern Kyrgyzstan (Osh and Jalalabad). Ethnic tensions between Uzbeks and the titular nationality in these countries could lead the Uzbek government to defend the Uzbek diaspora. Of all the Central Asian states that we visited, nationalism and anti-Russian feeling are most evident in Uzbekistan. Unlike in Kazakhstan and Kyrgyzstan, Soviet-era statues have been removed, there is a strong emphasis on the need to learn the Uzbek language and to promote Uzbeks to key positions, and the script is being changed to Latin. A prominent statue of the former Uzbek Communist Party leader, Sharaf Rashidov, who fell from power after being accused of corruption under Andropov, stands in front of the KNB (the Uzbek secret police)—a sign of revisionist history and anti-Russian nationalism. The Uzbeks see their country as the cultural heart of Central Asia and as something of a regional power.

Russians we spoke to admitted to feelings of foreignness (“they do not want us here any more”) and a fear for their future. They are keen to leave but realize that conditions in Russia are bad and that, having lived in Uzbekistan for a long time (sometimes for generations), there is a gulf between the Russians of Russia and those in Central Asia. Russians living in Uzbekistan wonder what the future will be for their children in a country where being Uzbek and knowing the local language are now becoming ever-more important. Yet they feel a sense of belonging in Uzbekistan, given that many were born here and are second or third generation immigrants.

**UZBEKISTAN INTERVIEWS**

Dr. Ubaydullo Uvatov (December 6, 1994)

Title: Deputy Chief, Committee for Religious Affairs, Cabinet of Ministers

Uvatov’s organization was set up in March 1992 by a Karimov decree, creating for the first time an organization on religious affairs. It regulates “all aspects” of religious affairs for all faiths, and has jurisdiction over cadres, staffing, and training, but not the construction of buildings. Uvatov was fuzzy on how all of this help could be rendered given that the organization had no independent budget.

Uvatov estimates that there are 5,000 mosques in Uzbekistan now, compared to 85 five years ago. There had only been two training institutes: the madrasah in Bukhara and the Islamic Institute in Tashkent. Now the number had risen to 10 and the number of unofficial
ones to 10 as well. In addition, students are studying Islamic theology and Arabic in Turkey and the Middle East (he specifically mentioned Saudi Arabia). While all faiths are equal before the law and are free to conduct their affairs, political parties based on Islam are not allowed.

Uvatov conceded that the Ferghana Valley is far more influenced by Islam than the rest of Uzbekistan. It has 1,000 of Uzbekistan's mosques. Islamic fundamentalism (IF) is not a big force in Uzbekistan he said, but it could be dangerous in the future given the role of Afghanistan in the Tajik civil war. It is important, he stressed, that Islam be interpreted in "the correct way."

In the Soviet period, freedom of religion existed on paper. Now it is real. People cannot believe that the Koran is being translated into Uzbek--and with the government's help. In the Soviet era the number of Hajj trips never exceeded 4-6; now there were 3,000--again with government help. On the cultural front, in the Soviet period, Timur and Babur were studied "incorrectly." This was now being remedied and a number of translations of historical works from Arabic and Farsi into Uzbek were being commissioned.

When pressed, Uvatov conceded that his organization does act as something of a government watchdog to keep an eye on and coopt religious organizations. (We asked this question because of his claim that the role of his organization was to facilitate the work religious organizations rang a bit hollow given that he lacks a budget.) He added that if a religious group acted within the law it would face no problems; but if it did not, his organization would take (unspecified) action. The laws on what is acceptable and what is not in religious affairs were not specified; nor did he elaborate on what exactly his organization did to religious groups that stepped outside the law. He added that his organizations helped in the procurement of texts from abroad and in inviting religious scholars. No obstacles were put in the way of religious organizations, but the "Community of Muslims" needed to approve their operations first, after which his organization needed to approve.

When asked about his background and religious affiliation, he said that he is a Muslim and an Arabist by training. He worked in the Institute of Oriental Studies and lived in Iraq and Libya.

OVERALL IMPRESSION: Uvatov is clearly a Karimov loyalist eager to convince foreigners that the Karimov regime supported freedom of religion and draws the line only at Islamic fundamentalism. His organization is indicative of an approach by the Karimov regime that combines the control and cooptation of religion so that it is rendered politically innocuous. Thus, while there are penalties for religious groups that "meddle" in politics, there are rewards and benefits for those who play by official rules. This raises the question of whether such quasi-official religious organizations will be shunned by those who seek answers to political
problems in Islam, with the result that organizations that have gained legitimacy by rejecting the regime's rules could gain in popularity--especially in the event of a socio-economic crisis or a period of political instability.

**Father Nikolai (December 6)**

Title: Orthodox priest and leader of the Russian Orthodox Community of Tashkent.

For spiritual purposes the Orthodox church in Uzbekistan has strong ties with the Moscow Patriarchate, but since Father Nikolai (FN) lives in Tashkent, he noted that he had to deal with the local government. He was unwilling to speak of any restrictions on church activities and compared the situation favorably with the Soviet period. (Marriages and baptisms could take place in the church now without hindrance, and church attendance had risen steeply.) He did admit, however, that he would like to open a spiritual center, but was having difficulty getting a permit. (One of our Uzbek hosts--a man who has embraced Islam after the Soviet collapse--told us after the interview with some satisfaction that the permit would never materialize.) FN added that, despite the restrictions imposed on religious organization in the Soviet era, they did not have to pay taxes as they did now. Moreover, the variations in regulations and tax policies within Central Asia added to the problems of the church.

When asked about the reasons behind the ongoing migration of Russian from Uzbekistan, FN pointed to the increased emphasis on the Uzbek language and the fears that Russians in Uzbekistan have about the future of their children. FN emphasized that relations between the Orthodox establishment in Uzbekistan and the Muslim clergy were excellent. While FN said that he had no plans to leave Uzbekistan, he also stated that he had no plans to learn Uzbek.

A point on which FN was far more candid concerned the role of Western evangelical groups in Central Asia. They were very active, he said and this could cause clashes between them and the Orthodox, but especially the "hot-blooded" Muslims. The Orthodox church in Uzbekistan has brought the activities of these foreign religious groups to the attention of the Uzbek government. Both Orthodox believers and Slavic non-believers have begun to join these evangelical groups, which are far better organized and funded than the Central Asian Orthodox establishment. The Moscow Patriarchate's financial support of the church in Central Asia has declined since the breakup of the USSR, especially after the collapse of the ruble zone. Moreover, few Orthodox priests want to come to Central Asia anymore. The local churches lack any source of funding except the contributions of parishioners, most of whom are aged and retired. In a word, reduced support from the Moscow church, rising prices, and foreign religious competition was squeezing the Orthodox church in Uzbekistan.
OVERALL IMPRESSION: FN seemed to be putting the best face on a worrisome situation and was understandably reluctant to criticize the Karimov government or voice his anxieties about the future of the church and the Russian community before foreign academics who were escorted by an Uzbek host. With the migration of Russians continuing, with the growing emphasis on Uzbek culture and language, with the revival of Islam, and with reduced support from the Moscow Patriarchate, FN was clearly a man with more than his share of worries.

Ali Sher Shaikov (December 8)
Title: First Deputy Minister for Foreign Economic Relations

According Shaikov (S), the 1993 trade deficit for Uzbekistan was $200 million with the non-CIS countries. In 1994 this figure had declined to $40 million. He attributed this to a growth in tourism and the increase in the sale abroad of (military?) aircraft. Cotton, copper, and non-ferrous metals account for 65% of Uzbekistan's exports, but the share of manufactured goods is increasing: they amounted to 8% of exports in 1993 and 20% in 1994. The key trade partners outside the CIS are Switzerland, Germany, China, Belgium, the UK, and Turkey.

The key export problem for Uzbekistan is transportation. Kazakh, Ukrainian, and Russian routes were being used, and Iranian roads were also being utilized on a trial basis. The greater independence of regions in Kazakhstan and Ukraine had created problems because of progressively increasing fees and changing rules, which sometimes varied from one locality to the other. Another problem is the re-export for hard currency of Uzbek cotton and copper by Russia and the Baltics states who get these commodities from Uzbekistan at preferential prices and without hard currency given the clearing house system used for trade among the former Soviet republics. Moving to world prices and hard currency should put an end to this. Uzbekistan also needs better price forecasting knowhow so that it gets a better deal in the clearing house system, which uses world prices for accounting and takes into account annual price fluctuations. Russia is seeking new sources of supply for cotton--a move that S saw as political. Likewise, Uzbekistan would seek new sources for oil to reduce dependence on Russia. As for military supplies, agreements exist with Russia: Uzbekistan is playing what Russia sees as a constructive role in the Tajik civil war and Moscow wants to ensure that Uzbekistan has the needed military supplies.

Within the CIS there are two arrangements for conducting trade: 1) a clearing system for government-to-government transactions wherein the value of goods imported and exported via barter is tallied and the accounts balanced at year's end through imports or exports as need be; 2) direct firm-to-firm contracts under which the companies decide if the payment will be in
hard currency or in CIS currencies. Each year the value of the former type of trade is falling
given the Uzbek government's desire to increase the proportion of hard currency trade.
Currently hard currency exports amount to $1 billion and barter to $1.3 billion. Sixty five
percent of Uzbekistan's exports are still accounted for by state enterprises.

There are plans afoot to increase joint investment in oil and gas, and agreements have
been signed with the US and Japan. This will ultimately increase oil production to 6 million
tons, an amount adequate to reach self-sufficiency. Indeed, by 1998, Uzbekistan could well be
exporting oil and gas. It also plans to sell gas condensate to Russia.

On privatization, S maintained that Kazakhstan's record consisted of more talk than
action. Uzbekistan has not done a good job in getting out the word on how much it has in fact
done since Karimov's privatization decree of January 21, 1994. Kazakhstan, having given
increased freedom to state enterprises, now bemoans the lack of governmental control. Thus
the Uzbek model of gradualism is proving wiser. Uzbekistan has also rejected the Russian and
Kazakh system of voucher privatization; instead it plans to sell state enterprises to citizens and
foreigners with money. An example is the privatization, by sale to a foreign company, of the
tobacco industry; only a 25% Uzbek equity share remains. In 1995, very big companies
(chemicals, machine tools, mining) will be privatized. Their shares will be divided into four
types: 1) the employees' collective (25%); 2) sale via the stock market (25%); 3) foreign
capital (no upper limit); 3) the government's share (if it choose to buy; if not this share will be
allocated among the first three potential buyers). There are now 5,000 state companies and the
hope is that 50% will be privatized by 1995.

As for price reform, only oil prices are now controlled, and the prices of all other goods
were freed as of September 1994. Even oil prices will reach 75% of the world price by 1995
and will be at the world price by the end of that year.
OVERALL IMPRESSION: Shaikov was a breath of fresh air. He is clearly part of the
younger, well educated, pragmatic, reformist generation seeking to alter the economic system
in the face of some heavy resistance by the older apparatchiks. He was well informed, fluent in
English, but--as the next interview revealed--a bit too eager to convince us that Uzbekistan's
big failure was not that it had not reformed, but that it had not countered the impression
abroad that reforms were not being undertaken.
The Uzbek approach to privatization is based on the fear that radical reforms could arouse popular dissatisfaction by increasing prices and unemployment. The Uzbeks also want to avoid the Russian system of voucher privatization, where the average person sold his vouchers for next to nothing and enriched the managers of enterprises. Uzbekistan began with small-scale privatization in 1992. The next stage was announced in January 1994 and extended to big and medium firms. Fifty one percent of the shares were retained by the government, while a maximum of 28% was given free of charge to employees. The rest were listed on the Tashkent stock exchange for Uzbekistanis or foreigners to buy. The government insists that it retain a 51% share of privatized firms; but, for key industries (mining, light textiles, cotton) there is a case-by-case approach to privatization. In most cases, shares are sold to foreigners with the 51% government share stipulation being waived.

The government does not want to lose total control of enterprises, but it also wants greater efficiency, so it will allow foreign investment but will keep a significant interest in privatized companies. There is no major momentum for privatization from within the regime, and in many respects the old system is still in place. Karimov will approve foreign investment and privatization because they will bring in cash, which he needs. The key reason for privatizing the tobacco industry was to boost the economy of the politically-sensitive Ferghana Valley, the center for tobacco growing. The same applies to the privatization of gold mining. Not a lot has changed in the economic system, and a good analogy is the Uzbek traffic cop, who still wears Soviet-era uniforms with Uzbek insignia hastily patched on.

Contrary to Shaikov's assertion, all prices have not been freed. So-called strategic goods (bread, detergent) are still controlled. This is accomplished by vesting the producers of strategic goods with monopoly rights. Many staples are also still controlled and subsidized. Again, pace Shaikov, Kyrgyzstan and Kazakhstan are way ahead of Uzbekistan in privatization and overall economic reform. The Uzbek som does not float freely; the inflation rate is now 10-15% per month, even though the officially declared annual rate is 30%. There has been a loose monetary policy but, to placate the IMF, credit and wage policies are being tightened. There is not much of an indigenous capitalist/business class. For economic decision-making, the clan system is vital. The Tashkent, Samarkand-Bukhara (the most powerful, to which Karimov belongs), Sirhand-Darya (the key cotton area), and Kokand clans are the main ones. Since different clans stand for different policies, interests, and priorities, it is difficult to forge a coherent national economic policy.
OVERALL IMPRESSION: A valuable antidote to the official line provided by Shaikov.

Leadership of the Wattan Tariqiati Party (December 8)

The Wattan Tariqiati Party (WT), poses as a pro-democracy opposition organization that espouses economic reform and represents the interests of the business class. If Karimov's National Democratic Party can be likened to the US Democratic Party, we were told, WT was the Republican Party of Uzbekistan. Its pretense to be a real opposition was exposed by two pieces of evidence. The first was the large photograph of Karimov that adorned the office in which our meeting took place; the second was the evident discomfort created by my asking whether the WT, since it claimed great popular support and a nation-wide organization, would field a candidate against Karimov in the next presidential election. Most people that we spoke to in Uzbekistan felt that the WT was a front organization created with Karimov's approval to show that the December 1994 parliamentary elections were in fact democratic and involved true competition.

The WT leaders hoped to win 40 seats out of 200 in the parliament. They were full of bromides in discussing what they stood for ("we believe in the energy of the people and support greater cooperation within Central Asia") and how they differed with the National democratic Party. The sources of their campaign funding come from the regime--a curious arrangement given WT's claim to be an independent opposition party.

Ulughbeg Ishankhodjaev (December 10)
Title: Head, American Division, Uzbekistan Foreign Ministry (formerly a diplomat in the Uzbek embassy in Washington)

Ishankhodjaev noted that misunderstandings had occurred between Uzbekistan and the US over the issue of human rights in Uzbekistan. Uzbekistan has been working to remove this irritant and to clear up cases that created controversy. He noted the CSCE seminar in Tashkent in 1994 as an example of such constructive steps (Uzbek human rights advocates, such as Vasilia Inayatova, were allowed to address this meeting and the Tajik minority in Uzbekistan sent a representative.). Moreover, Karimov had promulgated a decree on amnesty for political prisoners, an event that led to the release of five people. The December elections would feature an opposition party and the CSCE and the UN had been invited to send observers. On top of all this, Uzbekistan is open to dialogue and advice on human rights.

There is a paramount need to keep Uzbekistan stable given the danger of ethnic tensions in a country where 100 nationalities live side by side. The mismatch between ethnic and state borders could also make for conflict; southern Kazakhstan was heavily Uzbek-populated; the
Syr Darya region of Uzbekistan had mainly a Kazakh population; and Tajik-populated regions (Bukhara and Samarkand) had been given to Uzbekistan during the Soviet period of state creation in Central Asia. Ahmed Shah Masud, the Tajik mujahedeen leader of northern Afghanistan (which is predominantly Tajik) wants to create a greater Khorasan encompassing the Tajik regions of Uzbekistan. Non-governmental groups in Tajikistan also claim Bukhara and Samarkand. These were all potential sources of ethnic conflict.

The US and Uzbekistan have been working closely to settle the Tajik civil war, and the US business community is very interested in increasing economic ties with Uzbekistan, especially in areas like aircraft sales and telecommunications. The two sides need to make progress on agreements to avoid double taxation, on constructing an investment code, and on measures to facilitate travel for US business people in Uzbekistan without restrictions.

Uzbekistan has some difficulty understanding whether the US has strategic interests in and a policy for, Central Asia or not. The US puts too much emphasis on Russia and the other Central Asian states. Uzbekistan needs to treated as a major Central Asian country and not as a "fragment" of the former USSR. The lesson offered by US dealings with Russia, Kazakhstan, Ukraine, and Belarus is that Uzbekistan would have been taken more seriously if it had nuclear weapons. In fact, Uzbekistan could have developed nuclear weapons; it has the scientific expertise and the uranium.

US policy toward Central Asia should give far more attention to Uzbekistan. It is large, stable, and has location bordering all the states of Central Asia. It also has a border with volatile Afghanistan and is separated from Pakistan by a gap of only 150 km. So it is the pivotal Central Asian state. In contrast, Kazakhstan's most developed northern region is vulnerable to Russian irredentism and separatist movements by local Russians. This vulnerability gives it little room to be independent of Russia in foreign policy--a fact exemplified by Kazakhstan's pro-Russian policy on NATO. By contrast, Uzbekistan is capable of a more independent foreign policy, though Russia does have some leverage on Uzbekistan given the latter's dependence on Russian transportation routes. The other Central Asian countries are too small and lack the strategic weight of Uzbekistan, and Turkmenistan's focus is toward Iran with which it has a no-visa/open-border policy. For its part, Russia plays a double game with Iran: it worries about its influence but sells it weapons. Uzbekistan sees the Russian and Turkmen strategies as dangerous because Iran has expansionist designs in Central Asia. Uzbekistan alone had the strategic weight to serve as a barrier to Iran. Initially, Uzbekistan welcomed Iran's activism in Central Asia. It has now de-emphasized relations and is suspicious of Iranian motives. Israel is in accord with this thinking, and in a meeting with
Karimov, Shimon Peres called for Israel-Uzbek cooperation with US encouragement to counter Iran. In response, Iran launched a campaign against Karimov, calling him a traitor to Islam.

The bottom line is that the US has yet to realize the extent to which US and Uzbek interests converge in Central Asia, and human rights disputes should not obscure this convergence. Uzbekistan has embraced the NPT and is a stable state in comparison to Tajikistan and Afghanistan, which are in upheaval. Both states have become conduits for the inflow of drugs and weapons into Central Asia. Some drugs are going to Europe via Uzbekistan. In 1994 Uzbekistan seized 60 tons of narcotics worth $700 million coming from Afghanistan and Pakistan. Uzbekistan needs US technical help to combat this problem. The US also faces the problem that there are American Stinger missiles in the hands of the Afghan mujahedeen; these weapons now pose a threat to civilian aircraft.

Russia seeks UN and CSCE approval for its troops in the former Soviet Union in the guise of peace-keeping, for which Russia wants sole responsibility. Uzbekistan wants a truly multilateral approach with CSCE oversight and with the emphasis on peace-keeping strictly defined. In Tajikistan the only troops capable of keeping the chaos from spreading are those of Russia. But these forces are engaged in a peace-making operation, which conflicts with the CSCE approach. Uzbekistan supports the US/CSCE position based on multilateralism and peace-keeping. Uzbekistan does not want Russia to use the CSCE and the UN as a fig leaf for its designs in Central Asia. Strong ties with the US would enable Uzbekistan to take a more independent stance vis-à-vis Russia on such matters.

After its initial high hopes regarding Turkey (which was seen as a model, a bridge to the US and NATO, and a source of aid), Uzbekistan has much more modest expectations. It has come to realize Turkey's economic limitations and has recognized that, in many scientific areas, Central Asia is more developed than Turkey. Accepting Turkey as the leader of Central Asia would be to trade one overlord for another.

OVERALL IMPRESSION: Like Shaikov, Ishankhodjaev is a well-educated, young professional, who seems adept at dealing with Westerners. Thus he, too, represents the pragmatic younger generation. Beneath the smooth veneer was an unmistakable Uzbekistan nationalism and a sense that Uzbekistan needed to be recognized as the key player in Central Asia. He is adept at appealing to American concerns (Iranian meddling in Central Asia, Islamic fundamentalism, instability, Russian neo-imperialism).
Dr. Rafik Saifulin (and colleagues) (December 10)

Title: Deputy Director, Institute for Strategic and Regional Investigations

The institute was established by the government and charged with research on domestic economic and political reforms and the integration of Uzbekistan with the world community. The members of the Institute are economists, sociologists, and political scientists.

The major points made during the interview were as follows: 1) Shock therapy as a mode of economic reform would not be implemented in Uzbekistan for fear of the political costs; 2) Rapid reform was creating problems in Kazakhstan and leading the government to slow the pace of reform. The same is true of Kyrgyzstan. People from these countries come to Uzbekistan to buy food; 3) While the hold of the old ideological system remains strong, the election of a new, "professional" parliament would help; 4) Russians in Uzbekistan were anxious about Islamic fundamentalism, a Tajikistan-like crisis, and the emphasis on the Uzbek language. In general the more recent the Russian immigrant, the more apt he or she is to have these concerns and to be psychologically connected to Russia; 5) Russia and Uzbekistan have a common stake in stability in Tajikistan; but Russia sometimes tends to forget that Uzbekistan is an independent state. Nevertheless, given the facts of geography and economic interdependence, Uzbekistan and Russia are fated to live together; 6) Russian arms sales to Iran trouble Uzbekistan, which fears that these sales could adversely affect Central Asian security; 7) A Russian withdrawal from Tajikistan would lead to the spread of chaos from that country. Contrary to the fears of some Russians, Russia is not about to enter an Afghanistan-like quagmire in Tajikistan; 8) Uzbekistan now has a far more realistic and limited view of Turkey as a benefactor, model, and leader than it did soon after the Soviet collapse.

II. KYRGYZSTAN

GENERAL OBSERVATIONS ON THE COUNTRY: In almost all respects, Kyrgyzstan is the polar opposite of Uzbekistan. There is a multi-party system (featuring some 12 parties) taking root and the discussions over the elections and the restructured parliament have a serious quality. Democracy here is not a charade, despite its imperfections (one being that heads of households can vote for their family members). Economic and political reforms have made major advances and the fear of change that marks Uzbekistan is notably absent for the most part. Intellectuals and policy-makers are (generally) accessible, open, and not reluctant to criticize either the regime or President Akaev himself. Women occupy many high-level positions in the world of politics, business, and intellectual life. (In Uzbekistan, by contrast, there is now a creeping emphasis on "traditional values," which relegates women to the role of mother and housewife.)
There is remarkably little bitterness toward or fear of Russia or hostility to the Russians, who make up some 25% of the population. Unlike in Uzbekistan, Soviet-era statues and monuments have not been torn down; indeed the entry point to Kyrgyzstan still bears the emblem of the Kirghiz Soviet Socialist Republic, and statues of Lenin dot the landscape. As a consequence, Russians display little of the anxiety that they do in Uzbekistan. Nevertheless, Russian emigration is a serious problem and a drain of technical skills. Bishkek used to be 48% Russian some years ago; it is now 30% Russian. Unlike its Uzbek counterpart, the Kyrgyz government has not decided to change the script to Latin and it is noticeably less insistent that Russians learn Kyrgyz. It has gone out of its way to make conciliatory gestures toward the Russian population: a Slavonic University, with instruction in Russian, has been established, and, in sharp contrast to the Uzbeks and the Kazakhs, the Kyrgyz appear willing to pursue discussions on a dual citizenship arrangement with Russia.

Although the constitution enshrines Kyrgyz as the official language, both Russian and Kyrgyz are used in the parliament, and translation is supplied. Indeed many Kyrgyz parliamentarians are more comfortable in Russian than in their native language. Parliamentary legislation and presidential decrees are published in both languages. In 1992, there was much discussion about changing the script to Latin, but the Kyrgyz, a supremely practical people, lost their enthusiasm upon realizing how much money would have to be spent on everything from road signs and application forms to textbooks. Some Kyrgyz also told us that the Uzbeks could enact such changes by fiat because they lived in a dictatorial system with relatively few Russians in their midst. By contrast, only 52% of Kyrgyzstan’s population consists of ethnic Kyrgyz. Thus nationalism in Kyrgyzstan is not the potent force that it is in Uzbekistan.

In Kyrgyzstan, with its nomadic past, the influence of Islam is also noticeably weaker, and there is no equivalent of Uzbekistan’s Ferghana Valley, which is a hotbed of Islamic radicalism. Coming into Kyrgyzstan, by car from Tashkent (via Kazakhstan) one notices a number of fairly new mosques, but this conveys an erroneous impression regarding the strength of Islam in the country.

Kyrgyzstan’s economic situation is worse than that of Uzbekistan, and crime is a serious problem in Bishkek. People are generally quite pessimistic about any radical improvement when it comes to these two issues.

Reading between the lines, I would say that, the third issue (in addition to the economic and crime) that worries the Kyrgyz is the possibility of renewed tensions between ethnic Kyrgyz and Uzbeks in the predominantly Uzbek regions of Osh and Jalalabad. Serious, bloody clashes took place in Osh in 1990, and there is the danger of Uzbek intervention should this
occur again. This is the one topic that makes Kyrgyz visibly uncomfortable, and uncharacteristically reticent, during interviews.

Kyrgyzstan is poor. It is a small, mostly mountainous country with few natural resources and faces, as a result, some severe structural problems that even its reform-minded government may not be able to overcome. The outskirts of Bishkek are full of tiny, dingy wooden homes, with few appearing to have indoor plumbing or running water. Poverty affects the Russians and Kyrgyz, and people appear beaten down by the simple rigors of everyday life: shopping for scarce goods, eking out a living, fetching water. The average wage in Kyrgyzstan is 150-200 som and the minimum wage is 70 som. The older generation is in particularly bad shape given that they live on fixed incomes. A friend, who is well off, told us that her mother would starve if she and her brothers did not help her. Pollution is a severe problem, and the approaches to Bishkek are laden with a pungent smog.

KYRGYZSTAN INTERVIEWS
Leaders of the Atameken Party (December 12)

Atameken has 6-7,000 members, with offices in all regions of Kyrgyzstan, and was established in November 1992 with the initial name of "Erken ("free") Kyrgyzstan." The liberal part of that party split off to form Atameken. It is best described as liberal-centrist. Its leaders oppose shock therapy as a model of economic change, support free speech and human rights, and believe that individual rights take precedence over national rights. The party is running 105 candidates for the parliamentary election and 50% of them are women. In the current parliament, Atameken has 10 out of 350 members. (The current system is unicameral. But this system will be changed after the December 26 elections in accordance with new proposals for a bicameral system drafted by Akaev amidst a great deal of consultation--details below.) These deputies were elected in 1990, when the party as currently constituted did not exist. Atameken is especially strong in Bishkek and in Osh and Jalalabad (Uzbeks make up 21% of Jalalabad province).

Funding is centrally allocated, and all monies raised by political parties go to the Central Election Commission, which then distributes the funds among all parties. According to a presidential decree, people can run for the elections only if they give up any executive political position that they hold. Candidates can spend only the money allotted to them by the Central Election Commission. The arrangement is that all candidates get the same amount.

On economic policy, Atameken stands for gradualism. It believes that land privatization is especially sensitive in a country that is almost totally mountainous and has but 5-7 percent of its total area made up of arable land. Dividing up this common heritage into tiny parcels would
be inefficient and would also spark conflict in a society that is multiethnic and subject as well to the pulls and pressures of tribalism and regionalism. The state should control arable land and resort to long-term leases. Non-arable land can be privatized. Industry and trade should be privatized and the government's tempo has not been too fast.

The tensions between Uzbeks and Kyrgyz in the Osh and Jalalabad regions constitute a serious problem as shown by the 1990 Osh tragedy. These tensions are "artificially created" by "outside forces." ( "Which external forces: Uzbekistan?" Our efforts to get more specific information proved unsuccessful but the Atameken leaders said that they did not mean Uzbekistan.)

In the upcoming elections (December 26) the key issues would be the following: the social protection of people, especially the unemployed and the aged; the growth of unemployment; the widening gap between the minimum wage and the minimum amount needed to purchase bare necessities; the increasing cost and breakdown of medical services; inadequacies in the educational system that could create a new generation of undereducated Kyrgyz; and the growing menace of narcotic use and traffic.

Leaders of the Party for the Unity of Kyrgyzstan (December 12)

The Party for the Unity of Kyrgyzstan (PUK) was established in 1994 by a group of small businessmen and was the ninth political party to be registered. There are 4,000 members at present. The party feels that Kyrgyzstan is a state for all people, regardless of ethnic affiliation. The country faces not only the problem of continuing Russian emigration but also tensions between the north and the south. Resolving these problems in a civilized way is the key task of the party. The system of appointing people to high offices based on their regional or tribal affiliation must cease. At the moment, the south is under-represented in the central government and does not have adequate representation (although it does have regional leaders). And the president, prime minister, and speaker are identified in terms of their regional affiliation. This too must cease. The system whereby enterprises and other collectives can nominate candidates for elections should also end; it is a totalitarian holdover, puts power in the hands of the managerial elite, denies true freedom of choice to individual voters, and creates an entrenched political class. If Kyrgyzstan now has some 12 parties, this number is bound to be whittled down to about 4-5 truly viable parties after the elections.

There is a sense in which many people yearn for the old system that provided order and bare necessities. They see their current problem as a reflection on their leaders and not as inherent difficulties accompanying the post-Soviet transition.
Unlike Atameken, PUK supports land privatization, but recognizes that it is a politically sensitive matter and should proceed slowly. The privatization of industry is progressing via a coupon system, but Kyrgyzstan is a long way from being a system in which people act as enfranchised stockholders who hold their directors accountable. Instead, they defer to the managers.

Uzbek-Kyrgyz differences within Kyrgyzstan persist and some of them are created by local appointments that neither side sees as just. (Again, there was a clear reluctance to get into the details of this sensitive issue; the Osh tragedy has clearly cast a long shadow.)

Faculty and Rector of the International University of Kyrgyzstan (December 12)

The discussion mainly dealt with the work of the university, thus the key points dealing with Kyrgyz politics will be summarized in point form. 1) The university has a study group on Kyrgyz-Chinese relations, focusing on the border dispute. The group works with the government. It also covers Tajik-Kyrgyz border questions. Details could not be provided on these border talks; they deal with "secret issues." China claims parts of Kyrgyz territory, and its maps reflect this claim. While Kazakhstan and the PRC have settled their border dispute with an agreement, Kyrgyzstan and the PRC have not. Ultimately, Russia is the guarantor against Chinese encroachment or hegemony. 2) On November 24, Uzbekistan stopped gas exports to Kyrgyzstan and asked for debt repayments totalling $50 million. A good deal of foreign aid given to Kyrgyzstan goes to Uzbekistan to pay for this gas. The Uzbeks have since agreed to resume sales. Energy supplies are also a major issue in relations with Kazakhstan, but the Kazakhs have a debt of $60 million to Kyrgyzstan for electricity purchases. 3) With only a small amount of arable land, Kyrgyzstan should not move toward privatization, which could create internal tensions that could in turn affect the border dispute issues (there was no elaboration on this elliptical observation). 4) The university is private and is two years old. It has four academic divisions (information technology, ecology, diplomacy and international law, and economics and business) and at present only offers undergraduate education. International faculty teach at the university.

Kamila Najmudinova Keninbaeva (December 12)

Title: Chief, Department of Political and Social Analysis, Office of President Akaev

Kyrgyzstan's 12 political parties are young: except for the Communist Party, they first took part in elections in October 1992. Parties are required to register with the Ministry of Justice ("We are from the old communist system!") but registration is far easier now than it was in the last years of communism. The second electoral cycle will take place in December.
and it will show the relative strength of the parties. But the party system in Kyrgyzstan is weak (especially because the very term "party" has a negative connotation given the Soviet legacy) and thus personalities will have more to do with a party's success than its organizational-ideological qualities. There are three types of parties: 1) Pro-communist: the Party of Communists of Kyrgyzstan and the Agrarian Labor Party; 2) Centrist: Almost all other parties fall in this category; they support the government's reform policies and constitute a loyal opposition; 3) Parties that are non-communist but critical of the government. An example is Erkin Kyrgyzstan, a leftist nationalist party that has cooperated with the Communist Party and opposes the proposed changes in the constitution.

The tussle between the executive and the legislative that Kyrgyzstan has witnessed is typical of politics in the states of the former Soviet Union. The proposed reforms, which envisage a bicameral parliament, are meant to address this problem.

Thanks to Akaev's leadership, inter-ethnic relations in Kyrgyzstan have been good. The Slavonic University is the only one of its kind in Central Asia and is specifically designed to reduce Kyrgyz-Russian tensions. Akaev went ahead with this move even though a number of parties and organizations opposed it. Another mechanism for inter-ethnic harmony is the Kurultai, a forum for consultations among different nationalities. In addition the government maintains active consultations with most of the 28 national cultural centers (18 of them are active), and the heads of the Tajik and German cultural centers have met with Akaev. (The Germans discussed the problems involving the lack of textbooks and the Tajiks the difficulties related to the inflow of refugees.) The heads of the Korean, Dungan, Uighur, Ukrainian, Russian, and Belorussian organizations have also met Akaev. (The key problem that the Slavic representatives focussed on was that of the emigration of their peoples. Akaev then published a decree on measures to combat emigration and another giving Russian the status of an official language. The latter step was welcomed by the Slavs. but not by many Kyrgyz.)

In the wake of the 1990 violence in Osh, Uzbek-Kyrgyz tensions still exist. Indeed, throughout Central Asia, ethnic animosities are a legacy of Soviet-era boundary creation. Thus many Tajiks see Bukhara and Samarkand as their cities even though they are located in Uzbekistan, and there are competing border claims between Uzbekistan and Ky. There are some basic differences between Uzbekistan and Kyrgyzstan. One such difference is religion: while both are Muslim peoples, religion is a stronger factor in Uzbekistan, and Uzbeks tend to see Kyrgyz as "bad Muslims." Another is rooted in economic differentials. Most of the industry and scientific potential of Kyrgyzstan is concentrated in the northern part of the country, and the south, where most of the Uzbek population is concentrated, is an agricultural area based on cotton and tobacco. Akaev has sought to change this by increasing educational
facilities in the south. An example is the Kyrgyz-Uzbek University. Akaev has also sought to channel more industry to the south.

Far tougher than political reforms (dealing with the constitution, parliament, etc.) will be economic reforms. Kyrgyzstan's achievements in this latter realm are not especially good. Some 80 percent of the industry in the north consists of enterprises linked to the military-industrial complex of the former USSR. When the Soviet Union collapsed, these industries were hard hit as was the regional economy. The restructuring of these defense plants is very sensitive; not only would unemployment rise, but Russians and Germans constitute a very sizable chunk of the work force in these industries. There is thus an ethnic dimension: government reforms could be seen as hostile by these minority nationalities. At the same time, these industries depended for financing on the USSR central government in Moscow. Keeping them running now would vastly increase the Kyrgyz budget deficit.

OVERALL IMPRESSION: Keninbaeva was probably the most intelligent and well informed of all the Kyrgyz officials interviewed. She was open to an array of questions and exemplifies a striking fact about Kyrgyzstan: the extent to which women have attained prominent positions in the country.

Ludmila Jolmukhamedova (December 12)
Title: Editor, Svobodnye gory newspaper (closed down by the Akaev government).

The reason that Svobodnye gory (SG) was closed was that it began to uncover high-level corruption involving Kyrgyz officials. SG was sued by the government for 5 articles written by people who were not permanent employees. The court did not ask for any explanation or statements from the authors. SG used many journalists with wide-ranging points of view and thought that this is what the Akaev government stood for, but this was obviously a naive belief. SG began to discover corruption involving foreign aid and diversions to Swiss banks as well as officials illegally benefitting from privatization. In December 1993 SG was forbidden to publish some of its reporting on these topics. Before the paper itself was ultimately closed down, its equipment was taken away as were its telephones. Akaev personally attacked the paper before a judicial commission. The closure was appealed all the way to Supreme Court but to no avail. The government's charge that SG engaged in anti-Semitic reporting and sought to exacerbate inter-ethnic tensions was nothing but a rationalization. (LJ now plans to run for parliament on the ticket of the Erkin Kyrgyzstan party. But she felt her run in with the government would prevent her from being elected.)

As former Soviet citizens, Kyrgyz are used to obeying the government, and so the journalists of the country will not step beyond what they see as the limits drawn by the
government. Kyrgyzstan is still not a "law-based state" and there has not been any thoroughgoing legal reform. As a result, Soviet law still plays an important role. There was a big problem in obtaining qualified legal representation for SG's defense. The fact that Kyrgyzstan is more democratic than the rest of Central Asia is really due to the special qualities (tolerance, etc.) of the Kyrgyz people; but they also lack courage, and this works to the advantage of the government.

OVERALL IMPRESSIONS: LJ is a strikingly charismatic individual, who again exemplifies the prominent role of women in Kyrgyz public life. Half Russian and half Tatar, she is an articulate and intrepid (if somewhat self-righteous) critic of the government. The case of SG shows up both the weaknesses and the strengths of Kyrgyz democracy. One the one hand, whatever the merits of the government's case (and it is difficult to render a verdict on this), it is striking that SG was closed down easily and with little outcry. At the same time, LJ was able to meet us and attack the Akaev government openly and without any apparent fear of retribution. This is surely an index of how far Kyrgyzstan has gone down the road of post-Soviet reform, especially in comparison to Central Asian states such as Uzbekistan, Tajikistan, and Turkmenistan, where such an interview would have been unimaginable.

Temirbek Keninbaev (December 13)
Title: Deputy Head, Department for Relations with Intelligence, Defense, and Customs, Office of President Akaev.

Much of Kyrgyzstan's Russian officer corps has emigrated to Russia; Russia was able to offer them more lucrative terms of employment amounting to a salary six times higher than that available in Kyrgyzstan. On the other hand, many Kyrgyz officers serving outside Kyrgyzstan came back. So there are now plenty of Kyrgyz officers, some of whom served in Afghanistan. By mutual agreement, Russian officers are also serving on the Kyrgyz border; some of them are Russian officers who have chosen not to return to Russia. Kyrgyz citizens who want to serve in the Russian army can do so via contract or by changing their citizenship.

The key issues of national security are dealt with in the president's National Security Council headed by a Secretary and including representatives from all sectors of the armed forces, plus the interior ministry and the intelligence services. Drug smuggling is a major problem. There is a great deal of opium grown in the Issyk Kul and the Chu valley regions in particular, although it is grown throughout Kyrgyzstan. Kyrgyz poppy is highly valued for its high narcotic content. A special inter-ministerial commission has been set up to combat the drug mafia. Kyrgyzstan has now become a vital transit zone for drugs from Afghanistan and international narcotics syndicates are heavily involved. The route used leads from southern
Badakshan (in Tajikistan) to Osh and then outward to other countries. Kyrgyzstan's budget cannot bear the cost of an adequate response to this growing problem, and cooperation with international organizations and foreign countries is essential. Closing the border with Badakshan is an option, but openness is needed to send humanitarian aid to that war-ravaged area where there are Kyrgyz living. On the border with China, despite the increasing flow of trade, there is no drug trafficking problem.

The decision to move from a unicameral to a bicameral parliament is meant to provide for more stability and less friction between the executive and legislature. There will be 70 deputies in one chamber and 35 in the other. The smaller chamber will be in permanent session to legislate and is designed to take the national interest into account. The larger chamber will not be in permanent session and the deputies would give voice to the regions from which they come. When the chamber is not in session they would return to these regions. The development of a cadre of professional parliamentarians will not be easy: few know how to draft legislation, and many rich business people are running just to acquire parliamentary immunity while devoting most of their time to their business activities. They want the prestige and the immunity but not the full time responsibilities and burdens of a legislator.

The highly populated southern regions (Osh, Jalalabad) did not want a system of electoral districts with each having the same number of representatives. So representation of various regions in both legislative chambers will be based on regional population variations. (Kyrgyzstan has six oblasts, and the city of Bishkek is one of them.) For electoral purposes, Kyrgyzstan will be divided into 35 electoral okrugs (districts). Representation will depend on population; i.e., a large area with relatively few people may be considered one okrug.

OVERALL IMPRESSIONS: Keninbaev is a very able, hardworking, and well-connected official with a background in the Interior Ministry and the military and security services. He is well acquainted with conditions in the West, and has travelled extensively in the US. A keen supporter of Akaev, he was preparing to resign his state posts to run for election. The plan obviously is for Akaev to have a small parliament with many of his supporters represented in it so as to avoid the gridlock and friction between executive and legislature that has characterized Kyrgyz politics.

Aidkulov Malik (December 13)
Title: Deputy Head, Economic Relations, Office of President Akaev.

Malik emphasized that Kyrgyzstan was heading toward a market economy: 50 percent of all state enterprises had already been privatized and in the trade sector all enterprises were in private hands. The key task now was to accelerate the privatization of industrial complexes by
taking control out of the hands of state ministries and allowing enterprises to decide their own fate. As for land privatization, the government plans to liquidate all state and collective farms despite the objections made by any political parties to land privatization. All prices are now determined by the market except for milk products for children. The number of permitted monopolies is 19, and in the case of their output the government imposes a price ceiling so that monopolies do not overcharge the public. Privatization has created some problems such as organized crime, which companies are ill-equipped to handle, and tax evasion. It is estimated that 40 percent of the taxes due the government remain uncollected.

The inflation rate for the last six months of 1994 was 3 percent a month. The Kyrgyz som is stable and is so regarded by the rest of Central Asia. Kyrgyzstan’s exports to the non-CIS world include cotton, wool, hides, mercury, and non-ferrous metals. The chief buyers are China, Germany, and various Asian countries. A clearing house system based on barter is used for trade with the CIS states. For example, Kyrgyzstan sells electricity to Kazakhstan and gets foodstuffs in return. Under this clearing house system, some 70 percent of Kyrgyzstan’s trade is with Russia. The fracturing of the highly interdependent USSR economy has left the successor states with the problem of disrupted supplies and markets.

The Kyrgyz privatization system uses coupons (2 soms for 100 units) that enable people to become shareholders in privatized companies. Holders can sell their coupons through outlets created for this purpose. The coupons are not attached to specific enterprises. In the first phase of privatization, preference was given to the workers in the enterprises being privatized, but the government now realizes that a competitive privatization system is better, and anyone with money can now acquire coupons to become a shareholder in any privatized enterprise. The idea is to boost the capitalization of privatized units rapidly. Foreign investors can also buy coupons, and discussion is ongoing about removing all limits on foreign ownership. Investment is coming in from Turkish, South Korean, and Canadian firms. Kyrgyzstan has significant hydroelectric potential and plans are being developed to export electricity to China, Pakistan, Uzbekistan, and Kazakhstan. For oil and gas, Kyrgyzstan is totally dependent on Russia and Uzbekistan but exploration for domestic sources is underway.

General Anarbek Shamkeevish (December 13)
Title: Commander, Internal Forces, Kyrgyz Ministry of Internal Affairs

There are no major security problems in Kyrgyzstan. Kyrgyzstan’s borders are unguarded and given the economic weaknesses of CIS countries, no state is in a position to threaten another. Yet the Tajik civil war poses the danger of refugee flows and the aggravation of the already substantial drug traffic moving across Kyrgyzstan via Afghanistan and
Tajikistan. The CIS 1992 agreement on collective security is essential for Kyrgyzstan’s security. Acquiring and training qualified personnel (especially NCOs) is a major problem inasmuch as many of the higher military schools were located in the other Soviet republics; these successor states now want money before they agree to train Kyrgyz officers, and Kyrgyzstan does not have the resources to open its own training facilities. The reliance on Russia for training will thus remain strong; some Kyrgyz cadres are also studying in Ukraine and Uzbekistan. If earlier, 70 out of every 100 officers in Kyrgyzstan were Russian the proportion has now fallen to 60/100. It is better if conscription is ended and replaced with a contract system, but for the moment the state cannot afford this; thus progress of economic reform is essential to increasing the efficiency of Kyrgyzstan’s armed forces.

OVERALL IMPRESSIONS: Not surprisingly, General Shamkeevish turned out to be a Soviet-era officer, who was reticent about holding an open discussion of military and security issues with foreign scholars. The Soviet military banners and the bust of Lenin showed that the pace of change is slow in some areas, even in reform-oriented Kyrgyzstan.

Asungazi Shashevich Israelov (December 13)
Title: Chief, Department of Control of Economic Reform

The Issyk-kul region has abundant potential for tourism and hydroelectricity given its mountains and rivers. It also contains gold, coal, and ferrous metals. But the terrain complicates mining. Forty percent of Kyrgyzstan’s population is rural and 35 percent of its economic output comes from the agricultural sector. The country has 7 million sheep. It is in "deep economic crisis" after the Soviet collapse. The volume of economic output, especially in the industrial sector, has fallen sharply. As for reform, the prices for communal services (utilities, apartments) have not been freed for fear of the hardship that would bring. The price of fuel will be liberalized in 1996. Bread was subsidized till the end of 1994. Overall, steep price increases will take place: on the order of 100-200 percent. In terms of the number of enterprises, some 47 percent of state property has been privatized. The State Bank is independent and works closely with the IMF and World Bank and supports the government’s reform plan. This is in sharp contrast to what Russia has experienced. Kyrgyzstan’s budget deficit is large--some 8 percent of GNP despite the plan to hold it to 4 percent.

Shaileeva Tolkunasanovna (December 14, 1994)
Title: Leader, Women’s Party

The Women’s Party of Kyrgyzstan, founded in late 1994, is the first party in the world dedicated principally to defending the interests of women and promoting their participation in
government and public life. Kyrgyz women are not as yet active in these spheres, even though they account for 52 percent of the population. There are women's organizations in Kyrgyzstan, but the Women's Party was set up to advance the political interests of women. On December 13 the party held its first congress to select candidates for the national parliamentary elections; 12 will be running. The Party's leaders have met with Akaev, who supports its aspirations. For its part the party supports Akaev's economic reform agenda.

The criticism that reform will benefit the rich and hurt the poor is common and natural. But without private property and the market Kyrgyzstan's economic crisis will never be solved; nor will the advancement of women proceed. There are still major obstacles to reform: bureaucrats who are threatened by the expanding private sector; the existing parliament that is identified in many respects with the status quo; corruption; and organized crime. But reform is essential even if it increases disparities in wealth. A rich stratum is needed for capital accumulation and to increase the government's revenue base. The resulting tax resources can be used for social programs to mitigate the pains of reform. "If I have to choose between democracy and reform, I will support reform."

GENERAL OBSERVATIONS: A wealthy (she was fashionably dressed and her daughter wore what appeared to be a mink coat), dynamic, and obviously well connected woman, Shaileeva represents the new breed of go-getter entrepreneur/politician. She runs a successful business, and people like her could provide the social basis for continued reform. She also typifies something that sets Kyrgyzstan apart from the rest of Central Asia: the significant presence of women in politics and public life.

Professor Itzhak Brudny (December 14)
Title: Professor, Kyrgyz Academy of Sciences

Most of the population sees democracy and corruption as related phenomena. The opposition to Akaev will fade but this will make life more difficult for him because he cannot point to his opponents as the root of Kyrgyzstan's troubles. The future of democracy depends on the economic situation. There is a democratic tradition in Kyrgyzstan connected to the pre-totalitarian past of the country. But it is social, not political, in that it rested on community-level organizations based on consensus. The roots of modern political democracy are weak. The future of democracy is uncertain because economic reform will bring hardship to the masses, and the government lacks the resources to alleviate this hardship. The government will lose its social base to the extent that it draws its main support from an unrepresentative rich class. The reforms have a narrow base of support. The intelligentsia has a dual orientation, depending on the state for benefits and employment on the one hand, while seeking to reduce
this dependence and create a new system on the other. The younger generation is split between those who are urbanized and oriented to the West and those who live in the rural areas and identify with Kyrgyz traditions. The habits and values of the Soviet era still hang heavy on the intelligentsia. Given this reality, and Kyrgyzstan's traditions, a Western style democracy cannot be built in the country.

Inter-Ministerial Task Force on Narcotics Control (December 14)

With the collapse of the USSR, the once-subterranean drug trade has come into the open. Open, poorly-policed borders, economic hardship, and states lacking the technology and resources for surveillance have made for an environment in which the illicit drug trade flourishes. To combat this problem, Akaev created a Commission on the Struggle Against Narcotics to coordinate the work of agencies combatting the drug trade. Contraband drugs move from Pakistan and Afghanistan through Kyrgyzstan en route to Russia and the Baltics. The operations are controlled by Afghan and Pakistani drug barons. With Iran having largely stamped out the drug trade, the importance of Kyrgyzstan as a transit point has increased inasmuch as the old Iran-Turkey-Marseilles route is now more complicated to use. With open borders in the CIS, weak post-Soviet states, and the turmoil in Afghanistan, the drug lords of Pakistan and Afghanistan have been increasingly turning to Tajikistan and Kyrgyzstan as conduits. The "narcomafia" has a vested interest in instability because a robust government can strangle its operations. The volume of drugs flowing through Kyrgyzstan is estimated at 100 kilograms a day. In addition to drugs from the outside, local drug cultivation (marijuana) occupies some 60,000 hectares. Kyrgyzstan and Kazakhstan need to work together inasmuch as there is a great deal of drug cultivation along the common border. (150,000 hectares in Kazakhstan are devoted to marijuana). The CIS states are increasing cooperation to stamp out drug trafficking, which is the foremost national security problem for these states. Drug use in Kyrgyzstan is rapidly increasing, as is the number of addicts and drug-related ailments. The drug problem is especially acute in Chu oblast, where an estimated 53 percent of all teenagers use drugs.

Canary Jakypova (December 14)

Title: Head, Soros Foundation, Bishkek, Kyrgyzstan (also ex-editor of the closed paper, Politika, and former Minister of Education)

Jakypova ran a political research center that was closed down because it was probing corruption in the admissions procedure in state educational institutions, the diversion of Kyrgyzstan's gold assets, and the activities of the head of the secret police. She then began
Politika, which ran afoul of the government for aggressive reporting. The paper also criticized Nazarbaev and Karimov, both of whom probably implored Akaev to shut it down. Kyrgyzstan cannot be said to have a truly free press given the government’s treatment of truly independent newspapers. Moreover, the culture of the intrepid journalist does not exist given the Soviet legacy, and the government controls the infrastructure needed to produce newspapers. Journalists are also routinely coopted with various officially-granted privileges. Kyrgyzstan needs outside assistance to train a cadre of competent and independent journalists.

In Kyrgyzstan, privatization has been distorted by corruption. When asked why they invest in Turkmenistan and not in Kyrgyzstan, Turkish entrepreneurs say that Kyrgyzstan’s corruption exceeds that of the other Central Asian states. Some 10 percent of the value of a project must be set aside to pay off the officials with jurisdiction over foreign investment. Turkish government aid given to Kyrgyzstan has also been diverted for corrupt purposes. In poor nomadic Kyrgyzstan there is no tradition of capital accumulation or rich families (such as existed in Uzbekistan covertly in the Soviet era); thus corruption has become the key route to enrichment. Because government officials have no wealth, they can easily be bribed by foreign businesses; and this applies to Akaev as well. Only the creation of a new generation of Western-educated leaders will change this. The current generation of leaders are all corrupt ex-communist bureaucrats who view honest officials as a threat.

The Western conception of Akaev as a scholar with a non-communist past is a myth. During the 1986 upheaval in Alma Ata, Kazakhstan, Akaev, who worked in the Kirghiz Communist Party bureaucracy attacked Kyrgyz intellectuals who supported the Kazakh protestors.

In Kyrgyzstan today political parties do not play a major political role; clans do. Akaev’s clan is based in the Kemin region where he was born. There are also other clans based in such regions as Osh. The elections are not democratic because of the intrusion of clan politics. The next president could emerge because he plays the central role in putting an end to a social crisis sparked by the simmering north-south conflict. Party democracy would have had little to do with it.

GENERAL OBSERVATIONS: Jakypova is a bright, outspoken critic of Akaev. who epitomizes one of the most striking qualities about Kyrgyzstan: the presence of many well educated and capable women in government and (the evolving) civil society.
Alibek Jekshenkulov (December 14)

Title: Deputy Foreign Minister

A key task of foreign policy is precisely to develop an independent capacity for foreign policy formulation. (In three years Kyrgyzstan has had five Foreign Ministers.) In the Soviet period, foreign policy was made in Moscow, and the republics were told whom to host and what to do; they fulfilled essentially a cultural function. Kyrgyzstan hosted Indian, Bulgarian, and Mongolian officials who stopped by for recreation at the end of official business in Moscow.

As a small state situated between two major powers--China and Russia--Kyrgyzstan finds itself in a delicate geopolitical situation. Moreover, within Central Asia, Uzbekistan and Kazakhstan have ambitions to be regional leaders. In addition, there is the danger of fallout from the Tajik civil war, and China has an unresolved territorial dispute with Kyrgyzstan. Uzbekistan's pretensions to regional hegemony implies bad things for small states like Kyrgyzstan, which has 500,000 Uzbeks in its southern region, and the danger exists of a recurrence of the 1990 Uzbek-Kyrgyz clashes in Osh. Unlike the armed forces of Kyrgyzstan, Uzbekistan's are increasing in size. Uzbekistan has a clear interest in using the Uzbek diaspora in Chimkent oblast in southern Kazakhstan and in southern Kyrgyzstan to increase its regional power. While Islam has little appeal among most Kyrgyz, this is not the case among the Uzbeks living in Kyrgyzstan. While there is no sign of this at present, we cannot exclude the possibility that Uzbekistan, like Russia, will insist on the right to protect the welfare of its co-ethnics living abroad. Uzbekistan has shown its true face (that of a potential hegemon) in the Tajik civil war, and it is clearly interested in exploiting the strategic utility of its diaspora in Tajikistan, Kyrgyzstan, and Afghanistan.

Although Iran is not happy about this, the cultural and economic influence of Turkey in Kyrgyzstan far exceeds that of Iran. There are Kyrgyz students in Turkey, and Kyrgyzstan is opening Turkish schools. The opening of the Karakorum highway will provide Kyrgyzstan access to China and Pakistan, and there have been negotiations with China and Pakistan on this matter. Access to Europe can be had via Iran and Turkey, although Iran has not been fully cooperative. ECO, by contrast, is not a viable mechanism for giving Kyrgyzstan an opening to the global economy because it is a venue for Turkish-Iranian competition, a fact clearly displayed at the December 1994 ECO summit in Tehran, which failed to adopt any meaningful resolutions.

III. KAZAKHSTAN

GENERAL OBSERVATIONS ON THE COUNTRY: Kazakhstan is a complex mix: it combines the potential for a successful post-Soviet economic transition and increasing
interaction within the global economy with the potential for serious upheaval rooted in the simmering tensions between native Kazakhs and ethnic Russians, who account for 38 percent of the population—a share only slightly smaller than that of the titular nationality. A long border with Russia and the concentration of the Russian population in the northern regions of the country complicates this ethnic problem.

On the bright side, the country has a large internal market (Kazakhstan has a land area larger than Western Europe and is the second most populous Central Asian country), political stability, a leader who is widely respected at home and abroad, and an abundance of natural resources, particularly oil. The imprint of foreign investment (as reflected in ubiquitous boutiques, billboards, flashy consumer goods, hotels filled with foreign businessmen, an abundance of fancy cars, stylishly adorned native newly-rich toting cellular phones) exceeds that of the other Central Asian states with the possible exception of energy-rich Turkmenistan. Compared to ungainly, dusty, and drab Tashkent or dark and polluted Bishkek, Almaty is a colorful, clean, humming metropolis. The pace of economic reform far exceeds that of Turkmenistan and Uzbekistan as does the growth of civil society. In a word, Kazakhstan combines the attributes of Kyrgyzstan (stability, economic reform, political openness) with advantages (size, natural resources, and attractiveness to foreign investors) that Kyrgyzstan does not have.

That said, there are problems. The danger of Kazakh-Russian tensions leading to a secessionist movement in the north, possibly aided by Russia, has already been mentioned. Many local Russians are wary—and some downright resentful—of the process of Kazakhization (the proclamation of Kazakh as an official language, the revival of Kazakh cultural and historiography, and the assumption of leading political posts by Kazakh) that is underway. Unlike elsewhere in Central Asia, the size of the local Russian population and the proximity to Russia means that Kazakhstan's Russians will stay and fight rather than leave. Another problem—related to the infancy of the Kazakh state, the collapse of Soviet power, and the process of economic liberalization—is the surge in organized and petty crime. (Almaty is a truly dangerous city at night.) Finally, the freeing of prices and the creation of an indigenous wealthy class has made for a cost of living (the inflation rate in 1994 was 1080 percent) that is readily apparent even to the Western visitor. While a small stratum has done well on account of economic change, most people are struggling to get by and have seen their economic life deteriorate. The average monthly wage in late 1994 was 150 tenge; at the local bazaar, bread cost 27 tenge, a kilogram of butter 130 tenge, and oranges 65 tenges per kilogram. The key question is whether the pain felt by many will prove shortlived and will make for a route to
significantly greater prosperity and economic security. If this does not happen, the social support for reform could dry up and economic unhappiness could breed ethnic conflict.

Although some local journalists deny this, civil society (an unfettered press, civil organizations, political parties) is, by Central Asian standards, well developed. Nazarbaev is the supreme ruler, but is not a dictator in the manner of Karimov or Niazov, although he has used the popular referendum as a mechanism to prolong his term in office. Nor is there any overt personality cult in the form of omnipresent photographs, statues, and sage proclamations. The balance of power within and among clans is central to Kazakh politics, as is true elsewhere in Central Asia.

KAZAKHSTAN INTERVIEWS
Asylbek Bisenbaev (December 19)
Title: Head, Information and Analytical Center, Office of the President

While Nazarbaev supports the idea of freedom of movement within the CIS, he opposes the concept of dual citizenship. Indeed the concept is problematic for Russia itself: its constitution does not provide for it, and there are numerous nationalities living in the Russian Federation who might opt for dual citizenship. Russians who have left Kazakhstan for Russia can come back without serious obstacles even if they have taken Russian citizenship; but the obstacles are bound to be fewer yet if they have not adopted Russian citizenship. Indeed some 3,300 Russian who left Kazakhstan for Russia have returned.

As for language policy, the constitution stipulates that Kazakh is the official language. Russian is recognized as the language for inter-ethnic communication. In areas where a particular nationality predominates, its language can be used as the chief vehicle for education and so on. There is a provision for choice of language as regards education, but all of Kazakhstan’s citizens must demonstrate some minimal competence (instruction up to grade seven) in the Kazakh language. The charge of "Kazakhization" is false. There are not enough texts, teachers, and educational institutions for that to occur. The Russians of northern Kazakhstan, who make this charge, tend to be unduly alarmist. Thus in the city of Karaganda (population 600,000), there had not been even one Kazakh school, but the Russian population cried "Kazakhization" when one did open up recently. In northern Kazakhstan there have been serious economic hardships due to the closure of large industries that depended on inputs from Russia, but this was not a Kazakhization policy aimed at hurting Russians. Indeed, the idea that economic problems are worse in northern Kazakhstan than elsewhere in the country is false. People everywhere are suffering.
Professor Umerserik Kasenov (December 19)

Title: Head of the Institute of Strategic Studies (established in 1993 and attached to President Nazarbev's office)

The main challenge for Kazakhstan is the transition from the Soviet empire to independent statehood. Three problems complicate this in particular: the dependence on Russia in the economic and military spheres; the fact that Russia "hasn't yet said goodbye to the empire;" and the demographic composition of Kazakhstan. It has been hard for Russians to accept the independence of Kazakhstan for psychological and geopolitical reasons. Therefore, the fate of Russians in Kazakhstan is one of the key issues between Kazakhstan and Russia.

Russia continues to have economic interests in Kazakhstan as well as strategic interests in the Baikonur testing facility. As for the Caspian Sea, in the Soviet era there were only two littoral states, the USSR and Iran; now there are five. Thus the regulatory value of the 1921 and 1940 Iran-Soviet treaties is in doubt. Russia cannot exercise the degree of control in the Caspian area that it has become accustomed too. The exploitation of the oil riches of the Caspian and the issue of national jurisdictions has become a thorny issue. Russia wrote a letter of protest to Washington after Azerbaijan signed a deal with US companies on Caspian Sea oil, and Kazakhstan may run into the same problem as it seeks foreign investment in the Caspian Sea. (Kazakhstan has already involved Chevron, BP, Mobil, and AMOCO.) Russia maintains that the Caspian is a lake, not a sea, and that this gives all littoral states equal rights over its wealth. But if the Caspian is deemed a sea, the degree of Kazakh control would increase because it would be divided into exclusive national jurisdictions. The issue is now under negotiation among the littoral CIS states.

At the end of 1993 Russia began pushing for dual citizenship and the status of official language for Russian, but recently the Russian position has moderated on both these matters. For its part, Kazakhstan rejects dual citizenship as it would give Russia a legal basis for intervention in Kazakhstan's internal affairs. As for northern Kazakhstan, the government cannot recognize the Cossacks as a special group as they are not an ethnic group; nor can it give them special rights over the land, the right to bear arms, and the right to maintain independent military formations. Kazakhs have not forgotten the role that the Cossacks played in the conquest of Kazakh lands. Most local Russians do not approve of the Cossacks or their demands, but the nationalist Russian media tend to give undue coverage to the Cossacks and to say that the Kazakh government discriminates against the Cossacks. Kazakhstan's Cossacks have forged links with their counterparts in Western Siberia--something that the Kazakh government considers prejudicial to Kazakhstan's sovereignty. To underscore Kazakhstan's commitment to the northern regions, Nazarbaev proposed in parliament that the capital be
moved north to Aqmola, but no decision has been taken on this; the feasibility of implementation is being researched. The considerable cost that would be involved is well understood by Kazakhstan's leaders.

Kazakhstan and China signed an agreement on the common border during Prime Minister Li Peng's April 1994 visit to Almaty. There is still disagreement on two small areas. Kazakhs remember the history of Chinese expansion in the 18th century and are aware that China today faces demographic pressures. From February 1994, Kazakhstan began introducing strict visa requirement for Chinese wishing to enter the country.

While Kazakhs believe that Russia could become the principal national security threat, it is well understood that issues that divide the two states must be amicably resolved and that Kazakhstan has no viable means to balance Russian preponderance. In addition, Kazakhstan will seek to increase its integration with international security structures such as the CSCE and to promote the concept of CIS collective security. The strategy is to discipline Russian power. The Chechen crisis shows that there is a danger of Russia throwing its military weight around. Kazakhstan wants to retain its Russian military officers and to integrate into the CIS and to promote the idea of a Eurasian Union. Three years ago 90 percent of all officers were Russian; the percentage is now 80. Given that Kazakhs are 43 percent of population, Kazakhstan is committed to increasing the representation of Kazakhs in the officer corps. There are training agreements with foreign governments, mostly with Russia, but also on a much smaller scale with Turkey. Training outside Russia is complicated by the barriers of language and the lack of money.

OVERALL IMPRESSIONS: Kasenov is an influential and articulate analyst of strategic issues who was (surprisingly) willing to adopt a Kazakh nationalist position and to freely voice his concerns about Russian intentions.

Viktor Verk (December 20)
Title: Journalist, Caravan newspaper (circ. 300,000)

There is freedom of the press in Kazakhstan: some 1,250 mass media units (newspapers, magazines, radio and television stations) have been registered with the government (by comparison Uzbekistan has 55 newspapers) and they are free to criticize official policies. But there are problems: the debate is often one-sided; the press does not have the tradition or expertise to act as a watchdog; freedom of the press is not an important value in a country where people are preoccupied with economic survival; and the government does not really take the press seriously as a source of ideas and expertise.
There is no viable alternative to Nazarbaev as a national leader, and he will almost certainly prevail if challenged for the presidency in the elections scheduled for 1996. The opposition offers criticisms but no coherent alternative program.

Ethnic Kazakh elites in the opposition often want to focus on the ethnic aspects of politics, forgetting that Kazakhstan is a multinational state in which the titular nationality is not a majority. An exception to this is Olzhas Suleimenov, who therefore has been able to broaden his appeal beyond Kazakhs and could emerge as a national figure capable of challenging Nazarbaev. The ethnic issue is a "ticking time bomb" in Kazakhstan. It is hard for non-Kazakhs to get official jobs: 95 percent of such positions are going to ethnic Kazakhs, who dominate the natural recruiting pool, the former Communist Party bureaucracy. During the first half of 1994, 100,000 Russians left Kazakhstan, and this constitutes a serious loss of technical skills for a country that badly needs them. While Kazakh politicians are divided along clan and regional lines, they will unite if the Russian population begins to mobilize politically. If Russia solves its economic problems, it may seek to grab Kazakhstan, but for the moment it is mired in economic difficulty.

OVERALL IMPRESSIONS: Verk is an ethnic Russian and a reporter who was recommended by contacts in the Almaty USIS office as a person worth interviewing. An undercurrent of the interview was his concern about the future of inter-ethnic relations.

Leonid Solomin (December 20)
Title: Leader, "Birlesu" Trade Union Movement

Birlesu appeared in 1989 and was the first free trade union to emerge. It organizes the workers in non-state enterprises. After a while other trade unions emerged, and in 1991 a national coordinating center was created. Birlesu is part of this coordinated network, which brings 50 unions together. The tasks of the independent trade union movement are to increase the independence of unions, to monitor laws affecting workers, to educate trade union leaders, and to advance workers' rights. Integral to these goals is developing contacts with international unions. Nazarbaev is opposed to trade union activism along such lines but he has been forced to accept it. The trade union movement has a good lobby in the parliament and 10 deputies belong to the coordinative network.

The independent trade unions support economic reform and marketization, including in agriculture. They seek to negotiate contracts with independent enterprises. The workers see the current process of privatization as one of theft and are alienated from it. The common person has little voice and can point to wrong decisions only after they have been adopted; he or she is not involved in the decision-making process. The trade union movement seeks to remedy this
by increasing the influence of civil society. A government dominated by the nomenklatura of the former Communist Party is of course hardly open to this approach, but pressure from below can bring about change. People have to learn to take responsibility and avoid looking to the government to run things and feed them. No government has successfully fed its people.

The trade union movement is not divided by ethnicity, although the miners’ union is chiefly Kazakh. The fact that specialists in industry are chiefly Russian has a historical background, and such people are leaving due to the government's "subjective" decision-making style. Language policy is also a key reason, as is the lack of agricultural privatization. Private control of land would increase the Russians' sense of security and empowerment. Economic policy is the key to inter-ethnic harmony. The government is focussing too much on the language law, which lacks an economic basis. They do not now have the resources to promote the Kazakh language to the extent to which they aspire; nor will they later. Russians worry about trends that suggest that the business of local government is being conducted in Kazakh even though there is no "objective" basis for this. And professional appointments are being based on the criterion of nationality and the knowledge (or lack thereof) of Kazakh. While there is no discrimination at the central level, it does exist at the local level.

Nazarbaev cannot promise people that there is light at the end of the tunnel as regards the economy, crime, and other key issues. People are fed up and that is how they will approach the 1996 elections. To stay in power he must convince people that he is taking measures to reduce the influence of bureaucrats and to increase that of civil society. The key roadblock to such reform is the legacy of 70 years of Soviet rule and decades of fear and passivity before that. The tradition of having "bosses" run the show has strong roots.

The IMF and World Bank tend to use economic indicators, such as inflation, as the key criteria for providing economic assistance. But the principal criterion should be progress toward civil society. Giving money to the Kazakh state makes life for non-governmental organizations more difficult because they confront a well-funded government with inherent bargaining advantages. Similarly, most foreign companies work with the government, thus also contributing to statism. Most states who fund the IMF and World Bank care only about political stability and not about the level of democratization. The IMF and World Bank should, in cooperation with such organizations as Amnesty International and Freedom House, work out a more balanced approach. Kazakh trade union officials need more exposure and invitations to the West; as it stands, Western governments chiefly invite government officials, not the leaders of the emerging civil society.
OVERALL IMPRESSIONS: Solomin is a well-known public figure, whose wife is a member of parliament. While most of the interview dealt with the trade union movement and civil society, as a non-Kazakh, Solomin, like Viktor Verk, was clearly perturbed by what he sees as a governmental policy biased in favor of ethnic Kazakhs.

Alexandra Dokhuchaeova (December 21)
Title: Head, "Lad" (the principal organization representing the interests of Kazakhstan's Russians)

Lad was organized in 1992 and held its first conference that year in Pavlodar. The Ministry of Justice refused to allow it to be registered until May 1993. There are 30,000 "card-carrying" members and many more sympathizers. All told some 50,000 people support Lad, as indicated by the number who signed the organization's petition to have dual citizenship approved. Lad seeks both to advance Slavic culture and to influence public policy on matters vital to the Russian population of Kazakhstan. It has seven members in the national parliament.

The emigration of Russians from Kazakhstan is due to economic hardship, discrimination, and a language policy that privileges Kazakh. Despite Russia's economic problems, Russians have been willing to emigrate for these reasons. They feel they have no future in Kazakhstan and are alienated, and this is heightened by the fact that the government's policies are shaped by ethnic criteria. Surveys show that many Russians would change their mind about leaving if Russian were accepted as an official language on par with Kazakh and if dual citizenship were enacted. They are not reassured by statements, such as that made by the Director of the Center for Strategic Language Research, who said in 1990 that Kazakh should be the language for all official business and that the government should be revamped and oriented to furthering the interests of ethnic Kazakhs. To Russians these ideas seem designed to get rid of non-Kazakh professionals. The Russian language has the "strange" designation as the language for "inter-ethnic communication."

The government is flatly wrong when it says that Russians are not being discriminated against. In 1987 in the highest state bodies the proportion of Russians and Kazakhs was equal; by 1994 the number of non-Kazakhs had slipped to 25 percent. This occurred as a consequence of Russians being removed from official posts at the central and national level. People have lost their jobs because they do not know Kazakh. Once a Russian leaves a post, he or she is inevitably replaced by a Kazakh. Russian students are finding that their Kazakh counterparts get preferential treatment. Economic credits are also given based on clan politics within the Kazakh ethnic group, and this dynamic hurts Russians. This atmosphere leads Russians to conclude that they have no future. Central Asian leaders say they do not want Russians to
leave but the language policy of Kazakhstan is driving them out. Ninety percent of all Kazakhstan's citizens use Russian and 60 percent see it as their native language; yet the government discriminates against the Russian language.

Voting in the national parliament already is based on ethnic lines to a significant degree. Out of the total number of parliamentary deputies (170), 40 are selected by Nazarbaev. They have to run for office but are elected no matter how many votes they get.

Unless Russian is accepted as an official language, Russian emigration will continue, hurting the Kazakh economy and leading to the appointment of unqualified people to important posts. Why should Russians learn Kazakh if it is not a language needed for acquiring the information they need in their professions? Learning Kazakh is something a Russian would do only as an act of humility to appease the government. Requiring them to do so is solely a means to dominate and rule over them. There has been no noticeable emigration of Russians from southern to northern Kazakhstan but there is a significant emigration to Russia, and it has not peaked; the highest levels are yet to come.

Experts have said that continued ethnic tensions could lead to the secession of northern Kazakhstan. The continued alienation of the Russians in northern Kazakhstan will make a mockery of the Kazakhstan constitution that says that Kazakhstan is unitary state. The Russians of northern Kazakhstan feel that the land they inhabit is theirs and has been for three centuries. They will not emigrate like the Russians elsewhere in Central Asia. They have said that if there is no dual citizenship option, they will stay "home" but take Russian citizenship. This will be an even bigger problem for the Kazakh state.

Lad is disappointed that Russia has not pushed harder on the dual citizenship issue. Had it successfully done so the rate of Russian emigration would have fallen sharply. The Kazakh government's view that dual citizenship would give Russia a basis for intervention is false. An agreement could be drafted that explicitly ruled out intervention; besides the US and Israel have a dual citizenship agreement and the US does not intervene in Israel. Besides if Russia wants to intervene, the absence of a dual citizenship agreement will not stop it.

OVERALL IMPRESSIONS: Dokhuchaeva is outspoken on inter-ethnic issues. Beneath her pleas to give Russians better rights is the implicit warning that the alternative is to jeopardize the territorial integrity of the country. Like many Russians, she implies that Kazakhs lack the capability to manage their own affairs.
Khozahmed Hassan (December 21)
Title: Chair, "Azat" (also, head of the affiliated Kazakh human rights movement "Zheltoksan")

Zheltoksan is not a political party but a human rights organization. It was formed in 1989 in the wake of the 1986 demonstrations in Almaty (they broke out after Gorbachev replaced the Kazakh Dinmukhamed Kunaev as Kazakh Communist Party First Secretary with a Russian, Gennadi Kolbin) to investigate the actions of the government. In that episode, 8,000 were arrested and many died (the precise number is not known). Khozahmed was imprisoned for two years; and he had been a dissident in the 1970s. Zheltoksan is also concerned with the issue of Kazakh sovereignty; in 1990 it was registered as the National Democratic Party--Zheltoksan, but it does not now operate as a party.

Azat was established in June 1990 with the approval of the government. Khozahmed did not set up the party but, as a well known dissident, was included on its coordinating committee. In a year he was elected deputy and began making radical proposals such as banning Kazakhs from serving in the Soviet armed forces. He wanted to offer an alternative to Nazarbaev; although the leaders of Azat did not support him, many in the rank and file did. He favored voting "no" on the 1991 referendum on retaining the USSR, but the Azat leaders favored continuing the Union. This created a spilt between the leaders and the regular members and led in October 1993 to Khozahmed's becoming the head of Azat, which he began to radicalize; the former leaders of Azat left to join Zheltoksan. Khozahmed proposed a multi-party coalition government and fresh parliamentary elections. He was supported by Birlesu and the miners of Karaganda, but Nazarbaev came out against him and called Azat a violent, nationalist organization.

Azat's goals include the full independence of Kazakhstan; repairing the harm done by Soviet rule; opposing any confederal agreement with Russia or linkage such as the CIS or the proposed Eurasian Union; promoting the Kazakhs language and doing away with the concept of Russian as the language for "inter-ethnic communication." As to the last of these, what people use when they speak to each other is their business, but the state should have one official language; that should be Kazakh, which Russians must learn if they want to live here. They need to be given time to learn Kazakh, but the fact is that they came here as conquerors. Now the de facto official language of Kazakhstan is Russian, no matter what the constitution says. And yet the Russians complain. In 1923 there was a dual language policy; only 8 percent of the population was Russian then and virtually all the residents of Kazakhstan knew Kazakh. But after that the Kazakh language began to die and now Kazakhs, while accounting for 40 percent of the country's population, hardly know their language. This is the result of a Russification policy. Russian is a "strong horse" and will always beat the weak horse
(Kazakh). This will change only when the government systematically promotes the Kazakh language; only then will there really be a dual language system. "Dual language" is now a concept masking the dominance of Russian.

If the economic situation deteriorates, the Russians of northern Kazakhstan will say that "we don't want to stay in hungry Kazakhstan." Kazakhs will oppose this and then there will be a fusion of ethnic and economic unrest. It is not enough for Nazarbaev to proclaim that "we are all brothers." Unless he solves the problem of feeding people, Kazakhstan is in danger of splitting. The fact that so large and richly-endowed a country as Kazakhstan is such an economic mess is testimony to the extent of corruption and mismanagement.

The danger of northern Kazakhstan attempting to secede is real. Much of the historic land of the Kazakh people is already outside modern Kazakhstan. Thus Orenburg (now in Russia) was the first Kazakh capital; in the 18th century the Russians began building forts there. Likewise, Astrakhan (also in Russia) was a Kazakh city, which Ivan the Terrible conquered. Now only 130,000 Kazakhs live there. A total of 1 million Kazakhs live in lands annexed by Russia. A key problem for Kazakhstan in the future is the secession of the north, aided by Russia.

Land privatization is desirable, but not yet. Many Kazakhs were forced to flee Kazakhstan in the Soviet period. They or their successors are coming back and are entitled to share in the proceeds of land reform. Under a future land reform, land should not be sold to tenants but given free of charge.

The concept of pan-Turkism can be useful to make Central Asia more united, and the events in Osh (1990) and the Ferghana Valley (1989) show that such unity is essential. Conflicts among Central Asians can be used by external forces. But extending the pan-Turkic idea to cover Azerbaijan and Turkey could lead to Turkish economic domination, even though the idea of increasing Turkey’s economic role in Central Asia is a good one.

OVERALL IMPRESSIONS: A former musician, Khozahmed is a dramatic, charismatic Kazakh nationalist. But like Dokuhaeva’s, his ideas, if implemented, would almost certainly lead to ethnic conflict in Kazakhstan.

IV. TURKMENISTAN

GENERAL OBSERVATIONS ON THE COUNTRY: The most striking aspect of political life in Turkmenistan is the extent to which President Saparmurad Niazov has built a cult of personality. His sayings, portraits, and photographs are everywhere. The national airport--ultra-modern, freshly-built by Turkish, British, and Dutch companies. and incongruous in the parched desert surrounding it--bears his name; the national currency, the manat. is adorned by
his visage; each one of the 26 minimally-occupied hotels he has had built (side-by-side on one street on the outskirts of Ashgabat) by foreign companies, in anticipation of a flood of foreign capital to unlock Turkmenistan’s huge gas deposits, have huge portraits of the "Turkmenbashi" ("leader of the Turkmen," the title he has decreed for himself) illuminated with floodlights; and the town of Krasnovodsk has been renamed Turkmenbashi in his honor. No other Central Asia leader has such a pervasive cult of personality; nor do many leaders in the world at large.

The political opposition in Turkmenistan is virtually non-existent; it has been driven out, mainly to Russia and Turkey. Turkmenistan is an unapologetic one-party state, and, unlike Karimov in neighboring Uzbekistan, Niazov has not even bothered with the pretense of a lapdog opposition party. But, for a number of reasons, the thoroughgoing political control exercised by the regime is unlikely to generate instability. First, civil society is virtually non-existent, and the citizenry is undoubtedly the most passive and quiescent in all of Central Asia. Second, the intelligentsia is tiny and, in a country that is 90 percent desert, the problems of managing restive intellectuals is made easy by the fact that there are few large urban centers which, in any event, are geographically cut off from one another. Third, unlike Kazakhstan, Turkmenistan does not have a problem with its ethnic Russians. It is (with the possible exception of Tajikistan, given the high rates of Russian emigration created by the civil war) ethnically the most homogeneous country in the region, with Russians accounting for a mere 9 percent of the population and Turkmen for 71 percent. While Turkmen and Russians live socially in separate orbits, there is, in contrast to Uzbekistan and Kazakhstan, no evidence of anti-Russian feeling; nor do Russians betray any visible anxiety. Fourth, given Turkmenistan's substantial gas deposits and impressive influx of foreign capital (Turkish investment has made far greater inroads here than in the rest of Central Asia), the regime has the resources to coopt dissent; indeed, it is doing so by providing electricity and water free of charge. In this respect, Turkmenistan could emulate the model of the Persian Gulf's sheikdoms or Singapore's silk-glove authoritarian state. Fifth, Islam has made but a minimal imprint in Turkmenistan. Very few mosques have cropped up, and unlike in Uzbekistan and Tajikistan, Islam as a political force is non-existent. Finally, Niazov has achieved the status of the only viable leader (even if he has done so by squelching the opposition) and is an adroit manager of the politics of clan and region. While he is a dictator, it is mistaken to assume that his hold on power rests on naked force or intimidation.
TURKMENISTAN INTERVIEWS

Valery Ochsertsov (June 5, 1995)

Title: Deputy Prime Minister for Economy and Finance

The base of Turkmenistan's economy is energy, and it is therefore in a better economic position than most of the other Central Asian states. At the moment gas reserves are estimated at 18-20 trillion cubic meters—and that with only 20 percent of the country having been explored. Gas production in 1992 equalled 86 billion cubic meters; it has now fallen by 50 percent due to the inability of the CIS states—chiefly Ukraine, Armenia, and Azerbaijan—to pay for their imports. The arrears total $2 billion, 50 percent of which is owed by Ukraine alone. In 1994, with the involvement of the IMF, the Ukrainian debt was rescheduled with a five-year payment period agreed upon and a two-year grace period at the outset. Ukraine is required under these terms to pay for its current purchases. In 1992-93 Ukraine imported 22-23 billion cubic meters; in 1995 it will purchase 10-12 billion cubic meters. Thus a key issue for Turkmenistan is the need to find new and lucrative markets for its natural gas. The government is working on several tracks. First, it is seeking to increase exports to Russia and through Russia and Belarus to Eastern and Western Europe. For Russia, Turkmen gas is cheaper and far easier to transport to areas in western Russia than Siberian gas. Turkmen gas is also easier to get to European markets, and a cooperative agreement to share the proceeds is feasible. Russia and Turkmenistan signed an agreement on these lines in May 1995. Second, there is the concept of a Turkmenistan-Iran-Turkey-Western Europe pipeline that bypasses the existing pipeline system running through Russia. The European Bank and European companies are interested in this, discussions have been held, a British Bank has expressed an interest in funding it, and Iran has agreed to cover 50 percent of the construction costs. But the US is opposed because the project involves Iran. Third, there is the Pakistani pipeline, which would be 1200 kilometers, much shorter than the pipeline through Iran and Turkey. It would run via Afghanistan to Pakistan and give Turkmenistan access to western markets from Pakistan. The US approves of this project. Fourth, in the long-run, there is the possibility of a pipeline through China to the Yellow Sea. Mitsubishi has expressed some interest in this.

Turkmenistan is blessed with a good climate and land suited for cotton cultivation. The current cotton output is 105 million tons per year. The increased effectiveness of water usage and technological improvements should lead to the quadrupling of production. Negotiations are afoot with Israel and Egypt on improving irrigation technology.

Turkmenistan is also situated at the crossroads of commerce, and other states stand to gain by using Turkmenistan as a transit point to the Caspian Sea, Russia, Iran, Afghanistan, and Pakistan. Turkmenistan's foreign policy of positive neutrality is designed to reap these
benefits. As for the Meshed (Iran)-Ashgabat rail line, Turkmenistan’s portion has been completed, and Iran is working on its sector. A Turkmenistan-Herat (Afghanistan)-Qandahar (Afghanistan)-Pakistan road is also being considered.

OVERALL IMPRESSION: Ochertsov is one of the few--indeed perhaps only--Russian in the top echelons of government, and he is one of the few officials that the local IMF director considers to be competent in economic matters.

Hakim Ishanov (December 5, 1994)
Title: Deputy Prime Minister for Oil and Gas

Despite their arrears in gas bills, Turkmenistan will not cut off exports to Armenia, Georgia, and Ukraine, because that would destabilize these countries. Despite the rescheduling agreement that was arranged for Ukraine by the IMF and the US, Ukraine is not abiding by its terms. It is unable to make either the cash or barter portion of its payments for Turkmen gas. Turkmenistan cannot indefinitely subsidize the Ukrainian economy.

Turkmenistan is trying hard to diversify its gas export pipeline routes so as to reduce dependence on Russia and reduce the transit time to European markets. The US opposition to the Iran-Turkey pipeline concept could be a deal-killer because international financing is unlikely in the face of US opposition. But it is counterproductive to isolate Iran in this manner; for its part, Turkmenistan has a vast border (its biggest) with Iran, which is a powerful country with which Turkmenistan has to live in peace. Russian and Turkmenistan worry about the upkeep of the pipeline that runs through Uzbekistan en route to Russia; the Uzbeks take transit fees but do not use it for upkeep. The Yellow Sea pipeline project is under discussion at the moment with Mitsubishi, but given the length of the pipeline (3,000 kms), the costs, and the technical challenges, it will take time.

The World Bank tends to underestimate Turkmenistan’s gas reserves; foreign firms are far more optimistic. (Apart from gas, Turkmenistan produces 5 million tons of oil and 1.2 million of oil byproducts.) Only about a third of Turkmenistan has been surveyed and already 140 gas and oil fields have been found. Argentinean and Dutch firms are doing further exploration and feel that there is excellent potential. Russian, Malaysian, and US companies are also involved. The Caspian Sea is also being explored by US companies. The Caspian Sea consortium consists of Turkmenistan, Russia, Iran, Azerbaijan, and Kazakhstan, and it needs to cooperatively define the legal basis for exploiting Caspian resources. The 1929 and 1941 Soviet-Iranian agreements need to be renegotiated. It is incorrect to proceed unilaterally like Azerbaijan has done. Turkmenistan agrees with the Russian proposal that each littoral state control the resources up to a certain distance from its coast, with the rest of the Caspian being
jointly controlled and the resources and proceeds of exploration shared. Azerbaijan, by
contrast, favors dividing up the Caspian into five exclusive national jurisdictions. Kazakhstan
wavers but it will ultimately support the joint control regime being pushed by Russia and
accepted by Turkmenistan. The meeting of Caspian states scheduled in Ashgabat in June of this
year will not definitively solve the question of how to define the Caspian's regime. The US
favors the Azeri position, but Azerbaijan is in a minority and will have to modify its stance.

Boris Shikhmuradov (June 7)
Title: Foreign Minister

On the Caspian Sea issue, the views of the US and Turkmenistan are radically different.
The existing body of international law pertaining to the sea cannot be mechanically applied to
the Caspian, so there needs to be a special legal regime governing it. Turkmenistan has the
largest littoral and Azerbaijan has the second largest. There are very large, rich energy
deposits right in the middle of the Caspian but all the other fields are on the Turkmen side.
Under Azerbaijan's scheme for exclusive and separate national jurisdictions, the fields in the
middle would belong to Azerbaijan and Turkmenistan. Russia thus strongly opposed the Azeri
position. To shape the Turkmen position, Russia's chief source of leverage is its control of
access to the Volga river; Russia has threatened Turkmenistan that, if it supports the Azeri
position, access to the Volga will be terminated. Turkmenistan has decided to forgo the
financial advantage inherent in the Azeri position and to support the Russian/Iranian position
for political reasons. This position favors a 35-mile exclusive national economic zone for each
littoral state, with the rest of the Caspian to be developed and exploited jointly and the
proceeds shared. Turkmenistan is unwilling, in effect, to jeopardize ties with Russia by
adopting the Azeri position. Supporting the Azeri position would also complicate relations with
Iran, with which Turkmenistan has a 1,500 km border. Overall, Turkmenistan's foreign policy
can be likened to a bird with two wings: one wing is Russia, the other Iran; and a bird needs
two wings to fly.

As regards border security forces, Turkmenistan has only 40 Russian officers left, and it
has no officers of its own. Turkmenistan is imploring the Russians to stay but they will not.
The total number of Russian officers in the Turkmen border forces and the regular army is
370. The attitude of the officers does not necessarily reflect Russian pressure tactics.

On the Caspian issue, Kazakhstan has said it will support the Azeri position, but in the
end the Kazakhs will avoid challenging Russia. As for Turkmenistan, after the Soviet collapse,
Azerbaijan took all of the ships of the Caspian flotilla (headquartered in Baku, Azerbaijan) and
gave Turkmenistan none; so why should Turkmenistan now jeopardize its ties with Russia by
backing the Azeri position on the Caspian? Iran’s opposition to the Azeri position reflects Tehran’s anger at the fact that, under US pressure, Azerbaijan excluded Iran from the consortium it had formed to exploit the Caspian and gave its share to rival Turkey. To sweeten the pot for Turkmenistan and to win its support on the Caspian, Russia has promised that its pipelines can be used to send some Turkmen gas to hard currency markets. Within its 40 km zone of the Caspian, Turkmenistan has large energy deposits, so it is not going to push for a rapid solution of the Caspian issue; to do so would only heighten tensions.

Turkmenistan’s real national security problem is Iran, and the Russian connection is needed to offset this threat. Centuries of conflict between Turkmen and Persians have created the basis for this fear. America is too far away to balance Iran; only Russia can. In essence, Iran considers Turkmenistan to be part of Iran, and a recent book ("The History of Turkmenistan") published in Iran makes this claim. Turkmenistan could defend its borders in the face of an Iranian attack for 7-15 days. After that outside support would be essential. On July 4 (1995), Niazov will go to Iran, but his prior trip to Israel is meant to show that Turkmenistan has an independent policy.

The idea for a pipeline to Pakistan is promising, and the Indians have supported it because the Pakistanis have said the pipeline could continue on to India. It will get to Pakistan via Afghan territory, but the area in question is controlled by Ismail Khan and is stable. Pakistan’s Indian Ocean ports would be used to export Turkmen gas to Western markets.

Turkmenistan wants to "forget" the whole idea of "Central Asia," which is a Soviet era concept. Turkmenistan wants to increase its ties to Pakistan, Iran, India, Russia, and Afghanistan. The Uzbeks favor the idea of Central Asia as they aspire to dominate the region. Karimov dreams of being the Central Asian hegemon. Uzbekistan’s multi-ethnic character could become a source of instability. If the Tajik opposition were ever to gain power, it would almost certainly raise the issue of the Tajik-populated cities of Bukhara and Samarkand, which were included in Uzbekistan in the Soviet-directed process of boundary demarcation. Karimov is also not popular in Russia and he has spoiled his relations with Iran and Turkey as well.

Developing alternative pipeline routes to export its gas is the key foreign policy issue for Turkmenistan. Its interest in the Iran-Turkey pipeline is one reason why Turkmenistan favors normalization between Iran and the US. Like Russia, Turkey is also a valuable partner to balance Iran. Some 40,000 Turks now work in Turkmenistan, and Turkey is Turkmenistan’s number one non-CIS trade partner. Many Turkmen officers and students are also being trained in Turkey.

Turkmenistan was the last country in the region to embrace Islam; it did not do so until the 14th century. Most Turkmen festivals are pre-Islamic; even Kurban Bairam is celebrated in
a very un-Islamic way in Turkmenistan, with women dancing, for instance. Turkmen still worship nature spirits. Thus Islam as a political force is weak in Turkmenistan.

OVERALL IMPRESSIONS: Shikhmuradov is easily the most impressive official in the Turkmen government, and is widely regarded as such by foreign diplomats in Turkmenistan. He is articulate, remarkably candid, and very much his own man. There is little trace of genuflection toward Niazov (who he calls "Niazov," not “Turkmenbashi”), and he may be one of the few in the inner circle capable of being independent before Niazov. His English is fluent; he was a diplomat in the Soviet era; and his father was a senior secret police official.

Rajjab Saparov (June 8)
Title: Deputy Prime Minister for Trade and Privatization
OVERALL IMPRESSIONS: There is no summation of this interview, which proved to be a waste of time, although it did show that unreconstructed apparatchiks befuddled by the need for economic change, and ignorant of the most basic principles of economics, do exist in key policy-making positions in Turkmenistan. Saparov spent most of the time arguing the absurd proposition that great strides had been made in Turkmenistan toward the creation of an economy driven by markets and private property. He would answer no questions until my colleague and I gave him a long disquisition on our assessment of Turkmenistan; he would then confine himself only to taking issue with that assessment. Among the arguments he made was that Ashgabat was a good gauge of overall living conditions in Turkmenistan because it contains 30 percent of the population. But Ashgabat is a city of about 600,000 and the population of Turkmenistan is 3.5 million!

Roger J. Robinson (June 9)
Title: Resident Representative, the IMF
There is no way to pinpoint the percentage of the economy that has been privatized or is already outside government control, because it is impossible to estimate the size of the informal sector, which tends to be underestimated. Contrary to the assertions of Rajjab Saparov, 90 percent of the economy is state controlled. It is true that cultivators can lease 50 hectares in perpetuity, but this is unirrigated land with no infrastructure. This provision and the existence of private livestock cannot make much of a dent in an economy that is almost totally state controlled. Even in the case of the 50 hectares, 30 percent of the output has to be delivered to the state at prices set by the state. At the very most, 20 percent of Turkmenistan's economy is accounted for by the private sector.
The whole concept of moving to a private economy in Turkmenistan is new. In the Soviet era, Turkmenistan was a branch of a branch (Tashkent) in a state-run economy. It thus has little capacity for independent economic decision-making and policy formulation.

Corruption is a major problem and national capital is being siphoned out of the country. The dominant role of the state bureaucracy in economic matters increases the scope for corruption, and, given this, the bureaucracy has little incentive to reduce its economic power; nor is there a free press to push for faster economic reform and to bring to light mismanagement and corruption. There have also been some questionable construction projects. The $82 million airport is meant to handle 5 million passengers a year; at the moment it receives 300,000. Many foreign companies that have received contracts for large (and unnecessary) projects are taking advantage of the regime. Yet despite all of these problems, Turkmenistan can fall back on its immense energy wealth.

Few officials in the government will openly contradict Niazov, with the exception of Ochertsov and Shikhmuradov. (Saparov will certainly not.) Niazov is smart but blind when it comes to a number of issues, and the government has very few real economists. Unemployment in the country is low, but disguised unemployment is high.

Turkmenistan has the fourth largest gas reserves in the world; the reserves in oil are less clear. The big global oil companies are steering clear and are focussing on Azerbaijan and Kazakhstan. These companies want to lease large lots and find investing in small lots uneconomical. There is no scope for major increases in gas exports due to the pipeline situation (the dependence on Russian pipelines and the lack of alternative outlets); but Turkmenistan can manage its balance of payments situation, especially if Russia agrees to let some Turkmen oil go to Eastern Europe. Russia's demand for gas will also increase. As for the planned pipeline via Iran and Turkey, given the costs involved, there will not be a positive cash flow for quite some time--perhaps till 2002. And raising money for the project will prove difficult--and not just because of US opposition. The Pakistan pipeline idea will prove easier due the prospect of Saudi investment.

The amount of privatization that has occurred through coupons is trivial: barber shops, shoe repair facilities, etc., and the impact of this on the economy as a whole is minimal. The government is philosophically not really behind the idea of privatization. Privatization in any real form requires property rights and management control over assets; if either is impeded, then true privatization does not exist. Take the case of the 50 hectares; the person leasing cannot sell the land; so it is really not private property but a lease from the ultimate owner, the state. Moreover, if the land is not used the local hakim can take it away. Privatized small enterprises can also not change their production and employment functions, and so they cannot
really respond to market signals. There has also really been no true privatization of housing; land for housing is essentially allocated based on the extent of clout people have with the bureaucracy. The government has taken some pricing decisions that make no sense from a revenue gathering standpoint: thus mineral water costs more than gasoline.

The mafia exists but it is not as strong as elsewhere in the former Soviet Union; internal security is handled in a draconian way here and thus the drug trade has been more effectively controlled. Turkmenistan does serve as a transit point for drugs that go to Russia and originate in Iran and Afghanistan. The many splashy cars in Turkmenistan is testimony to the wealth of corrupt officials and to that of the Turkmen diaspora that has returned. The average wage is a mere 300-400 manats for ordinary people.