TITLE: LAND REFORM IN THE NEW STATES OF CENTRAL ASIA

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Abstract

Governments in all the Soviet successor states have embraced market reforms as key to creating post-communist prosperity. In the agriculturally oriented economies of the Central Asian states, land reform is an essential element of the transition to the market. Land reform is valued above all for its economic effect. It promises to increase the incentives of farmers by reestablishing the peasant as master of the land rather than pawn of the state. Land reform also promises political benefits. Returning land to the peasantry could dampen popular dissatisfaction, reducing the prospect of social unrest. But land reform has encountered a major obstacle in the ethnically varied states of Central Asia. Discussions of land reassignment are dominated by an "us against them" attitude, transforming agricultural privatization into a battleground of ethnic politics.

During the first year of independence, political leaders in all five states of Central Asia committed themselves to liberalization programs. All of these states produced detailed privatization plans and adopted enabling legislation. In all of these states, the cautious, state-engineered privatization that began in the service sector is spreading into the industrial sector. At the same time, the leaders of all these states also announced intentions of instituting agricultural land reform. But by November 1992, a full year after political independence, no comprehensive plans, no detailed programs, and no firm agendas on agricultural land privatization have been announced. No legisla-
tion that would enable comprehensive land reform has been adopted. There is no serious parliamentary discussion of the timetable of land reform.

Central Asians explain the reluctance to press forward in de-collectivization by pointing to a number of factors. First, they assert that privatization is not consistent with Central Asian traditional culture. Second, they say that privatization would lead to exploitive use of farmland by settler farmers who would exhaust the land, sell it or abandon it, and then move on. Third, they say that privatization would undercut the existing farm networks and violate the interests of collective and state farm managers.

If pressed further on the sources of the hesitance to privatize farm land, many Central Asian officials add another reason. They say that privatization, however it might be accomplished, would leave the best lands in the hands of the most powerful ethnic groups and would leave the least desirable land in the hands of the least powerful. The view of Kyrgyzstan's President Askar Akaev is representative of that of many Central Asian political figures. In response to the question, "Do you think there should be privatization of land?" Akaev responded "I support that idea. I see the mood of the peasant favors it. The leaders, particularly in the middle level, are skeptical and suspicious of land reform."² Akaev then went on to explain his personal assessment by adding that "if you start to turn over the

land [to the peasants] the national question arises. It has already appeared here. At one time the Kyrgyz were crowded out of irrigated land. 3

The Central Asian situation contrasts with that of Russia and many of the other Soviet successor states. For instance, in Russia, land reform has been stalled by continuous political contests between the beneficiaries of the old rural order who oppose privatization of agricultural land and the predominantly urban proponents of market-oriented reform who favor it. In Central Asia, land reform has encountered similar political obstacles; but it is the specter of ethnic conflict that has brought land reform to its present impasse.

Promises and Pitfalls of Land Reform

Land reforms are adopted to achieve both economic and political objectives. More efficient agricultural organization promises increased agricultural productivity and prosperity. Land reform that encourages the growth of household farms promises greater efficiency by creating markets for farm resources, agricultural goods and land. Since farming households tend to engage whole families, land reform also tends to reduce the danger of social disruption on the farm. Smallhold farmers have a long term view of the value of the land. They naturally therefore tend to practice stewardship. At the same time, land

reform promises political benefits by enfranchising the rural population and thereby reducing the danger of popular dissatisfaction and political unrest. Governments adopt land reforms to achieve both goals simultaneously, but if they perceive a trade-off between the political and economic aims, they tend to favor stability over wealth.

Land reforms are adopted in a variety of political contexts, and by leaders of a variety of different ideological orientations in order to achieve the promise of land reform. But land reform, even if successful, may also involve pitfalls. Political leaders in the underdeveloped world often regard land reform as a dreadful expedient.

More conservative political leaders turn to land reform as a last resort in efforts to circumvent popular dissatisfaction. The support of these leaders for land reform is ambivalent, since comprehensive reforms usually involve the violation or abrogation of existing property conventions. Petr Stolypin's land reform in Russia was of this variety.

More revolutionary leaders, on the other hand, find brandishing the prospect of land reform expedient in their efforts to gain power. The same political leaders, once in power, often grow fearful of the independent mindedness of an autonomous peasantry. The Central Asian land reform in 1926 introduced by the young Bolshevik government followed this rationale. For these reasons, both revolutionary and conservative governments in
the underdeveloped world adopt land reforms, but rarely pursue them vigorously.

**Arable Land and Sewn Area in the Central Asian States, 1990**
*(in million hectares)*

<table>
<thead>
<tr>
<th>Territory</th>
<th>Arable Land</th>
<th>Sewn Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>271.7</td>
<td>35.2</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>19.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>14.3</td>
<td>.8</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>48.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>44.8</td>
<td>4.1</td>
</tr>
</tbody>
</table>


Land reform always involves the association of individuals with the land. Since, as any peasant will point out, people have feet and not roots, this is always a relatively abstract relationship. The association is basically embodied in some form of land tenure arrangements. Land reform is the process of changing these tenure relationships.

There is a wide spectrum of land tenure arrangements. Three particular points along the spectrum are important. One is
private ownership. Private ownership of land implies the right to use the land, the right to earn income from the land, and the right of alienation, that is, the right to transfer all the other rights associated with the property, including this one, to another party.  

A second is a usufructory right. The essence of a usufructory right is an assurance to claim the income or some part of the income from the land. Usufructory rights may also include such assurances as the right to use the land as unrestricted common property (for instance as a nomad), the right to use the land as a leasehold, or the right to transfer the land to a family member (the right of inheritability). Usufructory rights stop short of the right to sell the land freely. A third category is the corporate right to work the land as a sharecropper, contractual tenant, or wage laborer. In this case the title to the land is vested in a collective, firm, or other organization; the cultivator's rights are derivative of the rights of the collective.

Land reforms involve an attempt to redistribute land from one of these categories to another. Land reform therefore involves reassignment of property rights, a procedure that inevitably involves the state as a pivotal actor. A great variety of land reform programs have been attempted in countries around the world. One frequently encountered form is the regulatory approach. In using this approach the state recognizes and

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defends private ownership rights but also intervenes directly to establish and defend countervailing rights of cultivating tenants. Rents may be lowered and regulated, security of tenure for tenants may be mandated. Other restrictions may be placed on the income flow which accrues to the property owner. In other words, the tenant acquires some of the "bundle of rights" associated with private ownership.

A second form of land reform is redistribution. Here private ownership is still recognized by the state, but a ceiling is placed on private holdings. Holdings in excess of the ceiling are transferred to a land fund and redistributed according to cultivators. Newly enfranchised cultivators acquire private ownership rights to the land. The state functions mainly as an instrument of reassignment; it does not alter the nature of property rights, but merely reassigns them.

A third form is the state-collective model. Here the state appropriates property of private owners and assumes all the rights of ownership. The state establishes a land fund. From the holdings in the land fund, the state reassigns some ownership rights to private firms, collective associations, or to individual cultivators. The state may assign the right to the income from the property. It may also assign the right to transfer the land through inheritance. But the state retains the ultimate ownership of the land. Accordingly, the land is not alienable and cannot be bought and sold.
In most instances of land reform in the Third World, the pattern followed is the redistributive model. Land is taken from large latifundia, plantations, or haciendas and title is reassigned to landless peasants, to urban poor, to demobilized military, or to some other group. In contrast, in the successor states of the USSR, the starting point is different from the typical Third World cases. The state rather than large landowners has title to the land. For this reason, land reform in the successor states, represents a unique situation, one in which the state appropriates the property from its designates (kolkhozes and sovkhozes), establishes some form of land rights, and then reassigns these rights to particular groups, associations, firms, or individuals. The key normative question in this enterprise is whether the new forms of ownership should recognize private ownership or some limited usufructory rights.

This question has been answered in all the Central Asian states in favor of usufructory rights, not private ownership. The form of rights in the land privatization schemes of Central Asia is similar to the concept of "employee stock ownership plans." Ownership is vested in shares. The shares are distributed to individuals who were previously engaged in the farm enterprise. In virtually all of the Central Asian plans, shares are inheritable but not freely marketable. The shares may come with a number of options, including withdrawing the assets for individual use, recombining the assets into smaller cooperative enterprises, or continuing to farm within the large parent enterprise.
The reorganization from state control to shareholder typically proceeds in three steps. The first step involves dividing the assets of the farm into shares. The second stage involves associating the shares with fixed assets, that is with sheep, barns, land, and so on. The third stage involves distributing the shares to the members of the enterprise.

The commitment of Central Asian officials to the idea of land reform should not be underestimated. It is based on the widely-drawn lesson of these past seventy-odd years of the collectivist "Great Soviet experiment," namely that "property which belongs to everyone belongs to no one." Central Asian officials are convinced that increased incentives are necessary to restore the confidence of the cultivators in their ability to keep the product of their labors. The land reform plans are designed to restore this confidence. The irony of this undertaking, of course, is that any government which has the capacity to create and enforce property rights also has the authority to abrogate them.

Even when political leaders favor land reform and agree on optimal forms of property ownership, they still must find a way to carry out reforms in practice. Comparative studies of land reform suggest that the process of land reassignment introduces a new dynamic of negotiation, accommodation, and coalition formation. At the beginning of this process, the choices political leaders make is heavily influenced by their perceptual model, that is by their assessment of "what is wrong, what is possible,"
and what will work." As Central Asian leaders contemplate the lessons of the past, they draw distinct conclusions with respect to what is possible.

Lessons of the Osh Riots

The political history of Central Asia in the three years preceding the Osh disturbances may be characterized as an oscillation between periods of incremental political devolution and periods of cascading decentralization. Those three years witnessed growing debates over the implications of republican "sovereignty" and the withdrawal of the authority of the "center." As the republican legislatures busied themselves with formal declarations of sovereignty, many local areas interpreted the devolutionary atmosphere to mean the time had come to increase local demands or be left behind by more aggressive regions. Some local Soviets interpreted the waves of "arenda" reforms to mean that local Soviets would soon be empowered to reassign the property of their region's kolkhozes and sovkhozes. Uncertainty over new legal provisions contributed to popular fears of an impending "land grab."

In June 1990, local Soviet officials in the city of Osh located in the Kyrgyz SSR adjacent to the Uzbekistan border, resolved to reassign the land of a local kolkhoz that ethnic

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Uzbeks had been farming for years to local ethnic Kirgiz. The decision precipitated a riot that left, by official accounts, at least 300 people dead and over 1,000 injured in June and July 1990. Troops were called into the area to quell the violence. The first reports of the incident suggest that it was a spontaneous outburst of ethnic conflict. Later reports, however, stressed the premeditated character of many of the attacks and the fact that preparation had been made well in advance of much of the violence. The official inquiry resulted in a party resolution which, in addition to a few pro forma political demotions and some remonstration about ideological education, recommended only one concrete measure: to "strictly control the distribution of land."

As Central Asian officials survey the situation, they perceive that Central Asian interethnic disputes have been almost exclusively over access to two things; in the cities it is access to apartments, in the rural areas it is access to land. The riots in Sumgait in February 1988, the violence in Dushanbe in February 1990, the violence in Osh in June 1990, and the more recent disturbances in Tajikistan throughout the spring and summer, 1992, have all involved questions of territorial allocas-


tion. To announce a major land redistribution, these officials conclude, could start a stampede of guerrilla privatization.

A troubling legacy of the Soviet period is that, as a result of the absence of private property conventions, individual rights are greatly attenuated. This situation tends to increase the importance of group rights, in particular, ethnic group rights. In syndromatic fashion, the elimination of property rights has increased the importance of national claims which, in turn, has made it extremely difficult to readopt property rights.

Privatization, the Collapse of the Union, and the New States

The devolutionary trend in land law started with an all-union law passed in Moscow in February 1990.9 The following summer, republican level land laws were passed in Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.10 By the end of 1990, all of the Central Asian republics had passed sovereignty declarations. By the end of 1991, most of the republics had passed legislation on "de-statification" (razgosudarstvenie). And by the end of 1992, all of the republics had become independent states.

Early in the process of the devolution of the "center" the changes in land legislation were closely coordinated among

9"Osnovy Zakonodatel' stva soiuza SSR i soiuznykh respublik o zemle." Izvestiia 6 March 1990.

10For the full texts of the laws, see respectively: Sovetskaia Kirgizia 30 June 1990; Kommunist Tajikistana 23 January 1991; Turkmenskaia Iskra 2 November 1990; Pravda Vostoka 4 July 1990.
republics. The land laws and regulations that were adopted in the Asian republics in 1990 and 1991 were adopted in anticipation of incremental devolution, not political independence. During the past year, however, the new states have adopted very different trajectories.

Kazakhstan adopted one of the most ambitious privatization programs in Central Asia. The official agenda, the "Strategy for the Formation and Development of Kazakhstan as a Sovereign State," envisaged the creation of a multiparty system, an emphasis on primary commodity exports, and the exploitation of Kazakhstan's unusual geopolitical position. The three-stage destatification plan involved a reduction of the public sector to 30-40 percent of the gross national product.\textsuperscript{11} The first stage called for liberalization of the consumer market. The second stage called for reconstruction of Kazakhstan's economic infrastructure. A third stage contemplate the integration of Kazakhstan's new industrial economy into the world market.

A form of "privatization" is taking place in land. According to Vice-Premier Boltash Tursumbaev in an interview in June, 1992, 1,000 farm cooperatives had been established and 5,000 farmers had received land for cultivation by April 1992. It was estimated that by the end of the year, 1,480 state farms were to be privatized.\textsuperscript{12} But this land reform, despite its being called a "pri-

\textsuperscript{11}Kazakhstanskaya pravda, 16 May 1992, pp. 3-6.

vatization" reform, does not involve private ownership; it rests on the leaseholder concept. IMF research team members who collected data in early in 1992 in Kazakhstan were told that "private ownership of land is not under consideration for the time being." The changes that are contemplated are mainly managerial; they do not involve the establishment of private property.

Kyrgyzstan passed a law on land in June 1990, but did not embark on a serious privatization program until the issuance of a presidential decree by Askar Akaev in November 1991. The program envisaged a transition to a market economy and included the creation of a "Land Fund" that would eventually turn over 1.5 million hectares to private farmers. The announcement was followed almost immediately by intense disagreement over who could own land. A vocal group of nationalists, led by former Kyrgyz party leader, Amanbaev, insisted that only ethnic Kyrgyz should have the right to own farm land. Akaev later observed that he vetoed discriminatory versions of the enabling legislation three times before a final version became law.

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Akaev said that the plan was to turn over 20 percent of the land in the next five years. He said that only 159,000 hectares, less than 1 percent of the arable land, had been privatized so far, and of that land, only 30,000 hectares was irrigated. Akaev went on to explain that in the south of the republic where the national divisions are stronger, privatization would be avoided. Just days after this interview appeared, Akaev, at a conference of Kyrgyzstan farmers, announced a temporary suspension of the land reform until the end of harvesting.

On July 4, 1992, the Kyrgyz parliament adopted Akaev's economic reform program for a period of 18 months, reportedly responding to the threat that if the legislation was not passed, Akaev would resign. The program's goals included closing 200 failing enterprises and privatizing 35-40 percent of state concerns, 50 percent of the construction enterprises, 70 percent of housing, 100 percent of the service industries, and 25 percent of agriculture. Prices on most goods were to be deregulated by January 1993. Of the 470 collective and state farms in Kyrgyzstan at the beginning of 1991, 158 had been privatized by

mid 1992. Privatization in this context means that the lands were distributed according to assignment rules determined by the state, but the physical assignments were and are left to local officials.

The privatization program in Kyrgyzstan illustrates what can go wrong. An early adherent of the liberalization course, Kyrgyzstan was the first to start the decontrol of prices. Yet this did not lead to increased production as the market model suggests it should have; instead it triggered a doubling of prices for many commodities. In the spring, the Kyrgyz government, striving to relieve what it assumed was the temporary pain of shock therapy, increased social expenditures, resulting in a ballooning budget deficit. To salvage the situation, the government sought during the summer to regulate exports and imports to improve its trade balance.

Tajikistan adopted new land legislation early in 1991. In August, 1991, the establishment of a Committee on State Property for guiding privation was announced. The Committee reportedly identified 840 enterprises to be privatized.

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Throughout the winter and spring, a series of declarations and announcements were made. On February 26, Tajik leader Rakhmon Nabiev issued a decree ordering all unprofitable state-owned farms to be privatized. On April 15, 1992, a new land law officially went into effect. The law stipulated that landholders could have lifetime possession, that land may be inherited, and that land may be leased. The law also provided for compensation in the event of state confiscation.

Despite the decrees and rhetoric, however, in realistic terms it is unlikely that any state-managed land reform has occurred due to the ongoing political instability. The country was fractured between east, north, and south. Until September 7, 1992, Rakhmon Nabiev held the reins of government largely as a result of his possession of the Presidential palace and his ability to take the high moral ground as a defender of public order and minority rights against extremists.

Land disputes and long-suppressed territorial disagreements resonated to produce an intense atmosphere of politicized ethnicity. Nabiev's opponents claimed he exacerbated nationalist conflicts in order to provide a pretext for clinging to power. Shodmon Yusup, Chair of the Democratic Party, claimed that Nabiev was the "scriptwriter and director" of the bloodshed in the south of the country in June.25 In July, 1992, a group calling itself the "Coordinating Council of National Societies" issued an

appeal blaming "political unrest and battling groups, fueled by religio-clan factors and the general collapse of government" for the situation. Authorities in Leninabad oblast, an area with a large Uzbek-speaking population, went so far as to threaten to secede from Tajikistan to join Uzbekistan. On September 7, 1992 a new government was proclaimed. The land reform issue is sure to arise as one of the urgent priorities of the new government.

Turkmenistan adopted a new land law in October 1990. The law did not provide for private ownership, but it did provide for two kinds of leasing arrangements, leases directly from the sovkhoz or kolkhoz and long-term direct leases. However, little change was introduced into practical land arrangements until after the collapse of the USSR.

Turkmenistan moved more swiftly than the other Central Asian countries to accommodate the circumstances of independence. With an air of self-satisfaction, the Turkmenistan government announced that it would adopt a new post-independence constitution, the first of the Soviet successor states to do so. The new Turkmenistan Constitution, that was adopted and went into effect on May 18, 1992, was the first legal document in the Central Asian states to explicitly endorse private property. Article 9 of the constitution guarantees citizens the right to capital, land,


27 "Zemel'nyi kodeks Turkmenskaia SSR," Turkmenskaia Iskra, 2 November 1990.
and other material or intellectual property. But there are no provisions in the constitution regarding the source from which this private land is to come, nor has the creation of a land fund been announced.

Uzbekistan adopted a land law on June 20, 1990. As the largest agricultural producer of the Central Asian republics, Uzbekistan had some 940 kolkhozes and 1,108 sovkhozes in 1990. The IMF team which collected data in the Central Asian states during site visits during the spring of 1992, reported that in 1990 and 1991, about one-half million hectares of arable land were distributed for families for use as private farms or as personal plots.

The land in Uzbekistan that has been distributed has not been reassigned. Here as well, the leaseholder concept has been elevated by the state. It should be noted that even many of those who criticize Uzbekistan government policy as not responding to the needs of the rural population do not embrace private ownership. For instance, Faisulla Ishakov, Chairman of the Organizing Committee of the Uzbek Social Progress Party, favored handing over land to peasants. But even Ishakov allowed that

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there should be no right to sell the land for 20 years to prevent stratification.

Privatization at an Impasse

Each of the sovereignty declarations of the Central Asian countries refer to land as the sovereign property of the state. Each of the independence declarations of these countries referred to the land as sovereign. These sovereignty and independence claims may serve as a basis for property rights, but they were shaped primarily by a contest with the center and were mainly intended to affect the control of income from assets located on the territory of the states. At independence, all of the Central Asian republics faced a new question: would they move to establish private property rights in agricultural land or retain the title to the land in the hands of the state? Each of the states, with the possible exception of Turkmenistan, has chosen to retain ownership of the land in the hands of the state.

Land reform is never merely a policy of incremental redistribution; it is a revolutionary undertaking that transfers power, prestige and the potential for future profit from one group to another. In all newly emergent states, land reform offers an opportunity to address fundamental social inequities. At the same time, it offers an opportunity to local elites to enhance their power and develop patronage networks.

Central Asian leaders are aware of the economic promise of successful land reform. They are even more conscious of the
danger of allowing the dissatisfaction of the rural population to spill over into political activism. But confronted by the threat of nationalist conflict over privatization, they have opted in favor of the leasehold concept. This half-measure keeps the control over title in the hands of the state elite; it provides an illusion of control over the social and political processes in the rural areas; and it satisfies objections of pastoralists that private property is culturally foreign to Central Asia's history. Most important, it allows the state to determine which ethnic group will prosper at the expense of which other. What it does not do is return the land to the tiller.