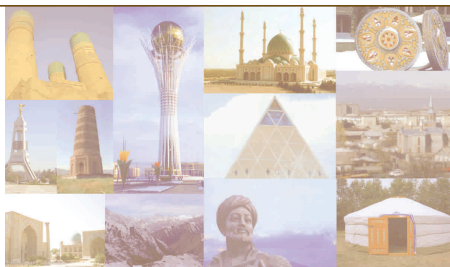


CENTRAL ASIA OBSERVATORY

<http://www.asiacentral.es>



The Central Asia Observatory (CAO) was established in 2007 by three institutions that are interested in the area: Casa Asia, CIDOB Foundation and Royal Institute Elcano



November 2010



KYRGYZSTAN

SEPTEMBER-OCTOBER 2010

Bimonthly article

Prof. Cholpon Nogoibaeva*

Highlights

Parliamentary elections took place on the date scheduled despite numerous pessimistic forecasts to the contrary and they were not marred by disturbances or bloodshed. Local and international observers qualified the entire process as transparent and as equitable as could be expected in the circumstances. The distance between the two parties that won the most votes was less than one percent. This event marked the emergence of the first parliamentary republic in Central Asia.

Internal affairs

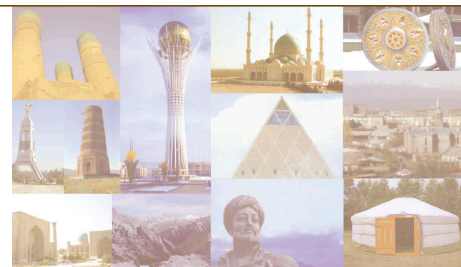
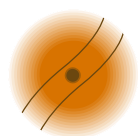
The families of the victims of the tragic events that took place in south Kyrgyzstan last summer started receiving assistance from the state. They were given the opportunity to apply for loans of up to KGS 200,000 (USD 4,350) or to receive gratuitous assistance amounting to KGS 50,000 (USD 1,086). The first 270 recipient families from the Osh and Jalal-Abad provinces began the task of rebuilding and repairing their homes and property. Government and donor funding is also being used to repair destroyed schools, medical institutions, local police stations, customs houses and provincial TV stations. The building of temporary housing, new residential housing and schools is mainly supported by international charitable organizations and UN agencies.

To assist the population in affected areas, the government prepared employment programmes funded by international organizations, the central government and private domestic investors. By mid September, 6,040 new jobs had been created in Osh province, of which over 4,000 in public works and therefore temporary. The unemployed were

identified, registered and counselled in job seeking and retraining.

The verdicts delivered by local courts in cases concerning ethnic Uzbek Kyrgyz citizens resonated greatly both domestically and among the international community. On 3 September five ethnic Uzbeks charged with involvement in the June disturbances went on trial in the Kara-Suu district in Osh province. On 13 September, eleven Kyrgyz citizens, all ethnic Uzbeks, were hauled up in court on similar charges. On 15 September, eight ethnic Uzbek human rights activists were convicted for their involvement in the murder of a police officer. Five of them were sentenced to life imprisonment and their property confiscated, two were sentenced to 20 years in prison and one received a 9-year sentence. The defendants pleaded not guilty and their attorney told the media of procedural violations committed by the court. According to the ombudsman of the Kyrgyz Republic and Kyrgyz human rights activists, the court proceedings were unfair, biased and fabricated. Aziza Abdirasulova, director of a prominent Kyrgyz human rights organization *Kylym Shamy* (Torch of the Century), fairly stressed that the court proceedings never raised any questions regarding the deaths of more than 400 people, that numerous offenses demanded investigation and that the culprits had to be punished. What did trigger questions, though, was the fact that the defendants only represented one side of the conflict, even though ethnic Kyrgyz people also participated in the disturbances. In the interests of fairness, it should be noted that 36 ethnic Uzbek and 22 ethnic Kyrgyz citizens were held criminally liable in relation to the June clashes in the Jalal-Abad province, whereas in the Osh province these figures run into hundreds in the case of Uzbeks as opposed to only 9 Kyrgyz people. While these figures are grossly disproportionate, the Kyrgyz justice

*President, Institute for Policy Analysis and Research, Bishkek.



system must take steps to impose the supreme rule of law without any prejudices to the ethnicity of those involved.

The prosecutor general's office initiated 4,500 criminal cases, arrested 259 people and directed precautionary measures at another 32.

Parliamentary elections, eagerly awaited by the citizens of Kyrgyzstan and the international community, took place on 10 October. Pre-election events were closely monitored by several public organizations of Kyrgyzstan.

A number of primary problems in the pre-election period were highlighted both by the government and observers, among which inaccuracies in voter lists which contained outdated information and *propiska* (obligatory registration of residency by citizens in the administrative areas they currently reside in) as provided for in the Kyrgyz election code. Here, the system fails to prevent individuals who migrated to other areas of the nation or abroad from remaining on old voter lists. The names of individuals who have reached the legal age of 18 were not added to the voter lists soon enough to enable them to vote, nor were names of newly arrived citizens included. The high degree of domestic migration has caused a significant share of voters from rural areas to migrate to the cities, especially the capital, where they were denied their right to vote because they were not registered as residents of Bishkek. The institution of *propiska* has been repeatedly criticized as a rudimentary Soviet practice that hinders citizens' access to basic services, particularly the right to participate in elections. By law, however, citizens are still only entitled to vote where their residency is officially registered.

On 5 October, the interior ministry was placed on high-alert security level, with 13,000 volunteers and 2,800 private security guards brought in to assist 7,000 police officers. In case of necessity, the defence

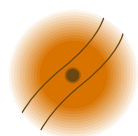
ministry, the national security service, the state customs service, and the state financial police service of the Kyrgyz Republic were on standby to guarantee law and order on the streets of the nation's cities and villages.

Concern over the pre-election situation was mainly focused in south Kyrgyzstan where tension following the bloody June events remained. The tension was fuelled by the revenge-seekers' political party *Ata-Jurt*, whose leader promised to ensure the return to power of ousted President Bakiyev during one of his campaign rallies.

Positive steps in the development of the pre-election situation included the endorsement by several political parties of a memorandum of intent. This pact bound parties to observing the rules of the game before and after the election, including a ban on using negative and aggressive PR, and refraining from calling for mass protest actions and the use of firearms.

The pre-election campaign was notable in terms of the Kremlin's interest in influencing voting results, especially in view of President Medvedev's comment to the effect that "...a parliamentary democracy will be a catastrophe for Kyrgyzstan." On the eve of the election, leaders of four of the five winning political parties visited Moscow and met with high-ranking Russian officials. The man who received the most attention was Felix Kulov, leader of *Ar Namys* and a former prime minister under ousted President Bakiyev, as he met not only with President Medvedev but also with President Nursultan Nazarbayev of Kazakhstan. Omurbek Tekebayev, leader of the consistently opposition-leaning political party *Ata-Meken*, the architect of Kyrgyz parliamentarianism and ex-Speaker of parliament, went unnoticed and uninvited by the Russian officials. A total of 29 political parties participated in the election.

On election day, the situation at all polling stations remained calm. The traditionally politically active



rural areas in Naryn and Talas provinces started voting immediately after polling stations opened at 8 am on 10 October. Somewhat surprising was the activity of the capital's residents who have consistently demonstrated the poorest turnout in previous years. Overall voter turnout nonetheless totalled a mere 56%, one-third less than the rate for the referendum held in late June. The election process was observed by 750 international observers representing 20 organizations and 49 countries worldwide. There appeared to be consensus among observers that the election took place without any major violations that could have affected the election outcome.

Political parties need to clear a 5% threshold of total votes to enter parliament and they must secure 0.5% of votes in each province of Kyrgyzstan, conditions that were only met by five political parties: *Ata Jurt* (8.89%), Social and Democratic Party of Kyrgyzstan (SDPK) (8.03%), *Ar Namys* (7.74%), *Respublika* (7.25%) and *Ata-Meken* (5.6%). The difference in the votes won by the first four parties is less than 1%. These results attest to the low level of public trust in political parties since the five winning political parties only won 37.5% of votes from the nation's constituencies. None of the political parties gained a significant majority in the 120-seat national parliament, paving the way for a parliamentary coalition.

However, only two days after the election, eight of the losing parties were already expressing their dissent with the results and demanding a recount of some polling station results. *Butun Kyrgyzstan*, a political party led by ex-Security Council secretaries Adakhan Madumarov and Miroslav Niyazov, started to organize rallies in front of the offices of the Central Electoral Commission (CIC) and the government of the Kyrgyz Republic. Emotions were further fuelled by comments by a CIC member during a media interview that *Butun Kyrgyzstan* had a good chance of clearing the 5% barrier and getting into

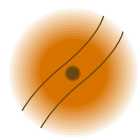
parliament. On 15 October, under pressure from participants in rallies and protests, CIC created a task force to investigate the results. CIC members concluded that the voting results would not be changed, triggering numerous lawsuits filed by the losing political parties and asking the courts to suspend registration of the newly elected members of parliament. The court hearings led to the rescheduling of the first session of Jogorku Kenesh (parliament), at which members of the national legislature are sworn in.

Foreign and international policy

International recognition of the changes that have occurred in Kyrgyzstan was mirrored by the participation of interim President Roza Otunbayeva at the 65th Session of the UN General Assembly in New York where bilateral meetings with EU leaders and the U.S. took place.

On 21 September, during an interview, German Chancellor Angela Merkel supported the Kyrgyz authorities' initiatives in restoring and developing democratic institutions and maintaining peace and public and political stability in the nation. On 24 September, during his meeting with interim President Roza Otunbayeva, President Barack Obama declared his support of the Kyrgyz people and government and stressed the importance of changes in the Kyrgyz state order and the creation of the first Central Asian parliamentary democracy.

In September, two rounds of negotiation between military agencies of the Kyrgyz Republic and the Russian Federation took place focusing on the supply of Russian military equipment to Kyrgyzstan. The Kyrgyz participants suggested that five Russian military installations located on Kyrgyz territory be combined to form one military base with the signing of a lease contract for 49 years with a renewal option in exchange for supplies of armament as the lease payment. Negotiations, held in Moscow and later in



Bishkek, concluded with the signing of an interim protocol on 23 September expected to serve as the basis for future meetings between the military agencies of the two nations.

On 20 September, Kyrgyzstan partially closed its borders with Tajikistan after a military convoy was attacked in Tajikistan with over 40 people killed. Responsibility for the attack was claimed by the Islamic Movement of Uzbekistan (IMU), whose guerrillas had invaded the territory of the Kyrgyz Republic previously.

Economy and business enterprise

Political instability and losses sustained by businesses in south Kyrgyzstan affected economic indicators for January-October 2010, with sales throughout the nation declining by 11%. Sales at *Dordoi*, Kyrgyzstan's largest retail and wholesale market from which goods flow throughout the Central Asian region and Russia, plummeted by 70%. Gross construction industry figures, compared to the same figures as of October 2009, decreased by 21%, the domestic services sector also dropped by 8%, while agricultural indicators were found to be 2% less than last year's parameter. Exceptions included processing and mining industries where growth totalled 15.6% and 3.9% respectively. This economic growth was spearheaded by the traditionally export-oriented apparel and textile industries, where production grew 44% in the year to September. These industrial indicators overall enabled the country to report growth of 14.5%, which should have a positive impact on the country's GDP, with forecasts expected to improve by year's end.

Kyrgyzstan's ministry of economic regulation asked the Russian Federation to repeal customs duties on imports of petroleum products into Kyrgyzstan. These duties were introduced at the beginning of the year and fuelled the hike in prices not only for gas but also foodstuffs and services. The ministry

also began to ease pressure on the businesses that sustained financial losses as a result of recent political events in Kyrgyzstan. More specifically, the ministry suggested establishing debt-rescheduling mechanisms to enable taxpayers to pay penalties and accrued interest, consisting of the tax, customs and social security authorities giving businesses the option to delay payments or pay in instalments.

The International Finance Corporation (IFC) published the findings of its research on barriers to doing business in Kyrgyzstan. The small and medium businesses surveyed noted the proliferation of informal graft payments demanded by public servants, the complexity of administrative procedures and excessive dependence of businesses on the government. The respondents also pointed to the inefficiency of the measures taken to improve the business environment in Kyrgyzstan. For instance, despite the fact that the nation had adopted a one-stop shop (single-window) principle for the purpose of starting a business, the duration of the registration process actually totals 30 days contrary to the promised 7 days, while formal and informal payments that businesses have to make exceed KGS 8,000. IFC experts identified corruption, access to energy and high tax rates as the primary obstacles to doing business in the Kyrgyz Republic. Access to energy was mentioned for the first time as a primary barrier, which is particularly notable since Kyrgyzstan is actually one of the region's most important producers of electricity.

The opinions expressed here are those of the authors and do not necessarily reflect the positions of the Central Asia Observatory (CAO). The institutions that constitute the CAO are not responsible for the use of these contents.