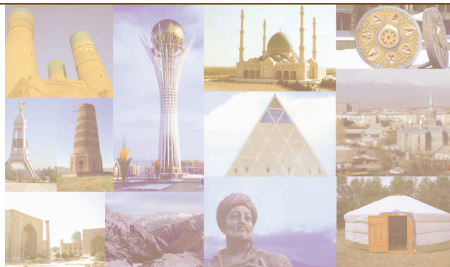


# CENTRAL ASIA OBSERVATORY

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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



CASA ASIA



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KYRGYZSTAN

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## Highlights

The framework to ensure that power in the country remains in the hands of one family has been completed: in mid-December 2009 President Bakiev initiated constitutional amendments whereby power, in the event that the President is incapable of discharging his office, is transferred not to the Speaker of Parliament or the Prime Minister (as required by current law), but to a person designated by the Presidential Council. This Council includes several top-level government officials and -since October- the President's youngest son, who now holds one of the highest government offices.

In November the Council of Ministers adopted a resolution approving a 200-500% increase in utility rates (electricity, hot water and heating) starting January 2010. It is expected that this increase will translate into significant inflation of prices for foodstuffs and services.

The assaults on Kyrgyz journalists continued: Gennadiy Pavlyuk, a Kyrgyz journalist who was known for his criticism of the current government and who cooperated with the Ata Meken opposition party, was killed in Almaty, Kazakhstan. According to Kazakh police, Kyrgyz citizens are involved in the murder.

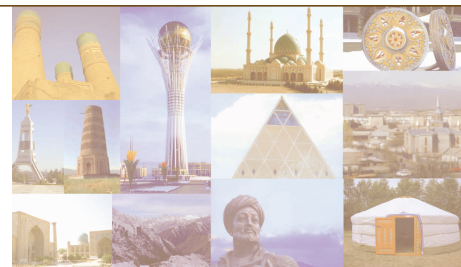
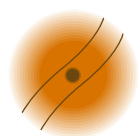
## Internal affairs of the country

On 14 December President Bakiev submitted a draft Law "On Amendments to the Constitution of the Kyrgyz Republic" to Parliament. The rationale for the amendments, according to the Presidential Press Service, is to facilitate reform of the governance system, re-balance power between the President and Parliament, and realign the structure of the

executive branch. On 17 December, Parliament, following a procedure established by the law for constitutional amendments, forwarded the draft Law to the Constitutional Court, which now has three months to review and assess the proposed amendments.

These amendments primarily aim at vesting defence, security, foreign and internal affairs with the President, areas that previously fell within the jurisdiction of the Council of Ministers. The amendments also aim at modifying the established procedure for succession of the President if he is incapable of holding office. Since the proposed text of Article 52 abolishes the existing order whereby power was transferred either to the Speaker of Parliament or the Prime Minister and states that power is to be transferred to a person designated by the Presidential Council, this particular amendment drew great interest not only in Central Asia, but even in Russia. Some Kyrgyz politicians, including the leader of the Parliamentary faction of the Social Democratic Party Roza Otunbayeva (*Роза Отунбаева*), believe that the only person that the Presidential Council will nominate to replace an incapacitated President is the President's youngest son, Maksim Bakiev, who already holds one of the highest offices in the country and is a member of the aforesaid Council. Russian media believe that the upcoming constitutional amendments, as well as the on-going governance reform efforts have an ultimate goal of establishing "a framework for transfer of power in Kyrgyzstan from Bakiev-senior to Bakiev-junior." These developments, coupled with regular rumours of the President's ailing health and the fact that the amendments are being rushed in only four-and-a-half months since last Presidential elections, make it reasonable to expect that the modified Article 52 will play a role in a transfer of power.

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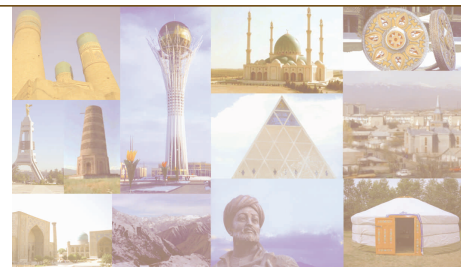
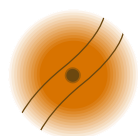


The average Kyrgyzstanis were in for quite a shock when they found out about the 12 November Resolution of the Council of Ministers, which authorized a two-fold increase in electricity, hot water and heating prices starting January 2010, and a further 500% increase in hot water and heating rates starting July 2010. This new increase will mainly affect the low and middle-income classes and small and medium business. Prime Minister Daniyar Usenov, when describing the reasons for the increase, explained that back in 2007 the Council of Ministers authorized a price increase of 12% every six months for utilities and that the new increase was simply a cumulative increase for all the years since 2007. The Prime Minister believes that the country's energy sector is in such bad shape that keeping prices as they are will not allow for replacement of worn-out equipment and will eventually lead to technological disasters. The Prime Minister is also of the opinion that the costs of re-equipping the country's energy industry should be borne by the consumers.

Parliamentary opposition was very critical of these actions, describing them as irresponsible and not well thought through. Parliament described the new prices as unjustified and proposed to solve the energy sector's problems by fighting losses of electric power, which now account for 25% of the total output, and by fighting corruption in the energy sector. The subsidies that the government intends to give to the vulnerable sectors of society will amount to roughly US\$4.5 per person per month, whereas utility costs will increase two to fivefold, reaching the average monthly salary of a state worker. The government expects food prices to increase by 3-5%, whereas independent experts expect an increase of 15-20%. Overall, the experts believe that inflation will reach 13%, mostly due to inflationary expectations. Some experts warn of increasing social tension and expect tension to manifest itself in protests, giving additional opportunity for radical religious groups.

The first attempts at displaying disagreement with the government's actions were in Osh (the country's second most populated city), where several NGOs planned to hold protest demonstrations on 2 December. However, the city government refused to authorize the demonstration, citing the flu epidemic. Akshumkar, one of the opposition parties, issued a statement where it described new utility prices as irresponsible and unfair, and as an additional tax on businesses and individuals to cover the costs of the executive's previous failures. It should also be noted that the new utility prices were not met with universal approval even in the pro-presidential circles. Galina Kulikova (*Галина Куликова*), an MP with the pro-presidential Ak Jol Party, demanded that the Council of Ministers reconsider the decision, saying it "will bring most of our people to the brink of poverty". Nariman Tyuleyev (*Нариман Тюлеев*), Bishkek City Mayor, was also critical of the increase and showed his calculations of the effects that the new utility prices would have on the city's economy. Mr. Tyuleyev was able to get verbal assurance of additional funds from the National Budget for subsidies to the vulnerable households. The World Bank denied rumours that the new prices were adopted after the Bank put strong pressure on the government and described the increase as a purely independent decision of the Kyrgyz government.

The end of the year was marked with a surge in violence against journalists. Overall, in the year 2009, violence against journalists became more of a norm than an exception. On 2 November 2009 Kubanych Joldoshev (*Кубаныч Жолдошев*) of the Osh Shamy newspaper was beaten up by unidentified individuals. Later, on 15 December a letter containing an assault rifle cartridge was delivered to the office of this newspaper. On the same day in Bishkek, Aleksandr Yevgrafov (*Александр Евграфов*), a Russian journalist with the Baltinfo news agency was assaulted by individuals wearing police uniforms. On 9 December 2009 two more people - Bolot Januzakov (*Болот Жанузакоев*), former Secretary of the Secu-



rity Council under the First President and Mr. Aleksandr Knyazev (*Александр Князев*), a professor of the Kyrgyz Russian Slavic University, a political observer and contributor to several Kyrgyz and Central Asian newspapers - were beaten up.

On 16 December 2009 another Kyrgyz journalist, Gennadiy Pavlyuk (*Геннадий Павлюк*), who was visiting Almaty, Kazakhstan's financial capital, had his hands and feet bound and was thrown from a sixth floor window. Pavlyuk died in hospital almost a week later without regaining consciousness. Kazakh Police later issued a press release stating that several Kyrgyz nationals were suspected of involvement in the murder. Omurbek Tekebaev (*Омурбек Текебаев*), one of the opposition leaders and a former Speaker of Parliament, stated that Pavlyuk's death benefitted the current Kyrgyz government, bent on strangling freedom of speech in its country. Kazakhstani Commercial Television Channel, quoting its own unnamed sources in Kazakh law enforcement, stated that the Kyrgyz nationals involved in the murder were officers of the Kyrgyz National Security Service. Gennadiy Pavlyuk, also known under his pseudonym Ibragim Rustambek (*Ибрагим Рустамбек*), was planning to open a news web site and a newspaper for the Ata Meken opposition party. Pavlyuk was previously the chief editor of Kyrgyzstani editions of the *Argumenty i Fakty* and the *Komsomolskaya Pravda* newspapers. He was also the founder of the *Beliy Parakhod* electronic newspaper, which was quite critical of Kyrgyz authorities.

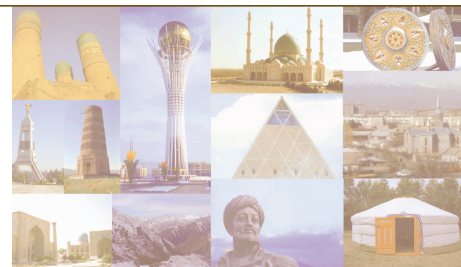
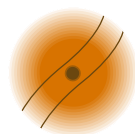
Pavlyuk's death shocked Kyrgyz media, with journalists demanding a thorough investigation of all assaults on journalists. According to information in the public domain, in 2009 two Kyrgyz journalists were killed and at least eight were injured. Investigations of almost all assaults on journalists were suspended with the official reason, "due to inability to identify the individuals to be criminally persecuted".

OSCE Representative on Freedom of the Media described the situation in Kyrgyzstan as a "safety crisis of free press" and called on Kyrgyz authorities to publicly acknowledge the safety crisis of Kyrgyzstani press and stop treating it as "crime as usual". The US Embassy in Kyrgyzstan urged an immediate and thorough investigation into the attacks against the journalist.

Responding to these calls Kyrgyz Minister of Interior Moldomusa Kongantiev (*Молдомуса Конгантиев*) stated that crimes against journalists are no different from crimes against ordinary citizens and that it has become customary in Kyrgyzstan to implicate the government in any assault on journalists. According to Mr. Kongantiev "the Kyrgyz police is doing its job well... and is fighting crime".

Along with harassment of the media, pressure continued to be exerted on human rights activists trying to document the state of human rights in Kyrgyzstan. On 18 November 2009, Bakhrom Khamroev (*Бахром Хамроев*), an employee of the Russian Human Rights Centre Memorial and head of the Central Asian Society of Political Emigrants, was detained in Osh and later deported from Kyrgyzstan. Khamroev was visiting Kyrgyzstan's south to document religious repression.

Khamroev met with relatives and friends of those who were convicted of "extremist activities" and recorded stories of systematic torture, sham investigations and kangaroo trials similar to the practice of neighbouring Uzbekistan. On 2 December, Nagina Bakhrieva (*Нагина Бахриева*), a prominent Tajikistani human rights activist, was banned from entering the Kyrgyz Republic. The next day, Human Rights Watch issued a statement urging Kyrgyz authorities to stop harassment of human rights advocates investigating the government's abusive campaign in southern Kyrgyzstan.



The human rights situation in Kyrgyzstan was appropriately described in Freedom House's 2009 Report, where Kyrgyzstan was in the "Not Free" category, even though just a year ago it was in the "Partly Free" category. Arch Puddington, research director of Freedom House and one of the authors of the report, said "Kyrgyzstan has turned out to be a sour disappointment in terms of political rights and civil liberties".

## Foreign and international policy

On 24 December the President outlined the country's new foreign doctrine; there were little changes in it, in particular, the main emphasis is still on multi-vectored foreign policy. Nevertheless, the re-affirming of the foreign policy priorities shaped under the first President put to rest the discussion on Kyrgyzstan's foreign policy - whether it should be multi-vectored or should be centred around one strategic partner (Russia). Analysts indicate that the multi-vectored Kyrgyz foreign policy is the reason the opening of a second Russian base and deployment of additional Russian troops in southern Kyrgyzstan was put on hold. Nikolai Bardyuzha, CSTO Secretary General, at a press conference in Moscow, stated that there were "no reasons to open a new base in Osh". The declaration of multi-vectored Kyrgyz foreign policy also explains why the Russian investment in Kambar Ata 1 hydroelectric power station (agreed back in February) has now been put on hold as well.

Kyrgyz experts actively discussed the Russian translation of the new US policy in Central Asia which became available in the media after its hearing in the Senate on 15 December 2009. Among the 5 U.S. foreign policy priorities for the region, Deputy Assistant Secretary of State George Croll listed prevention of disintegration of states in Central Asia; the policy also described Tajikistan and Kyrgyzstan as "failed states". The translated text was quickly revised and the description deleted, but this still

leaves an important question of whether Kyrgyz government institutions are capable of ensuring national security and adequately serving the country's citizens.

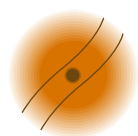
## Economy and business enterprise

Unlike civil and political freedom, the economic freedom index in Kyrgyzstan is rather high. Business freedom, trade volume and tax indicators are much more favourable in Kyrgyzstan than the average global indicators. This, however, reflects more the methods used in calculating such indicators, which focus primarily on legislative reforms. As for investment and finance, Kyrgyzstan's indicators are consistent with global averages. The most important problems in the economic sector -property rights violations and widespread corruption- are still not addressed, evidenced by Kyrgyzstan's abysmal rankings in the corruption and property rights protection ratings.

Transparency International in its 2009 corruption report placed Kyrgyzstan among those countries with a high level of corruption, placing it 162nd among 180 countries. Kyrgyzstan ranked worse than Tajikistan but better than Turkmenistan (168th) and Uzbekistan (174th place).

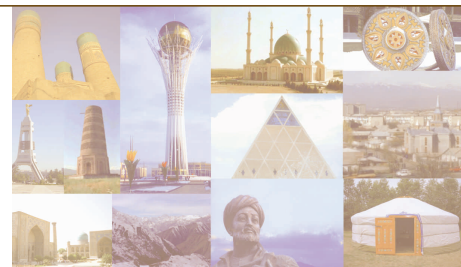
Negative trends in industrial output and foreign trade remained, with the decline in industrial output reaching 11.5% and foreign trade dropping by 24%. The National Bank's reference rate reached a record low of 1.08 % on 23 November 2009. Nevertheless, GDP is expected to grow by 2.3 % in 2009, mostly due to growth in agriculture and service sectors.

On 8 December 2009 a major accident occurred on the Toktogul Hydroelectric Power Station, the largest existing power station in Kyrgyzstan. Two of the Station's four turbines went out of order. The Toktogul Hydroelectric Power Station uses machinery that is similar to that of the infamous Sayano-



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Shushenskaya Hydroelectric Power Plant, where on 17 August 2009 an accident occurred, with one of the turbines breaking apart and killing dozens of people. According to experts of OJSC "Elektricheskiye Stantsii", the plant's owner and operator, the accident was caused by the extremely dilapidated state of the plant's machinery. Fortunately, the accident was quickly dealt with on the same date, thus allaying the fears of Kyrgyzstan's neighbours, who are connected to the United Central Asian Gridline..

*Социально-экономическое положение в Кыргызской Республики (январь-ноябрь 2009). Бишкек.2009 (A Publication of the National Bank of the Kyrgyz Republic "Social and Economic Situation in the Kyrgyz Republic in January-November 2009").*

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