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# HIMALAYAN AND CENTRAL ASIAN STUDIES

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## UZBEKISTAN SPECIAL

URBANIZATION PROCESSES IN CENTRAL ASIA

*Gulchebra Azizovna Agzamova*

MUSLIM TRADITIONALISTS AND TURKESTANI JADIDS

*Abdullaev Ravshan*

TRADITION AND MODERNITY IN UZBEKISTAN

*K. Warikoo*

HISTORY OF UZBEKISTAN IN EARLY 20<sup>TH</sup> CENTURY  
IN THE EURASIAN CONTEXT

*D.A. Alimova*

UZBEKISTAN'S ECONOMIC MODEL AND PERFORMANCE

*R.G. Gidadhubli*

THE 2007 PRESIDENTIAL ELECTIONS IN UZBEKISTAN

*Rashmi Doraiswamy*

THE CENTRAL ASIAN TRANSPORT CORRIDOR

*Gulnara Karimova*

UZBEKISTAN-INDIA RELATIONS – A BASIS OF NEW  
INTER-REGIONAL COOPERATION

*Ibragim R. Mavlanov*

SPIRIT AND LETTER OF STRATEGIC PARTNERSHIP OF INDIA AND  
UZBEKISTAN

*Farkhod Tolipov AND K. Warikoo*

UZBEKISTAN AND JAPAN: BILATERAL AND MULTILATERAL RELATIONS

*Mirzokhid Rakhimov*

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**Editor** : **K. WARIKOO**  
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# HIMALAYAN AND CENTRAL ASIAN STUDIES

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## CONTENTS

Editor's Page	<i>K. Warikoo</i>	1-2
Urbanization Processes in Central Asia during 16 <sup>th</sup> to first half of 19 <sup>th</sup> Centuries	<i>Gulchehra Azizovna Agzamova</i>	3-17
Muslim Traditionalists and Turkestani Jadids: Specifics of Ideological Opposition in Early 20 <sup>th</sup> Century	<i>Abdullaev Ravshan</i>	18-23
Role of Traditions in the Religious Education in Uzbekistan	<i>Shukhrat Yovkochev</i>	24-30
Tradition and Modernity in Uzbekistan: The Role of Mahalla in Local Self-governance	<i>K. Warikoo</i>	31-39
The Changing Role and Capacity of Mahalla in Uzbekistan	<i>Abidjanova Dildora</i>	40-69
History of Uzbekistan in Early 20 <sup>th</sup> Century in the Eurasian Context	<i>D.A. Alimova</i>	70-79
Uzbekistan's Economic Model and Performance: A Review	<i>R.G. Gidadhubli</i>	80-91
Water Management Strategy in Uzbekistan: Some Aspects	<i>Guli Yuldasheva</i>	92-103
Labor migration from Uzbekistan	<i>Jahangir Kakharov</i>	104-117
Power Generation in Uzbekistan	<i>Jahangir Kakharov</i>	118-129
The 2007 Presidential Elections in Uzbekistan	<i>Rashmi Doraiswamy</i>	130-138

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The Central Asian Transport Corridor: Prospects for Attracting International Transit Freight Flows	<i>Gulnara Karimova</i>	139-143
Uzbekistan-India Relations – A Basis of New Inter-Regional Cooperation	<i>Ibragim R. Mavlanov</i>	144-160
Spirit and Letter of Strategic Partnership of India and Uzbekistan	<i>Farkhod Tolipov and K. Warikoo</i>	161-171
Uzbekistan and Kazakhstan: Two Failed Leaders of Central Asia	<i>Farkhod Tolipov</i>	172-182
Uzbekistan and Japan: bilateral and multilateral relations	<i>Mirzokhid Rakhimov</i>	183-193
<b><i>HRCF Document</i></b>		
The Concept of Further Deepening the Democratic Reforms and Establishing the Civil Society in Uzbekistan	<i>Islam Karimov</i>	194-222
Book Review	<i>Matt Fross</i>	223-228



## *Editor's Page*

Situated between the two giant Central Asian rivers – Syr Darya and Amu Darya, and bordering the countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan as well as Afghanistan, Uzbekistan is well described as the heart of Central Asia. Encompassing a territory of about 448,000 sq. kms. and with a population of over 26 million, Uzbekistan is the most populous country in Central Asia. Being surrounded by other Central Asian Republics and having no common border with Russia or China, Uzbekistan enjoys a unique geopolitical location in Central Asia. Historically speaking, Uzbekistan being the successor to the Khanates of Bukhara, Khiva and Kokand dominated the Central Asian region from fourteenth to nineteenth century. And the ancient oasis cities of Bukhara, Samarkand, Kokand, Urgench, Shahr-i-Sabz, Khiva, Andijan, Tashkent etc. – all in Uzbekistan, have been important centers of religious and cultural importance throughout Central Asia. Bukhara and Samarkand have been known as the great centers of Islamic theological studies. The disintegration of the former Soviet Union and the subsequent emergence of independent Uzbekistan changed the balance of power in this region. Being conscious of the richness of their natural resources, agriculture and their ancient and rich historico-cultural heritage and unique geopolitical position, Uzbekistan and its people harbour the aspiration to be the regional power in Central Asia.

Once independent, Uzbekistan like other Central Asian Republics found itself faced with challenges of ethnic and national identification, problems of economic, political and social transformation. Even after the end of cold war, new challenges to the security, stability and sustainable development of nation states came to the fore. Terrorism, religious extremism and its militarized manifestation, ethnic conflict, drugs and arms trafficking have been the main threats to the territorial integrity, inter-ethnic harmony and socio-cultural equilibrium, peaceful co-existence and economic development of the newly independent countries in Central Asia and their transitional economies. That the President of Uzbekistan, Islam Karimov's priorities have been to ensure peace and security, stability and sustainable development, demonstrates that the Uzbek leadership has been fully alive to the threats to security and stability of the independent Republic. The three main planks of Karimov's policy have been to maintain

and consolidate Uzbekistan's independence and sovereignty, to ensure domestic social and political stability and following a cautious approach to economic reform in order to save the Uzbek society from the ill effects of globalisation. As a means to consolidate the sovereignty of Uzbekistan, a policy of reducing its dependence on Russia, diversification of economic relations and making new alliances outside the CIS has been adopted. At the same time indigenisation of Uzbekistan's security and defence structures has been undertaken.

At the economic level, a policy of gradual economic reform has been adopted, which is different from the radical reforms and liberalization in some other Central Asian Republics and CIS countries. Self-sufficiency in food grains has been achieved as a result of diversifying crop pattern and shifting some area of crop production from cotton to grains, fruits and vegetables. Uzbekistan also achieved self-sufficiency in energy resources, besides optimum utilisation of its mineral resources, particularly gold and copper. The foreign trade turnover of Uzbekistan has also increased.

At the domestic level, President Karimov has been quite conscious of the threat from domestic dissent and religious fundamentalists to his regime in Uzbekistan. He has, in unambiguous terms, rejected the ideas of "politicization of Islam and Islamisation of politics", drawing a clear distinction between the cultural and spiritual value of Islam and its misuse for gaining and exercising political power. He views Islamic fundamentalism as a threat to Uzbekistan by seeking to disrupt stability, civil and inter-ethnic harmony, by discrediting democracy and secular polity, multi-ethnic and multi-religious state. He has stressed the need to promote traditional Islam in order to neutralize the threat of Islamic fundamentalists and extremists.

During the past twenty two years of its independence, Uzbekistan has moved along a path of gradual development of democracy, socially oriented market economy, the nation-building process by keeping the indigenous ethno-national culture and traditions as the core of the independent state of Uzbekistan.

**K. Warikoo**



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## URBANIZATION PROCESSES IN CENTRAL ASIA DURING 16<sup>TH</sup> TO FIRST HALF OF 19<sup>TH</sup> CENTURIES

GULCHEHRA AZIZOVNA AGZAMOVA

During the period from 16<sup>th</sup> to first half of the 19<sup>th</sup> century, there active urbanization processes occurred in Central Asia. The cities known as the centers, where there were nascent political, social and economic and cultural processes during this period of history, passed through different stages of the historical process. Some of these cities rose by virtue of certain reasons, and others declined, arose and developed into new cities. During these three hundred years, the city and the city life underwent changes, both in the structural form, and in the social composition of population, particularly in specializations of cities, techniques of craft manufacture, domestic and foreign trade, structure, accomplishment and development of cities, erection of monumental buildings, etc. During this period, late medieval cities of Central Asia, inspite of their location in different Khanates, had the common tendencies of development and at the same time they possessed features peculiar to each of them. These general and specific features of development of the cities and city life are traced in all spheres of the life of society, especially in social and economic area.

At the end of the 15<sup>th</sup> century shattered parts of the state of Timurids were conquered by the army of Muhammad Shaibani-khan. In the 1560s, the capital of the state finally passed to Bukhara and thus arose the Bukhara Khanate. In the beginning of the 16<sup>th</sup> century there was a new state association in Khorezm. Later in the beginning of the 18<sup>th</sup> century a new state – Kokand Khanate was formed in the Fergana valley of Bukhara Khanate. Within a period of about 350 years, there were difficult processes in political, social and economic and cultural history of Uzbekistan.

In each of these Khanates, the processes were accompanied by growth of cities, their economy and culture, amplification of specialization

of cities, territorial expansion, inter-relations and external interferences. As a result of the formation of three Khanates, people having a uniform way of development for centuries, tried to keep and creatively develop traditions in the field of political system, social, economic and cultural life.

Cities, being the centers of political, social and economic and cultural life played an important role in the late medieval history of Central Asia. During this period there were a number of cities distinguished in size, number of population and territorial arrangement, range of development of social and economic and cultural life. There were cities which corresponded to some centers of other countries. A. Djenkinson who passed through many cities of Europe and Russia, noted about Bukhara in 1558-1559 AD that "the city is very great".<sup>1</sup> He testifies to the harmony of size of the capital city of Bukhara Khanate with other cities of the world.

Definition of a place of city in the life of Central Asian society has great value for their investigation as centers of political and social life. During this period, as well as the past centuries, all internal and foreign policy of the state was focused in the cities. Here accumulated the basic layers of the Central Asian society. As a result of vigorous activity of the labour of people, the cities were equipped with modern conveniences and got a beautiful sight.

Various goods made by handicraftsmen for people's life and productions required the expansion of internal and foreign trade, and also places of their realization - network of trading objects - markets, caravanserais and etc. Similar interrelation of craft and trade promoted the development of these branches of city life, social differentiation among handicraftsmen and dealers, and also the retraction of other layers of population to trade. In the life of late medieval societies the cities were also levers which took the economic processes forward in Central Asia as a whole and particularly in agriculture. The interrelation of cities and villages resulted in the impulsive basis for development. The cities played determining and regulating role in many respects in inter-dependent and subordinate relations of the branches of late medieval economy of village and city.

With the development of economy and commodity-money attitudes at the end of the 18<sup>th</sup> and first half of 19<sup>th</sup> centuries grew the role of many cities in regulating the economic life of region. Positions of such cities as Bukhara, Khiva, New Urgench, Kokand and Tashkent as the regulating centers during the given period increased. There was growth of

specialization of urban economies in the manufacture and delivery of some kinds of the crafts, food stuffs and raw materials.

Development of the ramified network of trade and economic objects, growth of internal, transit and foreign trade promoted growth of social and economic life of cities. The given process played an important role in the arrangement of cities on important sites of international and local caravan routes. Such an arrangement led to further development of such cities as Bukhara, Shahrisabz, Karshi, Kokand, Tashkent, Khiva and New Urgench in the second half of the 18<sup>th</sup> and first half of the 19<sup>th</sup> centuries.

It is established, that determining factors of the process of the formation of new cities could be political, social-economic or natural-climatic conditions. For example, the cities of Khiva Khanate developed due to natural-climatic conditions, namely with the drying of some river-beds of Amu Darya, which earlier supplied water to many centers of craft and trade.<sup>2</sup> As a result of drying up of river-beds, the city life in them gradually developed. In the middle of the 16<sup>th</sup> century A. Djenkinson noted, that “in the near future all of this country will be ruined and becomes desert because of scarcity of water”,<sup>3</sup> which to certain extent has proved to be true.

In the beginning of the 16<sup>th</sup> century the large centers like Vazir, Urgench, Kath, Khazarasb, played important role in the political and social-economic life of Khiva Khanate till the 17<sup>th</sup> century. But later their inhabitants were compelled to leave their homes and to move to new places. In 1646 AD, inhabitants of old Urgench who remained in their own places, were shifted by the Khiva Governor to the “new fortress in the West of Khanka” constructed on his order, which later became the basis for the emergence of New Urgench.<sup>4</sup> Then, under Anusha Khan the part of inhabitants of old Tarjima Vazir were moved to the grounds “to the north from Gurlan” and as a result there appeared Small Wazir. Other part of inhabitants was lodged in the territory “between Anbar and Shahabad”, after becoming known as Chigatay.<sup>5</sup> Same fate was met by the inhabitants of Kath. For them the fortress “to the north of Yetti Gumbaz” and channel “Yormish” was constructed under the order of Anusha Khan.<sup>6</sup> During the reign of this Khan, the cities of Shahabad and Ghaziabad also were constructed.

Sources of the first half of 19<sup>th</sup> century throw light on the process of revival of old and deserted cities of Khiva Khanate – like Kuhna Urgench and Old Kath, which reflects the general stabilization of political life and growth of social and economic relations in the 18<sup>th</sup> and first half of 19<sup>th</sup> centuries. Similarly, in the Bukhara Khanate a number of new cities like

Kattakurgan and Sherabad, developed in the first half of 19<sup>th</sup> century. Intensive city formation process also occurred in the Kokand Khanate. Here too with the political growth of the Khanate and development of social-economic life, position of some old centers, weakened giving way to new cities such as the capital of the Khanate - Kokand; development of "kishlak" to the big city of Namangan (18<sup>th</sup> century); and construction of Shahrikhan (1818), etc.

The stable political situation which served as the basis for development of trade and craft, played an important role in the formation of new cities. Actually the development of internal, transit and foreign trade led to the formation and development of new cities. In Central Asia there was a set of cities which developed with the new centers of craft and trade. By virtue of some circumstances (mainly natural-climatic conditions) some old cities ceased to exist. In earlier and medieval times, cities were without defensive walls and there was the city gate meant for protection of inhabitants from external attacks, and also for collecting the custom charges. Unlike the cities of Bukhara and Khiva Khanates, most cities of Kokand Khanate were not enclosed with defensive walls. The capital city - Kokand was enclosed with a wall only in 1842 at the initiative of the Bukhara Emir.<sup>7</sup>

Streets occupied an important place in the life of the city. They started from city gate and were crossed usually in the central part of the city - on the market. Usually wide, central streets further branched to the narrower ones. Some streets were covered, particularly in Samarkand (one of them concerned Amir Temur's time), Urgench, Khiva and Tashkent.<sup>8</sup> Some covered streets were considered "private".<sup>9</sup> Streets usually carried the names which reflected the historical-topographical, social and economic essence of that district through which they passed, and also the names of private persons, etc.

Internal structure of late medieval cities had some parts for which different terms were used in the cities of different Khanates – *daha*, *qit'a* and *yurt*.<sup>10</sup> These in turn shared smaller units – housing estates for which different terms were used in different cities - *ko'y*, *guzar* and *mahallah*. There were some features peculiar to separate cities. The structural plan of late medieval cities continued to be dominated by traditions which were established in town-planning in earlier centuries. At the same time some changes were also observed in new conditions.

During the period of this study, there was a set of the centers of craft and trade which differed in arrangement, scales, structure, development

of economy, level of cultural life, etc. At the same time, there were common tendencies and laws regarding the development of new cities and decline of other centers of craft there. Cities of late medieval period remained as centers of craft and trade, with various types of crafts concentrated there.<sup>11</sup> In the 16<sup>th</sup> century handicraftsmen of various goods and raw materials found wide market among inhabitants of the given city, villages and population of other cities, near and far flung areas and nomadic steppes. A 16<sup>th</sup> century writer Hasanhoja Nisori mentions about one such handicraftsman – Mawlana Moili Sirradj, whose saddles and gears had good demand in the countries “from the Bulghar up to China” and were submitted as a token of fine.<sup>12</sup>

During the 16<sup>th</sup> and first half of the 19<sup>th</sup> centuries, craft manufacture repeatedly saw periods of rise and fall. Historical circumstances, change of the condition of the city life influenced the development of crafts in many respects. Particular branch of craft manufacture predominated in almost all cities of Khanates. For instance Samarkand and Bukhara of the 16<sup>th</sup> century were known for weaving. Manufacturing of various types of clothes, household goods, metal work, processing of leather and manufacture of its various grades, manufacturing of various kinds of weapons, tree cultivation and manufacture of wooden articles for daily use, industrial tools, food stuffs and others occupied an important place in the city economy. Each craft shared itself with other branches, which increased during the centuries.

The analysis of conditions of different branches of craft manufacture of cities allows establishing common and distinctive features peculiar to them. For example, weaving was the more advanced and important branch of craft in the cities of Bukhara Khanate in comparison with the similar centers of Khiva and Kokand. Based on the data of written textual sources, one can observe some changes having taken place in the field of separate types of craft manufacture. In particular, during this period, in some centers the drop in rates of growth of manufacture of some fabrics, some kinds of weapons, intensification of specialization of separate cities on the manufacture of some kinds of goods in the first half of 19<sup>th</sup> century, was observed. So, for example in the 19<sup>th</sup> century, Tashkent became the center of painting patterns on coarse calico (cheap cotton goods) and this fabric was brought from the cities of Kokand and Kashgar.<sup>13</sup> Similarly “the white fabric” was brought to Bukhara for painting as well. Some branches of craft were advanced only in certain towns or were concentrated in capital cities (for instance, manufacture of writing paper

in Samarkand, later in Kokand, gold-embroidery center was Bukhara, etc.).

Trade occupied an important place in the social and economic life of the cities. It met with the requirements of the people for goods not only in the large centers, but also in small towns and villages, nomadic steppe, nearby and far places. Trade was an important part of the economic development of the cities during the 16<sup>th</sup> to first half of the 19<sup>th</sup> centuries and also one of the basic occupations of a section of the population. According to A. Djenkinson, each year "the congress of merchants" took place in Bukhara, with traders with big caravans coming from the neighbor countries like India, Persia, Russia etc.<sup>14</sup> F. Skibin who visited Bukhara in 1697, has noted that "people are masters of handmade goods, merchants and are not warriors".<sup>15</sup> In the field of commerce, particularly, in internal trade many layers of the population of the cities of Central Asia were engaged. I. Fedotjev who visited the cities of Khiva Khanate like Kanku and Ozarist in 1669 AD remarked, that there "*yurgen* and Khiva peoples have trade with each other".<sup>16</sup>

The development of trade on the whole, particularly internal trade, promoted the intensification of specialization of separate cities on the delivery and realization of certain goods of craft manufacture, agricultural production, and also the formation of rudiments of general domestic market of Central Asia. For example, in the first half of 19<sup>th</sup> century tobacco, grain, pink salt, tanning product, wool were delivered from Karshi to other cities; pomegranates, pink floss, cotton-thread from Shahrisabz; cotton, rice, boots from Samarkand; lashed robes, wadded blankets from Gurlen; various fabrics, raw silk and fruits, dried fruits from the cities of Kokand.<sup>17</sup>

Growth of this trade changed the role of certain cities in the economic life of Central Asian Khanates, as in Karshi and Tashkent. Goods coming to Bukhara from the east and southeast did not pass through Karshi in 1875. Therefore, the city grew quickly in the first half of the 19<sup>th</sup> century as compared to other cities of Bukhara. "The city (Karshi) has developed from those borders of the city walls existing since the days of Khanikov", remarked N.A. Maev.

Foreign trade played an important role in the economic development of cities. The cities of Central Asian Khanates conducted active trade with many nearby and far countries. Caravan roads, had an important place in the development of the trade relations as various routes connected Central Asian Khanates with the countries of the East, like China, India,

the Volga region, Siberia, Russia and through them with other countries of the world. The nature of imports and exports varied with the growth of mutual trade relations.

There were some common and distinctive features which were established in the sphere of internal and foreign trade in different cities of Central Asian Khanates. Different kinds of trade – trade on the areas, market trade and trade in caravanserais, were the general characteristic features for all cities of Central Asian Khanates. Characteristic features and distinctions between them were inherent in each of these types of trade and were reflected in assortments of the sold goods, their price, etc. For example, in some cases there prevailed small and wholesale trade. Wholesale trade had an important role in the development of the economy of such cities as Bukhara, New Urgench, Tashkent, Karshi, etc. It was conducted not only in agricultural products, but also in handicrafts, which in turn promoted the development of craft manufacture.

Cities of Central Asian Khanates were the centers, with traditions and local culture established in the spheres of trade. One European wrote, that in the Central Asian markets there is no habit as it is observed in Petersburg and Moscow, to invite the buyer. “Here you can consider the goods and bargain how many it is necessary for soul”.<sup>18</sup> And priest Budrin informed, that at the change of the opinion on the goods purchased, it was possible to return it to the merchant “even in a week”.<sup>19</sup>

One of the factors that promoted the growth of urban economy and development of cities as centers of trade were caravanserais whose numbers were more in advanced centers of trade. The striking example was Bukhara, where the number of caravanserais was more than in other cities of Central Asian Khanates. Particularly, if in 1820s there were 14 caravanserais in Bukhara their number reached 25 in 1830s and 38 in 1840s,<sup>20</sup> which testifies to the developing trade and economic growth of Bukhara in this period.

Many caravanserais were specialized. In the first half of 19<sup>th</sup> century, in such caravanserais of Bukhara as *Hindi*, *Badriddin*, *Qushbegi*, *Mirzachel*, *Hoja Juybor*, lived “about 300 Indians”.<sup>21</sup> Indian merchants and usurers could be met also in the caravanserai of *Shirin Hoja Rais* in Tashkent. In one of the caravanserais in Samarkand also stayed and lived merchants from India. Representatives of Russian and Tatar merchant classes lived in Bukhara caravanserais like - *Ayaz*, *Noghay*, *Fil-khona*, *Kulyuta*, and in *Zakat-sarai* in Kokand. Caravanserais served basically as a place of storage of one kind of the goods, where wholesale trade was done. For example,

caravanserai *Paxta* in Bukhara specialized in the selling of cotton-thread, Caravanserai *Tamaki* distributed tobacco, the New caravanserai of *Emir - astrakhan* fur, the Old caravanserai *Barra* stored Indian blue.<sup>22</sup> In *Mayizsaroy* caravanserai in Tashkent was kept dried fruits,<sup>23</sup> one of caravanserais of Kokand stored the paper-thread.<sup>24</sup> Caravanserais had a set of common and distinctive features, by the style of their building, assignment, size, role in the trade and economic life of the given city.

Internal, external and transit trade played an important role in the social, economic and cultural development of Central Asian cities. The markets were and remained always an obligatory component of the city. An author of the 16<sup>th</sup> century wrote about Signak, a city where there are “city authorities, the basis of a mosque and the market”.<sup>25</sup>

The majority of markets especially in the large centers of craft and trade were specialized. Zahiriddin Muhammad Bobur noted about Samarkand that one of the features of this city was that “for each craft is allocated the separate market here, and they do not mix up with each other”.<sup>26</sup> English author A. Djenkinson informing about the markets of Bukhara stated that: “Each craft took here a special place and special market”.<sup>27</sup> Specialization of the markets is confirmed by the documentary data concerning separate cities. For instance, the documents regarding sale and purchase of various forms of immovable property by influential Juybarid Sheikhs, show that different specialized markets played an important role in the political, social-economic and cultural life of Bukhara Khanate. One can notice the markets of sellers of white materials (*safedfurushon*); headdresses (*takyaduzon*); clothes (*jomefurushon*); skull-cap sellers; market of iron-wares; cords; mates; different kinds of food; money-changers (*sarrafs*), etc.<sup>28</sup> This tendency of specialization of the city markets continued during the next centuries. As per the information provided by Budrin, who visited Bukhara in 1820s, Bukhara had the market for each goods. He listed following kinds of markets like – markets of silk scarves and capes, cotton fabrics, Russian goods, copper utensils, shoes and boots, rams and cows, trees, bread, etc.<sup>29</sup>

The specialization of city markets is observed also in other centers of Central Asian Khanates. In Tashkent, for example, according to data of 1735, “in each market was sold only one kind of the goods” and it was not allowed to have mixed trade in different goods “cotton, silk, boots, silk fabrics, which were on the sale in various markets”.<sup>30</sup> Data of eyewitnesses of the subsequent times also confirms that the same situation existed at the end of the 19<sup>th</sup> century. At the same time there were also



some kinds of specialized markets which were not characteristic for all cities in these Khanates. For instance, markets for the sale of leaves of mulberry (*bozori bargi tut*), were especially widespread in the cities of Bukhara Khanate.

Documentary evidence shows that usually in central parts of the city were located markets of jewelers, money-changers, metal-workers, clothes. Markets conducting the trade in agricultural products and cattle were usually situated on suburbs of the city and on its borders. For example, one market of Bukhara for sale of horses, according to the author of the first half of 19<sup>th</sup> century was located in 1.5 versts<sup>31</sup> from “the Samarkand gate”. The same market settled down near Imam gate of the city, and a market for the sale of cows, rams and camels was behind Namazgah gate.<sup>32</sup>

There were different kinds of architectural constructions in the cities which served as an original place for carrying out of the trade – *tims* (covered markets) and *toqs* (covered store lines). *Tim* represented covered trading arcade in the oblong form, built from bricks. A typical *tim* was built in 1580s in Bukhara. In the middle of a square was set a big dome with the help of brick columns and domes were located around it. *Tims* - as a special type of the markets frequently appear in the documents investigated by us. Particularly, in the legal acts of Juybarid Sheikhs are mentioned *tims* of headdresses (*takyaduzon*); clothes (*jomefurushon*); skull-cap sellers, etc. Materials of the 18<sup>th</sup> and the first half of 19<sup>th</sup> centuries concerning other cities, also confirm the presence of such type of markets in Khiva, Tashkent and other cities of Central Asia. Constructed “with arches and domes rather big brick building”, – the *tim* of Allaqli-Khan consisted of set of stores from inside.<sup>33</sup>

The widespread form of the places of selling goods were *toq's* which usually were constructed on crossroads of streets, and on markets. In the architectural plan, they were square, hexagonal or octagonal brick constructions covered with a dome where there were located benches of merchants inside. In Bukhara some of them are as follows: *Toqi-Sarrofon*, *Toqi Zargaron*, *Toqi elpakfurushon*, *Toqi Tirgaron*, *Toqi Ordafurushon*, etc, parts of which exist even now.

Trade operations were carried out on *Chorsu*, which was usually located on a crossroads of roads and was covered from above with a dome. For example, *Chorsu* of Samarkand was a covered “stone” building with exits on all sides. *Chorsu* of Bukhara was a covered building from top where since morning there was active trade.<sup>34</sup> Markets of this type existed

almost in all large cities of the Khanates.

Registan of the cities named *Bozori Registon* also served as places for carrying out of the trade.<sup>35</sup> Similar markets are mentioned in Samarkand, Tashkent and Karshi. Development of domestic trade was defined also by the presence in some cities of trading places consisting of *guzar* markets, *sari bozor*, *ovqat bozor*, *bozorli joy* etc.

Markets for selling wide assortment of goods for the needs not only of city people, but also of agricultural population, and also the inhabitants of nomadic steppe were in most cases situated on roads, outside of city walls. For example, in the first half of the 19<sup>th</sup> century, the market of Kath which consisted of 40 stores, was situated outside of the city, opposite the city gate; the Market of *Hazarasp* consisting of 150 stores was located outside of the city walls, and the market of *Tashauz* consisting of 180 stores, was located outside of the city – “at the wooden bridge of the channel”.<sup>36</sup>

As against the established traditions and norms, due to some reasons in some cities markets were absent, and trading was done in houses. The characteristic phenomenon for all cities of Khanates was cyclic recurrence of trading days of the week, i.e. each city had the day for general trade. For example, in the cities of Bukhara Khanate, according to data of the author of the first half of the 19<sup>th</sup> century, market days were for Samarkand and Karshi - Sunday and Wednesday for Karmana - Monday, for Kattakurgan – Saturday.<sup>37</sup> The same situation existed in the cities of Khiva Khänate where by a special “decree of Khan” it was forbidden to make trade simultaneously in two cities of the country.<sup>38</sup> Similar situation was peculiar for the markets of Kokand Khanate. So, according to F.Nazarov, in the capital of Khanate “two days of the week” were market days.<sup>39</sup>

However, there were cities, to which established days of the market were not strictly applied. For instance in Bukhara where, according to the eyewitness, goods were “delivered to stores”, daily at 11 o'clock in the morning and at 3 o'clock of mid-day” these were carried away back. Information provided by other authors also confirms that markets in Bukhara functioned every day in the week. In the cities also functioned such forms of markets like night markets, markets as for example *Shurakhona* where trade could be carried out not in stores but on horses; in the cities located near the rivers where trade could be made on boats.<sup>40</sup>

In addition to crafts and trade, other branches of economy were also advanced in late medieval cities of Central Asia. For example, inhabitants of many cities were engaged in agriculture, gardening, truck farming, herding cattle. Despite the development of diversified craft,

advanced trade and a network of trade and economic institutions, all cities were not completely separated from agriculture. Economy of some cities combined the basic manufacture of medieval society like crafts, trade and agriculture. There were cities where economy was based on crafts and trade. To this type belonged majority of the cities where population was not completely separated from agriculture. In many cases, this category of townspeople, being handicraftsmen, had small sites of land within the limits of the city or behind its borders. On such land were raised grain, melons and gourds, cotton, sesame. In the gardens inside the city and outside of its walls grew poplar, nut and mulberry trees, which were used in construction, for manufacturing instruments of production etc. Such situation prevailed in many trade and economic centers of Bukhara, Khiva and Kokand Khanates. As per the suggestion of Abulghazi-Khan, in early spring part of the population of Khiva who had the land, moved the city "for agricultural works".<sup>41</sup> According to I. Muravin in 1740s behind the walls of Khiva there was a set of gardens of inhabitants of the capital. And according to an author of the 19<sup>th</sup> century, "all western part" of the capital city had "village character".<sup>42</sup> The population of the city was also engaged in cattle breeding. Employment of the urban population for agricultural production and gardening is also found in the materials of other large trade and economic center - Tashkent. So, the most part of the population of Tashkent had the lands for carrying out agriculture and gardening which was known by the term *mavze*. To Shayhantaur part of the city belonged 31 *mavze*, Sebzar part - 65, Kukcha part 45, Besh-aghach part had 36 *mavze*'s.<sup>43</sup> The basic employment of the inhabitants of Tahtapul, Sebzar, Chuvalachi and Karasaray, according to the archival materials, was agriculture. Probably, this part of the population was engaged in crafts during winter time.

But in large cities whose economy had crafts and trade at the same time, agricultural production and gardening was almost absent. For instance Bukhara due to its natural-climatic conditions, features of the land, and most importantly due to the presence of advanced branches of crafts and trade, did not become the center of craft manufacture along with agriculture. High development of the basic branches of municipal economy - crafts and trade, promoted more active participation of the basic part of urban population in these spheres. The interrelation and interdependence of the economy of Bukhara with other cities and villages promoted switching of Bukhara people to the occupation of crafts and trade.

Based on concrete data of the sources of this period, it is possible to draw a conclusion: the basis of the economic life of the cities of Central Asian Khanates in the last centuries, was made of crafts and trade. At the same time, there were some changes in these spheres of urban economy which were expressed in the development of some branches of the craft and decline of others. The process of specialization of the cities on delivery and realization of some goods of the craft manufacture was amplified. Alongside with the craft and trade, certain role belonged to agriculture in the municipal economy. Study of the crafts, trade, places of carrying out of the trade and economic constructions leads to the conclusion that their condition and development were peculiar together with common traditions and also the specific features which influenced the growth of the economic life of cities.

Thus, in the 16<sup>th</sup> to the first half of 19<sup>th</sup> centuries, active urbanization processes occurred in Central Asian Khanates. During this period, the Central Asian cities, irrespective of their placement in one or the other Khanate, had the general tendencies of development in all spheres of life of the society, especially in social and economic areas, and at the same time they had some features peculiar to each of them.

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MUSLIM TRADITIONALISTS AND TURKESTANI JADIDS  
*SPECIFICS OF IDEOLOGICAL OPPOSITION*  
*IN EARLY 20<sup>TH</sup> CENTURY*

ABDULLAEV RAVSHAN

Turkestan, one of the most ancient centers of the world civilization by the beginning of the 20<sup>th</sup> century represented a remote colonial periphery of the Russian empire. In the field of managing the colonial affairs, the Russian empire like many other colonial powers, in some cases relied on force and in other cases on the tried Machiavellian principle – “divide and rule”. Another important principle of the colonial policy was a conscious backing of conformist groups of the population loyal to authorities, as only they could govern the conquered lands effectively and smoothly and without serious consequences.

However, this policy could not sustain, and from year to year keeping the *status quo* became more difficult. During this period, within the Turkestani society a new force matured by degrees, which was destined to play an extremely important role in political-ideological and spiritual life of the region in early 20<sup>th</sup> century. This force known as *Jadid* movement,<sup>1</sup> had rallied the most patriotically minded and educated elite of the society: young representatives of incipient entrepreneurship, national intelligentsia and the educated clergy.

*Jadidism* passed a difficult way of development from enlightenment to the influential political movement. Social and economic position of the indigenous population, backwardness of Turkestan, Bukhara and Khiva and stagnation of political life induced the *Jadids* to search for effective means of acceleration of social progress in their native lands. *Jadids* (Abdurauf Fitrat, Makhmud Khoja Behbudiy and others) believed that having gone through a powerful phase of spiritual and cultural rise in the



9<sup>th</sup> through 15<sup>th</sup> centuries, the Muslim East found itself in the phase of political-economic stagnation and crisis by the 19<sup>th</sup> century. One of the reasons, which led the Muslim peoples and the states to such a situation, in the *Jadids'* opinion, was slow transformation of the traditional vision inclusive of the changing world.

The stiffened forms of religious thought hindered the process of modernization of the Muslim society and its adaptation to modern realities. Releasing the religious views from stagnancy, the *Jadids* tried to return to Islam its universal appeal and humanistic value. At the beginning of the 20<sup>th</sup> century, the *Jadids'* activities resulted in the split of the Muslim community in Turkestan. This ideological split rather quickly got a political nature, having divided the Turkestani Muslims, at least into two contradictory camps. On the one hand, was a liberal-modernist wing, which united national progressives (*Jadids*), on the other hand, there was a traditionalist (*qadimist*) wing, which on behalf of the conservative clergy stood against the reforms. The political and ideological opposition between the *Jadids* and traditionalists continued and to a great extent affected the nature of national movement in the region, seriously weakening positions of sincere supporters of modernization in the traditional society. At the same time, this ideological struggle, promoted the growth of national and political self-consciousness of Turkestanis.

The contradictions which were tearing the Turkestani society from within (the *Jadids* - as the one party, the traditionalists - as the other) somehow resembled the struggle between the "Westerners" and the "Slavophiles" in Russia. It is necessary to state, that the former conducted their ideological battle in the conditions of colonial dependence, and it determined the nature and specificity of their mutual relations. But similar parallels seem to be quite substantiated and there were several common ideological features among them. Though the *Turkestani Jadids*, did not aspire to lose contacts with their own lands as the Russian "Westerners", and had no powerful mental potential, but they also managed to open up and accept the theory of universality. The *Jadids* cherished in themselves, as well as the "Westerners" of Russia, a sincere and sharp receptivity to the most essential innovations in the European society. However, in their opinion, it should not mean a thoughtless introduction of the elements of the Western civilization into the Turkestani environment.

On their part the Turkestani traditionalists, as the "Slavophiles" aspired for ideal pre-Petrine Russia, were dreaming of the former power of their native lands, not noticing, or not wishing to notice the cardinal historical

changes. Opposing the West and the Christian world, the traditionalists saw in it only, and mainly, the malicious destructive force, capable to destroy achievements of the Muslim civilization and its originality. In distinction from their ideological opponents (the *Jadids*) who aspired to adapt the Muslim society to scientific-technical achievements and new democratic values, the traditionalists stood up for “purification of Islam” from alien formation and were opposed to any innovations, which they thought would work great mischief with the Muslim way of life.

However, despite the serious counteractions made from the side of the traditionalists, the *Jadids* and Muslim reformers continued trying to lay stress in their works the necessity of carrying out deep structural, politico-ideological and socio-economic reforms without which the Muslim world would be doomed, to decline at the backyard of the human civilization.<sup>2</sup> The religion, in the opinion of *Jadids*, never remained constant, but was constantly transformed with the course of history. By adapting to the new conditions, it skillfully served the developed social structures and thus preserved the power of influence on people.

Islam, as well as other religions, constantly experienced the effects of quickly varying sociopolitical, cultural and other facets of public life. However, over the centuries these changes were limited to updating the minor aspects of Islamic doctrine and its practices. The development of capitalist relations in Muslim countries in the 19<sup>th</sup> century caused the need to accelerate the revision of old religious dogmas and their adaptation to the requirements of the new time. The *Jadids* stated that transition to a new progressive condition of society should take place not only by means of gaining modern secular knowledge, but also through the restoration of reasonable principles of the Muslim doctrine regulating the evolution. In their works, the *Jadids* very frequently criticised those representatives of clergy who incorrectly treated the Koran and *Hadiths*, distorted and perverted the major conceptual regulations of Islam. “To direct us to the correct way and to lead us to the progress was a duty of *Ulema* and clergy, but they do not carry it out, and hold us in complete ignorance, they have ruined us”, Radjabzoda Niyoziy,<sup>3</sup> one of the outstanding *Jadids*, wrote in the magazine *Oyna* (Mirror) published in Samarkand.

Abdurauf Fitrat, the ideologue of the Young Bukharan (*Bukharan Jadids*) movement, in his famous work – *Bayonoti saiyokhi khindi* (The Story of the Indian traveler), with a heavy heart writes about Bukhara being in the past “a bright star of knowledge, a starlight page in the Book of Mankind”, which as times went by “was wallowed in the bog of ignorance”.<sup>4</sup> Fitrat,

as well as other reformers, believed that such situation was substantially a consequence of the triumph of ignorant conservatism and the destructive ideological doctrine of that generation of local clergy who (especially beginning from the period of the late middle ages) had gradually replaced the sincere preachers of the ideas of Islamic doctrine for revival and creation.

The *Jadids* were well familiar with the history of Islam and even were the authors of writings devoted to the analysis of historical processes associated with the evolution of Islamic doctrine. The leader of Turkestani *Jadids*, Makhmudhoja Bekhbudiy in his special work *Mukhtasari tarikhi Islom* (Brief history of Islam) regrets that many respectable clergymen, "experts and interpreters of the Koran", badly knew the history of Islam and because of it got in embarrassing position.<sup>5</sup> Bekhbudiy was convinced that "both the *padishah*, and *vizier*, and people of public service, and politicians should comprehend history. It is necessary to study history in order to be cognizant of sufferings and work of the Prophet and his fellow-fighters in the name of Islam, for his adherents and for the society. It is necessary to study history to be aware of both backward and progressive peoples, about states-conquerors and perished governments. It is necessary to study history to be conversant with the reasons of the vanished and defeated prophets, religions and peoples. It is necessary to study history in order to understand how Islamism developed and grew and why nowadays the Muslims have sunk into degradation? And what makes opportunities and means for self-affirmation and progress?"<sup>6</sup>

Today we have solid grounds for considering that many *Jadids* were adherents of the idea about the right of each Muslim to *ijtihad* (individual thought), i.e., to independent judgment on religious and legal questions. Thus, most likely, the most consecutive *Jadids* did not share the common opinion that "the doors of *ijtihad* had been closed" with the creation of four theological-legal schools (*maskhabs*). The *maskhabs*, appeared in the 9<sup>th</sup> – 11<sup>th</sup> centuries during the natural development of the Islamic doctrine, and subsequently had been canonized. And since then the basic features of Islamism became strict following the authoritative doctrines of legal schools (*taqlid*) and an interdiction on the new interpretation of Koran that inactivated thinking and public relations.

Being well-educated and searching people, the *Jadids* could not but understand that the closure of the gate of *ijtihad*, meant rejection of critical independent judgments and recognition of the idea that the world did not develop and there was nothing essentially new in it. Undoubtedly, the Turkestani progressives were not the apologists of "absolute *ijtihad*"

and did not reject in full the traditional norms and values. However, in all probability, they called for coordinating the Islamic dogma and Islamic principles with social and economic, politico-ideological and civilizational changes, which were taking place in the world, and aspired to bring in certain innovations to the ideology and practice of Islam. They stressed the need for adaptation of the Muslim rite-and-cult practices to the conditions of modern life, purification of the *Shari'ah* from out-of-date legal establishments, revision of moral norms and standards of Islam according to perceptions of people in the 20<sup>th</sup> century.

On the eve of the Socialist Revolution of 1917 in Russia, the ideological opposition between the *Jadids* and local traditionalists became sharper. By 1917, the Turkestanis witnessed the formation of a new political context: occurrence of numerous parties, movements and groups such as monarchists, socialists, anarchists, radical-democrats and others who worked for realization of their various programmes and objectives. The specific feature of this process was that along with new all-Russian parties (the members of which were mainly the representatives of the European population of Turkestan), the young national organizations had arisen as well. By that time, the Turkestan *Jadids* had founded their sociopolitical organization – *Shuroi-Islomiya* (Council of Islam or Islamic Council), and as their opponents the Tashkent group *Shuroi-Ulamo* (Council of clergy) expressed the interests of conservative clergy.

For the representatives of the national movement in Turkestan the basic priority of their agenda was regarding the future state system of the country and political self-determination of the Muslim population. The organization *Shuroi-Islomiya* wanted to establish in Turkestan the democratic autonomous republic with its parliament. The *Jadids* and their adherents spoke for the realization of democratic freedom. They thought that all citizens without any distinctions in sex, creed and nationality should be equal in the face of law. The programme provisions of the *Shuroi-Islomiya* guaranteed equal voting rights to all citizens, including women. Under the initiative of *Jadids*, during those days, the society *Nashri-maorif* was organized. It aimed at, among other things, supporting education for the Muslim women by opening for them schools and various training courses.<sup>7</sup>

Most democratically minded *Jadids*, in the context of new historical conditions, suggested the ideas of development of the state along the way of secularism. As against this, one of the program documents of the *Shuroi-Ulamo*, prepared by Serali Lapin, the leader of the Tashkent *ulamo*, stated that in Turkestan it was necessary to establish “purely Muslim autonomy

...".<sup>8</sup> In the opinion of the representatives of the "Shuroi- Ulamo", the forthcoming reorganization of the Turkestan society should be carried out strictly under the laws of the *Shari'ah*. In particular, they spoke against the idea of granting to women the rights equal with men, and they opposed the separation of Church and State.<sup>9</sup>

Within a short while (after the Bolsheviks having already come to power in Turkestan), some active members from *Shuroi- Ulamo* even got under the influence of ideas of so-called Islamic socialism, thus believing that "Ö in its main fundamentals socialism is not unlike the doctrine of Islam but differs from the latter only in ways of realization of principles and in some details".<sup>10</sup> Characterizing the program of *Shuroi- Ulamo*, one of the ideologists of the *Shuroi-Islomiya* - Mustafa Chokay - spoke that the given program "... gives serious trumps to the undisguised enemies of our national movement".<sup>11</sup> In the opinion of many *Jadids*, the projects about the future national-state system of Turkestan, suggested by the organization *Shuroi- Ulamo*, had a utopian and anti-national character. Refusing dialogue with the local reformers who put forward the ideas of reasonable combination of modern democratic, national and Islamic values, local traditionalists, evidently, hindered the consolidation process in the society, which was directed to resolving the problems of the renewal of the country and development of a new type of civilization.

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## ROLE OF TRADITIONS IN THE RELIGIOUS EDUCATION IN UZBEKISTAN

SHUKHRAT YOVKOCHEV

Religion is one important factor of social development and it plays the main role especially in traditional societies like Central Asian states, where political systems and mentality is rooted in religion, traditions and collective ethnic norms. In these conditions the role of Mullah (Muslim priest) and level of religious education is very important. Role of Mullahs and its special education take special place in transitory period in the new independent Republic engaged in building the democratic state. This paper examines the continuity of traditional religious education among the population of Uzbekistan.

As is well known, *madrassa* one of the main conductor of Islamic traditions, alongside the basic carriers of Muslim religion, produced the graduates of special religious educational schools. Future *Ulemma* were trained in the whole complex of various disciplines. First *madrassa* was established in the region in 19th century and it had independent system of training in religious and secular sciences.

In *madrassa* and other educational institutions of Central Asia ideas of continuity always followed. The educational programs were being improved and enriched by introducing new subjects. Training in the *madrassa* was conducted according to the balanced educational program. Alongside with religious sciences like Koran studies, *Hadith* (tradition), Tafsir (comments on Koran), *Fiqh* (Islamic law) and other secular sciences as mathematics (Riyoziyot), astronomy (Falakiyot), logic (Mantiq), rhyme metrics (*Arudth*), rhetoric (*Balagha*), geometry (*Handasa*) etc. were also taught. Terms of training in *madrassa* varied according to the purpose, put before them, for that period. For example, in the 16th century the training in *madrassa* was designed for 20 years, which in some cases was

reduced till 8 years. Till 19th century, training in the *madrassa* was conducted in 3 steps: beginning, middle and high step. The educational material at each step was governed by the principle from simple to difficult, and from general to concrete.

At the beginning step of *madrassa* upto 9-10 years, grammar of the Arabian and Persian languages and Islamic law was taught. At the same time, the students began to get trained in the correct reading of texts in Arabian language and Koran. Later teaching of language was conducted according to the special manuals (*Zinjoniyy*, *Avomil*, *Harakat*), where more difficult grammar of the Arabian language was taught, and also the study of *Fiqkh* under the books *Qaydoniy* and *Mukhtasarul-viqaya* was begun. In the sixth and seventh years teaching of the grammar of Arabian language was done through a difficult manual *Sharkhi mullo* of Abdurakhman Jami. The eighth and ninth years of training were devoted to study of the manuals on logic (*Shamsiya*) and some kind of synergy *Sullamul-ulum*.

Middle step of *madrassa* continued for 7-8 years. At this step the manuals on *Hadith* studies and *Fiqkh - al-Kifaya*, *al-Mukhtasar* were used. In this period students were studying such books on divinity, logic, *fiqkh* and Arabic grammar. And during the 19th century the manual *Mullah Jalol* on divinity and logic of Muhammad Abdulkhay, was widely used in the *madrassas* of the region.

Last 4 years of training in *madrassas* were called *Alo* (high step). During this period the students received knowledge of the most difficult religious-legal disciplines as divinity and *Fiqkh*. In this period the students got trained in *tafsir*, *Kalam* (Islamic philosophy), *Hadith* studies and other basic books of Hanafi school, as Marginanie's *Al-Khidaya*, *Mukhtasarul-viqaya* of Ubaydullah ibn Ma'sud, *Tafsiri Kabir* of Imam ar-Razi, *Sakhiih al-Bukhari* of Imam al-Bukhari and *Salati Ma'sudi* of Faqikh Ma'sudi. All these books were written in the Arabian language. Besides, at the middle and high steps students of the *madrassas* studied *Tafsirs* of Imam al-Ma'turidi, Abul Lays as-Samarqandi and Abu Hafs an-Nasafi.

The analysis of sources, textbooks and manuals in *madrassas* of Mawaraunakhr shows that all subjects of Arabian language, *Fiqkh*, divinity and other issues were taught step by step, gradually. In particular, if in the beginning classes of the Arabian language trained under the popular manuals, in the middle and high steps the training was imparted on most difficult textbooks. Similar approach was observed in the teaching of *Fiqkh*. The *Fiqkh* training at the middle step *madrassas* was conducted at first on *Fiqhi - Qaydoni*, and then under most difficult textbooks like *Mukhtasarul-*

*viqaya* and *al-Khidaya*. For studying Koran and Tafsirs the time was allocated generally at high stages of training.

Thus, in *madrassas* of Central Asia, teaching was conducted by a principle from simple to difficult with obligatory mastering of philological skills on the Arabic and Persian languages. The interpretation of the sacred books (Koran and Sunna) was a prerogative of separate *Ulemmas* (theologians), who had deep knowledge in humanitarian sciences and had comparative skills in theological sciences.

This system of training gave good religious education, rational approach and correct interpretation. And only then methods of interpretation of the sacred texts, i.e. Koran and *Hadith* were taught. The teaching practices in the Soviet period declined owing to lack of competent experts. Misunderstanding of the role and importance of traditional training usually arose because religion separated rationalisation and the sacred texts were interpreted by everyone in their own way, own understanding, sometimes for political and other purposes.

Free and illiterate translations of sacred texts have led semiliterate sections of connoisseurs and religious leaders, like *Akramiya*, *Ma'rifarchilar* groups and others to misinterpret religion. The individual interpretations have resulted that "connoisseurs" who have come off from tradition have assumed the *Shahid's* status and created the concept of "unbelievers" and the relations with them and have freely interpreted sacred texts especially concerning such concepts as *Jihad*.

But usually local traditional method of intensive training limited the right of interpretation of the sacred texts and also the circle of such persons. So it prevented the growth of so-called *mujahids* from religion and left before the Muslim community enough open space for free dialogue with the representatives of other religions and other ethnic groups. For this reason growth of individual commentators was controlled, so that there was no misuse of religious instructions of the sacred texts for vested political and other interests.

Now the job of study and publication of written sources of science and also on Koran and *Khadith* studies, is carried out in Uzbekistan. A number of commentaries and translations of Koran are published. For example, translations of Alowuddin Mansur, Abdulaziz Mansur, Oltinhontura Sughuniy, Mutalib Usman, Muhammad Sadiq Muhammad Yusuf, Domulla Hindustani and others have been done. Among them, special scientific value is represented by the translation and commentary of Abdulaziz Mansur, which has been issued in three editions (2001, 2004,



2007). For preventing different interpretations of Koran, the translation of Abdulaziz Mansur is used for the scientific purposes.

As is known, one of the forms of preservation and transmission of religious traditions in Uzbekistan during the Soviet time was through illegal religious education (so-called *Hudjra*), which was wide spread and it amplified against the background of limited and controlled official religious education. In such spontaneously formed private religious schools (*Hudjra*), the *Ulemma* trained the schoolboys in Islam. Such *Ulemma* like Shami-damullah made great influence on the development of Islamic doctrine in the region during the Soviet period. As a result of his activity in Tashkent, an influential group of theologians under the name *Ahlu Sunna va-al-Khadith*, which was opposed to the local *Hanafi* form of Islam and especially all kinds of reform, came into being. They focussed only on Koran and right *Khadith*. Later on this opposition to the local forms of Islam came to be known as so-called *Wahhabism*.

During that time Muslims could use for personal religious training and spiritual management in the former Soviet Union, only two legally accessible *madrassas* - restored Miri-Arab (it is known to be existing since 1540 AD) in Bukhara and Madrassa Barrak-Khan (1956-1961) in Tashkent. On the basis of Barrak-Khan madrasa in 1971 was created Tashkent Islamic Institute (*Oliy ma'had*) by the name of Imam al-Bukhari. The first group of 30 men in *madrassa* Miri-Arab was produced by 1 October 1946. And the first release of 14 persons in this *madrassa* was done in the spring of 1951. In the Soviet period, the system of religious education functioned under strict state supervision and it was transformed more than once. For instance for a more careful preparation of *Imam-Khatibs* the term of training in Miri-Arab was prolonged in 1957 till 9 years, and in 1956, 6,7,8th classes of madrasa Miri-Arab were conducted in Barrak-Khan *madrassa*. In 1961 Barrak-Khan *madrassa* was closed as it was working illegally. For preparation, the religious staff was trained in Miri-Arab *madrassa* with a quota of 40 men. During the educational years 1961-62 in Miri-Arab *madrassa* there were only 3rd, 5th and 7th classes. Other classes were closed due to the liquidation of Barrak-Khan *madrassa*.

According to the decision of Religions Affairs Committee of the Council of Ministers of USSR in 1971, Tashkent Islamic Institute was opened in Tashkent where the theological and secular disciplines were taught. All teachers in religious subjects were the former graduates of Miri-Arab *madrassa*.

Criticism of many foreign religious figures who visited USSR during

this period (1960-1970), concerning local religious institutions of Muslims, was basically confined to an estimation of the low level of teaching of religious subjects, Arabian language and small number of the students.

The condition of Islamic education in this period largely depended on the policies of the Soviet authorities. The purpose of these educational institutions consisted in training of the personnel who were loyally adjusted to the Soviet state, and were not especially strongly educated having understanding in religious sciences. In essence, many students spent time in the walls of this institution with the unique purpose - legalization (receiving the diploma) of religious education received by them in the private (individual) institutions (in *Hudjra* or in family).

After 1989 some *Hudjra* began to become the independent religious centres in the radical sense. These centres were influenced by *Hambali* school-more radical, than the traditional Uzbekistan *Hanafi* school. This religious movement turned into *Wahhabism* mainly due to its adoption of violent means. These *Wahhabi* communities become the basis of the creation of structures like *Islamic Revival Party* (IPV). Large Wahhabi mosques without the sanctions of Spiritual Board of Muslims of Central Asia and state bodies were opened in Andijan, Kokand and Namangan. As such the need for rational religious politics was felt after independence. In June 1991 the "Law on religious freedom and organizations" was adopted and then in 1998 its second edition was issued. It provided for re-registration of all religious organizations and confessional educational institutions.

In 1992 total number of *madrassas* in Uzbekistan exceeded 100 out of which 20 were concerned directly with the Muslim Board of Uzbekistan. Most of them were found as inadequate and were thus closed. In many of these *madrassas* there was no educational and methodical documentation. The lectures were taught by non-professional specialists who had no diplomas. The main emphasis in the educational process was on the development of religious disciplines. The personal positions of many teachers and graduates were doubtful and had no deep development of dogmatic and legal basis of Islam. The religious knowledge became a quick means of making profit and achieving political ambitions etc.

The search for ways of effective methods of struggle against extremism and terrorism has led to the development of systematic complex spiritual - educational job among the population and, especially, youth. One of the first tasks in the education of youth in the spirit of religious tolerance and development of immunity against religious extremism and terrorism, is the organization of a system of religious education among the population

in Uzbekistan. Two basic principles are strictly observed: a) secular character of the state; b) religious tolerance - equal rights for representatives of all religions, and development of creative cooperation with religion.

Naturally, the new independent state was confronted with the difficult task of condemning the atheistic politics of the past and adhering to the declared principle of respect of religious freedom of Uzbekistan's citizens. More than that, the state took the initiative to strengthen high level religious education and more importantly provide Muslim education for promoting the development of religious immunity against alien radical religious ideologies.

The changes in the sphere of religion led to the preparation of competent religious staff in sufficient numbers. Since 1998 Tashkent Islamic Institute and nine *madrassas*, including two female *madrassas* have been carrying out religious education in Uzbekistan. The executive has taken steps for perfection of religious education system as one of the measures to stop religious extremism. In all *madrassas* the teaching of special disciplines is carried out according to the authorized programs and educational plans on the basis of prepared texts of lectures.

It may be mentioned that by the decision of a Decree of the Ministers of Republic of Uzbekistan on 22 August 2003 diplomas given to the graduates of Tashkent Islamic Institute and middle-special religious educational institutions were declared to be equal to the state documents on certification. Tashkent Islamic University established by the decision of Cabinet of Ministers of Republic of Uzbekistan in 1999 under the personal initiative of the President of Uzbekistan I. Karimov, occupies a special place in the sphere of religious education in Uzbekistan. It is a kind of unique and especially secular higher educational institution, playing important role in spiritual - educational life and welfare of the Republic. It prepares highly skilled experts trained in both secular and religious knowledge, producing the Bachelors and Masters of theology, history and philosophy of Islam. The teaching is conducted on the basis of the authorized state educational standards. Along with secular subjects of religious studies, Islamic studies, history and philosophy of Islam, *Khadith* studies, Koran, *Tafsir* and other special subjects, are taught. The University includes three faculties: faculty of history and philosophy of Islam, faculty of Islamic law, economics and natural sciences, and faculty of improving professional skills. The University also offers the post-graduate course and Specialized Council on the speciality - Oriental sciences.

The Research Centre of Islamic Studies is engaged in the study of

rich cultural and religious heritage of ancestors, role of Islam in the history of world civilization and others. There is a Fund of the manuscripts, where more than 2,500 valuable copies of the books and manuscripts are preserved. One of the important directions of activity of the University is to improve professional skills of the madrassa teachers, *Imam-Khatibs*, female advisers of *Mahalla* committees, lecturers and teachers of religious studies.

Thus, for Uzbekistan continuity of the traditional religious education has huge importance not only for training of high qualified priests but also for educating the youth in religious immunity against destructive extremist ideas.

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TRADITION AND MODERNITY IN UZBEKISTAN  
*THE ROLE OF MAHALLA IN LOCAL  
SELF-GOVERNANCE*

K. WARIKOO\*

Situated between the two giant Central Asian rivers- Syr Darya and Amu Darya, and bordering the countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan as well as Afghanistan, Uzbekistan is well described as the heart of Central Asia. Encompassing a territory of 448,000 sq. kms. and with a population of over 25 million, Uzbekistan is the most populous country and the potential power in the region. Being surrounded by other Central Asian countries and having no common border with Russia or China, Uzbekistan enjoys a unique geopolitical situation in Central Asia. Historically speaking, Uzbekistan being the successor to the Khanates of Bukhara, Khiva and Kokand, dominated the region in medieval times. The ancient oasis cities of Bukhara, Samarkand, Kokand, Urgench, Shahr-i-Sabz, Khiva, Andijan, Tashkent etc.- all in Uzbekistan, have remained important centers of religious, cultural and socio-economic significance throughout Central Asia. Bukhara and Samarkand have been particularly known as the great centers of Islamic theological studies and trading marts on the Silk Route. A number of illustrious sufis and scholars like Imam Bukhari, Al Termizi, Bahauddin Nakshband, Al Khorezmi, Ibn Sena, Ulugh Beg, who belonged to this region, made lasting contributions to the national culture and history of Uzbekistan. As such, Uzbekistan never remained isolated from the Islamic stream. It was through the Soviet national delimitation of 1924 that Uzbekistan Soviet Socialist Republic was carved

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out of the historically known and distinctly Uzbek strongholds in Central Asia thus consolidating the Uzbeks within the territory where they formed the majority. Tashkent, the capital city of Uzbekistan became the seat of Central Asian Muslim Directorate during the Soviet period. The pre-Soviet towns of Bukhara, Kokand, Khiva, Samarkand etc. continued to be the historical and cultural landmarks in Soviet Central Asia. This only helped in strengthening the process of Uzbek national consciousness. During more than seventy years of Soviet Communist domination, the Uzbeks adjusted themselves with the Soviet linguistic, cultural and religious policies without diluting or shifting their religious allegiance. Young Uzbek Muslims would join the Communist Party and yet remain firm believers and practice their religion privately. With the independence of Uzbekistan following the disintegration of erstwhile USSR, the country has succeeded in consolidating its sovereign nationhood. Being conscious of the richness of their natural resources, agriculture and their ancient and rich historico-cultural heritage and unique geopolitical position, Uzbekistan and its people harbour the aspiration to be the regional power in Central Asia.

Notwithstanding the Soviet policy of fostering internationalism, the Uzbeks remained committed to their traditions and culture retaining their local identity. They practiced their religion though in private and continued to rever their historical figures, places and shrines. Powerful Uzbek leaders like Faizullah Khojaev and Akmal Ikramov played a key role in enhancing the political influence of Uzbekistan during the early years of Soviet rule in Central Asia. The policy of indigenisation of cadres pursued by Uzbek leaders like Khojaev, Nurudin Mukhitdinov and Sharaf Rashidov provided the local Uzbeks greater opportunities for employment, education and access to other avenues of growth. Thus a new and powerful class of highly educated and well trained Uzbek professionals was created, which contributed to the overall economic development and modernisation in Uzbekistan under the Soviets. However, this class remained ambivalent in its approach towards religion and local customs while retaining their religious identity and national consciousness and without giving expression to their separate ethno-political identity during the Soviet period. The Mahalla not only acted as a buffer protecting the Uzbeks from any intrusive or negative impact of the Soviet policies, it also helped the Uzbeks to retain their traditions and beliefs. The *Mahalla* provided an indigenous platform where the Uzbeks bonded together and built their collective identities and reciprocal relationships, at the same time acting as a vital link between the grassroots and the new Uzbek elite who wielded power

in Soviet Uzbekistan.

Large cities like Tashkent, Samarkand, Andijan etc. developed as modern industrial centers, more particularly due to their proximity to the surrounding cotton belt. Both Uzbek men and women acquired higher and technical education which enabled them to secure employment in industry and other services. Mechanisation was introduced in agriculture. The practice of having large and joint families continued, with the exception of some elite and urban intelligentsia, which had smaller families. There were few divorces and very few inter-ethnic marriages, notwithstanding the Soviet slogan of "internationalism". In spite of the collective farming practiced during the Soviet period, private farming which employed sizeable labour force, continued in the rural areas of Uzbekistan. This factor not only sustained and promoted the practice of large joint families, but also resulted in lesser outmigration from rural to urban areas. Ratio of rural outmigration to urban areas was found to be less in Central Asia than in the European parts of the former USSR. Some surveys for the period 1978-80 and 1979-81 in Uzbekistan have pointed to "relatively higher standard of living in the rural areas as compared to the cities, which was due to higher income from private plots, lower costs of living, more housing space, suitable conditions for raising large families etc."<sup>1</sup> Uzbekistan moved forward from an agrarian society through industrial, educational, scientific and technological development to become a modern society. Yet the Uzbeks clung to their traditions and cultural practices.

Gorbachev's policy of perestroika and glasnost ushered in a new era of press freedom, political democratization and decentralization of decision making process in Uzbekistan. This gave the people of Uzbekistan a new confidence to assert their national and religious identity and to openly air their grievances and feelings that had remained suppressed for long due to press censorship and party-cum-bureaucratic control. Uzbekistan's President, Islam Karimov sought to draw his strength from his identification with the local people and their aspirations. He stressed the need to respect national and religious feelings. That the President of Uzbekistan, Islam Karimov's priorities have been to ensure peace and security, stability and sustainable development, demonstrates that the Uzbek leadership has been fully alive to the threats to security and stability of the Republic. The three main planks of Karimov's policy have been to maintain and consolidate Uzbekistan's independence and sovereignty, to ensure domestic social and political stability and following a cautious

approach to economic reform in order to save the Uzbek society from the ill effects of globalization. The Uzbek leadership has been alive to the need for harmonization of inter-ethnic relations, which is considered necessary for the independent statehood in post-Soviet Uzbekistan. According to President Islam Karimov, "the national diversity in Uzbekistan in close combination with the growth of national self-consciousness and spiritual revival of the Uzbek people serves as a mighty impulse for renovation of the society, its democratization, creating favourable conditions for the Republic's integration into the world community".<sup>2</sup> President Islam Karimov while cautioning the people of his country to be watchful against the challenges of inter-ethnic conflict, corruption, crime, drug trafficking, arms smuggling, terrorism and religious extremism to national security in Uzbekistan, exhorts them to invoke their "inner immunity and high morality", which can be imbibed through moral education in family, school, mahalla, mass media, the clergy etc.<sup>3</sup> At the economic level, a policy of gradual economic reform has been adopted, which is different from the radical reforms and liberalization in some other Central Asian Republics and CIS countries. After independence, percentage of land available for private farming increased from 110,000 ha. before 1991 to 630,000 ha. in 1994.<sup>4</sup> And the agricultural land can be traded within the *Mahalla*. Self-sufficiency in food grains has been achieved as a result of diversifying crop pattern and shifting some areas of crop production from cotton to grains, fruits and vegetables. To quote an eminent Uzbek economist "99.4 per cent of agricultural product is produced in non-governmental sector, the predominant forms of economy in a village area: shirkats, farmers' and dekhans' farms. Dekhans' farms occupy more than 15,404,000 hectares, producing 66 per cent of agricultural output, including 89 per cent of animal produce."<sup>5</sup> Uzbekistan also achieved self-sufficiency in energy resources, besides optimum utilisation of its mineral resources. In his address to the nation in the end of 2010 and on the eve of 20th anniversary of Uzbekistan's independence, President Islam Karimov dilated upon the essence of Uzbek Model of development, which in his view "saved our people from the severest economic and social turbulences".<sup>6</sup> Karimov underlined the key elements of the Uzbek Model as – radical change and renewal of the state and constitutional order, implementing political, economic and social reforms based on deideologisation of economy, role of state as a major reformer, providing strong social policy and implementing the reforms gradually.<sup>7</sup>

Historically speaking, the Mahalla was traditionally the basic unit of



local government in Uzbekistan. And after independence, *Mahalla* has been revived and strengthened by according it the “ status of organs of local government”<sup>8</sup> in the constitution. Article 105 of the 1992 Constitution of the Republic of Uzbekistan stipulated: “Residents of settlements, *kishlaks* and *auls* (villages) as well as of residential neighbourhoods (*makhallyas*) in cities, towns, settlements and villages shall decide all local matters at general meetings. These local self-governing bodies shall elect Chairman (*Aksakal*) and his advisers”.<sup>9</sup> As such *Mahallas* have been established in towns and cities with their Chairmen (*Aksakals*) being elected by the people in each locality for a term of two and a half years. The rural settlements called *Kishlaks*, are also sub-divided into *Mahallas*, which perform the function of social control, facilitating development of private entrepreneurship and family businesses, assisting families in each locality and monitoring the development activities of government agencies. According to a survey conducted in 2003 and 2005, in which the Uzbek respondents were asked “to choose important social circles in their life, family ranked the highest, followed by relatives, place of work, area of one’s childhood, neighbourhood and religious group.”<sup>10</sup> And Uzbeks have “turned to an increased traditionalism as exemplified by closer family and community ties and an emphasis on conservative beliefs and value systems.”<sup>11</sup>

This author visited several *Mahallas* during his field visit to Tashkent on 25-26 May 2011. Gurucharik *Mahalla* is one of 476 *Mahallas* in Tashkent city. Besides an *Aksakal*, it had 15 advisors, out of which four Advisors/ Counsellors on Religious/Spiritual Affairs, Women’s Affairs, Secretary and a security guard were being paid salaries. The number of advisors in this *Mahalla* is higher because it has 13 streets and 13 high rise buildings, in which about 4903 people lived. This *Mahalla* has a newly built office building having separate rooms for the *Aksakal* and his advisors. There is a well built school building nearly the *Mahalla* office. It was found that the lady counselor for Spiritual Affairs does counseling work by meeting mothers, children and schools. She was also engaged in reconciling local family disputes. Newly built office building of *Mahallas* are the post-Soviet phenomenon. Besides, the role of Advisor for Spiritual Affairs is important as he/she keeps track of negative tendencies among the people of the respective *Mahalla*. The Imam of local mosque is also coopted at times, in this task. In this manner the *Mahalla* is sought to function is an effective anti-dote to the spread of extremist or militant Islam among the Uzbeks at the grassroots level.

President Islam Karimov elucidated in detail his concept of independent, sovereign and stable Uzbekistan in his book *Uzbekistan on the Threshold of the Twenty-first Century*. His view of stability includes “social and political stability, national and civil harmony being the basis and guarantee for renovation and reforms of the society, sustainable development and progress.”<sup>12</sup> Karimov while laying stress on the “synthesis of reviving national values and the assimilated norm of modern civilization”,<sup>13</sup> sought to harmonise the Uzbek traditions and values with modern democratic norms. While dismantling old administrative command structures and bodies, Karimov went ahead with the task of creating new political, legal and constitutional foundations of the new system of state bodies- both central, regional and local. And a new system of local government was created with the institution of *Khokims*. The Mahallas (citizens’ gatherings) constitute the core of the self-governing bodies, embodying the historical traditions and psychology of Uzbekistan and its people. In the words of Islam Karimov, “*Mahalla* plays an important role in the education of good neighbourly feelings, respect and humanism in the relations between people, protecting social interests of citizens, assisting the most needy people. And now *Mahalla* has been assigned new role – to provide effective support in implementing economic and democratic transformation”.<sup>14</sup> President Karimov attaches importance to civil society and participation of citizens in state management in order to have appropriate checks and balances against the decentralization process degenerating into regional separatism or political extremism.<sup>15</sup> The institution of *Mahalla* provides both the economic freedom as well as responsibility of the citizens, by harnessing their skills and labour and simultaneously developing the institution of private property and social relations. The neighbourhood community structure represented by *Mahalla* helps in maintaining the family values and social stability by organizing religious, birth and death ceremonies, community activities and resolution of local disputes. Though the *Mahalla* is not a religious organization, it has been promoting traditional Islamic values and social functions. As such, the *Mahalla* can also act as a bulwark against the extremist *Wahhabi* brand of Islam, which is alien to Central Asia.

While Uzbekistan has completed 20 years of its independence, President Islam Karimov has embarked upon a definite plan to further democratize the state power and governance. In his address on the eve of the 20th anniversary of independence, President Karimov laid stress on the decentralization of governance by delegating some functions from the

republican level to the bodies of regional, city and district level and establishing Mahalla – the unique system of local self governance in Uzbekistan.<sup>16</sup> Over 10,000 *Mahallas* are functioning as civic institutions and protecting and promoting democratic rights and socio-economic interests of the people at the grassroots level besides enabling the people to realize their potential and contribute to their social and economic development. President Karimov called for improving the organizational foundations of functioning of the *Mahallas* by enhancing its functions and interaction with the bodies of state power and governance. On 2 September 1993, the law “On the Citizens’ Self-Governance Bodies” was passed turning the *Mahalla* “into the centre of targeted special protection of population, developing the private entrepreneurship and family business, as well as further extending its functions within the system of public control over the activity of bodies of state governance”.<sup>17</sup> On 29 April 2004 another law “ On the election of the Chairman (*Aksakal*) of Citizens’ Gathering and his Advisers” was passed further improving the election system of *Aksakals*, based on the principles of equity, universal, equal and direct election by secret or open ballot. This would ensure election of *Aksakals* and their advisers from among the most respected citizens, besides upgrading the importance and role of *Mahalla* in promoting the social activism of citizens. The 1993 law was further amended on 14 April 1999, which expanded the powers and functions of the *Mahalla* from 6 to 30, besides diluting the role of state management in its functioning.

Uzbek laws reinforce the *Mahalla* system of self-government. The *Mahalla* residents together resolve their problems and they elect the *Mahalla* leaders. Apart from the political institutions like legislature, executive and judiciary, the *Mahalla* represents the local self-government body. That the year 2003 was declared as the “Year of the *Mahalla*” by the Uzbek government to coincide with the 10th anniversary of the Uzbek constitution, shows the importance attached by the government to enhance the status and role of the *Mahalla*. Accordingly the scope of its functions and legal authority of the *Mahalla* officials was increased to enable them to deal with the local problems ranging from small businesses, water distribution or relocation among the farmers, environmental issues etc. effectively. The social assistance scheme administered by the *Mahallas* was introduced in 1994 for the benefit of families and the funds were almost entirely provided by the central budget. A survey conducted in 1998 revealed that the *Mahalla* scheme was more beneficial to less well off households than to better off households. As per the data recorded during

this survey, 9% of households received support in the last quarter of 1994, 21% in 1995, 15% in 1996 and 17% in 1997. The survey found that at least 1 in 10 households received support from the scheme in 1997 and that the scheme favoured children, female-headed households, the unemployed, the rural areas and the ethnic Central Asian households.<sup>18</sup>

The institution of *Mahalla* helps in the preservation and promotion of traditional culture and life style of Uzbek in tune with their social psychology. Since nearly two thirds of the population of Uzbekistan is engaged in private business and self employment, the *Mahalla* can help in strengthening private entrepreneurship by extending help, funds, loans and consultancy to the people. *Mahalla* offers a viable and fast track institutional mechanism to tackle reconcile and resolve local contentious issues and legal tangles between the residents, thus obviating the necessity to get entangled in long drawn court cases. In the contemporary era of globalization, economic difficulties, recession, unemployment and social stress, *Mahalla* offers an excellent opportunity to overcome such problems at the local grassroots level together by promoting close community and neighbourhood relation. Even in high rise buildings, where there is high degree of individualism among the residents of the apartment *Mahalla* exists in Uzbekistan.<sup>19</sup> *Mahalla* also acts as an interface between the local community and the government bodies, by local issues.

Uzbekistan is determined to restore its spiritual, cultural and historical heritage and traditions as part of its efforts to build its national identity. The Uzbek society particularly the old and middle age groups are attaching great importance to the local history, tradition and culture. Though modern mass media particularly the satellite television and foreign TV programmes do affect the psyche of the people particularly the youth, respect for elders and family ties remain important in day to day life. *Chaikhana* (tea-house) is still a popular institution in Uzbekistan. Traditional *Mahalla* system which survived the Soviet rule, has been institutionalized and accorded due place as an important social self-governing agency in the post-independent Uzbekistan. Uzbekistan continues to have high population growth rate, the young age group constituting nearly half of the population. That the Uzbek youth are highly educated, skilled and professional work force, bubbling with dynamism and enthusiasm, augurs well for the overall socio-economic development of Uzbekistan. During the past twenty years of its independence, Uzbekistan has moved along a path of gradual development of democracy, socially oriented market economy, the nation-building process by keeping the indigenous ethno-national culture and traditions

as the core of the independent state of Uzbekistan. Whereas we find both traditionalism and modernity co-existing in Uzbekistan, the state and society is seeking to invoke traditional ethical and spiritual legacy to contain the ill effects of modernization. Uzbekistan has thus moved towards democratization of its society and polity following a graduated and moderate economic reform raising the living standards of its people. And Mahalla has been developed as an institutional mechanism of the participative democracy in Uzbekistan combining historical and cultural traditions specific to the country.

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11. *Ibid.*, p.425.
12. Islam Karimov, *Uzbekistan...* op cit. p 253.
13. *Ibid.* p 127.
14. *Ibid.* p 134.
15. *Ibid.* pp 134, 138.
16. Islam Karimov, *Address. Op cit.*
17. *Ibid.*
18. Aline Coudouel, Sheila Marnie and John Micklewright, *Targeting Social Assistance in a Transition Economy: The Mahallas in Uzbeistan*. Florence, UNICEF, 1998. p 27.
19. On 25 May 2011 this author was informed by Mrs. Bochkareva, Chairperson of one high rise building in Chilanazar, Tashkent that their *Mahalla* has people from several ethnic groups. And this *Mahalla* organizes meetings with parents and also such celebrations on Navruz, Id etc.

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# THE CHANGING ROLE AND CAPACITY OF MAHALLA IN UZBEKISTAN

ABIDJANOVA DILDORA

## INTRODUCTION

This paper presents key findings of research conducted in Ferghana valley of Uzbekistan that analyzed current government reforms in Uzbekistan and the role of community based organizations in this process.

The study raises a number of questions as topics of future discussions, such as:

- What are the main changes within the structures of *mahalla* and what are its new functions?
- What are their roles in the process of decentralization?
- How effective are their efforts in solving social problems of the community and what kind of resources do they use for that?

The study is aimed at understanding the *mahalla's* traditional and modern role, its structure and functions, its interaction with interested Community Based Organizations (CBO) in Ferghana region as well as the legislation that regulate their activity. The interaction of *mahalla* with local authorities, their trends of activities and cooperation outcomes are researched in the work. The potential and ability of *mahalla* in solving their socio-economic problems independently or in cooperation with other concerned community structures such as local community based nongovernmental organizations (NGOs) are considered in the study.

## HISTORICAL OVERVIEW

### Role and place of *Mahalla* in Uzbek society

*Mahalla*, as a traditional structure represents a territorial neighborhood community and has a long history. Initially community originated on the basis of familial tribal settlements, that were transformed into the socio-territorial organization in the process of historical development. Gradually by 7-8th, century BC, neighborhood based community consisting of small families of various social levels that didn't have familial ties became the main component of the society. According to sources before the 7th century, the communities were named *nafa*, after the Arab invasion-*mahalla* institution of neighborhood community had a number of features peculiar to the oriental society – democratism, paternalism (respect to authority and guardian attitude to the people), collectivism, succession, respect to elders, care about the future generation and valuable orientation to family.<sup>1</sup> Later, **mahallas** - residential areas where residents are connected by traditional and very steady norms of conduct and collective mutual assistance became the basic planning unit of a housing estate of cities.

*Mahalla* represents a traditional Central Asian neighborhood community in the cities and rural areas, that is transformed and adjusted to modern socio-economic conditions.<sup>2</sup> In modern understanding, *mahalla* is a residential area of the city or village where the residents adhere to the residential norms and collective mutual assistance. At the same time, this structure represents a peculiar self-governing organization, since it furthers the solution of the social problems of the community residents. At the same time, mahalla in the city and in the rural area united people residing in one territory despite their social and national affiliation. *Chayhana* or a mosque was considered as social center of *mahalla*, that is where men residing in one mahalla get together very often.

*Aksakal* is elected as a head of *mahalla*. An *Aksakal* is a person who is the most experienced and respected person, someone who enjoys respect among the residents of *mahalla* and one who can help in organizing events and ritual rites. Moreover, *Aksakal* in *mahalla* acts as peace-maker and a moderator, especially in such issues as family integrity and residents' safety and order.

### Legislative basis of *mahalla*

Political and economic changes that took place in the 1990s had an essential impact on different social institutions as well as on *mahalla*. Along with controlling and organizing traditional rites, mahalla started to carry out new social functions. Public policy of government of Uzbekistan played an important role in strengthening the *mahalla* institution. Change of constitutional bases enabled to pass a number of laws that increase the role of *mahalla* in socio-economic life.

Due to the changes in legislative base, especially after the passing the decree of the President of Uzbekistan on creation of charitable Foundation “*Mahalla*” and law on “Institutions of Local Self-Governance of citizens” on 2 September 1993 and after a number of other legislative acts the status of mahalla has considerably increased and strengthened due to the policy on reinforcing the role of communities and Institutions of Local Self-Governance and management decentralization.

The following legislative acts furthered the enhancement of Institutions of Local Self-Governance’ authority:

1. Law on Institutions of Local Self-Governance of Citizens, passed on 2 September 1993.
2. Decree On supporting Institutions of Local Self-Governance of Citizens passed on 23 April 1998.
3. Decree of Cabinet of Ministers of the Republic of Uzbekistan passed on 29 July 2000 On increasing the role of Institutions of Local Self-Governance in providing social assistance to citizens who need regular care”
4. Decree of *Kengash* of *Oliy Majlis* of the Republic of Uzbekistan passed in 9 April 2001 On organization the elections for the self-governing organization.

These are fundamental legislative acts that identify the new status of mahalla. Institutions of local self-governance have rights as legal entities, have a seal and are subjected to registration in local government bodies. Citizens Assemblies reserve a right to represent the interests of the population and make decision on their behalf. *Kengash* is the organization of Citizens Assemblies. Organizations of citizens assemblies are: *kengash* of citizens assemblies, committees on the main trends of citizens assemblies ‘activity, revision committee of citizens assembly, and administrative commission that are organized in cases that are statutory by legislation.



The authority of citizens assembly and its chairmen are indicated in the article 16, 22 in the law “on Institutions of Local Self-Governance” of the Republic of Uzbekistan. It should be noted that according to that law the duties have enhanced and require large cost and efforts. Since the functions have enhanced, the positions are officially paid. Along with the post of Chairman of Citizens assembly, the posts of secretary, advisor on the issues of religious enlightenment as well as spiritual and moral upbringing (maslahatchi) and security (posbon) get officially paid.

The proclamation of the year 2003 as a year of *mahalla* reflects the government policy towards this institution and the attention that the government pays to mahalla. Especially for this, a commission on creating and developing the program for a year of *mahalla* has been established. Having studied the problems and priority work of *mahalla*, an integrated program of realization of organizational- legislative, social-economic enactment and arrangements that consist of seven vital directions have been worked out.

These arrangements include:

- Creating a special fund on developing Institutions of Local Self-Governance of citizens;
- Supporting young families by issuing privileged loans;
- Developing small and middle business in *mahallas*, creating workplaces by organizing 950 points of personal services;
- Developing *mahallas* infrastructure: providing 433 mahallas with gas supply and 436 mahallas with water supply;
- Improving the living conditions of the population by rehabilitation of housing funds, asphaltting the roads and land improvement as well as building guzars;
- Rehabilitation of 20,000 veterans annually;
- To provide older people with necessary orthopedic and technical facilities;
- To expand the access of remote villages to medical patronage services;
- Creating conditions for free access of the youth under 16 to state sport gymnasiums.<sup>3</sup>

During the year 2002, *Mahalla* Fund conducted 65,931 events, 14,672 of them were directed for supporting elder generation, 6,875 for improving the population’s health, 13,999 were dedicated to legal education and spiritual enlightenment, 9,712 – sport events, 7,591 – ceremonial-ritual

events.<sup>4</sup> Also in 2006 within the framework of Program “A Year of Charity and Medical Personnel” events on providing financial and moral support to needy families were carried out. For example the livestock was distributed among the families with many children and low income families. With the livestock they will improve their financial situation thanks to the support of the government and non-governmental organizations and sponsors. Conditions for opening new workplaces were created, in particular, the measures on establishing out-work in rural area have been taken. Proclamation of the year 2007 as a “Year of social protection” and following years as well with social strategies, implies conducting a number of measures and events directed to reinforce the social protection system of the vulnerable population, increasing the effectiveness and providing social support to needy families, the disabled and lonely old people, enhancing the role of mahalla in shaping the physically and spiritually healthy generation, intensification of care of maternity and childhood, development of movement “Healthy mother-healthy child”. Specific directions related to financial support and doing explanatory work among the population are identified; moral and financial support is given to young married couples by issuing privileged loans.<sup>5</sup> These examples and legislative basis of mahalla activity shows that the government pays large attention for development of Institutions of Local Self-Governance by consolidating their legislative status as well as by providing practical assistance in realization of their activities.

#### TRANSFORMATION OF MAHALLA STATUS AS SELF-GOVERNING ORGANIZATION

##### **Change of *Mahalla* status during transition period**

During different periods of time the status of *mahalla* essentially changed, transformed and adjusted to regularly changing conditions. For example, during the Soviet period *mahalla* was considered as remnant that should be left in the past. Internalization policy destroyed the traditional institution but for all that the community did not lose its significance, saved traditions and rites, life standards of people in the community. Despite the intensive process of social modernization that was realized during the Soviet era, the traditional rural way of life did not transform so easily. Its institutional forms and community structures were preserved. Soviet regime had to abide by it and tried to use mahalla in its

own goals. Just during that period the social structure of mahalla had stabilized and *Mahalla* committees were established and were headed by mahalla committee chairmen. In most cases committee members were elected by mahalla *Aksakals* and it should be noted that women were elected very seldom.<sup>6</sup> In spite of the fact that during the Soviet era mahalla displayed viability, nevertheless, it partly underwent ideologization. At the same time as the experience shows, it affected only some levels of population and ways of community life. In practice, people followed those norms that were identified by community unwritten rules—they conducted religious, wedding and funeral rites according to the formed pre-Islamic and Islamic traditions.

After gaining independence, the processes of national traditions renaissance, returning to the cultural-historical roots got catalyzed in Uzbekistan. In this context, *mahalla*, its traditions that were not lost but had undergone Soviet transition in some degree, started to acquire more important significance in the life of Uzbek society. At present, there are more than 12,000 *mahallas* in Uzbekistan. As a traditional community, today having turned into the self-government institution the structure of mahalla has undergone major changes. In spite of the fact that *mahalla* still saves its features that are peculiar to the neighborhood community, with the impact of new processes, *mahalla* is not a closed world anymore. "It became the community that faces outside from the community facing inside".<sup>7</sup>

Modern *mahalla's* activity is multifarious. The administration of Citizens Assemblies organizes events on cultural and household construction, land improvement, conducting hashers, weddings, funerals, in tightening up discipline and order. It should be noted that there are certain differences between *mahallas* of urban and rural type. It is displayed in the degree of traditionalism and partly in community's need. For instance, in rural areas provision of basic infrastructure (gas, roads, water supply and irrigation, improving the quality of medical services) is more critical than those in towns. Accordingly, it influences those functions that Citizens Assembly has to carry out. During this study, attention was drawn to comparative analysis of *mahalla* authority before acquiring the official status of self governing institution and citizens assemblies today. Mahalla is managed by chairmen who were named in different ways: *mahalla Aksakals*, *mahalla* representative (*mahalla vakili*) and *domkom*. They carry out their activity on voluntary basis. The survey results demonstrated the following:

- Organization of *mahalla* improvement – organizing hashars on improvement and planting of trees;
- Coordination of events organized in *mahalla*, as well as by private individuals - conducting different celebrations, weddings, conducting funeral ceremonies and so on;
- Resolution of the conflict situations in the family and *mahalla*

The respondents name the following authority of modern citizens' assemblies:

- Organization of improvement work in mahalla – organization of hashars on improvement work and planting of trees;
- Coordination of events organized in *mahalla*, as well as by private individuals -celebrating weddings, conducting funeral ceremonies and so on;
- Help and support in the resolution of conflict situation in family and in *mahalla*;
- Organization and allocating social aid;
- Prevention and reduction of crime level;
- Work with women;
- Support of entrepreneurship and farming.

Most of the respondents say that citizens' assemblies have more authority on resolution of *mahalla* tasks in comparison with the previous *mahalla* that based its activities on voluntary basis. Also the results show that today citizens' assemblies continue to function the same way in addition to new functions assigned by the decree: On self governing institutions, which shows the flexibility of this institution.

### **The structure of modern *Mahalla* (RAC, MAC)**

In the Constitution of the Republic of Uzbekistan there is legal basis of local self-governance (Article 105). Citizens Assemblies (CA) that elect the chairman of Council (*Aksakal*) and his/her consultants are Institutions of local self-governance in the settlements, villages, auls as well in mahallas of towns, villages, settlements and auls. The order of election, organization of activity and scope of authority of self-governing institutions are regulated by the law. According to law "On self governing institutions", education, emerging, splitting and abolition of *mahalla* as well as determining and changing of its borders is carried out by the local authority with the initiative of the self-government institution. To carry out the decision of citizens assemblies in the period between the citizens'

assemblies a council (*Kengash*) is formed. It comprises the chairman of citizens' assembly, his/her advisors; chairmen of the commission on the main directions of the activity of citizens' assembly and executive secretary.<sup>8</sup>

The chairman (*Aksakal*) of citizens' assembly and advisors of the chairman are elected for the period of 2, 5 years.<sup>9</sup> The chairman (*Aksakal*) of citizens assemblies is elected in co-ordination with *Hokim* of the respective district, town, and the advisors are elected – with recommendation of CA chairman (*Aksakal*). Elections of citizens' assembly bodies and their officials are carried out on the basis of general, equal and direct suffrage by secret or latent voting with maintenance of the guarantees of suffrage of citizens established by the law. The chairman (*Aksakal*) of citizens' assembly and the advisors are elected if they gained more than half of the votes of participants in the citizens' assembly. It is stated in the Decision of *Kengash* of *Oliy Majlis* of the Republic of Uzbekistan “on organizing of elections for institutions of local governing”.

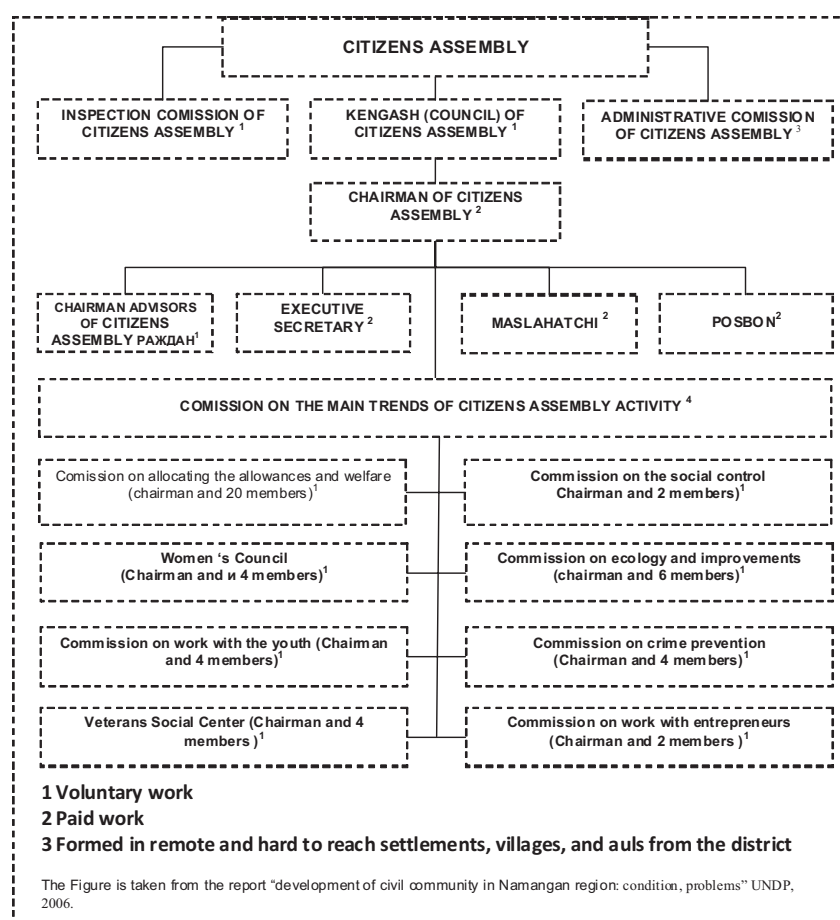
Initially, the activity of citizens' assemblies was carried out by two staff: chairman and executive secretary. Today in order to perform more effective activity of self-government institutions, their activity is directed to involve the population in socio-political life. This includes the solution of the economic-communal, cultural-educational issues and involvement of women in the activity of the self-governing intuitions. In order to carry out this activity, the citizens' assemblies are complemented with additional staff as posbon of *mahalla* and consultants on the issues of religious education and spiritual-moral upbringing and family issues.

According to the decree “On self governing institutions”, the sphere of the activity of citizens assemblies in the settlement, village, aul and mahalla in the town are the same. However, some difference in the structure of rural and *mahalla* assemblies of citizens should be taken into consideration.

**Rural Citizens assembly (RAC)** is organized on the basis of the executive committees of the former rural councils (*selsovets*). But the structure of RAC radically differs from them and does not function as rural council (*selsovet*). Today, the Rural Assembly is considered at the same level as Mahalla Citizens assembly. RAC has its own population and additionally coordinates the activity of MACs located on its territory and conducts weekly meetings with MAC chairmen. Mainly, the incoming and outgoing communication on the activity of the Citizens assemblies with local authorities goes through RAC. Besides four personnel RAC has

its own staff (head of military registration board). As the study results show, the salary of RAC staff is 40-55 thousand soums. However, it is obvious that this amount is not sufficient in the present economic conditions and is disproportionate to the volume of work assigned to Citizens assembly staff. Besides that, since they are not equipped sufficiently, most often the self governing organization staff has to buy stationary, and materials for their office at their own expense and cover transportation expenses on official business themselves.

FIGURE NO 1



According to the respondents' answers the traditional resources of mahalla are:

Heads of the streets (*mahalla Aksakals*) and their assistants, Imams, otin-oyi, leaders, elders (*Aksakals*), advisor assistants on spiritual-educational and religious matters, *dasturhonchi*

**Kuchaboshi (mahalla aksakal)** is the **mahalla** activist who is elected by residents living in one or by residents living in several streets and protects their interests. The status of the *Kuchaboshi* is equal to the status of the mahalla committee representative. In its turn chairman of citizens assembly is completely relies on *Kuchaboshi* in his/her work.

**Leader** – Mahalla resident, who has the greater, recognized authority and possesses influence which is displayed in skill to consolidate people in solving the problem of decision making.

**Imam** – is the spiritual instructor, leading the general prayer in mahalla mosque and also during funerals and ceremonies at the weddings. He possesses deep religious knowledge and enjoys public respect. Having high authority among the population, the Imam helps in mobilization of residents for solving problems.

**Otin -oyi** – is the spiritual leader of women in mahalla, who possesses deep religious knowledge. Usually she assembles women during various events and religious rites. As a rule, *otin-oyi* actively participates in *mahalla* activities, assisting *mahalla* advisors. She usually conducts educational work on religious issues among mahalla women. Women in the *mahalla* consult her on the issues related to their families

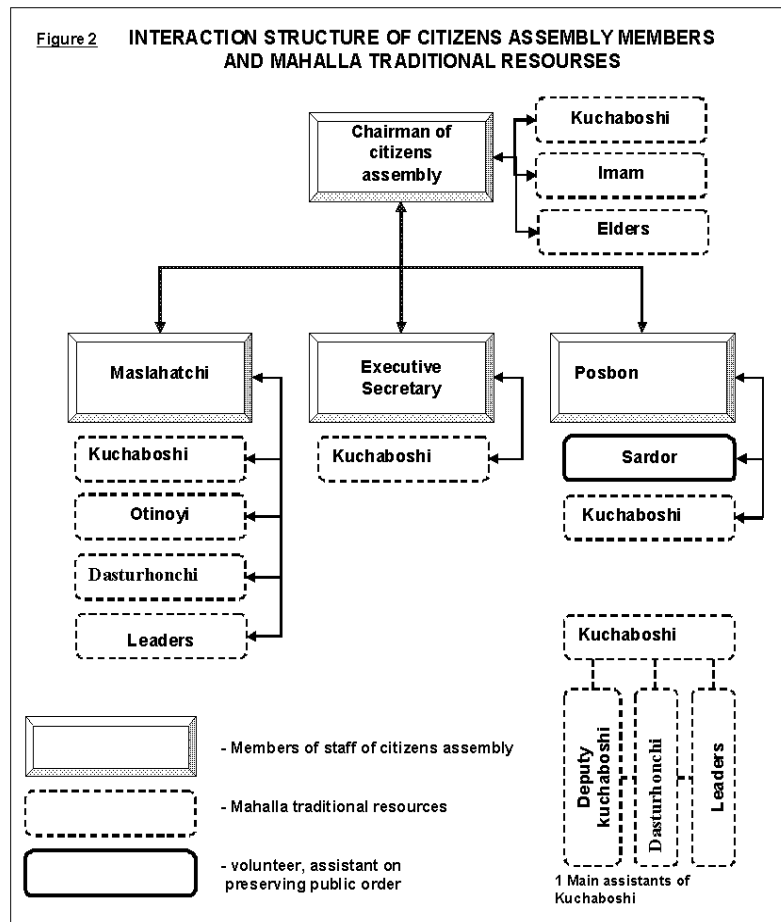
**Dasturhonchi** – is one of organizers of various events - weddings, funeral and other ceremonies. As a rule, all events take place with participation of *Dasturhonchi*. It is standard, that *Dasturhonchi* are separate for men and women. They are responsible for informing *mahalla* residents about the upcoming *mahalla* events, they provide services on reception of visitors, serving the table in the events organized by *mahalla* as well as by *mahalla* residents. A woman- *dasturhonchi* is responsible for the food that is brought by the guests to the host of the event, and *Dasturhonchi* distributes the food on the table and gives back the *dasturhon* to its owner by the end of the event. A man - *Dasturhonchi* is responsible for reception and an arrangement of guests, and coordination of table service.

**Deputy Kuchaboshi** - Individuals who assist *Kuchaboshi* on solution of problems related to particular street or to mahalla in general. Usually *Kuchaboshi* has 2-3 assistants where one of them is a woman. She conducts work with women residing in particular street and at the same time she helps in the work of the advisor on the issues of religious education and spiritually-moral upbringing.

**Elders** - They are elderly respected people of community, with more life experience, whose opinions are always taken into consideration by *mahalla* residents. At any undertakings, management of citizens assembly

and residents seek advice of the elders. They give the blessings and best wishes in realization of the events.

FIGURE 2: INTERACTION STRUCTURE OF CITIZENS ASSEMBLY MEMBERS AND MAHALLA TRADITIONAL RESOURCES



Administration of citizens assembly in their activity, completely relies on support of these traditional resources where *Kuchaboshi* is the greatest support for them. (The scheme has been designed on the basis of respondents' answers, who represent all groups of the community). During research, attention was drawn to the interrelation of traditional resources with institutions of local government, as well as with the population.

According to interview results, besides the administration of institutions of local government, *mahalla* has greater support of existing traditional resources, people who devote their time for the public welfare and work in *mahalla*. As a rule, activity of these people is based on voluntary



work. Results of the survey on the structure of self-government institutions show that more effective communication between self-government institutions and residents is set through traditional resources that exist in each mahalla and that play an important role in residents' mobilization in solving the common problems in mahalla. Initiative groups play a significant role in solving community problems.

**Initiative Groups (IG)** – is a group of the most active people with certain duties, incorporated by overall aims and views in the solution of a certain problem in *mahalla*. It is the organization of communal type which has no legal status and is not registered. Usually the group functions during certain time interval, until the solution of *mahalla* problem is made. Members of working group are chosen on a professional basis, in accordance with the specificity of prospective works, experts of the certain field are chosen to provide better solution. As a rule, members of IG are elected at mahalla meetings. IG assigns the duties among its members and reports about the results of work to *mahalla* residents. According to the survey result on initiative groups in *mahallas* and their activity, one should say, that there are IG in each *mahalla*. In the opinion of respondents, this group of people conducts their activity resolving the problems of *mahalla*.

#### ORGANIZATIONAL POTENTIAL OF MAHALLA INSTITUTION

##### **The importance of traditional initiatives of *mahalla* residents for solution of social problems**

Today, *mahalla* solves its social problems, based on historically existing traditions and customs: the organization and conducting of *hashars*, *darveshona*, *gaps*, events organized during the national holidays. During the study on organizational potential of *mahalla* attention was drawn to the role of these historically existing traditions and customs of Uzbek people in solving social and economic problems of *mahalla*.

**Hashar** - One of the basic type of activity of citizens assembly which is traditionally carried out with a view of the organization of public works and, first of all on an accomplishment and gardening of territory. Historically *hashar* was carried out by mobilization of community residents and represented the form of mutual assistance among the residents of one community. People united to help each other with the construction of new house, and of reconstruction when the workforce is necessary. In these cases *mahalla* members come to the aid of each other for realization

of large amount of work. However, this tradition of mutual assistance in construction of the new house to the neighbors from year to year lost value, as families invite skilled experts. Partially this tradition remained in the countryside.

During the survey of the population about the importance of *hashar* as a means of mutual assistance, respondents have mentioned restoration of residents' houses that were destroyed in fire, carrying out of a ceremony of circumcision to boys of needy families, a wedding. This experience of teamwork is wide spread today in order to solve the general problems of communities within the framework of *mahalla*, district, city, region. There are also historical examples, when major part of work was done through *hashar*. The building of large Ferghana canal may serve as an example, when number of local residents were involved on voluntary basis.

Today citizens assembly uses *hashar* not only for gardening of streets, but also for solving *mahalla* problems related to infrastructure problems such as gas, drinking water, irrigational water, electric line installation; construction of schools, *guzars*, buildings of citizens assembly, mosques, cleaning mudflow channel and construction of bridges, drainage works. Depending on the type of *hashar*, the initiative group is created and it is responsible for the organization and management of process, mobilization, funds and workforce. It should be noted that *hashar* on improvement work: cleaning *aryks*, drainage systems, planting greenery that does not require fund raising are much easier to conduct. Usually the population mobilizes all means for preparation of a dinner and a supper for *hashar* when necessary.

Several *hashars* on improvement work in *mahalla* are conducted annually - one of them *mahalla* organizes in early spring and the second before holiday Navruz. Besides, cleaning of territory is made before two religious holidays - a holiday of the end of post *Ruza Hayit* and a holiday of sacrifice *Kurbon Hayit*. *Hashars* are also conducted during the preparation for celebrating of Independence Day.<sup>10</sup> *Hashar* organizes the participation of all residents of *mahalla*: elders, youth, and women. Women under the supervision of consultant, *otin oyi* and *dasturhonchi* help with the organization of public works; assist organizers with preparation of a dinner, cleaning of territory after work.

**Darveshona** – is a traditional activity held in early spring which includes participation of all community residents: elders, men, women, youth, and children. Usually it is conducted at weekends. *Darveshona* is conducted during spring holidays and is accompanied with entertaining

activities and cooking traditional *pilaf* in large pots. It combines having a good time and implementing small accomplishing works (cleaning *aryks*, cemetery), visiting people who need care in their houses, and planning *mahalla* activities for the next period. The physical work is done mainly by the youth, the elders give advice, monitor and give instructions to the youth in doing the work.

Chairman of citizens' assembly, advisor, heads of streets, *dasturhonchi* report on the accomplished work for the current year and make new work plan for the upcoming year. They also do a financial report on the funds gathered from the population. While conducting such actions mahalla representatives consider organizational issues and cooperatively solve the issue of electing the head of the street, *dasturhonchi* and others in charge. Depending on the result of work, the decision on their re-election is made. If, for example, the performance of head of the street for the previous year did not satisfy the residents, participants choose new head of the street.

**GAP (shanbalik, utirish)** - is a gathering of *mahalla* people of the same age groups (initially men), organized to spend leisure time together. This activity is conducted once in two-three weeks or once a month depending on the participants' wish. From the scientists' view these unions had extended functions before- exchange of the socially-significant information, transmission of the socio-standard culture, especially the tradition of hospitality and ethics of behavior.<sup>11</sup> *Gap* is wide spread among classmates, people of the same age, staff members, *mahalla* women, mahalla men, relatives and so forth. Usually gap is organized by people with similar interests and bonds of friendship, so they may socialize and communicate at ease and discuss the issues and personal achievements. This activity is held to have a good leisure; render social support to each other when necessary (sickness, weddings etc). Sometimes, the personal issues may be considered during *gap*. The most popular topic is social support of *gap* members as well as *mahalla* residents. While men discuss the financial support for the host of wedding, women discuss the help in preparation of the entertainments, and dowry of the bride. They assign the tasks among themselves based on the condition of everybody. Thus, *gap* is very significant for providing social support for the residents when they celebrate weddings (birth of a child) or other family events (i.e. wedding, funerals). Partly gap may be an example of material and mutual support when they are accompanied by monetary gathering, so called "black cash". *Gap* members agree upon the sum which would be gathered for each gap and

the order of receiving this sum. It is good mutual assistance when the family needs material support.

### **Role of *mahalla* in solving socio-economic problems**

#### ***a) Interaction of citizens assemblies with the residents***

At present, the citizens assembly as the self-government institution runs its activity on the basis of the authority stated in the law "On self-government institution". As the respondents say, today citizens assembly together with 4 staff is "a small *Hokimiyat* in its territory", which gradually takes over the functions of *Hokimiyat* in solving the problems in *mahalla*. The survey revealed that the number of residents' references to the local authorities reduced to 1-2 visits for a year. It should be also noted that all references are sent back to the citizens' assembly for solution. Therefore, expanding of authorities of citizens assemblies creates favorable conditions for the close interaction with *mahalla* residents and for solution of problem in general. The results of the focus groups with administration representatives show that this link is generally set through the citizens assembly staff as well as traditional resources of *mahalla*. This shows the fruitful interaction of self-government institution with the population. *Mahalla* residents realize that they can solve the problem in their *mahalla*. The matters that *mahalla* residents refer to citizens' assembly may serves as an indicator. Most of the residents refer the following matters:

- obtaining certain documents: references, recommendations, letters of reference;
- On social aid for the low income families;
- Various problems in *mahalla*.

It should be noted that, the population refers the suggestions that relate to the solution of certain problem, such as asphaltting the roads or graveling, cleaning the reservoir, organizing of business activities and so on.

#### ***b) Interaction of citizens assemblies with business structures***

As a self-government institution, citizens assembly is assigned to work with business structures located in the territory of *mahalla* –farmers enterprises, hairdresser's, butcher's, baker's, small manufacture workshops and commercial shops. Being a business unit in economic life of *mahalla*, business structures assist citizens assemblies in organizing of social aid for

the low income population, elder people, lonely men and people with disabilities. Mainly, their assistance involves:

- Providing financial support as cash, presents, food, clothing, for the low-income families during the holidays.
- assisting citizens assemblies with equipment when necessary ;
- providing financial support for *mahalla* in solving its infrastructure problems;
- Involving *mahalla* residents for the seasonal field work.

Today, the government entrusts farmers with providing the low income population with cattle, so that the families could be provided with at least dairy products. Providing the help is the citizens assembly responsibility, which includes:

- monitoring of their activity;
- overseeing the accuracy of their activity;
- monitoring of sowing work and gathering of farmers enterprisers.

Respondents state that the citizens assembly assists the business structure on the following matters:

- preparing the documents to start their activity;
- allotting lands;
- giving the recommendations for getting the loans;
- Prevention of unauthorized inspection of these structures' activity by tax inspection department and so on.

The study demonstrated that when the farm enterprisers just start to develop their activity, it is quite problematic to assist citizens' assemblies simultaneously in solution of problems in *mahalla*. Therefore, not all business structures can help citizens' assemblies with their problems. This in most cases depends on the possibility and even patriotism of business structures leaders. Regarding income from the business activity of citizens' assembly most respondents indicate that the citizens' assembly does not have such opportunity. And only few stated that citizens assembly has an opportunity to get income from its business activity. More often rural assembly of citizens uses the lands in *mahalla* territory, cemeteries that they use for horticulture. As it shown in the study results, the income is used for solving the infrastructure problems in *mahalla*, construction of buildings of citizens assemblies etc.

For developing the financial basis of citizens assemblies the respondents suggested the following ideas:

- Create the conditions for the citizens' assemblies for running the business activity that would enable them to solve financial problems as well as *mahalla* infrastructure problems.
- Creating conditions for entrepreneurs in *mahalla* to start their activity at citizens' assembly, where they can transfer certain funds to citizens' assembly account.
- Allotting lands to citizens assembly for farming activity, the income from it could be used for *mahalla* needs.

It is necessary to conclude from the study results, that the citizens assemblies take over the functions of *Hokimiyat* in solving the tasks of *mahalla*.

### ***c) Providing social allowance and state loans***

Providing social allowance is one of the functions of *Hokimiyat*, delegated to *mahalla*. At present *mahalla* committees are engaged in distributing of funds. The matters of payment of allowances and providing food for low income families, single pensioners who need care are settled at the citizens assemblies on the basis of principles of social justice, publicity when making decision and prevention of dependence. In each assembly the commission of 20-21 people for distributing the social allowances is created. On average, the annual amount of social allowance distributed by self-government institutions makes up about 23 million Soums that show the ability of citizens' assembly to manage funds. Today citizens' assemblies are also authorized to allot privileged state credits to low-income families for poultry and cattle breeding. The family gets a credit on the basis of letter of guarantee of citizens' assembly. The credit amount is 500-800 thousand Soums. The surveys of population, chairmen of citizens' assemblies and representatives of administration of self-government institutions show that this process is implemented on the basis of principles of social justice, considering the applications from the population and making decision by majority of votes. Nevertheless, it would be inaccurate to state that while distributing the social allowance the principle of justice and transparency is fully followed. Some respondents of focus groups pointed to certain cases of unfair distribution of social allowance. *Mahalla* with its efforts organizes social assistance to low-income residents in mahalla; it constitutes approximately more than a million Soums. It should be emphasized that in most cases the social aid is provided to low income families anonymously.

***d) Decision making Process in mahalla***

Today, citizens assembly is an institution basing its activity on democratic principles. It can not make decisions on general issues of *mahalla* independently without the participation of population. It entirely depends on residents as well as on traditional resources to solve the problems of *mahalla*. The research reveals that, decision-making in mahalla occurs on the basis of imposing appearance, with participation of most of *mahalla* residents. The interviews with respondents and focus groups, with population as well as with citizens assembly administration shows that 86.4% of respondents state, that the decision is made by majority of population; 6.8% by women separately; 2.3% - by heads of the streets; 2.3% - by citizens assemblies and 2.3% of respondents think that the decision is made by one person.

Considering that women can not openly express their ideas in the presence of men, they conduct the meetings separately. The topic of discussion is the same in both groups. Advisor, together with his/her assistants from *mahalla* inform the male group about the decision made in female group.

The important role in the research was paid to women and youth's participation in socio-economic life in *mahalla*. Women mostly participate in organizing events, cooking the meal for workers during the improvement work in *mahalla* and in improvement work and when the women's work is required.

During the research in the region specificity of Sokh district regarding the role of women in *mahalla* activity in general and in family in particular was revealed. Traditionally, women in this particular region do not participate actively in the social life of *mahalla*; it caused difficulties in meeting and conducting survey with them. It is, first of all, because of traditional and conservative views of people. The survey result of *mahalla* administration of the district also revealed that women can also participate in common *mahalla* events without her husband's permission. They are not invited to the citizens' assembly meetings when mahalla problems are discussed and decisions are made. Advisor of citizens' assembly is exception to the rule. Women in this region almost do not organize women's gap.

However, the government pays great attention to women activation, strengthening their position and role in family, society and in solving problems of mahalla, employment of women, protecting women's health, building the healthy family, assisting women's development and family

sport, propaganda of healthy lifestyle. The introduction of position of adviser on religious education and spiritual moral upbringing into the structure of self-government institutions serves as an example of it. Women who have life experience, authority in *mahalla* are selected for this position. They should be able to instill into the minds of population, first of all youth, a healthy way of living, which has a positive influence on preservation of the best national and religious customs and traditions. To provide employment of the population, outwork is being developed in mahalla. The administration of citizens' assembly in cooperation with deputy *Hokims* organizes a number of seminars on the topics "Prevention of child mortality"; "Prevention of maternal mortality", "Crime prevention", "AIDS" etc.

However it is obvious, that there is a gender disbalance and it is necessary to pay greater attention to increase the status and role of women in the society. For example, among 50 chairmen of citizens assemblies only 2 of them are women.

The government pays special attention to youth, their involvement in life of mahalla, supporting the youth's interests. Great attention is given to development of children's sports in mahallas where, various tournaments take place such as "the Future of our football", "Hercules of our mahalla" and "Belbogli kurash".

Conditions for opening the youth abilities and potential by providing privileged credits to young families are being created. According to statistics, the youth from 18-30 age range constitutes 653,000 people. The youth is the only capable power in the society. Therefore, for revealing the youth's role, separate focus groups with participation of the youth was conducted. The research results show, that mainly the youth are involved during hashars and improvement work in mahalla. The youth participate in the social work and conducting holiday events. However, youth are rarely an initiator of the events that could solve certain problems of mahalla. At the same time, the young people and their families are the main consumers of the services and conveniences that CAs are organizing. Besides, there is no close interaction of the youth with the representatives of citizens assemblies, while the representatives of the other age groups have stable interaction with CA representatives. According to the survey result of the youth, one may conclude, that for developing the youth's activity and their involvement in socio-economic life of mahalla, citizens assembly needs to conduct additional work with the youth.



## Capacity and Potential of *mahalla*

### *a) Problems of mahalla*

Modern *mahalla* is the main unit of citizens' social self-government, functioning as the organization that expresses the interests of population as well as the state; it ensures discipline and order resolving household conflicts and domestic problems. Being authorized, the citizens assemblies as compared with their state institutions are able.

- To effectively regulate the activity within the framework of protection of interests and residents rights;
- To assist in developing entrepreneurship of small and medium business;
- To create the public funds for helping the population, provide various types of social support to population;
- To further the creation of the territories that are necessary for infrastructure of manufacture, life and culture;
- To strengthen the family, support and strengthen spiritual development of people, preventing the influence of negative religious streams;
- To provide all possible assistance in prevention and reducing the crime.

It is obvious that most issues on realization of market reforms, stimulating entrepreneurship, development of private property, employment, richness of consumers market, development of social infrastructure, enhancing the financial welfare of people and their social protection –could be solved by self-government institutions.

The following problems were often mentioned by respondents:

- Unemployment (most respondents stated the relevance of this problem);
- Problems of border zone, namely: problems of enclaves, transporting through their borders, imperfect work of custom services and corruption in customs system;
- Problem in drinking water supply; in most mahallas there is no water supply system, and the existing water supply systems are worn out and don't provide with water appropriately;
- Lack of irrigation water; lack of irrigation system;
- It's necessary to install new electrical lines; reconstruct the old

ones, as well as changing transformers. In most new mahallas electrical lines are installed over the roofs, that does not comply with safety measures;

- Lack of gas supply; lack of line, as well as low pressure of gas supply;
- Asphaltting the road - repair of old roads and laying the new ones.
- Lack of sport constructions and sports grounds;
- The drainage of the lands is necessary since the increase in water humidity influences the land fertility and causes plant fading in many districts of the Ferghana region.

In answer to the question: "What are the strong sides of mahalla, (or citizens assemblies)", the respondents listed the following qualities:

- trust of the residents, in cases when the CA has authority to solve the issues of *mahalla* residents, "*mahalla* leaders justify the population's trust";
- collaboration of CA with business structures; ability of CA representatives to involve business structures as often as possible to solve the problems of mahalla;
- extensive authorities, that enable *mahalla* (MAC) to be in the close contact with population, "the chairman knows what kind of problem a family has";
- Reliance on traditional resources, that is, the availability of *mahalla* residents who are devoted to the solving the common *mahalla* problems;
- Activity and creativity of CA representatives in solving various *mahalla* problems;
- Providing transparency when distributing the social aid; A commission on distribution of social aid is created, they will provide the fair distribution on the basis of criteria and norms; in conflict situation the applicant for social support makes decision himself/herself;
- Community mobilization skills, the possibility of CA to rely on the traditional resources and community mobilization to solve the common tasks of mahalla;
- Citizens' assembly is the support for other organizations and local authority (*Hokimiyat*, tax system, office of public prosecutor, department of internal affairs, and the department of defense)

when solving the issues related to mahalla; sometimes these organizations do not make decisions without co-ordination with CA.

In general, the population survey revealed high degree of public trust for MACs. These surveyed demonstrated the following weaknesses of the CA:

- Lack of funds, to solve problems related to *mahalla* infrastructure. Mahalla as a self-government infrastructure does not have its own funds for solving the problems related to improvement work. This problem is solved by the residents themselves through gathering money and hashar that shows the limited possibilities of *mahalla* in solving the major problems.
- Lack of material and technical basis to carry out the activity of citizens assembly, that directly influence the work efficiency of citizens assembly representatives.
- A limited possibility in solving the issues on social aid and allotting the lands, that first of all depends on *Hokimiyat*.
- Impossibility to cover more residents due to the lack social aid constraint; Citizens assemblies faces difficulties of covering all applications for the social aid, since there is a limit set by *Hokimiyat*.
- Few possibilities of citizens assemblies in providing residents with employment; The business and farmer activity is not enough developed to provide jobs for more residents.
- Lack of possibility of citizens assembly to get income from business activity. Citizens assembly does not have any possibilities in getting additional income in order to create a fund of mahalla.
- CA is overloaded with the tasks from the superior body and does not have sufficient time for accomplishing its own duties.

Availability of material and technical basis is very significant for the effective work of CA staff and strengthening their potential. The survey results showed the low provision of material and technical basis of citizens.

The following could be said about the provision of citizens' assemblies:

- Some CAs have premises and equipment of *shirkats* and *kolkhozes* that facilitates its activities;
- Some CAs are located in *guzars* built by *mahalla* itself ;
- CAs buildings are being built by *mahalla* efforts ;

- *Hokimiyat* allocates the lands for some CAs to construct the buildings;

At the same time, there are following problems:

- CAs do not have their own premises, if they do, these need to be repaired;
- Shortage of equipment, lack and shortage of the office furniture;
- No funds are allotted for the purchase of stationery; therefore CA staff have to purchase it at their own expense for daily use;
- Lack of transport for citizens assembly staff. To solve the problems of *mahalla* CA chairmen and their assistants have to walk to the place of destination. Moreover, in order to participate daily in the *Hokimiyat* meeting, they have to get home late, since such meetings end late and *Hokimiyat* does not provide with transport;
- Lack of computers is an urgent matter too. When *mahalla* administration does a major volume of work on distributing social allowance and registration of payments for communal services, it needs computers and other necessary equipment.

#### ***b) Realization of authorities and interaction with local authorities***

Legislative basis of self-government institutions with authority to solve the community problems, in many respects has strengthened potential of mahallas, having given them the legal status. Local authorities delegate many functions of hokimiyat in the field of social security, providing employment for the population. It is necessary to note activity of workers in realization of this authority and development of effective mechanism of their implementation in *mahalla*.

However the administration is overloaded with the functions that are not stated in the legislation. In fact, representatives of authorities excessively load *mahalla* staff with duties that is prerogative of other departments. It leads to the big congestion of CA administration, especially their chairmen and secretaries who therefore have no time to carry out their main duties. According to respondents, congestion of CA staff with other tasks does not leave any time for work directly with *mahalla* and solving its problems. Information on all CA authorities and functions and their administrations are specified in "The Law on self-government institutions". Hence, if *mahalla* representatives won't appeal to this legislation to stand upon their rights and duties, the following conclusions could be made:

- Insufficient knowledge of legislation;
- Unpreparedness of institutions of local government to all-round realization of their duties;
- CA and their administration have not developed the effective mechanism of realization of their authority.

In its turn the survey of representatives of local authorities has revealed, that they view this matter differently, than CA representatives do.

Building a civil society demands consecutive, gradual transfer of a number of proxy functions from the central bodies to local self-government institutions. At this stage it intends close interrelation of local authorities and CAs, as is shown in the present activity of both structures. Today *mahalla* in its activity relies on *mahalla* resident. “Mahalla Fund” created for support and preservation of historical values and *mahalla* tradition, and also local authorities – *Hokimiyats* rely on the *mahalla* residents. The opinions of CA chairmen regarding the matter of mutual relations of CA with local authorities differ. Most of them state, that mutual relations are put well and *Hokimiyats* provide assistance to them if necessary. In spite the fact that they are self-government institution, chairmen of some CAs consider that they are subordinate to *Hokimiyat*.

In short, the weakness of mutual relations of local authorities and institutions of local self-government is that there is one-sided approach to CA as an executive agency, and delegating functional duties of some officials (municipal payments and others) negatively influences the development of administrative skills of CAs chairmen.

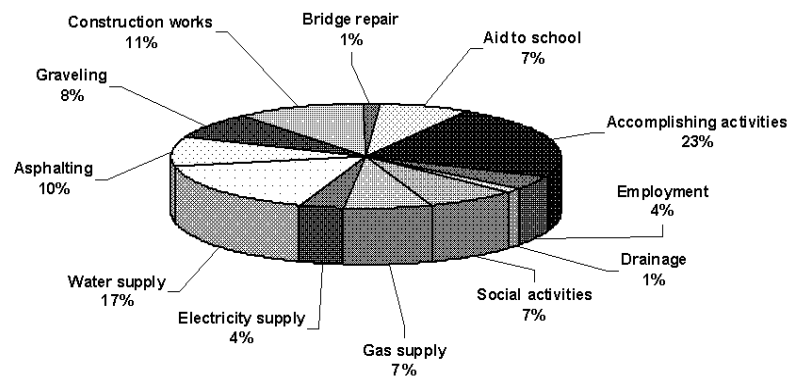
### ***c) Mahalla potential on solving the problems independently***

Traditionally, CA independently and through *hashar* and gathering money solves the major and minor problems in *mahalla*. During the Soviet period the infrastructure problems of the community were solved on the basis of the state plans with different organizations and *Sovhoz* and *Kolkhoz* systems. At present the government does not have sufficient funds, for solving a number of problems that were previously solved by certain structures of the Soviet system. Of course the issues of the amelioration and providing drinking water, are solved on the state level.

Today *mahalla* gradually gets rid of the feeling of dependency and independently solves its socio-economic problems. The respondents gave a list of events in percentage in diagram No 1. According to it, most often the accomplishing works in *mahallas* are conducted - 23%, on water supply,

17% for the construction work, 11% on asphaltting, 10% on graveling, 8% for other types of work, according to their importance for the community.

FIGURE NO 3  
Independently implemented activities of Mahalla

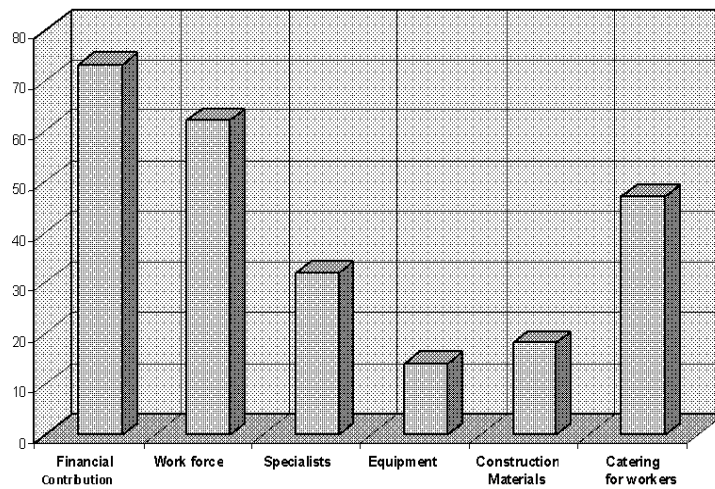


The survey of the focus groups with administration of citizens assemblies, its representatives and representatives of "Mahalla" fund, local authority (deputy *Hokims*) and population showed that *mahalla* independently does the following work such as improvement work in *mahalla*, planting trees in *mahalla* streets, cleaning aryks and drainage systems. Along with it, CA does the work on developing *mahalla* infrastructure. In districts of Ferghana region new *mahalla* is being built where there is no infrastructure created. Accordingly, there is no drinking water supply, no gas and electricity lines installed, the roads are not paved. It's necessary to conduct various construction works in such newly created *mahallas*. It's necessary to build schools, mosques, do repair and improvement work of existing buildings of public use. It was revealed during the research, that the issue of unemployment is extremely urgent in this region and *mahalla* is not able yet to solve this problem. According to the survey data only 4% of all work conducted by citizens assemblies is providing with work places. The reason is lack of manufacturing firms, enterprises and the only opportunity for citizens' assembly at present is providing the residents with seasonal work on the basis of agreement with local farmers and creating the workshops.

Thus, the research results show that *mahalla* has the capacity and is ready to cooperate with other organizations on community development. Analysis of possibilities showed that traditionally *mahalla* could make a

certain contribution and provide with: a) workforce through hasher; b) catering for workers involved in the social work; c) specialists depending on the project type; d) construction materials and equipment; e) and also partly funds.

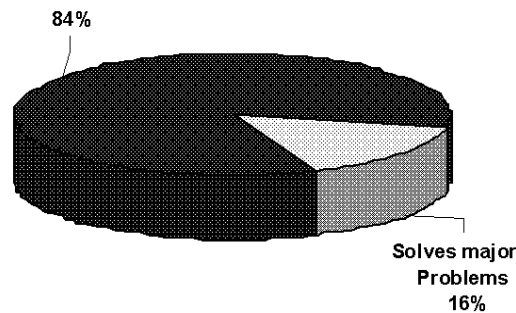
FIGURE NO 4  
TYPES OF *mahalla* CONTRIBUTION



At the same time, the survey results showed that *mahalla* is still unable to accomplish greater volume of works and covering the expenses and projects costs. At present, CAs could make just a partial contribution on the basis of agreement with partners.

FIGURE NO 5  
HOW WELL IS *mahalla* PREPARED TO SOLVE ITS PROBLEMS INDEPENDENTLY?

Solves minor problems



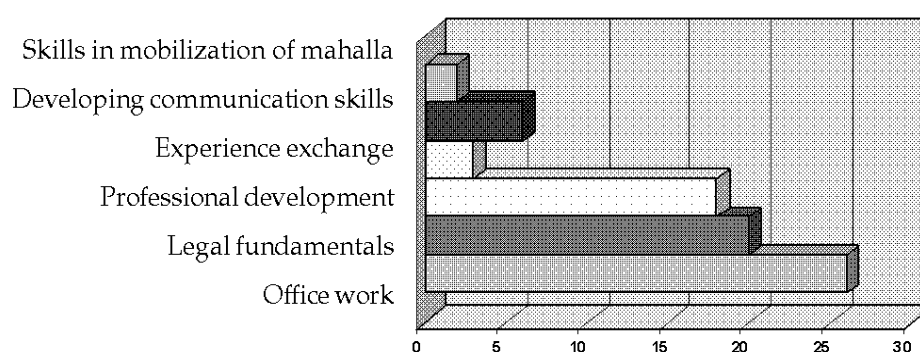
As is shown by the diagram, most respondents mentioned that *mahalla* has a potential for solving the problems of small scale, and for

solving the major problems they need help from outside.

**d) Necessity to improve the potential of mahalla**

One of the components of the research was to study *mahalla* needs for developing the potential of *mahalla* to enable its self-development and upgradation. The research results of all target districts revealed similar need in developing potential both of CA administration and *mahalla* residents. Sometimes, the members of CA administration do not have sufficient skills. A number of varied answers were given for the question “In your opinion, what additional knowledge and skill does the CA administration need?”

FIGURE No 6



The survey of respondents showed that, the government pays great attention to develop the potential of CA administration. Trainings on the professional development are being imparted on the following topics:

- Forming the civil society, social partnership;
- Tashkent is the capital of Islamic culture;
- Work with the youth in CAs;
- The main tasks of advisor in a Year of social protection;
- Sense of Homeland and patriotism in Islamic culture;
- Seminars on the essence and realization of legislation on developing self governing institutions.

At a regional department of “*Mahalla fund*”, a center *Vodiy ziyosi* for developing legal knowledge of CA staff in Ferghana valley has been established.



## CONCLUSIONS AND RECOMMENDATIONS

The study proves the significance of *mahalla* institution as a self-government institution that plays an important role in Uzbek society. In spite of the fact, that this institute underwent changes, nevertheless its functional foundation that forms the community, has remained unchangeable. Modern *mahalla* even today solves the local problems based on the principles of democracy and involves all *mahalla* residents. *Mahalla* is also a preserver of national and spiritual values, it continues historically existing traditions and customs. At the same time, traditional local integrators play an important role in the solution of community problems. Guiding the highly developed sense of collectivism *mahalla*, proves its efficiency in practice as a self-government institution. In spite of political and economic changes that changed the social and spiritual foundations, *mahalla* still enjoys the trust of people and of the government that is very important from the view point of partnership and interaction. Transformation has also a positive character, first of all due to the legalization of its status on the state level. According to the legislation *mahalla* acquires management functions that promote the improvement of interaction of self-government institutions with *mahalla* community. Thus, residents have the opportunity to solve individual problems, and sometimes the problems of a larger scale in *mahalla*. The advantages of *mahalla* in solving the problems of local and regional level are:

- Self-government institutions have certain skills and experience in managing financial resources and providing better targeting of resource utilization;
- Traditional deep sense of collectivism of *mahalla* residents furthers cooperative solution of the common problems of *mahalla* through mobilization of human resources and funds;
- Flexibility of the institution and possibility to interact with various structures (local authorities, NGOs and business structures);
- High level of trust of *mahalla* residents and local authorities;
- Learning experience of working with business structures shows the possibility and willingness of self-government institutions to effectively collaborate with representatives of business structures, involving them in solution of common problems in *mahalla*.

Though, there are some challenges that weaken the capacity of self-government institution such as:

- Work overload of CA staff with additional functions and shortage of time to perform direct duties related to community residents;
- Insufficient material technical basis (lack of buildings, equipment, computers, transportation, means of communication);
- Lack of individual financial basis;
- Incompetence of certain CA staff to perform their duties;
- Shortage of qualification, juridical knowledge and management skills of CA staff;
- Information gap (lack of possibility to get or access to necessary information);
- Gender disparities, caused by low involvement of women in management making decision in realization of tasks of *mahalla*;
- Insufficient participation of youth in solving the problems of *mahalla* (in initiating as well as in decision making). Youth is involved as physical resource when conducting *hashars*.

Factors that weaken the capacity of self-government institution are:

- Economic problems caused by transition period, that directly influence the functioning conditions of *mahalla*;
- Unemployment that impacts the demographic situation and leads to new social problems that the community residents have to solve.

One of the urgent problem is over bureaucratism of *mahalla* administration, dependence of self-government institution on higher organizations (*Hokimiyats*), that influence the self-government institution capacity and significantly reduce its ability. Moreover, it should be noted that the degree of collaboration of *mahalla* with local NGOs is relatively low. Due to the shortage of financial resources, local NGOs can not provide financial support and partnership participation for *mahallas* in solving infrastructure issues. They do not go beyond conducting events, seminars and providing social support.

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## HISTORY OF UZBEKISTAN IN EARLY 20TH CENTURY IN THE EURASIAN CONTEXT

D.A. ALIMOVA

A well-known Kipling's phrase "East and West would never come together" has many times found its justification, but many times it was rejected, particularly by the historians of the modern and contemporary history. The process of intensive rapprochement and active contacts began in the 19th century. It was determined, first of all, by the colonization of Central Asia by the Russian empire. This issue was almost studied one-sidedly during the Soviet period, as being unequivocally positive. It was stated that the Russian contact with Central Asia brought civilization and culture. And during the contemporary period, it is seen as unequivocally negative, and it is treated as the transformation of Turkestan into a colony and its economic enslavement. In this context a considered middle approach with all pros and cons is necessary. From the point of view of participation of Turkestan in the Eurasian processes and familiarizing with the social phenomena occurring in the world, the problem was not posed and developed. Besides, gains, results, and the period and regions in which the wars occurred, changes in the geopolitical position not only of the two belligerent parties and adjoining countries, but also most part of the world, need to be taken into account.

If one considers the "colonization of Central Asia only as a part of global and alternately varying historical process and an opposition of Asia and Europe",<sup>1</sup> it is important to remember that this opposition caused the response processes including the change of the map of the world. For example, the campaign of Alexander the Great in the East created a powerful impulse for its Europeanization. The culture of that period, named as Graeco-Bactrian culture in Central Asia, was subjected to a huge impact of Hellenistic cultures. "For the first time in the history of mankind,

Alexander had tried to unite the East and the West. However, it was for only two centuries the Roman legions battled with Parthian cavalry in the depth of Asia, and in this struggle the Asian peoples took revenge".<sup>2</sup> It was one of the bright initial Eurasian processes, but later a powerful thread was Russia's conquest of Central Asian Khanates which were noticeably backward from the world progress.

The new, last and richest colony of Russia, which was named as the Turkestan Governorate General and was formally established in 1867 according to its territory (1.5 million square verstas), was bigger than the territories of Austria-Hungary, Germany and France taken together. Having conquered Central Asia, Russia had considerably strengthened the military-political and diplomatic positions, first of all, among the colonial states. It received a number of obvious advantages: an access to the fringe of the Caspian Sea occupied by Kazakhs and Turkmens, and to borders with Afghanistan, China, Iran, and India.<sup>3</sup> Unfortunately, this problem was considered both in Soviet, and in contemporary historiography only from the point of view of the interests of the region being exploited as a colony by the metropolitan country. Studies of this problem in terms of international relations are quite rare. Meanwhile, the conquest of Turkestan and its inclusion in the Russian empire had changed geopolitics of many leading world powers, in particular, of Great Britain, Germany, Turkey and of some eastern countries. Admitting that colonization had caused great damage to the economy of the territory, its original culture, which nine centuries ago was designated the first eastern Renaissance that lasted until the 15th century, it is necessary to admit that Russia's entry opened a "window to Europe" through which the processes of capitalism reached the Central Asian Khanates as well.

One can speak about the participation of Turkestan in the world processes after its colonization. Russia's presence in Central Asia, her policy, adaptation of her economy to the resources of her territory and vice versa, adaptation of the raw-material base of the territory to technological capabilities of Russia - all was manifestation of the process of combining the parts of Europe and Asia and alloying the two types of economic cultures. Influence of Europeanization had both negative and positive aspects. Investment of Russian capital in Central Asia and via Russia of the European capital caused cardinal changes in economy, though the population suffered burdens from non-competitiveness of their activities. Intensive construction of factories and plants superseded manufacture of crafts. The agricultural population was in a tight situation

feeling gradual implanting of the cotton monoculture.

The metropolitan country proper, its culture and political processes had its impact on the consciousness of the population. The First World War of 1914 strengthened those processes. Turkestan in the most direct terms was involved in wartime processes. In the government policy of Russia, Turkestan had a special strategic value as a raw-materials base providing it with agricultural products, first of all, with raw cotton. With the start of war, this policy was switched over to a military channel. They began to consider Turkestan as a source of not only economic resources, but also of manpower resources. The indigenous population of the territory was mobilized for performing military and rear works by the imperial decree of 25 June 1916. Apparently, the position of Russia was so difficult, that it required this labor of Turkestani workers, who neither knew the Russian language, nor were used to the severe climatic conditions, nor had skills of work on industrial productive enterprises. The reason for issuing such a decree was due to the increasing need to replenish army troops at the front. Mass recruitment to the army field forces caused difficulties at the enterprises of industrial centers of Russia which supplied the front with ammunition. The near-front zone also was in need of operatives.

Mobilization of the population of Turkestan for rear works in Russia was carried out against the background of the economic crisis caused by switching over the economy of the territory to military rails, which first of all had affected the rural (*dekhkan*) population. Because of war, the deliveries of cotton to Russia from abroad had actually stopped. The result was that the prices for Turkestani cotton had sharply risen. The concerned textile magnates demanded from the government to assume urgent measures. In the summer of 1915, the law on normalization of prices for cotton was adopted and the prices were extremely underestimated. The prices for the foodstuffs and manufactures remained untouched though these were inflated as well. Thus, in 1916 the prices for grain in comparison with 1915 were increased by 300 %, for rice and sugar by 250 %, for bread were increased 4 times more.<sup>4</sup> The *dekhkans*, cotton-growers lost 60 million roubles for one year.<sup>5</sup> The taxation also considerably increased, for example, the taxes imposed on cattlemen increased 2 times more. All this taken together became the reason of the revolt of 1916 covering all of Central Asia and Kazakhstan for a short time.

Thus, political events in the region were the direct consequence of the events that occurred on the borders of Russia and Europe. The Adjutant

General A.N. Kuropatkin, appointed on account of the situation in Turkestan to the post of the General-Governor, wrote in his diary, "I arrived in Tashkent on 8 August 1916 it is necessary to work tensely in order to pacify, and where it is necessary, to cow the agitated territory. The situation is still rather heavy, so far. The basic three oblasts of the territory externally are pacified, but the moods are rather dismal. In the Semirechie oblast, the Kirghiz population of the three southern districts had risen in revolt".<sup>6</sup>

Sending A.N. Kuropatkin to Turkestan and empowering him with authority of the Commander-in-Chief, Nikolay II first of all took into account his awareness of "Asian affairs", "maneuverable abilities", strategic thinking and hoped that he will conciliate the territory. In the period between August and December 1916, the revolt covered a huge zone from the Ural area up to Atrek and obtained a mass character. It also had a political undercurrent. As A.Kuropatkin remarked, the reason of "boldness" of the rebels (in particular the nomads-Turkmen) "was at the bottom of hope for our military weakness in Turkestan and it was supported by the exaggerated rumors about failures of our armies in Persia, and fast occurrence of the Turks in Teheran".<sup>7</sup>

The General-Governor was a person of new generation, and strongly differed from his predecessor Erofeev with his comparative humanity and judiciousness. Studying his diary and archival materials about his reports to the Russian emperor, one can draw a conclusion that Kuropatkin assessed the situation in Turkestan from the standpoint of the Eurasian processes. After serious and detailed familiarization with the situation in the territory and with the reasons of the revolt, he had recognized that mobilization touched upon the interests of the population and their break up with the habitual way of life was the reason of their discontent. He nevertheless made a conclusion that unwillingness to obey, or to comply with the decree "has given a push to the movement which was carrying out on the gradually and previously prepared grounds of discontent by the Russian order". More clearly speaking, Kuropatkin understood that the reasons were hidden in the crisis of forms of the colonial regime which required reforms. His position proved through his actions on the exposure of corruption in administrative bodies of all levels and preparation of a programme of wide social and economic and political reforms. He gave higher priority to expansion of the rights of national bourgeoisie, thus bringing on his side and getting support of a significant number of businessmen and intelligentsia from the indigenous population. On the other hand, he conducted action to purge the local administration - volost

of disposer-managers and rural foremen. By the example of General-Governor A.I. Kuropatkin, it is possible to see that the chief of the highest rank belonging to the Tsarist surroundings and being familiar with modern processes, realized that governing of colonies also demanded modern approaches taking into account the current events both in Russia, Europe and in Asia at large. However, A.I. Kuropatkin did not manage to put his reform programme into practice because of revolts and continuous public disturbances which finally led to the February revolution of 1917.

Another factor of influence of the Russian-European processes was the growth of national-democratic movements. The political dissonance caused by war and revolutionary democratic processes in Europe, including Russia, had not left the national - progressive intelligentsia of the territory outside the zone of actions. They had links with other countries of Europe and Asia and they used the experience of democratic changes of the most advanced countries. But it was Russia which led them to the picture of the modern world. The Russian conquest gave them the new experience of apprehension and awareness of the world, allowed them to know the world more profoundly and to realize fatal consequences of colonization and incomparable backwardness of their country, once having been a powerful centralized state. The contemporary map of the world showing its constant interactions, brought new concepts of space. By the example of Europe they understood that the nations which achieved progress became powerful and the progress was dangerous for those who could not achieve it.<sup>8</sup> It was the Darwinian form of the idea of progress.

Central Asia after the termination of war became the arena of not only cultural, but also political struggle for reforms, renovation, independence and progress. The national-democratic movement *Jadidism* headed this struggle and was a bright display of Eurasianism, an alloy of two cultures and tolerance. The external manifestation of the Eurasian culture in the policy became *Turkiston Mukhtoriyati* - the first national-democratic state, which used in its strategy the experience of Europe, but based on national-eastern traditions. Being educated people of the time, having obtained religious education and being fine experts on Islamic theology the *Jadids* riveted their looks to the West, and especially to Russia. It was explained by comparison of backward Turkestan with the advanced European powers. It conditioned the rapprochement and borrowing of the "necessary" moments from the theoretical heritage of democratic movements, in particular, Russian (Tatar) *Jadidism*, the Egyptian reformism and the Young Turks movement. The leader and father of the Tatar *Jadidism*



Ismail Gasprinskiy was the main ideologue even for the Turkestani *Jadids*. In the beginning of the 20th century close interrelations were established with the Jadids from the Volga region, Crimea and Caucasus. Ismail Gasprinskiy visited Bukhara, Samarkand and Tashkent several times with the aim of seeing over the condition of new-method schools.<sup>9</sup> Three factors united both parties: necessity of education for waging further struggle for autonomy within the framework of the Russian state, ethnic and religious belonging - what was called by the official bodies of the Tsarist administration "pan-Turkism" and "pan-Islamism". The latter ones in the opinion of the Tsarist administration of Turkestan represented a serious threat to the foundations of the empire. Russian culture exerted huge influence on the Jadids and this influence was showed in educational work: new-method schools, theatrical groups, everyday life, clothes, and architecture of buildings. At the same time they opposed the infringement and derogation of language and national traditions, pursuing missionary work, and construction of factories of alcoholic beverages.

Turkestani *Jadidism* has much in common with the conceptual provisions of the Egyptian reformism of the end of the 19th and early 20th century named *Nakhda* (Revival). Supporters of both trends were eager to link the cultural heritage of their peoples with technological and cultural achievements of the West. But at the same time both questioned national unity and development of national culture.

It is known that both in Egypt and in Turkestan, the colonial theorists tried to prove and justify the expansionist aspirations of the European powers, the great mission of superinducement of culture and education into the backward countries. The Arab reformists actively responded to it. The polemic of al-Afghani with a well-known French philosopher Ernest Renan received wide publicity. At Sorbonne University Ernest Renan rendered a lecture on Islam, the essence of which was that the Arabs were not capable to have abstract thinking and do scientific search. He explained it by the altitude of the Muslim doctrine towards science and philosophical knowledge. Afghani joining the polemics with him wrote, "It was during the period of general ignorance that the Arabs riveted their looks to and apprehended the buried in oblivion heritage (the Greek and Roman civilizations), they restored knowledge which died away and lifted the science to the high unprecedented level before".<sup>10</sup>

There was dispute between M.Bekhbudiy and N.G.Malitskiy - the Chief of city administration of Tashkent stating that the Turkestanis are ignorant and should not have voting rights. The Turkestani *Jadids* as well

as the Egyptian reformists were inclined to make conclusions about historical links of Central Asia with Western Europe, focusing them on modernity. They reasonably believed that it was the Islamic culture which rescued for Europe Plato and Aristotle, and they themselves were not simply admirers, but also in a certain degree the new propagandists of their theories. At the same time, freeing the religious views from scholasticism, they tried to return to Islam the values from the heritage of mankind, all that they saw in the cultural heritage of the West. Such globalization of thinking is a characteristic feature for the most active part of *Jadidism*. In their opinion, Central Asia being part of the Muslim world, but representing by itself independent and unique phenomenon in the world history, was obliged to find the worthy place in the sophisticated and inconsistent future which opened up with the 20th century.

What should determine the transition of a society into the cardinally best condition? The *Jadids* were sure that it should occur, first of all, on the basis of reforms in the sphere of education and enlightenment, through the development of scientific achievements and advanced technology, by planting elevated moral qualities in the young generation. M. Bekhbudiy was rather categorical when he claimed that those nations that do not absorb advanced achievements of science and technology, would have the destiny to vegetate and rust in the world civilization. As the technologies developed in the West, the looks of the progressives were reverted there. Their "westernism" was accounted for scientific, technological and cultural attainments of Europe.

Intellectual outburst in Turkestan, having centuries-old genesis and caused by the struggle against Russian colonization, particularly by the 1916 revolt, had developed by 1917 into socio-political one. It became clear that development of culture and education was impossible without social and political perfection, and that, in turn, was impossible within the colonial framework. Efforts for achievement of progress can succeed only when the state is interested in it. The *Jadids* precisely understood that and precisely for that reason, knowing the real situation in which independence was impossible, they tried to establish an independent national statehood – Turkiston Mukhtoriyati within the framework of the Russian Federation.

Positions of both trends of reformatory movement were similar also in questions of education, the attitude toward position of women, characterized by comprehension of necessity of emancipation, but rather constrained methods which were not contradictory to the Muslim dogma.

The representatives of both trends realized the need for careful and thorough work with the native language which was dictated by the concept of national revival, but they also realized the importance of mastering European languages. M. Abdo said, "a person who does not know even one European language, will never become a scientist in our century", but M. Bekhbudi's credo was - *Bir til emas, turt til kerak* (We need not one, but four languages).<sup>11</sup> To be an expert in laws and in contemporary life, in his opinion, there was need for the knowledge of both Turkic and Farsi (Persian), and the European languages as well.

The Turkestani *Jadids* and the Young Turks, maintained close ties. The identity of *Jadids* and Young Turks movements is explained by the wide dispersion of the idea of Turkism, or Muslim nationalism which developed in the 19th century as a mass movement of protest against economic, political and cultural dominance of the western powers and it acquired an anti-colonial orientation.<sup>12</sup> As is known, the representatives of Central Asian intelligentsia and business frequently made trips to Turkey. Besides, many *Jadids* were trained in Turkey, for example A. Fitrat. The confidential secret-service message of security agency mentioned that in Turkey in 1913, 250 students from Bukhara were studying. Naturally they were transmitters of information and ideas of Turkish reformists. The reports of agents of imperial security departments often reported about the influence of the Young Turks movement and its ideological spread in Turkestan and links of the Turkestani progressives with Turks. Thus, one of the reports informed that "the main idea of the society *Tarassiy-Parvar* organized in Andizhan was to imitate the progressive Young Turks".<sup>13</sup> Another report of 21 April 1917 read that "it was possible to see the portraits of the Sultan Grand Turk<sup>14</sup> - Enver-pasha in apartments of all members of this party and of some pan-Islamist figures, there was available correspondence compromising them...".<sup>15</sup>

However, it should be noted that such propagation had no results. In the perceptions of Central Asian Muslims, Turkey was more advanced and progressive Muslim country where life was better. Thus, Makhmudjan, the Kokand furniture merchant Hadji Rakhimdjan's son, who was studying in the third year in Constantinople wrote to his father, "if the Sarts studied in such a way, how I was studying here, everything in Turkestan would be all different from what was then".<sup>16</sup> The attitude to the events in Turkey and support by them of the Young Turks movement was based only on ideological commonality and Turkism. The Turkestani *Jadids* did not copy mechanically their positions and actions. They had ideological affinity

with many national-progressive movements, in particular, with Egyptian, Tatar, Iranian *Jadidism* etc.

But Central Asian *Jadids* never put forward the ideas about creation of a uniform Muslim state or annexation to any Muslim country. They aspired to realize their “inalienable right to self-determination and arrangement of their life according to their world views, ideology and world outlook, public, spiritual-religious, ethic-moral standards and principles”.<sup>17</sup> It finally was expressed in the attempts of nation-state building and organization of *Turkiston Mukhtoriyati* in November 1917 in Kokand and in *Jadids'* coming to authority as a result of the revolution of 1920 in Bukhara and Khiva.

Two issues - national liberation struggle on the eve of the revolution of 1917 and national-progressive movement of Turkestan, associated with political, socio-cultural and economic problems, have shown that the whole history of Turkestan in the beginning of the 20th century is related to the processes that were taking place in the West and in the East. It is impossible to consider them within the framework of one region, without taking into account the world processes. Dealing with this problem requires new approaches and international contacts of historians.

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# UZBEKISTAN'S ECONOMIC MODEL AND PERFORMANCE *A REVIEW*

R.G. GIDADHUBLI

Uzbekistan is an important country in the Central Asian region in terms of the size of territory and population and quantity of wide range of natural resources-hydrocarbons, non-ferrous and precious minerals etc. Over two decades have passed since Uzbekistan has become an independent and sovereign state after the Soviet break up. It has followed a unique path of political and economic transition, even during the latest global economic recession. There are varying interpretations and assessments with regard to some of the policies and issues of development of Uzbekistan. In view of this it may be worthwhile to make a review of some of the major aspects concerning the country such as the Uzbek model of development, performance of the economy, role of external economic assistance and problems affecting the economy.

## UZBEK ECONOMIC MODEL: PERSISTING DEBATE

Islam Karimov, the President of Uzbekistan claimed that in 2009 control over the negative influence of global recession was possible due to the application of Uzbek model of development. On this issue while delivering a lecture at the seminar in Japan on 4 June 2009 entitled "The Global Financial and Economic Crisis", Mahmud Hadjimetov of the Uzbek Embassy asserted the positive effects of the Uzbek model of development. Nathan on Registan Net on 12 August 2008 quoting the address of Islam Karimov on the Constitution Day reported that the President was proud of creating 'Uzbek Model' which has helped the country to successfully

weather the global crisis. Karimov has even advised that this model should be followed by other countries.

The concept of Uzbek model of economic development was evolved in the early 1990s as a part of the policy of economic reform and transition from the former socialist system to market economy. Uzbekistan has undertaken measures for reforming the economy even as there are differences among the experts on the pace and performance of reforms. After gaining independence, the Uzbek leaders were analyzing the experience of economic reforms and development of neighboring countries such as Russia, Turkey, China, Iran, Malaysia as various alternatives for choosing its own course of economic development. After deliberations, they worked out their own path of economic development known as the 'Uzbek Model'. The President of Uzbekistan Islam Karimov spelt out the principles on which this model was based, which are well known. In essence they are: de-ideologisation of the economy; primacy of economics over politics; state to remain the chief for the management of the economy; strong social policy and so on. It was contended that the "Uzbek model," was needed so that the country gradually introduced market economic principles in order to avoid social dislocation. The Uzbek model had a positive impact on the economy till the second half of the 1990s, since the economic crisis was largely averted which had affected other countries in transition. In his book *Uzbekistan on the Threshold of the Twenty First Century*, Islam Karimov asserted that Uzbek economic reforms were based on solid principles. In fact there was appreciation of this model as a sound policy by some international financial institutions and economists including Vladimir Kolesnikov of Russia and Fredrick Starr of the USA. Considering political and economic development of Uzbekistan in the early 1990s following its own model, even the US policy makers opined "Uzbekistan was an island of stability in the ocean of instability". At that time the USA also extended substantial economic assistance through massive investment in joint ventures, which gave moral support to the Uzbek leadership.

But at the same time there are many western critics including Andrew Apostolou of UK who have opined that the Uzbek model was a mistake. It has been argued that the claim of high growth performance of the Uzbek model depended upon the government subsidies, which supported the industrial production and the social welfare network and hence it was not sustainable in the long run. In the opinion of some experts, since 1996 the economic system had been gradually collapsing under its own weight of subsidies and controls. On the type of economic reforms implemented

in Uzbekistan through the Uzbek model, some western critics have opined that the political system prevailing in the country was dominated by vested interests at all levels that had a considerable investment in retaining the 'status quo', which possibly meant that of the Soviet era. .

In 2003 a leading European think tank had warned that Uzbekistan needed to undertake reforms or face economic upheaval. This was possibly based on the fact that during the period 2000-2004 Uzbekistan had the lowest GDP annual growth rates of just about 4.8 percent as compared to over 10 percent in Kazakhstan and Tajikistan and over 17 percent in Turkmenistan. It was also stated that economic growth hardly kept pace with population growth, unemployment was rife and poverty was deepening. Similarly, disagreeing with the high claim with regard to Uzbek model on the issue of global recession, in 2009 Farangis Najibullah opined that Karimov has omitted glaring failures of Uzbek model including the fact that substantial section of the population live in poverty and several thousands of Uzbeks leave the country for jobs outside to Kazakhstan, Russia etc. It is also important to note that contrary to the claim of Karimov about rising income of the population and their overall welfare, economic gap between urban population and large section of rural population has been widening over the last two decades.

But these arguments and contentions are not acceptable to the Uzbek policy makers and economists. It is necessary to note that in the early 1990s leaders of all the post-Soviet republics were trying to evolve a path of economic development replacing the former Soviet system. For instance, the Russian model of 'Shock Therapy' adopted by Boris Yeltsin had virtually ruined the Russian economy and hence it had created criticism and controversy among the former republics of the USSR. Hence the leadership of Uzbekistan was not in favor of 'Shock Therapy' as a model for the country. In 2006 Thomas Moser opined that the country adopted a policy of gradual economic reforms, which helped the country to avoid crisis and at the same time brought economic growth back to the pre-reform level. The country was thus able to maintain stability at a time when market institutions were just emerging in the economy. Moreover, the observations of critics seem to have made some impact on the policy initiatives of the Uzbek government, which undertook several reform measures which seem to have helped economic development even as the basic elements of the Uzbek model have been kept intact.

In the Uzbek model of economic development, as opined by some analysts, foreign trade was not given due priority. In fact by adopting the



policy of import substitution and imposing high taxes on imports, the Uzbek government tried to protect the domestic producers. Besides that there were indirect taxes on imported goods as a result of differentiated application of excise duties, which restricted imports in the county. According to some Western experts restrictions on trade imposed even in 2002 including some punitive tariffs severely affected the Uzbek economy. In 2005 tariffs in Uzbekistan were about 30 percent as compared to 15 percent in Tajikistan and Kyrgyz Republic. Economists opined that these administrative policy measures, which were not rational served to “push trade out of the country into Kazakhstan and the Kyrgyz Republic”. Thus official and legal channels of foreign trade were affected much to the disadvantage of the economy. Moreover, it led to cross-border outflow of hard currency. Because even conservative estimates suggested that total cross-border outflow of hard currency was reaching US \$ 100 million per month.

Thus contentions and controversy persist so far as the Uzbek model of development is concerned between critics and supporters of Uzbek policy makers. At any rate it is also to be seen whether during the next decade or so Uzbekistan will be able to sustain reasonably high economic growth rates and also solve economic and social problems more successfully than other countries in transition such as Russia and Kazakhstan. In this background it is worth examining the performance of the Uzbek economy.

#### ECONOMIC PERFORMANCE

In 2009 when majority of countries in the world suffered sharp fall in their economies, according to Uzbekistan official data annual GDP growth was quite respectable at 7 percent. Even though it was a marginal decline as against 9 percent growth in 2008, Uzbek growth performance was very high as compared to negative or very low growth rates in other Central Asian Republics (CARs) such as Kazakhstan, Tajikistan and Kyrgyzstan Republic which were worst hit by global economic crisis as is evident from the data in Table 1.

From the data given in the Table 1 it is evident that apart from Turkmenistan, Uzbekistan is the only Central Asian State which has maintained stable growth rates during the last five years. Moreover, in 2010 Uzbekistan was expected to sustain estimated growth rate of 7 pc, and salaries and pension would increase by about 30 percent. But other

CARs except Turkmenistan might struggle with low GDP growth rates. Hence this scenario might embolden the Uzbek leaders to be optimistic about economic development of their country. In fact in January 2010 the Uzbek State Statistical Committee reported that during the period January to September 2009, the GDP growth was as high as 8 percent which was higher than earlier estimates and industrial growth during 2009 was 9 percent.

Uzbekistan is a country with rich mineral resources which has facilitated its economic development. It has more than 100 types of minerals including non-ferrous, precious minerals such as copper, lead and zinc, tungsten, molybdenum, gold, silver, uranium etc. apart from natural gas, petroleum, coal. Some of the prominent industries in Uzbekistan are the automobiles, aircraft and engineering apart from textile. Mention may be made of wide range of automobile models produced in the country including "Nexia", "Tico", and "Damas" models one of micro buses, as well as 7,000 cars of "Matiz" (the new model). One of the biggest aircraft building plants operates in Tashkent viz. Uzbekistan's Chkalov Corporation. This enterprise maintains one of the largest and most significant aircraft assembly plants in CIS. Despite being semi-arid region, agriculture sector is developed on the basis of irrigation. Uzbekistan has been a major producer and exporter of cotton in the world. During the last two decades, the country has reduced overdependence on imports of wheat by concentrating on wheat production.

Looking back, the Uzbek economy having undergone post-Soviet crisis up to 1995, was able to enjoy stable, albeit modest growth between 1996 and 2004 when annual GDP growth rates were low in the range of 4-5 percent. American Prof. Spechler has called this 'period of lean years' during which Uzbekistan was able to rely on the sale of cotton, gold, metals and minerals to earn much needed hard currency to sustain economic growth. As per official data economic growth picked up between 2002-2006 when annual GDP growth rates were about 5-7 percent. During the subsequent period of 2007 and 2008, there was significant rise in GDP growth rates (9-11 percent) in Uzbekistan among the Central Asian States, apart from Turkmenistan.

So far as other major economic indicators are concerned, in 2006 the value of exports was \$ 5,842 million and the value of imports was \$ 3,787 million. Thus during the period 2002-2006, the value of exports more than doubled and value of imports increased by about 80 percent as can be seen from the data given in Table 2. Thus as per official data Uzbekistan

was able to generate surplus in its foreign trade account. The share of non-commodity group in the total value of exports of the country was above 30 percent, which was a good achievement. Similarly the current account of the country increased by about 2.7 times between 2002 and 2006, which shows positive and robust growth performance of the country.

It is important to note that real GDP per capita was also increasing at over 7 percent since 2004. Thus according to the Uzbek official sources, economic performance was good during the period 2002-2006 when real wages of workers increased by 36 per cent, exports increased by 30 per cent and foreign currency reserves shot up by 33 percent. At the same time annual inflation was claimed to be below 7 percent. In 2006 as per the Uzbek official sources per capita GDP stood at about \$2000. It is also claimed that GDP per capita in constant prices doubled between 1995 and 2008.

During the last few years as the economy has been stabilized and improved, renewed efforts are being made to reform the economy and promote the development of industry and agriculture. For instance, the government of Uzbekistan has been actively engaged in implementing a 'comprehensive privatization program for 2006-08'. This policy measure envisaged privatization of more than 1,500 enterprises, including enterprises in strategic sectors such as energy, chemical and transport. In 2006 more than 600 enterprises were privatized. It is reported that this policy measure has helped the government to get privatization revenues that were 20 percent higher than in 2005. According to the Uzbek official sources by the end of 2006 the private sector's contribution to GDP reached 79.4 percent.

There are reports to the effect that the Uzbek government has also undertaken policy decisions to reform the economy. For instance, to facilitate participation by the private sector in the economic development, the government of Uzbekistan has undertaken several measures of 'Ödrastically reducing licensing requirements, streamlining licensing procedures and eliminating overlap between different agencies and local governments, simplifying and reducing the frequency of reporting requirements for enterprises, and at limiting interferences of regulatory agencies'. It is reported that these measures have helped the country to encourage the growth of the SME sector, which in 2006 alone created 440,000 new jobs and accounted for about 42 percent of GDP. Similarly, the Uzbek government sought to liberalize its telecommunications sector and adopted a new law in February 2007 aimed at easing foreign investment in the sector.

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VARIATIONS BETWEEN OFFICIAL AND NON-OFFICIAL ESTIMATES  
OF ECONOMIC PERFORMANCE

There are some contentions and disagreements with regard to the Uzbek economic growth performance and there are also variations in data between the official sources and estimates by international experts and institutions. In the opinion of some western specialists, reliable information on Uzbekistan economy is lacking and that official data is not necessarily reliable. For instance, it may be worthwhile to note that in the latest book entitled *The World Economic Crisis* by Islam Krimov it is pointed out that Uzbekistan has weathered the global financial crisis and projected a robust economic growth in 2010. But as commented by Laurie Rich, in the report published on 17 December 2009 by the credit ratings agency Standard & Poor there is total rejection of such a rosy picture and a much darker picture of the Uzbek economy has been painted. Similarly, while appreciating overall economic development in Uzbekistan in 2006 the IMF evaluated its economic growth rate at 6 to 7 percent, which was lower than the official estimate. For instance, it is pointed out that the claim of comparatively high growth despite global recession in 2009 was partly due to the fact that Uzbekistan was isolated from global economy and hence recession had not impacted that country as it has done to most of the countries in the world. Similarly, as per independent estimates the inflation rate in Uzbekistan was higher than official estimates reaching double digit figures of 20 to 22 percent while as per official figures inflation was ranging between 7 to 8 percent during the period 2006 to 2009. Another indicator of the problems facing the country is the depreciation of its national currency Som. In August 2009 the Uzbek Som continued to depreciate through the crawling peg arrangement, trading at US\$ 1,494 per US dollar. Finance experts forecasted further depreciation during 2010 and even beyond.

Some critics have contended that Uzbek officials want to showcase growth performance with the objective of claiming success of economic policies of the State. It is opined that many policy decisions about economic reforms, liberalization and privatization are mainly on paper and not fully implemented in practice. Hence even the IMF experts opined that taking some measures about controlling the inflation rate should be a priority for the Uzbek policy makers. Similarly, it was pointed out that full implementation of reform policies with regard to the liberalization of foreign trade, development of private enterprise, and development of the

financial sphere are no less important.

#### EXTERNAL ASSISTANCE BY INTERNATIONAL FINANCIAL INSTITUTIONS

In the economic development of Uzbekistan, external assistance has played an important part during the last two decades. Being a less developed country, domestic resources were inadequate and hence Uzbekistan badly needed external economic assistance after the Soviet break-up for its transition to market economic system. After gaining independence, Uzbekistan became a member of various international financial institutions such as the World Bank, IMF, International Finance Corporation (IFC), Asian Development Bank etc. Hence Uzbekistan has been able to get assistance-both financial and technical- from these institutions, which has immensely helped the economic development of the country. For instance, the World Bank and the IMF provided invaluable assistance to all the former communist countries including the Soviet republics including Uzbekistan in their initial stage of setting up banking and finance institutions and in undertaking the formidable task of transition from socialist structure to market oriented structure. Similarly, during the last two decades, the IFC provided about \$ 68 million and arranged \$ 13 million syndication. The IFC has extended assistance especially to promote SMEs and develop financial markets through various Banks in Uzbekistan (National Bank of Uzbekistan, Asaka Bank etc). For example, in 2002 the IFC helped to develop new leasing legislation which improved considerably financing options for SMEs, and in 2005 with IFC support, seven new Presidential decrees were adopted to help improve the business-enabling environment for SMEs. Moreover, the IFC has been active through Private Enterprise Partnership Central Asia which has helped improving financial intermediation for micro and small business enterprises. According to press reports as of January 2007, the IFC portfolio stood at US \$ 16 million, with 88 percent in financial markets and 12 percent in the real sector.

The Asian Development Bank (ADB) is an important institution, which has been offering assistance to many Asian countries. So far as Uzbekistan is concerned, the ADB provided assistance for 23 loan proposals totaling US\$ 976 million till the end of 2006. Five of them pertain to development of agriculture and natural resources, four for education and so on. Moreover, there are 13 regional technical assistance projects (RETA) that are currently active and involve Uzbekistan to various extent.

Similarly, in the case of European Bank for Reconstruction and Development (EBRD), its cumulative commitments of EUR 547 million are concentrated in three main areas: financial institutions (26 percent), natural resources and energy (35.5 percent), and infrastructure (27 percent). Most of the Bank's funding is in the form of debt (98 percent of the Bank's portfolio in Uzbekistan) with only EUR 5.6 million in equity investment. According to analysts, investment would have been more if the investment climate had been better.

Notwithstanding what is stated above, in the opinion of some analysts and also as per report of the European Bank for Reconstruction and Development (EBRD), foreign direct investment (FDI) per capita in Uzbekistan is the lowest among the CARs. It was noted that investment climate in Uzbekistan was least favorable among the Central Asian countries. In the aftermath of Andijan events Uzbekistan's political ties were under strain with the USA and West European countries. Hence among other factors in 2006 Uzbekistan government forced "New Mount", the USA gold mining joint venture firm to close down its operations, an enterprise which was one of the earliest and most prestigious in Uzbekistan. Same was the case with British owned Oxus Mining firm. The ADB also reported that while it had funded 90 projects of SME, many were not operating well.

In 2006 Marat Yermukanov opined that Uzbekistan was keen in getting investment from Russia, China and Kazakhstan since investment from western countries was declining. Uzbekistan badly needed increase in investment to boost the economic growth. It may be noted that Russia and China have been some of the major investors in the Uzbek economy. During the last few years situation seems to have improved and Uzbekistan has been able to attract foreign investment in its economic development. During 2007 foreign investment was of the order of \$ 4.3 billion which facilitated the country to complete 300 large projects. In 2008 according to official sources there was 40 percent increase in foreign investment amounting to about \$ 5.4 billion out of which FDI was \$ 1.5 billion. This shows that stable economic growth of Uzbekistan has attracted foreign investment into this Central Asian country. The government expected 80 projects to be implemented including construction of industrial objects. The objective of the state was to utilize foreign investment for modernization of several enterprises. This trend seems to have continued in 2009. However, in the background what has been stated above, Uzbek leaders have to make sustained efforts to undertake liberal policy measures and improve

investment climate to attract FDI to ensure economic growth in the medium and long run.

### PROBLEMS OF DEVELOPMENT

During the last two decades the country has been facing some problems even as considerable progress has been made in its efforts to develop the economy and bring about economic transition. For instance, corruption has been one of the major problems affecting economic development of many countries including the former Soviet republics as also developing countries. Uzbekistan is no exception. There is realization of this problem which is evident from the fact that in a television address on 17 February 2007, the President of Uzbekistan Islam Karimov lashed out at what he characterized as a "well-organized, corrupt criminal system." He was particularly targeting the criminal group that was working to undermine the Uzbek economy by smuggling consumer goods into the country. He was candid in his observation that smuggling of goods inflicted enormous damage on the Uzbek economy, because the country was losing revenue it should have earned on import and export of goods, which are legally traded.

Secondly, Uzbekistan has been facing the problem of inflation even as there are variations between official data and estimates by international economists. In the 1990s annual inflation rates were in double digits, which have come down during the last 5 to 6 years. Even during the last few years international financial institutions estimated inflation to be about 12 to 15 percent and some western analysts opine that it could be above 20 percent. But Uzbek official data claimed that inflation in 2006 was about 6 percent. It is worth noting that variation in the inflation rate would depend upon the methods of calculation particularly prices at which imported and exported goods are calculated. During the last few years, efforts are being made by the Uzbek authorities to bring down inflation. Economists of international financial institutions have also made positive contribution in this regard. Hence to contain inflation the Central Bank of Uzbekistan (CBU) tightened monetary policy considerably during the course of 2006, and it intended to tighten monetary policy further in 2007 to achieve the desired reduction in inflation. It is important to note that the newly established Fund for Reconstruction and Development (FRD) offered to support the CBU's efforts to sterilize excess money supply.

Thirdly, convertibility of Uzbek currency Som on current account

had been one of problems affecting economic reforms and development. According to western finance experts the Uzbek government had been promising convertibility since at least 1999, and each promise had been broken. So far as the Uzbek side is concerned, the delay in implementing convertibility of Som on current account could be due to the fact that the Uzbek authorities seem to be more concerned about likely negative economic fall-out of this policy. But western economists contend that this delay had adversely affected economic development of the country, particularly the foreign trade sector. In 2003 Uzbek government made Som convertible on current account as strongly recommended by the IMF.

Fourthly, transport infrastructure in the region seems to be far from satisfactory which affects regional trade. Moreover, import duties of Uzbekistan seem to be high in the region, which does not promote intra-regional trade. As mentioned above in 2005 maximum tariffs in Uzbekistan and Kazakhstan were 30 percent as against 15 percent in Tajikistan and Kyrgyz Republic. In the opinion of some economists there are also non-tariff barriers including those relating to transit and custom clearance which seem to affect trade among the Central Asian countries. This in turn would adversely impact on the economic development of all the countries concerned.

Lastly, there are other issues concerning the region, which also affect Uzbekistan's relations with other countries in Central Asia, which in turn affect economic development. For instance, Uzbekistan is one of the major producers of cotton in the world. But being a downstream country, the cultivation of cotton, in this semi-arid region, depends upon the availability of water from two rivers namely Syr Darya and Amu Darya. It has not been possible for Uzbekistan to get enough water, which affects cotton production. In fact after the Soviet break-up there are problems with regard to the sharing of river water between upstream countries namely Tajikistan and Kyrgyz Republic on the one hand and the downstream countries namely Uzbekistan and Turkmenistan on the other. The water problem might aggravate for Uzbekistan in the near future since in 2009 the Tajik government gave high priority for the construction of Roghun Hydro-Electric project of 3.6 bln KW capacity which would make the country energy exporter from the present status of energy importer apart from solving energy crisis facing the country. But this project might substantially reduce flow of water of Amu Darya downstream to Uzbekistan. What has worsened the energy problem for Tajikistan was that in 2009 Uzbekistan pulled out of Central Asian Unified Power System which was



otherwise helping Turkmenistan energy being supplied to Tajikistan through Uzbekistan. Thus to solve unending energy problem the construction of the Rogun Hydro Project was expedited by the Tajik government, which has already collected about \$ 153 million from the sale of public shares. It needs to be noted that each Central Asian Republic being sovereign and independent has its own national interests and justifies its action. But sometimes it might put constraint on regional co-operation and worsen relations between two neighbors. Hence this necessitates greater regional co-operation among the Central Asian States for their common interest.

Thus in conclusion it may be stated that Uzbekistan has made significant progress in its economic development during the last two decades after gaining independence. While the development per se cannot be denied, there are disagreements with regard to some figures of economic growth and also policies being followed by the Uzbek government. There are also varying perceptions between official sources and some of the analysts so far as the claim of economic achievement attributed to Uzbek model of development is concerned. As Uzbekistan has been facing several acute problems in its economic development, there are formidable challenges to the leadership of the country to overcome constraints and problems in order to sustain its economic growth in the long run.

**TABLE 1**  
**GROWTH RATES OF GROSS DOMESTIC PRODUCT OF**  
**CENTRAL ASIAN STATES**

<i>Country</i>	<i>2000-2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010(Est)</i>
Kyrgyzstan	4.9	-0.2	3.1	8.5	7.6	0.9	0.9
Kazakhstan	10.4	9.7	10.7	8.9	3.2	-2.0	1.5
Tajikistan	9.7	6.7	7.0	7.8	7.9	2.0	3.0
Turkmenistan	17.3	13.0	11.4	11.6	9.8	6.9	7.0
Uzbekistan	4.8	7.0	7.3	9.5	9.0	7.0	7.0

*Source:* Official data and data from reports on internet on Central Asian States.

**TABLE 2**  
**UZBEKISTAN: SELECTED ECONOMIC INDICATORS**

	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Real GDP (% change)	4.0	4.2	7.7	7.0	7.2	9.5	9.0	7.0	7.0

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# WATER MANAGEMENT STRATEGY IN UZBEKISTAN SOME ASPECTS

GULI YULDASHEVA

Water management policy in Central Asia has become nowadays one of priority issues in the region, directly influencing ecological situation in the region and consequently its economic situation, stability and peaceful coexistence of the Central Asian Republics (CARs) and their perspectives of development. Understanding of this reality has brought to fore some new, still vague and fragile, but nevertheless steady and potentially strong tendencies in the region's life. It is obvious that ecological problems and their economic component increasingly stimulate the growth of regional-global cooperation in Central Asia, which opens, inspite of all difficulties, new possibilities and prospects for the region.

## ECOLOGY AND ECONOMY: INTERDEPENDENCE AND INTERACTION

Central Asian countries have been among the fastest growing economies in the last ten to fifteen years. And this is particularly true of Uzbekistan, whose recent economic achievements are acknowledged by international organizations. In 2008 the growth of GDP was 9.0%, volume of industrial output production and agricultural economy was 12.7% and 4.5% respectively. The level of inflation did not increase the forecasted index and was 7.8%.<sup>1</sup>

But on the other hand, rapid economic development of Central Asia including water management has negatively influenced the ecological situation in Central Asia. The whole territory of Central Asia is fed by waters of two big rivers – Amu Darya and Syr Darya, which form one ecosystem of the region and greatly affect its economic state. Historically

speaking, arid lands of mainly agricultural Uzbekistan made it very dependent on its water irrigation system. During the Soviet times all Central Asian Republics were combined with a single network of water management mechanism which inspite of some of its weak points provided Central Asian lands with sufficient water resources. Nowadays this mechanism has broken down and the new one has not been built yet. As a result, the economic situation in the region changed drastically as each Central Asian Republic proceeds from its own national interest and pursues its own water-economic strategy, often not coinciding with its neighbors' demands of water.

At the moment Tajikistan, for instance, is constructing nine hydro-energy stations worth 1.8 bln. Somoni (about 526.8 million US\$).<sup>2</sup> Powerful stations are proposed to be built on rivers, which from the legal point of view are trans-boundary as they pass through the territory of several states. Exploitation of the river for energy by Tajikistan presupposes the production of energy in winter, while Uzbekistan being situated in the lower part of Amu Darya, extremely needs water in summer and in winter this water floods its territories.

In the same manner Toktogul cascade, situated in neighboring Kyrgyzstan, being one of the important sources of water irrigation especially for Uzbekistan, had to be used mainly in energy sphere that flooded Uzbek part of the Ferghana valley and damaged thousands of hectares of valuable land under cultivation, washed off the river-side dams and dwelling houses Roads and electro-transmission lines were also flooded. Water floods turned into real drought, when in the agricultural season some regions of Uzbekistan got only 50% of water and water allowance from Toktogul didn't exceed 400 cubic meters a second.<sup>3</sup>

The above stated circumstances influence the reclamation of land and decrease its productivity. In winter time, when too much water is received exceeding the level of underground waters, it increases salinization in the sown areas. The effect of the economic activity in these circumstances for Uzbekistan can be illustrated by the following table:

This situation is aggravated by changes in the global environment, global rise in temperature, the immediate effect of which has become shallowness of Central Asian rivers and lakes, resulting in the water scarcity in the region. According to some estimates, average annual temperature in all Central Asian Republics has increased lately by three degrees. These indices exceed greatly world average statistical measures. Vast territories of Central Asia are thus under threat of turning into deserts.

**TABLE 1**  
**MAIN INDICATORS, CHARACTERIZING INFLUENCE OF ECONOMIC ACTIVITY ON THE ENVIRONMENT AND NATURAL RESOURCES IN UZBEKISTAN**

	2006	2007
Polluting substances in the atmosphere by stationary sources, (In thousand. Tons)	582.9	737.9
Spoiled lands as a result of economic activity (In thousand. Hectare)	43.3	45.2
Formation of toxic scrap, (In million. Tons)	38.6	40.3

*Source:* State Committee of Uzbekistan, Uzbekistan in Figures, 2008. Tashkent, 2008, p.172.

Due to long-lasting irrational use of natural resources and Soviet economic legacy, arid and semi-arid lands of Central Asia have already been suffering from worsening of soil quality, degeneration of forests and land erosions, as well as landslides, thus being especially vulnerable in this regard. The drought in spring-summer of 2008 greatly influenced south-eastern regions of Central Asia, Ferghana valley and the delta of the Aral sea. On the whole, drying of the Aral sea basin greatly influenced the state of the soil in the region. This directly has its own economic and health consequences on about 20 million people in the rural areas.

The same year (2008) deficit of water in season greatly damaged rural economy of the Ferghana valley, Syrdarya and Djizak oblasts, which didn't produce thousands of tons of valuable agricultural products worth hundreds of millions of dollars. Uzbekistan didn't receive enough water from the second main regional river – Amu Darya, as a result, Karshi and Amu-Buchara channels got over one billion cubic meters water less than the requisite quota.

According to experts, development of such scenario in the basin of Amu Darya can push the irrigated rural economies of Uzbekistan and Turkmenistan, and also the whole ecosystem of the South Aral zone to unpredictable consequences. Water deficiency in the Syr Darya, the biggest river in Central Asia, passing through the territories of Kyrgyzstan, Tajikistan, Uzbekistan and Kazakhstan, is evaluated as 2.5 cubic kms. annually and in Amu Darya – from 1.5 to 3 cubic kms. dependent upon the water supply of the year.<sup>4</sup>

According to other estimates, flow of the rivers' basin, characterized by the sum of the flow to the upper reservoirs and side influxes, was forecast to be at the level of 74% as per norm. Real flow turned out to be 67%, that is lower from the forecast by 2.0 cubic km (7%). Real water deficiency in the Syr Darya basin comprised about 3.2 cubic km of water,

average water supply being – about 74% (lower in some months till 45-50%), with anticipated loss only for Uzbekistan in 180 to 200 million US dollars.

These figures conceal enormous losses, first of all in agriculture of Uzbekistan, the key branch in the structure of the regional economy, where majority of the able-bodied population is occupied. Water scarcity in Syr Darya has already affected the production of fish, which now approximately constitutes only 50% of previous production of fish here.<sup>5</sup>

It is obvious that all the five Central Asian Republics – Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan have common problems, connected with water scarcity and degradation of lands, explained by their geographic proximity and similar economic consequences of the irrational economic strategy. According to the analysis, made by the regional specialists,<sup>6</sup> by 2030 significant part of Central Asia will be provided only by 50% of its water demands. Such a scenario calls for urgent preparation of the strategy for survival and stable development of the region. Thus, in the present global environment, the above-mentioned ecological and economic problems of water management policy in Central Asia has turned the water issue into the most priority problems of regional security.

#### SOME LEGAL AND MANAGEMENT PROBLEMS

The seriousness of the water issue in the arid Central Asia came up on the regional agenda in September 1991. However, the efforts to create the legal base for stable management of the water resources as a complex of agreements on the Amu Darya and Sur Darya have failed. The legal norms and procedures worked previously by the world community, like the most important canons of interstate water law as the UN Convention of 1992 and the UN Convention of 1997, are mostly of general character and have no concrete recommendations for specific cases like those in Central Asia. That's why they are very often simply ignored.

At present there are several principal inter-state agreements, concerning management of water resources in Central Asia: two frame Agreements – from February 18, 1992 and on the Syr Darya river of 1998, as well as Agreements and Declaration, concerning International Fund for Salvation of the Aral (IFSA). The CARs not once expressed their willingness for cooperation on trans-boundary water issues in various declarations, statements and four agreements of 1993, 1994, 1999 and

2002, where they confirmed the formation of the IFSA and the status of its branches (including ICWEC), the Programs of the Aral sea etc. Regional branches on water management have been formed; they are functioning, but undoubtedly need strengthening and development. All the present interstate agreements and statements, being general and in compliance with the international water law, demand their development and specification on some provisions.

The first variant of the methodical directions and procedural rules for the management of water resources of the Syr Darya river, though certified to be used within the limits of the Interstate Coordination Water-Economic Commission of Central Asia (ICWEC) by its decision of May 28, 2008, does not remove all contradictions in the region. That's why specialists stress<sup>7</sup> that the existing rules and procedures should be supplemented by economic methods, rules and criteria, as the practice of water management on the trans-boundary rivers necessitates search for economic ways of linking inter-branch interests, which is especially intensified in the periods of water deficiencies, as well as in the process of solving problems of perspective development of water and hydro energy projects.

At the same time economic mechanisms, including attraction of private sector, in some separate branches like urban, communal and industrial water supply, can work properly if they are supported by corresponding legal status, protecting both the rights of investors, and the rights of water users, especially their poorest part.

Regional specialists recommend legal and judicial provision of the water strategy to be formed as a series of principle provisions and agreements, which will precisely regulate its development and fulfillment, including those rules and norms, which can foresee different situations in regional interaction and should provide stable undisputable development. These documents should deal with such issues:

- issues concerning trans-boundary waters, including underground and recurrent, into the sphere of the ICWEC;
- rules of the joint usage of all types of water;
- legislation and norms on the quality of water, limitation of faults and separate ingredients into water;
- the procedure of preparation and adopting decisions of the interstate branches;
- the procedure of solving disputes and arbitration;

- responsibility for the violation of the limits, regimes and rules for pollution of water, disruptions of water supply into the Aral sea;
- protection of constructions and water flows of the international significance;
- responsibility for creation of the common information data;
- definition of the damages and the rules for their compensation, including compensation for flooding lands, spoiling the water quality and etc.

Besides, there are questions of regulating inter-state relations on water issue such as the notion and guaranteeing equal rights for water usage; criteria for the efficiency of the joint water usage; priority of common basin interests over national ones that need further investigation and precise definition in international documents. At the same time CARs need to make more precise the procedures and norms of organizing efficient decision-making and financing joint inter-state bodies on water problem.

In spite of the existing discrepancies, the CARs have managed to avoid confrontation and have supplied the most part of the regions with necessary water. In particular, during the CIS summit in October 2008 the leaders of the CARs achieved consensus on all problems, concerning hydro-energy support, fuel resource supply and accumulation of Toktogul and Nurek reservoirs with water.

Moreover, in the final document, adopted by participants of the scientific-practical seminar "Ecological security – important factor in the water resource usage", organized by the ICWEC Scientific-Information Center and the correspondent branches of the OSCE in Tashkent on 23-25 October 2008 historical and geographical commonality of the CARs and the need for further development of regional cooperation to preserve this unique ecosystem and provide ecological security of the region as a whole, was stressed. It was agreed that the existing problems should be based on the policy of just and reasonable exploration and usage of water and energy resources and commonly accepted norms of the international law.

Meanwhile ICWEC is actively working to prepare new agreements on the exchange of data and improvement of the situation at Syr Darya river, in the process of which the working groups are trying to solve their problems. The combination of principles for "just and reasonable water usage" and "don't harm, and pay when you harm", suggested by local

experts,<sup>8</sup> also allows settling some inter-state problems. The elements of economic interest can be realized, in their view, by the formation of water-energy consortium, which hasn't yet got single understanding and interpretation from the regional states.

Efforts are made to organize the system of strategic planning, which could link all national interests and form the basis and platform for the future survival of the region. It's necessary to take strategy of integration as a basis of all levels of hierarchy – integration of all kinds of water, integration of water users between themselves and with water economic units, integration of interests of all branches and nature complex. The whole integration should orient at potential productivity of water, minimization of all non-productive losses, at stability and uniformity of water distribution between interested subjects.

Besides, a new regional strategy, the concept of which should foresee preparation of state water economies for transition to Integrated Water Management (IWM), is suggested by water specialists. The suggestion to form a new interstate water management structure headed by Inter-governmental Committee for the Aral sea basin under the aegis of the United Nations, closely coordinating its activity with consulting service of donors, seems to be appropriate.

In connection with the above, a meeting of the international community was held on 21-22 July 2008 in Almaty, where decisions were taken:

- to make an integrated assessment of the possible regional "multilateral crisis";
- improve links and interaction between international organizations;
- support governments in preparation of adequate short-term and long-term response actions.

#### UZBEKISTAN'S APPROACH TO THE PROBLEM

The interrelation of the water issues with social-economic development and stability of the region has found its reflection in corresponding inner programs of development and external steps of the Republic. Thus, the water management issues are planned to be solved in the context of the realization of anti-crisis program of social-economic development of Uzbekistan for the period 2008-2012.



Within this program special attention is being given to consistent realization of the system of measures on improvement of reclamation state of the lands, foreseen by the State program of land improvement of irrigated lands for the period of 2008-2012, to securing proper technical state of the acting irrigation-land-reclamation objects and strengthening of the material-technical base of the specialized water economy, as well as to providing the concerned organizations, with modern technology and equipment.

It's worth mentioning such items among the measures, concerning water strategy in the region within the program, as:

- continuation of structural transformations and diversification of the state economy;
- to speed up comprehensive modernization of economy, including reduction of energy consumption and introduction of the effective energy economy;
- to complete in short terms the final elaboration and coordination with all interested structures, first of all with foreign investors, all details on each separate project and adopt this strategically important program, planned for 2009-2014;
- guaranteeing the population supply of pure drinking water.

The second major step of the Uzbek government in this direction can be called an announcement of the year of 2009 as the year of development and organization of public services and amenities in the rural areas. Hence, it is foreseen to realize wide complex of long-term, deeply interconnected measures, directed at cardinal improvement of the quality of life and the image of the village, acceleration of social and industrial infrastructure, the role and significance of the owner, entrepreneurships and small business, as well as all-round support for the farmers economies' development.

Meanwhile the Uzbek government forwarded such tasks as to provide elaboration and quality expertise of the projects, planned to be realized in 2009 according to the State program on land reclamation improvement of the irrigated lands for 2008-2012; to establish strict control over the quality of the land reclamation works and targeted usage of the allotted means; and introduction of the simplified procedure of the ecological expertise for small business with reduction of tariffs for its fulfillment.<sup>9</sup>

As a result of the government efforts in this direction, restoration and refinement works, for example, have been fulfilled at the Amu-Zang

channel, which provide 31% of all Surkhandarya oblast lands with water. This allows improving water supply to more than one hundred hectares of the sown areas of the oblast.<sup>10</sup>

In the external sphere Uzbekistan's approach to the problem proceeds from the main provisions of the international legal documents on trans-boundary rivers and lakes. President of the Republic of Uzbekistan stressed the need to solve problems of the trans-boundary rivers in accordance with the norms and procedures, established by the international community, and called for objective international expertise before taking some economic measures on water issues in Central Asia.

In February 2009 Islam Karimov together with Turkmen leader reiterated his position on this issue, speaking against constructing Rogun hydro-electric power-station in Tajikistan and Kambarata hydro-electric power-station in Kyrgyzstan at trans-boundary water arteries of Amu Darya and Syr Darya without international expertise for those stations. Water-energy problem of the region should not be politicized and turned into a problem, based on the "divide and rule" principle. It is not at the same time an insurmountable problem and it doesn't necessarily need third party participation for resolution. As the President of Uzbekistan stated "We are not against building hydro-electric power-stations, if this is in compliance with the interests of both two states and the interests of all states and peoples in this region".

### GEOPOLITICAL IMPLICATIONS

The years of independence have shown the inefficiency of the struggle with regional and global ecological problems, as well as with problems arising from inadequate decision-making on these questions by a state. Nowadays a complex of common social-economic, ecological and political, including geopolitical, factors in conditions of globalization, as well as the absence of a proper regional decision-making mechanism to solve common security issues necessitates speeding up the integration process of Central Asian states. All CARs obviously, came to one conclusion that common economic-ecological problems based on their geographic proximity make restoration on the new basis of a single regional network of water management mechanism urgent and vital for their survival in present circumstances. Understanding of these realities lately stirred up Uzbekistan's activity in the economic and diplomatic spheres.

First of all, one can mention the Program of the economic cooperation

between the Republic of Uzbekistan and Republic of Kazakhstan for the years of 2006-2010 and the Strategy of the economic cooperation for 2007-2016. Among other economic matters these documents define perspective of bilateral cooperation in the sphere of water-energy complex. As the two sides agreed,<sup>11</sup> scientific and economic potential of Uzbekistan and Kazakhstan open good possibilities for effective water resource usage and coordination of water supply policy in the region. Moreover, President of Kazakhstan N. Nazarbayev also called<sup>12</sup> upon the CARs to settle water-energy problems in accordance with the international law.

At the same time Tashkent made its relations with another key regional country – Turkmenistan, closer. Two state leaders' meeting in Tashkent in February 2009 demonstrated similarity of their position on water issue and willingness of both countries to coordinate their strategy on this problem. In the same month Uzbek Deputy Prime Minister Rustam Azimov's visit to Tajikistan raised the possibility of a thaw in relations between the two Central Asian states. Tashkent is willing to reconsider its long standing opposition to the construction of the Rogun hydropower plants in upstream Tajikistan, provided that international auditors verified the viability of the project. President I. Karimov suggested that Uzbekistan could even become an investor in Rogun and other upstream energy development schemes. The parties also signed a protocol regarding the schedule of the Kairakkum water reservoir in northern Tajikistan. Under this agreement, Tajikistan will store and conserve water yearly until May 31 to aid the Uzbek growing season. In compliance with these tendencies Tashkent renewed the transit of electric energy from Turkmenistan to Tajikistan.

Though nothing very positive can be said with regard to Uzbek-Kyrgyzstan relations nowadays, it is still interesting to note that some Kyrgyz influential experts advise their government to reach a compromise with Uzbekistan on water issue as "It is more profitable for Kyrgyzstan to import 1 billion kilowatt-hours, than to exploit the cascade of the Toktogul hydro-electric power-station".<sup>13</sup> In view of the possible local water conflicts in the region another Kyrgyz expert<sup>14</sup> also advised the government to settle the disputable questions with Uzbekistan on the mutually advantageous manner as there is no prospect of financing any big water projects without bilateral agreement on the issue.

## CONCLUSION

Thus, the problem of water management in Central Asia contains significant conflict potential which is a threat to the regional security of Central Asia. Nevertheless, as some experts say, international ecological conflicts very rarely cause military actions.

It seems that in the present circumstances in Central Asia water management problem can only prolong the solution of the disputed issues and, hence, can cause social-economic difficulties in the region and in the worst case, can lead to some local conflicts. But in more rational, optimistic viewpoint, CARs will strengthen their cooperation and mobilize their scientific, economic and natural resources to resist the threats of the global ecological and economic crisis.

As to the participation of the third party in the disputed questions, participation of international governmental organization at the Central Asian level seems to be more effective in order to neutralise contradictions between the disputed sides. This role is actually sought to be fulfilled now by Interstate Coordination Water-Economic Commission of Central Asia (ICWEC), but it needs further legislative and material-technical support.

Last but not less important is the role of the civil society organizations, which can propagate about the practice of the rational use of natural resources. In short, everybody, who nowadays is involved in the process of decision-making, should take part in it, including water users, producers and energy consumers, as well as ecological groups.

Meantime it is obvious that relations between the CARs will further consolidate and deepen on bilateral or trilateral basis. Cooperation with Euroatlantic community countries, potential financial and technological donors, in large-scale water-energy and other regional projects, will increasingly stimulate integration processes in CARs, uniting them in a single economic complex with possible participation of Russian business-structures and capital in the same.

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## LABOR MIGRATION FROM UZBEKISTAN

JAHANGIR KAKHAROV

Labor migration from Uzbekistan is increasingly acquiring the scale and significance which inevitably must draw close attention of policy makers and international organizations. There is no exact statistics or information regarding the number of migrant workers from Uzbekistan. Since most of the labor migrants use unofficial channels of moving to foreign countries, it is hard to evaluate the real situation of labor migration in the republic. However, most experts agree that Uzbekistan's labor migrant population is the largest among Central Asian countries in absolute numbers. The estimates range from 1 million to 8 million. The vast majority of labor migrants work seasonally, traveling abroad only during warm months, and come from rural areas and the Karakalpakstan autonomous republic. Emigrants from Uzbekistan are employed overseas in such fields and spheres as construction, sales, industrial sector and agriculture, catering and the services sector.

This research paper analyzes two important aspects related to remittances in Uzbekistan –1) the transfer channels of remittances into Uzbekistan and 2) saving and credit instruments of commercial banks in Uzbekistan available to accommodate migrants' investment needs and contribute to using the potential of labor migration for the development of the country.

In general, migrants' remittance transfer channels could be divided into formal and informal channels. Formal or official channels utilize Money Transfer Operators (MTOs) sometimes termed Remittance Service Providers (RSPs) such as Western Union, MoneyGram, Contact, Unistream, Anelik, and others. It should also be taken into account that labor migrants transfer significant amount of their earnings via informal unofficial channels (friends, community members, themselves, using a system similar to "hawala", in kind, etc.).

The review of literature, interviews and the survey conducted by the author indicate that the share of informal channels is gradually decreasing as the competition among MTOs is bringing down the transfer fees, the branch network of MTOs is extending creating convenience for beneficiaries, and greater number of migrants start to opt for safer way of transferring funds back home. Obvious advantages of using formal channels from the view point of the public are that it allows monitor the situation with remittances and creates a platform to channel the remittance flow into the financial system. Nevertheless, there is still significant unused potential in the formal money transfer market in Uzbekistan, which could be unleashed by allowing postal service and credit unions to be participants of this market, further fostering competition and eroding the fees.

Interviews with families of labor migrants and labor migrants themselves indicate that, currently money, transferred back home by migrants to their relatives and close people are mainly spent for consumer goods and rarely invested into the production activity. Even though if the remittances are spent in the area of residence, this will positively affect the economy by propping up the demand and stimulating supply, which leads to economic growth, the multiplier effect from investments into the productive and infrastructure sectors of the economy would be much greater. In other words, if a greater share of these funds were designated for investment purposes, this would facilitate the growth of the economy more efficiently.

Uzbekistan's banking system has made considerable progress after the country gained independence in 1991. The sector started from a very low base of Soviet legacy and made a substantial step forward in adjusting to market conditions. Migrant remittances, despite mostly being consumed, definitely represent an attractive unutilized source of funds for Uzbek banks. However, lack of trust and certain policy constraints hinder full utilization of this potential. Trust building and tailor made instruments and marketing approach towards migrants may create more favorable conditions for fully taking advantage of remittances. Two of the most considerable monetary advantages of transfers from labor migrants are budget relief resulting from payment of lesser amount for social allowances and creation of a "monetary safety cushion" in case of crisis with the help of migrants' money.

This paper also analyses different transfer channels of migrants' earnings to Uzbekistan from the main migrant receiving countries – Russia and Kazakhstan. It also reviews the savings and credit instruments in

Uzbek financial sector, and finally proposes recommendations based on the preceding analysis.

## INTRODUCTION

By 2008 around 200 million people – about 3% of the total world population – lived outside their homelands. It is estimated that remittance flows to developing countries exceeded \$350 billion in 2011. India and China lead the world in terms of the amount of remittances, receiving \$58 billion and \$57 billion, respectively, in 2010, followed by Mexico and the Philippines, \$24 billion and \$23 billion, respectively.<sup>1</sup> According to the Central Bank of Russia, the total amount of outgoing transfers made by Money Transfer Operators (MTOs) reached \$12.835 billion in 2010 in Russia.<sup>2</sup> Most of the remittances were accomplished by migrant workers from CIS countries to their respective home countries.

Although Uzbekistan represents only a fraction of the world's total migrant population, the country's economy is heavily influenced by migrant workers. According to the data of the Russian Central Bank, remittances to Uzbekistan only via official channels and only from Russia reached \$2.845 billion in 2010, which roughly equals to 10-15% of GDP.<sup>3</sup> According to statistics, the average growth rate of remittances to Uzbekistan from 2002 till 2008 stood at about 50%. This indicates that remittances are increasingly becoming a significant factor in the economic development of the country. The total amount of remittances considerably exceeds foreign loans and FDI. In addition, remittances have an obvious advantage of not carrying interest rate and their risk of outflow during crises is much lower.

This author conducted qualitative country case study with the aim to assess the main financial transfer channels of remittances to Uzbekistan as well as saving and credit instruments of Uzbek commercial banks in order to elaborate recommendations based on the results of the study. This author also interviewed a number of experts and specialists dealing with issues related to remittances - the Regional Bureau on Employment Abroad, Bank Buyuk Ipak Yuly, National Bank of Uzbekistan, Central Bank, UNDP, and families of migrants in Tashkent and Samarkand. The field study trips were accomplished in late spring- summer of 2011 to Samarkand, Bukhara, and Kokand. The data has also been collected via contact interviews based on a standard questionnaire, and via literature review. Standard questionnaire has been used because it is more effective



method as it covers a large scope of migrants; moreover, it is less time consuming. The questionnaires were distributed to the migrants in Tashkent area through Tashkent Regional Bureau of Employment of Citizens Abroad. Some interviews were conducted through phone or personally. In total 85 people were interviewed in Tashkent. It is interesting to note that city dwellers made up to 68% (59 people) and rural population 32% (26 people) of the migrants. 64% of respondents were male and 36% female. In terms of regional distribution, the respondents represented a good mix coming from all 12 regions of Uzbekistan and Karakalpakstan Autonomous Republic, although 51% of informants were from Tashkent or Tashkent oblast. The average age of respondents was 34 years old.

#### EXISTING FINANCIAL TRANSFER CHANNELS BETWEEN THE MAIN RECEIVING COUNTRIES AND UZBEKISTAN

In the 2000s, the scale of remittances in the post-Soviet space increased dramatically. The major receiving countries - Russia and Kazakhstan - are the main sources of remittances. According to the Central Bank of Russia, the total amount of remittances from official channels sent from Russia to other CIS states increased by more than 22 times between 1999 and 2010: from \$0.5 billion to \$11.08 billion.<sup>4</sup> According to the National Bank of Kazakhstan, since 2000 the remittances by residents and non-residents sent by official channels were growing 1.5 to 2 times annually, and by 2007 these reached \$3 billion before experiencing a slump in 2008 when the remittances slightly exceeded \$2 billion.<sup>5</sup>

Broadly financial transfer channels between Uzbekistan and the main receiving countries (Russia and Kazakhstan) could be divided into two categories- "formal" and "informal" ones. These channels could also be called "official" and "unofficial" channels. The official ones use banks and Money Transfer Operators (MTOs). Unofficial ones make use of friends, relatives, different methods similar to "hawala", exchange through internet based electronic accounts and bringing the money with themselves. A great deal of illegal money transfers is withdrawn from Russia and Kazakhstan in the form of cash by migrants themselves or by their agents. Inside a national community, until very recently, it was even customary to transfer money through a network of relatives and acquaintances, train conductors, bus drivers, and delivery services. However, our research and survey reveals that the share of informal channels is gradually decreasing.

The share of “unofficial” channels could vary substantially from country to country and may account for sizeable part of the total volume of migrant remittances. Reportedly, the share of official channels in Pakistan accounts for about 20% of all remittances, whereas in Mexico, Nepal and some countries of Africa this share is just about 10%.<sup>6</sup> Unofficial channels caught the attention of the public in the aftermath of terrorist attacks on 9/11 as one of the channels for transferring funds for terrorist activity.

Official international remittances in Uzbekistan are mainly carried out through commercial banks. According to article 3 of the Law “On Banks and Banking Activity” the authorized body in the sphere of currency regulation is the Central Bank of Uzbekistan. In addition to this the Central Bank also carries out licensing and general regulation of the banking activity. In 1993 Uzbekistan adopted the Law “On Currency Regulation” with an aim of regulating relations in the sphere of rendering currency operations on the territory of Uzbekistan. According to article 6 of this Law international money transfers are considered to be a type of currency operations. To carry out currency operations commercial banks have to obtain a license from the Central Bank of Uzbekistan. Authorities in charge of the currency control in the Republic of Uzbekistan are the Central Bank, the Ministry of Finance, the State Tax Committee and the State Customs Committee.

Hence, the Uzbek legislation currently establishes that money transfers are currency operations carried out by mainly commercial banks having valid licenses from the Central Bank of Uzbekistan to render currency operations. MTOs conclude agency agreements with commercial banks and provide services on money transfer. Uzbekistan legislation doesn’t tax remittances, unlike some very few governments. Accompanied with the current favorable Uzbek legislation in the sphere of currency transfer, this created good conditions for the development of remittances market. MTOs offer almost instant transactions, however the time limit they promise the client will actually receive the money varies somewhat. It ranges from a few minutes to a few hours.

Migrant workers from Uzbekistan rarely use bank accounts because opening bank account is often a costly procedure, not mentioning the fact that a majority of migrant workers will have legal issues opening an account in a foreign country due to the fact that not all of them work in a migrant receiving country legally. Therefore, account-to-account transfers can’t be compared in terms of convenience to instant cash money transfers.

Postal services can not compete with MTOs either because Uzbek postal service currently is not allowed to carry out foreign currency transactions using the technology similar to that of other firms in money transfers market. Although, there is no doubt that Uzbekiston Pochtasi possesses a significant competitive potential. There are about 3,000 departments of postal service throughout the country, which puts Uzbekistan Pochtasi in a position to reach out and render convenient services to a very broad spectrum of customers.

The current level of services with respect to remittances, primarily the decrease in wiring fees, the speed of such operations, the possibility of wiring money without opening a bank account, and the increase in number of service bureaus has raised labor migrants' trust in these services. This is helping to decrease "shadow" money flows and increase the transparency in the money transfer market.

Informal money transfer systems (IMTS) provide a fast and cost-effective method for worldwide remittance of money, particularly for low income people who may be outside the reach of the formal financial sector or who transfer relatively small sums that are often subject to prohibitively high minimum charges at conventional institutions. Because of these features IMTS are sometimes called "the poor man's banking system". There is no reliable estimate available to measure the growth and extent of the volume of money flowing through IMTS. It is difficult to obtain hard evidence to make an informed assessment possible.

*Hawala* is one of the alternative informal transfer methods used in parallel with official ones and implies the use of brokers (hawaladars), family and regional ties and connections.<sup>7</sup> According to the report of Antimonopoly Policy Improvement Center under the State Committee for the Republic of Uzbekistan on Demonopolization, Support of Competition and Entrepreneurship,<sup>8</sup> "hawala" takes two forms in Uzbekistan:

1. Money transfers through illegal financial structures, connected to retail and export/import business. Money transfers are subject to commissions, which depend on the amount of the transfer and distance to which money is transferred. This usually makes up 1 to 3%.
2. Purchase of goods (practiced in South Korea). Usually once in a few months, a Korean businessman comes to enterprises where Uzbek migrants work. He collects money from migrants, which

is recorded in the overall list. Businessman buys goods from this money in South Korea and sends them to Uzbekistan. Profits from sold goods are distributed among receivers of remittances (families of migrants) according to the amount of their initial payment.

However, the legislation and customs regulations limiting the value of goods allowed to bring in to Uzbekistan without paying customs duties, considerably limits the scale of remittances in kind. These regulations are especially punishing in the case of importing consumer goods from adjacent countries. Uzbek legislation limits the value of goods brought from non-adjacent countries to the amount of \$1,000. In case of neighboring countries the limit is only \$10.<sup>9</sup>

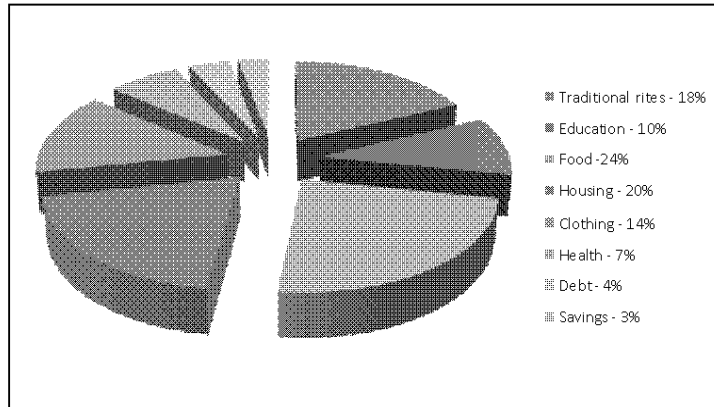
Some other ways of transferring money unofficially from the main receiving countries involve the usage of internet. Virtual money systems such as Web Money, Yandex Dengi and others allow the clients transfer money from one internet account to another. However, this method or transferring funds is seriously constrained by the low level of internet penetration in rural areas of Uzbekistan.

It is believed that nowadays the greatest volume of remittances is implemented through MTOs. However, as the experience of other migrant –sending countries shows and taking into account the deficit of trust of the population regarding the banking system, the amount that migrants bring home through unofficial channels could reach the volume of official remittances. The survey conducted within the scope of this research reveals that 74% of the total funds brought back home by respondents is transferred by formal and only 26% by informal channels. Nevertheless, it should be noted that lion's (68%) share of informants in the survey were from urban areas and 29% possessed university degrees. It is assumed that the level of awareness and usage of official transfer channels among this type of respondents is higher than among less educated and urban migrants.

#### EXISTING SAVINGS AND CREDIT INSTRUMENTS IN UZBEK FINANCIAL INSTITUTIONS

Remittances play more and more important role in the economies of the majority of countries all around the world. In many countries they already exceed significantly the level of Foreign Direct Investments and the size of the official international support in dollar terms. Income of the Uzbek economy from labor migration may have been around \$4 billion in 2008

## EXPENDITURE ITEMS OF MIGRANTS AS % OF THEIR TOTAL EARNING



only, which equals about 15-20% of GDP and about 35% of exports, and several times as much as the volume of direct foreign investments in the country in 2008

Remittances have facilitated the development of Uzbekistan's financial sector, by prompting the development of sophisticated money transfer operators. However, according to Central Asian experts' rough estimations, remittances do not contribute to development of the national economy significantly.<sup>10</sup> Opening of small retail outlets, buying an apartment and renting it out, opening small internet cafes, restaurants, and buying cars and using them as taxi cabs are the usual limits of investment for Uzbek migrants. Local industries, big business, and infrastructure receive little benefit. Thus, offering attractive saving and credit instruments, building trust with migrants and their families in the financial sector, and channeling the accumulated funds into valuable credit instruments for the whole economy could contribute to economic growth of the country significantly.

Crucial link between migrants' earnings and savings/credit instruments of the Uzbek financial institutions is the pattern of spending by migrants and their families. Improvements in living standards of migrants' households are the most obvious positive effect of labor migration. Money earned in other countries is sent to the families that are left behind and used by migrants' households to purchase consumer goods, houses, investments in human capital and business. Interesting quantitative research in this area in Uzbekistan was presented in the UNDP publication (2008). Among other issues related to migrants, the study reviewed the major items on which remittances were spent. Some respondents of the

survey published in UNDP booklet (2008), mainly intermediaries and urban women, try to make some savings in cash or material values (property, car, jewellery, etc.). Some respondents invest their earnings in business, thus increasing their income. Below is the diagram illustrating spending patterns of migrants.<sup>11</sup>

The research of the Ministry of Labor in Samarkand oblast in 2008 reveals that 40% of remittances were spent on consumption (food, clothes), 30% for investments and 30% to “enjoy good things in life”. Unofficially around 70% of the remittance is consumed while 30 to 20% is reinvested back in the economy.<sup>12</sup> According to interviews conducted by Sevilya Muradova in April 2009 in Tashkent area, remittances are mainly spent for food and clothes (43.6%), to satisfy family needs (food, clothes etc.). However, 24.6% of respondents would like to start their own business, 27.4% would like to buy a house or a car, 4.4 % would like to spend money on wedding and other ceremonies. According to contact interviews conducted by Sevilya Muradova in Ferghana area in April 2009, 46% of respondents spent remittances on consumption, 32% would like to start their own business, 22% would like to buy a car, a house or spend money for wedding ceremonies.<sup>13</sup> Thus, quantitative research indicates that most of the migrants’ earnings are spent for consumption. However, certain amount of funds still remains at their disposal that could be invested. Moreover, a sizeable part of migrants have intentions to spend these funds to start their own business.

### **Saving instruments**

Savings and credit instruments of the Uzbek financial institutions play an important role in transforming migrants’ earnings to the benefit of both public and for migrants themselves. The table below summarizes different saving instruments and interest rates offered as well as recent interest rate dynamics for these deposit and savings instruments.

INTEREST RATES ON BANK DEPOSITS

Currency	Type of Deposit	Annual Interest Rate		Monthly change of the year	Change at the beginning of the year
		June 2009	May 2009		
Soum	Demand	3.96	3.83	0.13	0.01
Soum	Plastic card	14	13.3	0.7	0.88
Soum	Term deposit for 3 months	24.89	23.37	1.52	6.13
Soum	Term deposit for 6 months	23.79	22.63	1.16	4.52
Soum	Term deposit for 12 months	23.29	22.24	1.05	4.16

Soum	Deposit for more than year	23.9	22.75	1.15	5.2
US\$	Term deposit	7.90	7.73	0.17	1.6
Euro	Term deposit	6.62	6.62	0	0.75

*Source:* AFS Research calculations published in newspaper Bankovskie Vedemosti on 17 June 2009.

Bank deposit rates between 18% and 30% for local currency and 7 to 10% in hard currency seem very generous considering that official statistics reported 7.8% CPI rate for 2008. However, it should be noted that some of the credit unions offer much higher rates on deposits ranging from 40 to 48%. The total deposits of physical persons in Uzbek banks amounted to 1.724 billion Soums in 2008. Although this represented a 69% increase compared with 2007, the ratio of deposits to GDP stands at 4.7%. The ratio of deposits of physical persons to GDP in Uzbekistan compares unfavorably with 10% in neighboring Kazakhstan,<sup>14</sup> 14.2% in Russia,<sup>15</sup> and 21% in Ukraine.<sup>16</sup> This low deposit penetration means there is still enormous amount of cash “stashed away under mattresses”. It seems that the population generally avoids banks, in part because of government interference with bank operations. The fact that the tax authorities are allowed to check taxpayers’ bank accounts undermines confidence in banking — as does the central bank’s anti-inflationary effort of limiting the volume of cash that depositors may withdraw, which induces greater holdings and transactions in cash despite the fact that Uzbek banking system remains default-free.

### Credit Instruments

In determining loan interest rates state controlled/owned banks are referred to the Central Bank of Uzbekistan refinancing rate currently set at 14%. National Bank offers consumer credits for up to 3 years with an interest of 19%. Mortgage rates vary from 5% to 18% and are offered for up to 15 years. The bank also offers local currency low interest loans to businesses with an annual interest rate of up to 14%. Promstroybank offers educational loans with flexible interest rate. However, the interest rate is not lower than 14%. The bank also offers consumer micro-credits with an annual interest of 11-12%. Low interest loans earmarked for cotton growing have an annual interest of 3%. Financial leasing rates vary from 18% to 22%. Interest rate on micro-credits to small and medium size businesses does not exceed 7%. Ipoteka Bank’s consumer credit interest varies from 12% to 18% depending on the duration and amount of the loan. Mortgages offered by the bank from own resources have an interest rate between

14% and 19%, whilst government mortgages offered via Ipoteka Bank have an annual interest rate of 5%. Micro-credits of the bank in a local currency come with monthly interest rate of 2.5% and in a hard currency with 2% monthly interest. Small loan between 20,000 to 100,000 US\$ or equivalent in national currency has annual interest rate between 22% and 26% in national currency, whilst in hard currency the interest is between 14% and 18%. Mortgage rate of Trust Bank ranges from 15% to 18% with mortgage duration of up to three years. Consumer credits have an interest of 18%. Educational loans have maximum interest rate of 14%.

Lending practices indicate either higher than officially reported inflation rate or pervasive lack of liquidity since long before global financial crisis. As noted above, many state banks have crediting facilities (including micro-crediting) with interests ranging from 3% to 26% and even higher. Microcredit Bank allocates micro-credits at annual rate of 7% or 14% depending on the loan type. However, World Bank study of microfinance published in July 2008 reports that micro-credit interest rate set by microfinance organizations is above 80% in Uzbekistan.<sup>17</sup> Rapid growth of microfinance organizations and credit unions suggests that considerable unsatisfied demand for their products exists in Uzbekistan.

Microfinance organization, credit union and private bank lending activities can indicate the actual cost of loans in Uzbekistan. Ipak Yuli Bank, a small private bank, offers loans in hard currency (Euro) to small manufacturing businesses from credit facility of a foreign bank at an annual rate of 12%. The bank's EBRD credit facility loans have 48% annual interest on cash-in-hand local currency loans of up to 10 million and 30% annual interest on cash-in-bank local currency loans of up to 50 million. Annual interest on hard currency loans under the same facility is set at 24%. Informal lending in local currency among small entrepreneurs and traders has even more punishing rates of almost 10% per month.

Banking systems of some countries managed effectively use significant volumes of incoming remittances to their advantage. In particular, Uzbek commercial banks may effectively utilize international remittances to consolidate their foreign exchange positions (especially given today's notable deficit of hard currency available for conversion for Uzbek importers) and improve their foreign credit ratings. Moreover, remittances may improve macroeconomic situation, e.g., enhance the country's credit rating for getting external credits and through innovational financial mechanisms (such as securitization), they can broaden the access to capital and decrease the expenses on obtaining loans. Governments across the



world have found a variety of ways to enhance the use of migrant remittances in migrant-sending countries as well as benefit from the presence of guest workers. These include improving social welfare and encouraging small businesses.<sup>19</sup>

UNDP paper (2008) indicates that that only 6% of remittances are invested into small businesses in Uzbekistan, while the rest is spent on consumption. Remittances are often squandered on traditional celebrations such as weddings, birthdays, funerals and other commemorations. There is probably a need for propaganda calling for less affluent celebrations and accentuating the advantages of investments.

There is clear advantage for the Uzbek government to encourage migrants to invest remittances by giving micro loans, micro-grants, lifting taxes, building trust for banks and encouraging bank savings, and decreasing customs fees. In order to create conditions favorable to small businesses, it needs to be realized that migrant remittances are just another type of foreign investment.<sup>19</sup> In other words, migration should be treated as an economic opportunity that has the potential to become a powerful driver of national development. Remittances are more stable over time compared with other types of financial capital flows. For this reason, remittances are often considered to ameliorate economic shocks or prevent them altogether.

### RECOMMENDATIONS

Nowadays the infrastructure of money transfers in the Republic of Uzbekistan counts thousands points and 15 MTOs, through which clients can receive or send money in Uzbekistan. Despite the impressive growth in the number of MTOs, the volumes of money transfers and the number of money transferring points, there exists an unemployed potential for further expansion of the network infrastructure of money transfers, which will favorably reflect in the market with wider choice available for consumers, and even stronger competition.

The potential for further expansion of formal remittance market comes from post office and microcredit organizations, which are expanding their activities at a fast rate in Uzbekistan as of recently. The National Company of Postal Services "Uzbekiston Pochtasi" has the widest network of its branches with 177 regional postal branch offices and 2991 postal points locally throughout the republic. "Uzbekiston Pochtasi" undoubtedly can serve as a potential competitor for functioning MTOs. Currently,

“Uzbekiston Pochtasi” executes international money transfers mainly with the CIS countries in the national currency only. Since only banks are allowed to conduct foreign currency operations in Uzbekistan, “Uzbekistan Pochtasi” is not permitted to carry out transactions in foreign currencies. This restriction serves as a barrier for the company to fully enter the market for money transfer services.

Currently, banks act as mere agents for MTOs in money transfer market. However, Uzbek commercial banks could also offer some additional services for migrants if they or their families open accounts with the bank. However, there are significant policy constraints in this area. Banking sector in Uzbekistan is dominated by state owned/controlled banks. Government influences credit policies of those banks based on its economic and political priorities. Government decisions force the banks to offer credit products at discounted interest rate levels. The interest charged on the banks’ loans is often below actual inflation rate measured by CPI. Therefore, demand for these loans outstrips the resources of the banks.

To conclude, recommendations with respect to savings and credit instruments of commercial banks designed to assist migrant laborers include:

- Creation of special saving/deposit instruments for migrants.
- Offering tailor made services and conveniences for migrants (cyclical facility, attractive interest rates, purchasing airtickets and etc.)
- Banks need to revamp their marketing activity on raising public awareness of the benefits associated with keeping their savings as bank deposits rather than “under the mattress”. At present, no bank can boast an aggressive marketing policy which has yielded adequate client attraction, and majority of population with medium income level are not or scarcely aware of this opportunity for saving cash.
- Limit government interference on operations of commercial banks
- Abandon distorted exchange rate policy

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## POWER GENERATION IN UZBEKISTAN

JAHANGIR KAKHAROV

Currently, Uzbekistan is the largest electricity producer among the Central Asian republics and a net exporter of electricity. The country has a total installed generation capacity of 12,300 MW. Uzbekistan achieved self-sufficiency in energy after gaining independence in 1991. Today, about 50% of power generating facilities of the Central Asia Integrated Power Grid is located in Uzbekistan. This power grid also incorporates the power systems of Turkmenistan, Tajikistan, Kyrgyzstan and southern Kazakhstan.

However, maintenance of its power systems has deteriorated over the past years. Much of the equipment in generation, transmission and distribution systems is outdated and extremely inefficient. At present it needs serious renovation and upgrade to meet growing demand of the economy. The facilities require rehabilitation by introducing more efficient and environment friendly equipment, so that they can operate at their design capacities. There are currently no manufacturing facilities in the country for the production of equipment used in power generation and transmission.

Renovation of the energy sector is a priority for the government of Uzbekistan. The growing demand for electricity and the wear and tear of the existing power generating facilities in the country has motivated the government to develop a long term program for the reconstruction and development of the sector during the period 2001-2010. In December 2001, the Government of Uzbekistan approved a Generating Capacity Development and Rehabilitation Programme for the Energy Sector until 2010 envisaging an increase in the installed capacity of national power stations by 15% by 2010, which requires investments to the amount of more than \$1.5 billion. This program presents good opportunities for international contractors and suppliers of energy equipment and services.

In July 2007, Uzbekistan announced its plans to attract investments from Arab financial institutions to the tune of \$188 million to implement several projects in the power sector of Uzbekistan.

#### GENERAL OVERVIEW

Though Uzbekistan is the largest producer of the electric power in Central Asia, yet according to estimates, at the current rate, by 2010 demand for primary energy may exceed projected production. The installed capacity of the country comes from 39 power plants, including 11 large thermal power plants with a total capacity of 10,600 MW and 28 hydroelectric power stations with a total capacity of 1,700 MW.

Thus, electricity in Uzbekistan is derived primarily from thermal plants with about 87% of thermal plants powered by natural gas. The other 13% are powered by coal and heavy oil. The largest natural gas-powered facilities include the Syrdarya (3,000 MW), Tashkent (1,860 MW) and Navoi plants (1,250 MW). The Talimardjan thermal power station with its unique 800 MW turbines is largely complete (the first block of the station was commissioned in 2005). The most significant coal-powered facilities are two power plants in the vicinity of the Angren mine near Tashkent, the largest one being Novo-Angren (2,100 MW). About 11.5% of electricity in the country is produced at 28 hydroelectric plants, the largest being Charvak hydro electric station (600 MW) and Khodjikit hydro electric station.

Uzbekistan generates about 50 billion KW/h of electric power annually. In 2008, Uzbekistan produced 50.1 billion KW/h of electricity, which constituted 2.3 % of growth compared with 2007. Power exports are mainly directed at the neighboring countries (Tajikistan and Kyrgyzstan during winter period and Afghanistan throughout the year).

The power system of Tajikistan experiences shortages in winter and surpluses in summer within the range of 1 to 1.5 KWh. Such winter shortages are covered with power flows from the Republic of Uzbekistan and other sources. Summertime hydro power surpluses are transmitted to Uzbekistan and other countries in the region. Rather than exporting electricity, it has been more common for Uzbekistan to export raw materials, especially natural gas, which the neighboring countries use in their own thermal power plants.

The Uzbek power system is located in the central part of the United Central Asian Power System (CAPS) which includes the power systems

of Kazakhstan, Kyrgyzstan and Tajikistan. The Turkmen system that previously worked with the CAPS is now working with the Iranian Power System. As noted above, Uzbekistan accounts for over 50% of electricity generated by the System. At the present time, the CAPS works in parallel with the UES of Russia through a number of single-chain high voltage power lines (VL-500 KW) connecting Southern and Northern Kazakhstan. The total length of electricity lines is over 230,000 kms. The power system is connected to the systems of the neighboring countries, mostly by 500 KW and 220 KW lines.

Most of the equipment for power generation was produced in Russia, other parts of the former Soviet Union and by Soviet trading partners in Central and Eastern Europe. The physical condition of the CAPS and the UDC has deteriorated to an extent that makes it difficult to maintain reliable operation and develop a responsive regional wholesale power market without significant investment to rehabilitate the infrastructure. The current technical state is inadequate for modern metering and telemeter, telecommunications, frequency control, information systems, and supervisory control and data acquisition. The facilities require rehabilitation with more efficient and environment-friendly equipment, so that they can operate at their design capacities. There are currently no manufacturing facilities in the country for the production of equipment used in power generation and transmission.

#### RENEWABLE ENERGY

Uzbekistan possesses huge potential resources of renewable energy. Climatic conditions of Uzbekistan are especially favorable for utilizing solar energy. The potential of only solar energy is estimated at 51 billion toe (tons of oil equivalent). The use of currently existing solar energy technologies and equipment would allow produce 179 million toe, which more than three times exceeds current annual extraction of fossil fuel in the country. In the late 1980s, a solar furnace was built in the country with a capacitance rate of 1,000 KW and a focus temperature of 3,000 degrees Celsius. At present, solar energy is used mainly for hot water supply. A few manufactures in Uzbekistan namely Uzgeliokurilish, Encom, and Photon produce flat solar water heaters. The total area of installed solar collectors in the country is estimated at 40,000 square meters. The marginal utilization of solar energy in Uzbekistan is caused by low gas and electricity prices and the absence of a government renewable

energy development programme.

According to Asian Development Bank (ADB), in many remote rural areas, decentralized generation through renewable energy sources, mainly through small hydropower plants, offers a competitive and environmentally-friendly option for addressing electricity shortages (mainly, these electricity shortages are caused by the fact that these areas are located far from electricity grid). The hydropower potential from natural water flows is estimated to be about 20,000 MW, about 30% of that from small hydropower plants. Only 30% of the small hydropower plant potential is currently being used.

The recently compiled atlas of winds estimates that the gross potential of wind energy in Uzbekistan is 2.2 million toe. The technical potential of wind is about 430,000 toe. It is roughly estimated that about 75% of the country can't be used to generate power with the help of wind because wind flows are seasonal in this part of Uzbekistan. However, there are two regions in the country - Karakalpakstan and the Tashkent region – with high potential for construction of wind power stations. Currently, the lack of meteorological stations with a modern data collection and registration system in the regions with good prospects for the wind power industry precludes more precise estimate of the technical potential in such regions. Small wind power stations are installed in one of the remote districts of Karakalpakstan and in Charvak near Tashkent.

The reserves of biomass resources are also estimated to be considerable – at least 2.65-2.95 toe. Small facilities generating power from biomass are operational in some small poultry and animal husbandry farms of Uzbekistan.

The government of Uzbekistan has developed a small-scale hydroelectric plants construction program in order to increase utilization and effectiveness of the hydro energy potential of the rivers and irrigation channels of the country. In July 2005, the Government of Uzbekistan sought ADB assistance to develop small hydropower plants along the existing irrigation canals and reservoirs. The proposed Rural Renewable Energy Development project worth about \$30 million foresees construction and operation of five small-sized hydropower plants. In addition, the Ministry of Agriculture and Water Resources plans to implement a program of small-size power facilities to introduce about 440 MW of additional capacity and 1.3 billion KW /hour of power output.

Uzvodenergo (Uzbekistan Water Energy) Specialised Association (a division of the Ministry of Agriculture and Water Management) has

launched the construction of Andijan and Ahangaran Small Hydroelectric Power Stations in 2007. The budget of two construction projects totals approximately \$16.9 million and construction has been completed. The China National Electric Equipment Corporation (CNEEC) has already started the installation of equipment for the energy blocks of the stations.

In 2007, CNEEC signed a contract with the Ministry of Agriculture and Water Management of Uzbekistan for the construction of Andijan and Ahangaran small hydroelectric power stations. The contract envisages the delivery of equipment and chief-assembly of two energy blocks with the capacity of 50 MW for the Andijan station, and with the capacity of 21 MW for the Ahangaran station, as well as the training of personnel. The construction is funded through the \$15.93 million loan of the China Eximbank, provided under the guarantee of the Uzbek government, and UzbekEnergo's own funds. It is planned that Andijan station will produce 171.1 million KW/h of electric energy yearly, and Ahangaran station – 66.5 million KW/h.

In line with the small hydroelectric energy development programme, Uzbekistan planned to build 41 small stations with the total capacity of over 1,180 MW by 2010. The total budget of the programme is about \$250 million. Currently, the share of hydroelectric power in the total power generation of Uzbekistan makes up about 10%.

#### GOVERNMENT CONTROL

The power sector of Uzbekistan is owned by the government. It is a part of the “fuel and energy complex” (FEC), to which the coal industry, the district heating systems and the distribution systems for certain other types of energy products (liquid fuels, etc.) also belong. The head of the FEC is the Deputy Prime Minister of Uzbekistan. The structure of Uzbekistan’s power system is still a vertically integrated, government-owned monopoly, despite recent efforts in restructuring aiming at making it more market-oriented.

In February 2001 the Government of Uzbekistan issued a decree on partial privatization, demonopolization and deregulation of the power engineering and coal mining industries. The Ministry of Power and Power Supply that controlled electric power generation was transformed into Uzbekenergo State Joint-stock Company. It is an open-type joint stock company incorporating the JSC Ugol (Coal) as an independent legal entity. Major power stations and electric grids were also transformed into joint-



stock companies, and partially offered to foreign investors.

However, Uzbekenergo still holds the controlling shares of those companies. For instance, the subsidiary enterprise Uzelectroset (Uzbekistan electricity grid) took charge of all high-voltage transmission lines (110-500 KW) used for transporting electricity within Uzbekenergo. The main tasks of Uzbekenergo include power supply and dispatch, development program drafting, promotion of investment, R&D support in the coal and renewable energy sources industries, and the promotion of energy efficiency.

#### FINANCIAL STATUS OF THE INDUSTRY AND TARIFFS

Since State Joint-stock company Uzbekenergo has virtual monopoly in production, transmission and sale of power, the government of Uzbekistan regulates all tariffs for energy. As Energy Charter Secretariat notes, price and tariff regulatory functions for the FEC are distributed among several state bodies. One such body is the Department of Price Settlement under the Ministry of Finance of the Republic of Uzbekistan which deals with economic regulation. The Department is, in fact, setting the tariffs for all forms of energy. Another one is UzEnergoNadzor, which is responsible for technical regulation in the electricity sector. The Ministry of Finance has price setting functions regarding electricity and energy products. These functions are further distributed to two subdivisions - one deals with all prices and tariffs for electricity and energy products for industry and residential consumers, and the other deals with prices for coal and oil products for retail customers.

Uzbekenergo elaborates the draft electricity tariffs and submits them to the Ministry of Finance for approval. Draft tariffs developed by Uzbekenergo for electricity and heat take into account the annualized forecast costs in the power sector and the profits needed to assure the development of the sector. Depending on changes in the cost of power production, the tariffs can be revised and adjusted. All electricity end-users are differentiated by categories of tariff groups, depending on their activities, but irrespectively of the form of ownership. Average price for power in Uzbekistan in 2009 stood at about 4.1 cents/KW/h – lower than in many other countries of the CIS. Nevertheless, this represents significant increase compared with the average weighted tariff as of July 2003 - 1.26 US cents/ KW/h.

As the Energy Charter Secretariat notes, one of the greatest challenges

that Uzbekistan faces in restructuring the power sector is the problem of cross-subsidies and direct government subsidies. Both subsidies and cross-subsidies lead to negative consequences, such as inefficiency, insolvency, etc. The officially stated purpose of cross-subsidies is to keep the prices of electricity and other energy products low for consumers and businesses that cannot afford to pay the real price or enjoy special supply rights. As a result, the consumers and businesses that do not have such privileges pay a higher price for electricity, which results in higher cost of their products and often renders them uncompetitive. Eventually, such businesses fail or just stop paying the bills. In its turn, Uzbekenergo finds out that its cash flow does not cover the cost of fuel and other expenses. In the absence of bankruptcy procedures and enforcement, this leads to a situation where everyone owes to everyone else, with the only distinction being that some owe more than the others. In an environment like this, businesses cannot be properly run, as managerial decisions cannot be made on economic grounds.

#### GOVERNMENT POLICY

No FDI has been reported so far in the power sector, although the Uzbek government is trying to attract foreign capital for the rehabilitation of the national power industry. There are several reasons why FDI into Uzbekistan's energy sector has been far below potential up to now. Energy Charter Secretariat stresses the following:

- Probably the most important deterrent to FDI is the Uzbek government's ambiguous approach to privatization, which keeps the energy sector under heavy state control. Although the government is offering numerous privatization deals to foreign investors, they have shown little interest.
- The government has had a policy of maintaining low energy prices for the population that made foreign investment largely unattractive. However, electricity and gas tariffs have been increased significantly in recent years and are now close to long-run marginal costs.
- Non-payment is a serious problem, but the government started to tackle it by launching a metering programme. It is now almost completely implemented for the electricity and gas sectors. However, the above mentioned issue of cross-subsidies and direct

government subsidies still deters complete resolution of this problem.

- The legislative framework was perceived by some observers as vague, cumbersome and unpredictable. For the time being, there is no independent regulator of the energy sector. Regulation is considered as being strategically important, and many decisions are still made at the highest political level.

Growing demand for electric energy and depreciation of the existing power generating facilities in the country has motivated the government to develop a long-term program for reconstruction and development of the sector for 2001-2010. This program shall provide a lifetime extenuation for the existing power generating capacities. The program also includes introduction of new generating capacities for 1,748 MW, transformer capacities on 2,429 MVA and installation of 1,355 km of 220-500 KW power transmission lines. Large involvement of international consultants, contractors and equipment suppliers are needed for the implementation of these programs. Generally, in accordance with Uzbek legislation, the contractors or suppliers are selected through open tender process. However, the government usually prefers a bidder which offers investments, loans or similar attractive financing sources for the relevant project. Detailed description of the program is as follows:

#### PLANS FOR RECONSTRUCTION AND DEVELOPMENT OF ENERGY GENERATING CAPACITIES

The plans for Reconstruction and Development of Energy Generating capacities for 2001-2010 included modernization of energy facilities, reconstruction and further development of the power transmission networks and construction of new power generating capacities, including:

- maintenance and modernization of worn-out Electric Power Station (EPS) equipment;
- increasing capacity for the existing Heat Power Stations (HPS);
- decrease in fuel consumption; and
- introduction of up-to-date technologies.

Implementation of this program would allow the reduction of fuel consumption rates, meet gas saving rate on approximately 540 million cubic meters per year, raise the capacities of functioning power stations by 905 MW and ensure extenuation of the equipment operation for the next 8-10 years.

Within the framework of this program, the first 800 MW power units at the Talimarjan State District Power Station of condensing type was commissioned in 2005. The Program requires introduction of additional Steam-Gas Turbines Units (SGTU) at the Tashkent SDPS, Navoi SDPS and Mubarek HPS. The Program implementation also would allow saving annually of 300,000 tons of conventional fuel. Total generating capacities to be introduced by year 2010 would reach 1,748 MW.

Uzbek Ministry of Agriculture and Water Resources shall implement a program of Small-size Power Facilities construction to introduce about 440 MW of additional capacities and 1.3 billion KW /hour of power output.

Reconstruction and further development of the power transmission networks is also one of the most important directives of the energy sector improvement plans. Its implementation would reduce its dependence on energy systems of neighboring countries, and increase the efficiency, reliability and flexibility of the electric energy transmission networks.

#### PLANS FOR RESTRUCTURING OF THE FUEL RESOURCES UTILIZATION

It is planned to reduce the gas consumption of power stations and increase the coal based power output, which will include:

- construction of the second coal supply line and equipment installation at the Novo-Angren SDPS;
- modernization of the existing coal supply facilities at the Angren SDPS;
- efficiency increase oriented reconstruction and re-equipment of the power facilities.

Above measures shall improve the fuel balance structure, increase coal-used portion of the power output from 4.7% to 15% and decrease natural gas consumption from 85% to 71.1%. Investment of \$254 million is expected in the coal industry in a 10 years period. Uzbekistan mined 3.168 million tons of coal in 2006 or up by 10.1% year-on-year. Uzbekenergo has already transferred Angren thermoelectric power station to coal consumption and creation of new and transfer of existing stations from gas to coal consumption is expected.

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## UPCOMING PROJECTS

Reconstruction of two power-generating blocks of the Syrdarya State District Power Station (SDPS) has been completed. The feasibility study of the project was financed by USTDA. Siemens carried out and completed the reconstruction of two 300MW energy blocks of SDPS using the EBRD loan. The Program for Reconstruction and Development of Energy Generating capacities requires reconstruction and introduction of additional Steam-Gas Turbines Units (SGTU) at the several other heat power plants of the country including:

**1 Construction of the steam-gas units at the Tashkent SDPS:**

First block of Tashkent State District Power Station was commissioned in 1963 and last twelfth in 1971. The capacity of the station is 1,860 MW. Japan Bank for International Cooperation (JBIC) issued credit for 24.95 billion yens (about \$221 million) in 2002 for this project. The project stipulated installation of a 370 MW combined-cycle unit at Tashkent SDPS.

The first tender for construction of this unit was held in 2005 and its results were found unsatisfactory. Mitsui and Marubeni of Japan passed preliminary stage, but Mitsui failed to submit necessary documents in time. At a later stage it was found that application of Marubeni did not meet requirements of the tender. In mid-2006, Uzbekenergo state joint-stock company re-announced the tender for selection of a general contractor. Re-announcement of the tender postponed reconstruction almost by a year.

Uzbekenergo called applicants for the full-turnkey EPC-Contract under this project. The project consists of engineering, procurement, manufacturing, transportation, erection, installation and commissioning including modification, project management, of a complete operable gas turbine combined cycle power plant to be constructed by an EPC Contractor with a single responsibility on the full turnkey basis in the premises of the Tashkent SDPS. The power plant uses natural gas from gas fields of Uzbekistan. The power plant consists of one gas turbine generator, one unfired heat recovery steam generator, and one steam turbine generator complete with all the associated auxiliary equipment and those will be configured multi-shaft arrangement.

2. **Modernization of the Navoi SDPS:** Estimated cost of the project is \$200 million. It includes installation of new energy block with combined-cycle units with capacity of 370 MW. Uzbekenergo is expecting relevant proposals from interested international contractors.
3. **Reconstruction of the Mubarek Heat Power Station:** It requires introduction of new capacities of 106 MW. Estimated cost of the project is \$100 million, and it was opened for international bidders.
4. With the purpose of enhancing power supply reliability of the power grid and reducing power losses in transmission, a project to construct a 500 KW high voltage power supply line between Syr Darya TPP and Sogdiana Substation is being implemented. Islamic Development Bank (IDB) is funding the project. The Board of Executive Directors of the IDB approved a loan as an “installments sale” and “leasing” to the amount of \$25.1 million with a 15-year maturity including a three-year grace period. The goal of the project related to the rehabilitation of main power transmission grids is to meet power requirements of the Central Asian Republics with a view to support the economic growth. As a special objective, the project will improve and enhance efficiency of the power transmission system and seek a better trade in electricity among such countries, as well as improved efficiency of the main power transmission grids through the rehabilitation of 500 KW substations, control, protection and monitoring systems and auxiliary equipment.
5. Within the framework of the programme on development of small hydroelectric power stations, Uzbekistan plans to construct 15 stations with total capacity of 440 MW, which will allow produce annually 1.36 billion kilowatt of electricity per hour. Uzvodenergo is completing construction of the first of the two energy blocks of Tupalang hydroelectric power station with capacity of 30 MW. In total, two energy blocks of Tupalang station will produce 63 million kilowatt of energy per hour.

## PROSPECTS

The largest consumer of power equipment and services in Uzbekistan is directly or indirectly “Uzbekenergo” – the state owned monopoly producer, electricity grid operator, and seller. Since Uzbekenergo’s legal status is

state owned joint stock company, it would be right to say that the electric power generation industry of Uzbekistan is a state-controlled sector.

According to World Bank, the Central Asian Republics (CARs) will need to get an intra-regional agreement on electricity transit in place for having access to export markets including Pakistan, Iran and some other countries. Major new power generation projects in Central Asia will only be feasible if there is assured access to export markets outside the region. Western investors currently view the new generation projects as high-risk ventures. Pakistan and Iran have the added attraction of experiencing their peak demand in summer when the largest potential electricity surpluses exist in Central Asia. Once agreements are in place they will then have to be carefully managed to ensure that the benefits from intra-regional trade are optimized. Access to the markets like Afghanistan, Pakistan, Iran, China and Russia will particularly benefit the Kyrgyz Republic and Tajikistan since they are the countries with the potential to export significant quantities of electricity. Uzbekistan (and to some extent Kazakhstan), have the potential to export thermal power in winter and also benefit in their role as prospective transit countries and as potential power traders.

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# THE 2007 PRESIDENTIAL ELECTIONS IN UZBEKISTAN

RASHMI DORAISWAMY

For Indians, used to the noisy plurality of parties, political positions and candidates, blaring loudspeakers, sharp debates in the mass media and larger than life posters, exit polls and poll predictions on the numerous television channels, the elections in Uzbekistan may seem to be a tame affair. The even sized pictures of the four candidates for presidency (for polls that were held on 23 December 2007), with similar dimensions of photos and equal length of text (even of President Karimov) on display in public places, was an indication of the fair play of the election process. The same was true of the printed brochures on the candidates, their biographies and election manifestoes, all published in equal number.

The parties currently represented in Parliament (the *OliyMajlis*) are the People's Democratic Party (which replaced the former Communist Party of Uzbekistan), the Social Democratic Party *Adolat*, the Democratic Party *MilliyTiklanish* (National Rebirth), the National Democratic Party *Fidokorlar* (Self-Sacrifice), and the Liberal Democratic Party (Movement of Businessmen and Entrepreneurs).

## THE CANDIDATES AND THEIR PROGRAMMES

There were four candidates for the post of President: President Karimov, AsliddinRustamov, DiloramToshmuhammadova and AkmalSaidov. President Islam Karimov (b. 1938) was fielded by the Liberal Democratic Party, the party of businessmen and entrepreneurs. Its manifesto listed the modernisation of the country and reforms to develop the economy as its main agenda. The other points listed included the liberalisation of all spheres of life, the reform of the judicial system, the orientation of politics



towards the well-being of people; the preparation of cadres among the younger generation to attend to social and political tasks of the future and to strive towards a high level of spiritual values - 'an undefeatable power' - among the people. In its foreign policy objectives, the party would pursue the policy of peaceful coexistence, non-interference in others' internal affairs, collaboration on equal footing, resolving of conflicts through peaceful means. President Karimov has been awarded the highest honours in the land: Ozbekistan Qahramoni (Hero of Uzbekistan), Mustaqillik (Independence) and Amir Timur awards.

Islam Karimov has had a long career in politics. He became the First Secretary of the Communist Party of Uzbekistan in 1989 and became President of the Uzbek Soviet Socialist Republic on 24 March 1990. On 31 August 1991, he declared that Uzbekistan was independent of the Soviet Union. The first elections of independent Uzbekistan were held on 29 December 1991 in which Karimov won with 86% votes and the second on 9 January 2000, in which the President won with 91.9% votes against another candidate. A referendum was held in 1995 to extend the term of the office of the President till 2000. The 2002 referendum extended the term from five to seven years. In 2004, with the Parliamentary elections, Uzbekistan changed from a unicameral to a bicameral parliament.

The question of how President Karimov could continue to be President was raised in some quarters, since Article 90 of the Constitution allows only for two consecutive terms for the same candidate. According to the CEC (Central Election Commission), Article 90 was not violated because President Islam Karimov was elected President only once (that is, in 2000) after the Constitution was adopted in 1992.

Asliddin Rustamov (b 1962) of the Peoples Democratic Party is an elected representative to the *Oliy Majlis*. He has worked as instructor and teacher of economics. Diloram Toshmuhammadova (b.1962) of the Social Democratic Party Adolat has a doctorate in medicine, is the leader of parliament fraction of Adolat and one of the deputy speakers of the legislative chamber of the Parliament. This is the first time that a woman candidate has fought the Presidential Elections. Akmal Saidov (b. 1958), from the initiative group is Director, National Centre for Human Rights. He is recipient of the *Mehnat Shukrati* (Glory to Labour) award. All three candidates have been awarded the *Dustliq* (Friendship) award. Their election manifestoes had the continuance of economic reforms as the main agenda. This was to be complemented by the strengthening of the democratic government with a socially oriented market economy and the

formation of a civil society. The manifestoes differed in their emphasis on issues. Rustamov's manifesto, for instance, talked of the defence of the less privileged strata of society; Toshmammadova's programme focused on the utilization of energy resources and increasing the role of women in society; Saidov called for raising the political consciousness of the masses and greater attention to be paid to environment and ecological issues.

### ELECTIONS

To be recognized as political parties, groups/organisations have to collect a number of supporting signatures from at least eight different regions of at least 5% of the registered voters of the region. Persons who hold posts in religious organisations, people who have criminal cases pending against them or who have been convicted cannot stand for elections. Those who are Uzbek citizens of 25 years and above and had been permanent residents of the country for ten years consecutively prior to the elections had the right to vote. The elections were conducted by three bodies: the CEC, which is a permanent body of twenty two members appointed by the OliyMajlis; the District Election Commission (14 DEC)s and the Precinct Election Commission (8266 in number, that looked after the voting booths).

Campaigning ceased five days before the elections. Seminars and workshops were held for all district election committees to increase legal awareness in the organisation and conducting of polling. The mass media was also used to increase awareness about the voting process and for the campaign of candidates. All polling stations were equipped with computers and equipment necessary for polling.

Out of the 1,62,97,400 voters (of a population of 27 million), 1,47,65,444 citizens voted, which amounted to a 90.6% turnout. There were 8,266 polling booths. According to the Constitution adopted in 1992, all above eighteen years of age can vote and anyone above twenty five years of age can stand for elections. In terms of the population count, Uzbekistan is third among CIS countries and first in Central Asia. There are over a hundred nationalities. Russians constitute the largest minority (5.5%), followed closely by the Tadjiks (5%); Kazakhs constitute 3%, Karakalpaks 2.5%, Tatars 1.5% and others 2.5%.

The organized way the elections were conducted and the amount of planning and training that had gone into it was impressive. I was especially struck by the thoughtfulness of the Central Election Commission (*Markaziy Saylov Komissiyasi*) which had organized separate rooms for mothers who

had come to vote with children and the first aid medical rooms at every polling booth.

Uzbekistan is divided into twelve provinces and the republic of Karakalpakstan. I was assigned three booths in Navoi. It is a city constructed according to plan and recently celebrated its 50th birthday. It is a modern, industrial city, rich in minerals and uranium and the people are more Europeanised, than the population of the ancient cities of Bukhara or Samarkand. I was present at Booth No. 39 at 6 am to see the start of voting. The national anthem was played and voting began. I was very surprised that even at that early hour, at 6.30 am, there were people coming in to cast their vote! The atmosphere was one of festivity. I was also very happy to see that the in-charges of two of the three booths I visited were women. At every polling booth that I visited there were neatly written out lists of voters' names on display on the notice board.

During the polling which began at 6 am and continued till 8 pm on 23 December 2007, each political party had one observer each at every booth. There were 23,000 local observers and nearly 300 international observers from thirty countries. The ballot paper was in Uzbek, Karakalpak and Russian languages. The Chairman of the Central Election Commission Mr Abdusalamov stated that the elections were held in full conformity with the national election legislature. At the regular briefings held by the CEC, it was announced that no complaint was filed at the CEC on any irregularity in the election process.

President Islam Karimov polled 1,32,08,357 votes (88.1 %), Rustamov polled 46,80,064 votes (3.17%), Diloram Toshmuhammadova polled 4,34,111 (2.94%), Saidov 420,815 votes ( 2.85 %). The newspapers *Pravda Vostoka* (The Truth of the East), *Narodnoe Slovo* (The People's Word) and *Birzha* carried headlines that the people of independent Uzbekistan had made their choice; that observers from the SCO had stated that the 'Elections were legitimate, free and transparent' and observers from CIS had stated that 'Elections were an important factor in the further democratisation of social life in Uzbekistan'.

#### PRO-INCUMBENCY FACTORS

The election results were seen as an index of the political activism of the people and as a mandate for democracy and the modernization of the country. Clearly, President Karimov's slogan of moving from a strong state to a strong civil society got a thumping mandate. So did the five

principles of the 'Uzbek model' of development initiated by president Karimov after independence: the de-ideologisation of the economy, the crucial role of the state in all reforms, the rule of law in the realisation of a strong social politics, the phased transition to market economy and the adherence to the policy of 'reforms not for the sake of reforms, but in the name of the people and their interests'. Paul Kubichek characterizes Karimov's manner of governance as the 'cult of stability' through which the President claims "that his rule, even if considered harsh by some, is the only way to ensure social and inter-ethnic harmony in the country. Despite his communist past, he is also the guardian of the sacred *Vatan* (motherland), whose fate is intimately linked with that of the current elite... On the economic front, Karimov has been an advocate of gradual, controlled reforms led by the state. His refrain is 'economics above politics', meaning that the basic economic course should not be subjected to 'irrational' political debate".<sup>1</sup>

In an attempt to redefine national identity after independence Uzbekistan's cultural heritage received a great deal of attention. The Islamic University of Tashkent was set up in 1999 at the initiative of President Karimov. The library is a growing one and has over three hundred original manuscripts of importance to the country's culture and religion. The University collects old, invaluable books and manuscripts that the people are now bringing to libraries for safe-keeping for future generations. Dr Ubaydylla Uvatov, Director of the Treasure House of Manuscripts at this University, narrated the interesting tale of translation of a book written in India on Imam Bukhari in Uttar Pradesh many decades ago. *The Life and Works of Imam Bukhari* by Mubarak Gaffuri was translated from Urdu to Arabic and has now been translated by Uvatov in to Uzbek language. There is a rethinking of the past heritage and a new historiography in which thinkers and scientists of the Central Asian region are given a pride of place. There is also the move to conserve architectural heritage. Among the monuments that have been restored, rebuilt and revived as centres of religion and culture, are the mosque of Bahauddin Naqshbandi in Bukhara and the 44-cupola Shahi-Zinda complex in Samarkand. One of my most memorable moments in Uzbekistan was when the Imam of the recently-restored Shahi-Zinda monument read out a prayer and his sonorous voice resonated through the complex. The 2,500th anniversary of the cities of Bukhara and Khiva were celebrated not so long ago as was the 670 anniversary of Amir Timur. A huge museum dedicated to Timur has been built in Tashkent.

Tashkent is like Delhi, with historical monuments and contemporary architecture, old and new regions. In 1991 Tashkent's Central Square was renamed *Mustakillik* (Independence) Square. There is the Soviet architecture, the wide roads and newer buildings that give the capital a distinctive look. The imposing Hast Imam mosque is located in Old Tashkent (*eskishahar*). The city has many enclaves of time: young people dancing away in an upmarket restaurant to recent West Asian, English and Russian songs while *pilaf* and traditional breads from Samarkand and elsewhere are being served; the art d'Écor restaurant 'Caravan' (which has a publishing house and vodka brand in its name) done up in the style of a sarai; the national food of neighbouring republics such as Kyrgyzstan served in Kyrgyz tents....

What is of interest is that President Karimov took steps also to preserve contemporary cultural heritage after independence. Uzbekistan is a country that demonstrates the importance of culture in politics. Filmmakers in Uzbekistan are very happy with the fact that the state fully finances films at Uzbek Kino. The industry here is still going strong, as compared to other ex-Soviet republics where filmmaking has dropped drastically or stopped completely. The 1,000-member strong Union of Writers brings out four journals and one newspaper. There is a state award for literature as there is for cinema. The rereading of history has left its imprint on the arts. Artists take up themes from the spiritual life of the people, of sufi saints and of historical figures in their paintings. The well-known writer Abdulla Aripov, the President of the Writers' Union was one of the script writers for the film *Amir Timur* directed by Ergashev and Sadykov. This was the first film ever to be made on a historical figure, the Uzbeks venerate. The bookshops are stacked with books mostly in Uzbek (the shift from Cyrillic to Latin script has been made) but also in Russian and English. Aripov bemoaned the fact that not enough was being done in terms of translation. *Ramayana*, *Mahabharata*, eight volumes of Tagore and other classics have been translated into Uzbek. However, very little of the contemporary literature of both countries is known or has got translated. The teleserials *Ramayana* and *Mahabharata*, shown on Uzbek television, have been very popular with the masses, as is *Jassi Jaisi Koi Nahin*.

#### DISTINCT DESTINIES

Observers from the OSCE claimed that the elections were not fair and free, but the observers from the Commonwealth of Independent States as

well as the Shanghai Cooperation Organisation gave a positive assessment of the elections.

Every country has its unique destiny in the world order. Uzbekistan, and the other countries of Central Asia, are rich in natural resources, in oil and gas. There is, therefore, a great deal of interest in the world in the political road taken by these countries after the fall of the Soviet Union. There are many notions of the nations as there are many histories of nationhood and modernity. The historical destiny of countries that did not undergo mass movements and mass mobilization to fight colonialism, as for instance India, is bound to be different. The State is never going to seem as antagonistic to the citizen as it would in countries where the yoke of colonization had to be thrown off. While Russia's annexation of Central Asia in the 19th century during the Tsarist period was seen as a colonial enterprise, the Soviet period is not perceived as a *colonial period*. In the March 1991 referendum on the future of the Soviet Union, 93.7% of the people of Uzbekistan voted in favour of preserving the Union. Uzbekistan came into existence as a republic in 1925 as part of the Soviet National Delimitation Policy. Its statehood is a legacy of the Soviet past as well as its commitment to a secular polity. All this is very important in a world that sees the neighbourhood of Central Asia as region of political unrest. Given the history of colour revolutions in the neighbourhood, the Civil War in Tadjikistan (1992-1997), the fact that the countries of the region are rich in oil and gas, there is a great deal of interest in the world in the political road taken by these countries after the fall of the Soviet Union. There are no 'models' of democracy that countries of the Second World, that not so long ago were part of one of the two superpowers of the world (the former Soviet Union), and are now willy-nilly part of the Third World, can follow. Theirs is a distinct route of nationhood and statehood that is separate from the routes that the western developed nations followed, as well as from the route that nations that threw off the yoke of colonialism chose. The elections in Uzbekistan may seem 'tame' to someone from India, but it is not possible to compare a country with over a century of mass movements against colonialism, imperialism and neo-imperialism, with a country that has announced its independence twenty years ago and is trying to dovetail into the larger political and economic processes of the world.

#### HYBRID POLITICAL SYSTEMS

According to Western scholars, the late 1990s witnessed the third wave

of democratization (the first being in the mid-1970s and the second at the end of the Cold War). Democracy is characterized by, apart from free and fair elections, independent and robustly functioning legislative and judicial systems, a vibrant civil society, the rule of the constitution and of law, and a military that is 'civilianised'. One of the most important markers of difference between authoritarianism and democracy is the nature of the elections held to elect national leaders: not merely whether they are free and fair, but also how participatory and contested they are. Both authoritarian and democratic regimes employ elections to their ends. Hybrid political systems that cannot be compartmentalized into 'authoritarian' or 'democratic', have been referred to by scholars as 'electoral authoritarian regimes', or 'competitive authoritarian regimes' or even 'semi-authoritarian regimes'. According to Bunce and Wolchik "... (1) elections have often served as key contributors to democratic progress, (2) that elections, rather than, say, civil liberties, are understood by citizens in countries outside the West as the defining feature of democracy, and (3) that elections feature conditions conducive to political protests".<sup>2</sup> These regimes can be graded into a spectrum according to 'closed authoritarian' ones, where there are elections, but only one party is in the field; 'hegemonic authoritarian' regimes, where there are regular elections with other candidates, but the status is ensured by not allowing a deep contestation and genuine plurality. Analysing 'competitive authoritarian regimes, Bunce and Wolchik point out that the reasons that opposition itself is weak in such cases: "... as a result of the absence of a democratic past in most cases, the deeply penetrative character of the communist experiment and its classless legacies, and the costs of partial economic reforms – tend to be very new, fluid formations that are independent of social cleavages and are dominated by leaders who have little understanding of bargaining and compromise, campaigning for votes, or even using public opinion polls as both indicators of popular preferences and guidelines for party policies".<sup>3</sup> In countries such as Uzbekistan, which may be characterized as following a form of 'hegemonic authoritarianism', successive elections have shown that the electoral process itself is adding to the widening of the net of democracy, with increasing contestants and more issues featuring in the electoral arena.

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THE CENTRAL ASIAN TRANSPORT CORRIDOR:  
*PROSPECTS FOR ATTRACTING INTERNATIONAL  
TRANSIT FREIGHT FLOWS\**

GULNARA KARIMOVA

The development of intra-continental network of transport communications and logistics centers which could become a full-fledged alternative to the southern ocean transport route through the line "Europe –Asia", is the most pressing issue for the region. One of the most debated topics at our conference in 2007 was the creation of the network of international logistics centers and hubs in the region which could become centers of attraction not only of freight flows, but also through creation of a favorable investment climate to become a zone of industrial production, including the innovative technology. As applicable to Uzbekistan, the idea of a logistics hub was considered, which could handle transit through the line "North-South", as it presents itself as a junction for many international hubs and to become a platform for local and foreign companies in the field of re-export operations.

In 2008, Uzbekistan decided to create "Free Industrial-Economic Zone in Navoi" (FIEZ), one of whose goals was the promotion of international intermodal logistics center on the base of Navoi Airport. Advantageous geographical location, benefits and preferences for foreign investors, partnership with the leading global air freight carrier such as "Korean Air" and a number of development projects in rail and road communications with FIEZ Navoi now gives us a good reason to hope for the success of this project. For analysts working in the field of economics and politics, FIEZ Navoi represents a major experiment on using the leading

\* It is abridged version of the paper read by the author at the inaugural session of the International Conference at Tashkent on 18th November 2010.

international experience to create “dry ports” and the combination of the transport and industrial infrastructure in Central Asia. This experiment could be the starting point for future development scenarios and methods on formation of Central Asia as an intercontinental transport bridge.

For example in Europe, such an experiment is very successful. According to a United Nations special study conducted in 2007, it was recognized that the development of logistics centers as “dry ports” in the inner regions of Europe can have a multiplier effect and promote further economic growth in neighboring regions. The empowerment of multimodal logistics center directly creates the preconditions for the growth of production of various industrial products as well.

Today, the scales of commercial and industrial operations carried out by the European logistics hubs are simply admirable. Experts acknowledge that it took only 10-15 years, for unique examples that build multi-modal centers to become an irreversible trend, which has become a key part of the transport, industrial and social infrastructure in European countries. On the eve of the global financial crisis (2008-2009), the total turnover of the European market of transport and logistics services was estimated at 800 billion Euros. In turn, the volume of contract logistics in Europe is estimated at between 120-140 billion Euros annually.<sup>2</sup> Of course, Central Asia is only on the offset of this track, but the fact of discovery of logistics hubs in the region summons serious optimism.

Meanwhile, as few years ago, today there is an acute question of more effective regional cooperation. As international experience shows, reduction of the level and number of barriers to the movement of goods can significantly stimulate the development of logistics centers. Returning again to the European experience, one can state that the factor of large economic spaces with a favorable regime for freight flows very positively influences the development of European logistics infrastructure. Consequently, a notable increase in the turnover of leading European port of Antwerp is largely related with the intra-European access to ramified network of continental waterways, railways and roads that lead to various countries in Western, Central and Eastern Europe. Thanks to them, the port has become a key center of transit transport and distribution activities in the EU.

From the viewpoint of communication, the Afghan crisis as a factor that limits access to promising markets in South Asia, remains topical for Central Asia as before. Of course, this problem has been present for many years, but thus far, very few people dared to go beyond the simple

statement and start to act. In this regard, a purposeful effort is being made for several years by Uzbekistan, Iran, the Afghan government and some international organizations to incorporate relatively safe areas of Afghanistan into the system of regional transit freight flows. This first of all is about the railway project "Hairatan - Mazar-e Sharif", which the Uzbek company "Uzbekistan Railways" implements with the financial support of the Asian Development Bank. This road will enable the northern regions of Afghanistan to integrate into the Central Asian and into the continental railway network, which will undoubtedly serve as a catalyst for economic development and expand the export-import transactions with participation of the Afghan business.

In its turn, Iran has invested large resources in the construction of the railway "Khaf (Iran) - Herat (Afghanistan)". This allowed connecting the western parts of Afghanistan with the Iranian railway network and thereby providing for the Afghan business access to the Middle East, Europe and the ports of Iran in the Persian Gulf and Indian Ocean. Besides, the railroad will serve as a stimulus for the development of mineral resources in western Afghanistan.

It is assumed that in the long run two railways will be connected through "Mazar-e-Sharif - Herat" which will create a full-fledged northern Afghan transport corridor. Thus, transit opportunities in Central Asia will be expanded, which along with the Turkmen corridor "Turkmenabad-Tejen-Sarakhs" will also get access to the corridor running from the Uzbek Termez through Mazar-e Sharif to the Iranian Mashhad.

Of course, one can understand that the complicated political and military situation in Afghanistan does not allow to use the transit potential of this country in the direction to Pakistan and India. Already for two decades, it has limited the ability of Central Asian countries in their policies to diversify their transportation routes to the south. However, it would be wrong to say that in this regard the Central Asian countries and their regional partners are doing nothing.

One can particularly note Iran's efforts to promote the railway project "Kerman - Zahedan (Iran) - Quetta (Pakistan)", which in case of its implementation will open great opportunities for direct access to Central Asian shippers and consignees to rapidly growing markets of South Asia. The east Iranian corridor (through railway "Mashhad - Zahedan - Chabahar") that is being discussed in Iran meets the interests of Central Asian countries. The establishment of this corridor will allow reducing the transportation of freights to terminals of the oceanic port Chabahar

by a few hundred kilometers.

On its part, Uzbekistan is also continuing to do a huge job on expanding its transportation and transit facilities on the southern direction. In this regard, the initiative of President Islam Karimov on the construction of transport corridor “Uzbekistan - Turkmenistan - Iran - Oman – Qatar” may be noted. The initiative was announced during the visit of President Islam Karimov to Turkmenistan in October 2010. The project aims to create a direct route that connects Central Asia with the Persian Gulf region which is one of the most creditworthy markets of the world. The idea of a new transport corridor has already been endorsed by many influential politicians, including President of Turkmenistan G. Berdymukhammedov, as well as Prince Khalid Al-Saud, Deputy Minister of Foreign Affairs of Saudi Arabia, during his October 2010 visit to Uzbekistan.

Thus there is an extensive work in Central Asia on the gradual formation of intra-continental transport bridge. To this one can further note the efforts of regional partners such as Turkmenistan and Kazakhstan in the development of the network of roads and railways, port facilities, and such countries as China and Russia, who by far remain as the leaders in the framework of cooperation with the Central Asian countries in the field of freight flows.

In the meantime, today there is a need for further progressive movement to put new set of questions that would allow to analyze the current state of the transport and communications capacity in Central Asia, which is related to internal and external factors of its development, as well as determine the approximate outline of future strategies. There is need to analyse:

- the practical application of innovative ideas in the field of transport logistics and transit;
- strategies to attract international transit of goods;
- the prospects for regional cooperation in freight transit;
- the growth prospects of continental freight flows and their relationship with the future development of world economy.

Particular attention needs to be given to coverage of the practical experience of international companies working in the field of logistics and economic consulting, as well as to the international experience in information support of transportation projects.

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## UZBEKISTAN-INDIA RELATIONS – A BASIS OF NEW INTER-REGIONAL COOPERATION

IBRAGIM R. MAVLANOV

Uzbekistan greatly values its ties with India and its regular political exchanges have helped in achieving a high degree of political understanding between the two countries. Relations between Uzbekistan and India are based on shared historical and cultural ties. Over the years there has been a steady exchange of high level visits between the two countries. Prime Minister Jawaharlal Nehru accompanied by Smt. Indira Gandhi visited Uzbekistan in 1955 and 1961. Prime Minister Lal Bahadur Shastri visited Tashkent in January 1966. He died tragically in Tashkent. His name has been commemorated - a street and school have been named after him and there are both a statue and a bust in his memory in Tashkent. Consulate General of India in Tashkent was formally inaugurated on 7 April 1987. Indian President R. Venkataraman visited Uzbekistan in 1988, and Prime Minister V. P. Singh in July 1990. As Uzbekistan is integral part of Central Asia, relations of India with Uzbekistan are analysed in this article through a prism of attitudes of India towards Central Asia.

### INDIA AND UZBEKISTAN

Legal base of bilateral relations. India recognized the independence of Uzbekistan on 26 December 1991. On 18 March 1992 the Protocol on an establishment of diplomatic relations at the level of Embassies was signed in Tashkent. In September 1992 the Consulate of the Republic of Uzbekistan was opened in New Delhi and it was transformed into Embassy in 1994. The Consulate General of India in Tashkent was upgraded to the level of Embassy through the signing of a diplomatic and consular protocol on 18 March 1992. The two countries share common values such as

secularism, tolerance and strong opposition to the forces of fundamentalism and terrorism. Cooperation between the two countries spans many areas such as economic and commercial, cultural, education and technical training in diverse disciplines, information technology, science and technology, agriculture and civil aviation etc. This bilateral relation is underpinned by as many as 42 interstate, inter-governmental and inter-departmental documents and agreements, including the Joint Declaration on Principles of Cooperation, Agreement on Interstate Relations and Cooperation, Agreement on Mutual Encouragement and Protection of Investments, Agreement on Avoidance of Double Taxation and Tax Evasion, Treaty on Mutual Legal Aid in Criminal Cases, Treaty on Extradition, Agreement on Establishing of Joint Working Group on Combating International Terrorism as well as cooperation agreements in the spheres of culture, tourism and air communication.<sup>1</sup>

**Cooperation in political sphere:** Over the years there has been a steady exchange of high level visits between the two countries. When the President of Uzbekistan I.A.Karimov visited India in August 17-19, 1991, various agreements on economic, commercial, scientific and technical cooperation and cooperation in the spheres of culture, arts, education, science, tourism, sports and mass media were signed.

The then Prime Minister of India, P.V. Narasimha Rao, paid an official visit to Uzbekistan on May 1993, and signed agreements on trade and economic cooperation. An Indo-Uzbek Treaty on the Principles of Interstate Relations and Cooperation was also signed. Prime Minister announced the setting up of an 'India Chair' at the University of World Economy and Diplomacy in Tashkent, opening of an Indian Cultural Centre in Tashkent.

In response to P.V.Narasimha Rao's visit President I.A.Karimov paid his visit to India in January 1994. During this visit agreements were signed on cooperation in economic and cultural matters, telecommunications and postal matters, and establishment of Indian Cultural Centre at Tashkent. India's relations with Uzbekistan received a boost with the state visit by the President I.A.Karimov on May 1-3, 2000. India and Uzbekistan shared common concerns over threats from religious fundamentalism and cross-border terrorism, and underlined the need to further strengthen secular and democratic ideals in international relations. A Joint Declaration on Principles of Relations and 8 agreements were signed during his visit. The President of Uzbekistan addressed a gathering of businessmen organised by ?II and proposed collaboration in such areas as aviation technology, automobile ancillaries, cotton processing, pharmaceuticals, information

and computer technology, solar energy, the use of laser technology in medicine and production of jewellery.<sup>2</sup>

For comprehensive expansion and deepening of mutual relations, President I.A.Karimov visited India again on April 4-6, 2005. During this visit twelve agreements and memoranda of understanding (MoUs) were signed. Four of them at the governmental level, are for cooperation in military and military-technical areas, education, culture and sports and small and private entrepreneurship. Eight MoUs were signed between Indian and Uzbek institutions in IT, banking, tourism and education. In their joint statement, Uzbekistan and India underlined their resolve to fight terrorism on a long term and sustained basis. Both countries affirmed that international terrorism in all its forms and manifestations constitutes one of the most serious threats to international peace and security, and condemned in the strongest terms all acts of terrorism. Both sides emphasized the need for an early conclusion of the Comprehensive Convention on International Terrorism.<sup>3</sup>

In response to I.A.Karimov's visits to India, Prime Minister of India Dr. Manmohan Singh visited Uzbekistan on April 25-26, 2006. During this visit, 8 documents were signed between the two governments/institutions in oil & gas, mining, agriculture, textiles and education sectors. The India-Uzbekistan Jawaharlal Nehru Centre for Information Technology, established in Tashkent with the Indian assistance of Rs.30 million, was inaugurated by the Prime Minister during the visit. The two sides had detailed exchange of views on the issues of further development of bilateral relations in political, trade and economic, scientific and technical, cultural and humanitarian and other spheres of cooperation, as well as on regional and international issues of mutual interest. Uzbekistan also accepted the Indian offers to set up satellite based tele-education and tele-medicine connectivity between India and Uzbekistan and financial support to establish Uzbekistan-India Entrepreneurship Development Centre in Tashkent. Uzbekistan reiterated its support to the permanent membership of India in an expanded UN Security Council.<sup>4</sup>

**Other important visits in recent times include:** External Affairs Minister of India - May 1999 and November 2003; Minister of State (MoS) for External Affairs (EA) of India- September 2001; Uzbek Minister of Higher and Secondary Specialized Education – January 2003; Uzbek Foreign Minister - February 2003 and October 2004; Indian Defence Minister - February-March 2003; Minister of External Affairs of India -



November 2003; Delegation of Oliy Majlis of the Republic of Uzbekistan headed by the Chairman of the Committee for inter-parliamentary and international communications and the Chairman of the Committee of information participated in celebrations on the occasion of the 50th anniversary of Parliament of India on January 22-26, 2003; MOS(EA)-October 2004 and November 2007; MOS(Commerce)- January and September 2005 and April 2007; MOS (Textiles) - October 2006. The first session of Joint Working Group on Combating Terrorism took place in May 2003, the Second Meeting of JWG was held in New Delhi on 31 October 2005 and another was held in May 2007.

Uzbekistan considers India not only as one of the biggest states in the Asian continent but also as the country with political, economic, human and other potentials which can and should play a significant role in resolving problems in world politics. Uzbekistan is interested in the enhancement of multilateral cooperation with India in political, trade and economic, military-technical, humanitarian and other spheres. Positions of Uzbekistan and India concur in most of the international and regional issues and problems. There are no disagreements in the political sphere, in particular, regarding regional safety and counteraction to terrorism.<sup>5</sup>

**Cooperation in trade and economic sphere:** Trade relations between India and Uzbekistan are governed by the Agreement on Trade and Economic Cooperation, signed in May 1993. It contains normal features of trade agreements, such as promotion of economic, industrial, scientific and technical cooperation, including in the field of training of personnel, active participation of small and medium sized enterprises in bilateral economic cooperation, and counter-trade, etc. India and Uzbekistan also signed an Agreement on Avoidance of Double Taxation in 1993 and yet another one for Bilateral Investment Promotion and Protection in May 1999.

In the joint statement, which was signed in 2005, Uzbekistan and India recognized the need to enhance trade, economic and investment cooperation and linkages in the banking and finance sector and noted the potential for cooperation in the sphere of small business and entrepreneurship, light industry, oil and gas, aviation, tourism, pharmaceuticals and information technology etc. According to figures published by the Ministry of Commerce & Industry, Government of India, exports to and imports from Uzbekistan during 2000-2008 are given below:

VALUE IN US\$ MILLION								
S.No.	2000 -2001	2001 -2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008
1. Export to Uzbekistan	9.39	6.53	5.08	15.14	19.66	24.44	29.66	40.32
2. Import from Uzbekistan	10.58	17.27	20.54	27.70	29.43	26.13	33.85	16.08
3. Total	19.97	23.80	25.62	42.84	49.08	50.57	63.51	56.40

As per trade statistics, pharmaceuticals, tea, machinery, packaging material, plastic items, garments, knitwear, surgical items and consumer goods have traditionally been the items of Indian exports to Uzbekistan. Uzbekistan's exports to India include supply of machinery and services (which reflect the remittances of Uzbek Airways from India of its revenue from both passenger and cargo services). Other items of Uzbek exports include cotton, raw silk, raw wool, non-ferrous metals, agricultural produce, aircraft etc. Government of India had extended three credit lines of US\$ 10 million each to government of Uzbekistan out of which US\$ 12.5 million were utilized out of first two credit lines. The Inter-Governmental Commission met seven times, and the last Session was held in Tashkent on 13-14 April 2007. The first Joint Working Group on Cooperation in Mining and Mineral Resources was held from 8-10 June 2006 in Tashkent. A Working Group Meeting on Cooperation in Hydrocarbon sector was held from 27-29 September 2006 in Tashkent.

However, it is necessary to note that parameters of trade and economic cooperation do not correspond with potential opportunities of two countries. The main reason constraining development of trading communications is complexity of transportation of goods and absence of precisely adjusted transport infrastructure. In this regard, there are enough prospects to enhance and expand contacts in transport and communications, realize joint projects in reconstruction and use of transport corridors. Uzbekistan Airways operates three flights to and from Delhi and five flights to and from Amritsar a week on a code-sharing basis with Indian Airlines.

**Cooperation in Science and Technology:** In terms of an agreement on Science and Technology Cooperation (1993), an Indo-Uzbek Centre for Promotion of Scientific and Technological cooperation was established in Tashkent in 1995. A work plan for science and technology cooperation was signed in 1998 and again for the period 2004-06 was signed in March 2004. A MoU for cooperation in the field of agriculture cooperation was signed in 2000 under which a Work Plan for 2007 was signed and later

extended up to 31st March 2009.

Major Indian projects undertaken and other ongoing Indian projects are: computerization of three Uzbek Post Offices, which was undertaken and completed by Ministry of External Affairs/ Telecommunications Consultants India Limited in May 2002. Total grant allocated for the project was US\$75,000. A MoU on the establishment of an Indo-Uzbek IT Centre in Tashkent with Indian assistance was signed in October 2004. Uzbekistan became an ITEC partner country in the year 1993, when a total of 49 Uzbek nominees attended various training courses in India. Since 1993, Uzbekistan's ITEC participation has gone up tremendously. In 2006-2007 and 2007-2008, 120 slots per year were approved by the Government of India for Uzbekistan. Indian Council for Cultural Relations (ICCR) allotted 30 slots under General Cultural Scholarship Scheme and Cultural Exchange Programme to Uzbekistan in 2004 and 20 in 2005. Twenty slots have been allotted to Uzbekistan each year since 2006. For instance, five scholars from Jawaharlal Nehru University, New Delhi, took part in the Conference "Development of a Social Market Economy in India: Experience & Problems" held on 23-25 May 2006 at the University of World Economy & Diplomacy, Tashkent.

Since 1991 to 2008 under the Indo-Uzbek Cultural Exchange Programme many exhibitions were organized in Tashkent, Indian musical groups have visited Tashkent, cultural Groups from Uzbekistan have visited India and festivals of Indian Culture were organized in Tashkent and so on.

#### INDIA AND CENTRAL ASIA

More than twenty years have passed since the Central Asian Republics (CARs) – (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) became independent. During this period, the objective of India's foreign policy has been to establish dynamic and multi-faceted bilateral relations with them. The CARs are an extended neighbourhood for India, with long-standing historical and cultural links providing the foundation for forging close contemporaneous relations. Political relations with the CARs have been marked by understanding and convergence of views on a wide range of regional and global issues, and by traditionally close and extensive interaction. High-level bilateral visits have been interspersed with the exchange of official, parliamentary and commercial delegations and cultural troupes. Film festivals, seminars, conferences and

trade exhibitions have been organized regularly; bilateral agreements in various fields were signed, training courses are offered and assistance provided to several CARs.<sup>6</sup>

India's Prime Minister Dr. Manmohan Singh has emphasized that "It is important that we assess South Asia Regional Cooperation in the larger Asian context. All South Asian countries would provide to each other, reciprocally, transit facilities to third countries, not only connecting one another, but also connecting to the larger Asian neighbourhood, in the Gulf, Central Asia and in the South-East Asia. India, which borders each of the members of the South Asia, is willing to do so".<sup>7</sup>

Secularism and democracy are two features that are shared by Central Asia and India. Moreover, Central Asia has a positive and extremely friendly disposition towards India. India participates actively on the Conference on Interaction & Confidence Building Measures in Asia (CICA).<sup>8</sup> On the Ministerial meeting of CICA in Almaty, Kazakhstan on October 21-22, 2004,<sup>9</sup> India's External Affairs Minister said that "Our engagement is reflective of the constructive contribution that India can make to peace and stability in Asia and globally".<sup>10</sup> Special Envoy of Prime Minister of India attended the 2nd Summit of CICA in Almaty on 17 June, 2006.<sup>11</sup>

India also joined the Shanghai Cooperation Organisation (SCO) as Observer in July 2005. At the 6th SCO Summit in Shanghai held on 15 June 2006<sup>12</sup> and at the 7th Meeting of the Council of Heads of State of SCO in Bishkek on 16 August 2007 Murlu Deora, Minister of Petroleum and Natural Gas reiterated India's interest in participating in SCO activities in the areas of energy, economic development, counter-terrorism and combating drug trafficking. The Council of the Heads of Government was held in Tashkent on 2 November 2007 and India was represented by the Minister of State for External Affairs, E. Ahmed.<sup>13</sup>

India has continued to maintain friendly and cordial relations with the countries of this region. India strengthened its engagement with individual countries through exchange of visits, meetings, including Inter-Governmental Commissions, Foreign Office Consultations and Working Groups, signing of agreements of cooperation in diverse fields, visits of trade and scientific delegations, participation in exhibitions and cultural exchanges.

**Expert views:** During the last few years many political scientists have been trying to analyze the role of India in Central Asia. B.B. Kumar states, that "India and Central Asia have long tradition of socio-cultural, political

and economic contact since remote past. The two regions have common and contiguous borders, climatic continuity, similar geographical features and geo-cultural affinity".<sup>14</sup>

Many scientists underlined that India's relationship with the CARs are excellent, underpinned by deep historic and cultural bonds and, since the independence of these countries.<sup>15</sup> Some researchers expressed, that high-level visits between India and CARs were exchanged on a regular basis and India's economic relations are, therefore, showing a continuing positive trend.<sup>16</sup> Indranil Banerjee said that "India's contacts with Central Asian Republics (CARs) have developed at various levels". He noted that "some oil exploration, drilling, and pipeline projects of recent times have been signed in this region. ... If these contracts prove lucrative, India could bid for bigger energy projects".<sup>17</sup>

Making an analysis of Indian energy strategies in Central Asia, Maj. Gen (Retd) S. C. N. Jatar emphasized, that "the Central Asian region, with its modest reservoir of hydrocarbons, compared to West Asia, is important to India due to geo-strategic and geopolitical reasons".<sup>18</sup> He also said, that "Central Asia with its hydrocarbon potential offers India the opportunity to beef up its energy security in the short term up to 2025".<sup>19</sup> Rahul Bedi has noted: "India's growing presence and role in the resource-rich and strategically significant Central Asian Region has important implications".<sup>2</sup>

Researching the prospects for India's trade and investment in Central Asia, T.K. Bhaumik says, that "Indian industry can develop a long-term partnership with the region and help the CARs achieve their goals of export growth. Indian companies can play a major role by investing in sector that have potential for exports. Some of the prominent export sectors of the region are aluminium, textiles, general purpose machinery chemicals, agricultural products, oil and gas, and other energy products. Incidentally, these are also the potential sectors for foreign investment in this region. ... While such a strategy would contribute significantly to the CARs' economic growth, it would also enable Indian companies to explore new global markets. ... Strategic investment in this region may, thus, offer access to larger markets in the future".<sup>21</sup> Researcher Raj Chhikara argues that India has vital economic and security interests in the CARs and needs to develop a comprehensive, long-term strategy to protect and promote its geo-political interest in this region.<sup>22</sup>

Prof. Nimala Joshi stated, that "Today, Indian interests are substantial and are in the sphere of strategic, security, political and economic security.

Any competition among major powers for control and influence in India's extended neighborhood would have a bearing on its policy and diplomacy in the region. If the competitive element in Central Asia becomes a dominant tendency, India would have to take hard decisions".<sup>23</sup> P. Stobdan emphasizes that Central Asia, in its reordered geopolitical form, has emerged as a field of continuing interest and concern in India, particularly in the context of its strategic relevance to India's security.<sup>24</sup>

Prof S.D. Muni, marking "Central Asia's geo-strategic location and its rich mineral and hydro-carbon resources", noted, that "India focused on three major areas of mutual interests namely: economic cooperation, terrorism and challenge of political stability, and issues of regional security and strategic order".<sup>25</sup> He also emphasized, that "the newly emerged Central Asia provides immense strategic and economic opportunities for India and Indian policy makers are trying to harness these opportunities".

On the 3rd India-Central Asia Regional Conference, which was jointly organized by the Indian Institute for Defence Studies and Analyses (IDSA) and the Uzbekistan's Institute for Strategic and Regional Studies (ISRS) at Tashkent, Dr. Sadik Safoev "underlined the need of broader cooperation between India and Uzbekistan in economic and technological arenas" and "to coordinate their efforts in fighting against terrorism, religious extremism, drug trafficking and organized crime in the Central Asian region". Former Indian Minister of External Affairs, Mr. Yashwant Sinha, in his keynote address focused on four areas i.e., "historical linkages between India and Central Asia, economic and energy potential of Central Asia, bilateral initiatives between India and Central Asia states in the international security situation".<sup>26</sup> Former Foreign Secretary and National Security Adviser, Government of India, Mr. J.N. Dixit giving "some general assessments and recommendations about structuring India's relations with Central Asian countries", said, that "India must be more active in associating with new economic cooperation and regional security arrangements, which are being initiated by Central Asian Republics".<sup>27</sup> Raghav Sharma noted: "India cannot leapfrog its way to the global high table without demonstrating effective initiative at the regional level - Central Asia being an important regional constituent".<sup>28</sup>

Considering the potential that Central Asia offers and Indian insignificant presence in that market, Focus CIS Programme<sup>29</sup> was launched by Indian Commerce & Industry Minister in 2003 at the time of announcement of the EXIM Policy on March 31, 2003. The Programme aimed to focus at countries of the CIS region with emphasis in the first

phase on 7 countries including Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. With a view to enhance India's trade with the countries of the CIS region, including Central Asia, the scope of the Focus: CIS Programme was extended further till the financial year 2007-2008. Under this Programme, the Government of India extended assistance to exporters, business chambers etc. to visit these countries, organise trade fairs, invite CIS trade delegations to visit India and undertake various other market promotional activities. The initiatives taken under this Programme have received an encouraging response from the Indian trading community and are likely to further boost the bilateral trade in the forthcoming years.

#### UZBEKISTAN'S POTENTIALS FOR ECONOMIC COOPERATION WITH INDIA

For the past several years, Uzbekistan has achieved macro-economic stability and country's economy has grown at an average rate of about 4.0% for almost a decade,<sup>30</sup> and has emerged as one of the fast growing and stable economies among the CIS countries. For the last five years, GDP growth was 48% - for a year on an average more than 8%, and during the last few years it has exceeded 9%. For this period the GDP per capita increased by 2.5 times.<sup>31</sup> The liberalization of currency exchange market, government's measures to support entrepreneurs and enterprises, their technical and financial restructuring have played key role and become major factors that have ensured high growth rates of industrial development that, in 2005 was 7.3%<sup>32</sup> and in 2007 it was 12.1%<sup>33</sup> as compared to the previous year. Fast economic development has been accompanied by balanced state budget, stable monetary system, surplus foreign trade turnover that, combined, have facilitated overall macro-economic stability and the expansion of the country's foreign exchange reserves.

For the fifth consecutive year we are witnessing an unprecedented growth of Uzbekistan's trade with foreign countries. For instance in January – March 2006 the external trade turnover amounted to US dollars 2386.5 million (104.1% to January-March 2005).<sup>34</sup> The export increased in 2007 by 40.7%, resulting in positive balance in the foreign trade turnover at a rate of from above 3.5 billion dollars and by 1.5 times to increase gold and exchange currency reserves of the country.<sup>35</sup> Due to favorable investment climate and tax regime, Uzbekistan attracted foreign investment

worth more than 14 billion US dollars since 1991 and 1.5 billion US dollars in 2008.<sup>36</sup>

However, despite all these economic achievements since independence, Uzbekistan faces problems and obstacles. These obstacles are primarily geographic, and the most significant one of them is Uzbekistan's landlocked-ness. In practice, it means the remoteness of Uzbekistan from major international transport communications, let alone its dependence on transport infrastructure of the neighboring countries. In this respect, diversification of transport communication systems becomes of crucial importance for Uzbekistan and its future economic prosperity. So far, the country has had access to international markets only through existing transport routes to the north, north-west, and north-east of the country. However, Uzbekistan's initiative to create international transport corridor through Afghanistan to the sea ports of the Indian ocean is hoped to be materialized and break the country's dependence on existing communication systems by connecting Uzbekistan and large Central Asian market with India and the whole South Asian region.

Uzbekistan has enormous opportunities to expand this cooperation, primarily in the following areas: in the textiles sector, Uzbekistan is the 4th largest cotton producer and the 2nd largest cotton-fiber exporter in the world; food and agricultural processing; exploration of natural resources, primarily oil and gas; Aircraft construction and maintenance, building of machinery; production of construction materials, chemical industry, pharmaceuticals; information technologies, privatization and investment, tourism.

There are all necessary conditions in Uzbekistan for the realization of these and many other projects: political and economic stability, highly skilled and inexpensive workforce, enormous deposits of natural resources, unique climate conditions for all kinds of agricultural production, inexpensive energy resources, developed railroads, auto and air transport infrastructure, large industrial facilities and buildings that can immediately be used for launching of any kind of production with very little financial input or investment, well developed legal system that provides with strong guarantees, benefits, and advantages to foreign investors. For example, enterprises with foreign capital, which invest into priority projects of the National Investment Program of Uzbekistan, are exempted from income (profit) tax for a period of 7 years.



CENTRAL ASIAN ECONOMIC POTENTIAL FOR  
COOPERATION WITH INDIA

The emerging markets of CARs display all the portents of being the new markets of the future. Since the nature of competition has undergone a significant change for carving out a niche in these markets, there is need for concerted and focused efforts to ensure that all Indian organizations act cohesively in tapping the opportunities offered by this region:

- The potential for expansion of trade and investment is great since Central Asia is extremely rich in mineral resources that need to be tapped, exploited and converted into value-added products.
- The countries of Central Asia represent investment markets where establishment of joint ventures in the core sector can prove to be extremely rewarding. To benefit from these advantages, the Indian industry will have to adopt the medium and long term strategy rather than the short term strategy.
- CARs are technically very advanced. To enhance cooperation with these countries, India needs to make concerted efforts for increased interaction between the business entities so as to identify areas of bilateral interest and investment.
- This region is endowed with different kinds of fruits and agricultural products thus offering vast opportunity for cooperation in Food Processing Sector.
- The great scope for cooperation in the tourism sector also needs to be explored.
- In the present economic scenario of Central Asia, there exists an opportunity for enhancing bilateral trade with the countries of this region because of liberalized, growing economies and streamlining of banking operations. The industrial units in CARs now need upgradation/ modification and are looking for foreign investment;
- Above all, the people of this region are well aware of Indian products and culture could prove to be an added advantage in efforts for enhancing trade relations with the CARs.

## INDIAN ECONOMIC POTENTIAL FOR INTER-REGIONAL COOPERATION WITH CENTRAL ASIA

There are some important reasons as to why Uzbekistan and other Central Asian countries are keen on building strong relationship with India on the economic front. Firstly, the Indian economy, for the last many years, has grown at a stable rate without any drastic fluctuations. The forex reserves are strong and India is in a position to undertake huge investments. Forex reserves have grown from US\$ 5.8 billion at the end of March 1991 to US\$ 25.2 billion by end of March 1995.<sup>37</sup> This growth continued in the second half of the 1990s. As on December 9, 2005, the foreign exchange reserves reached a level of US\$ 143.098 billion.<sup>38</sup>

A unique feature of the transition of the Indian economy is that it has become the second fastest growing economy of the world. If real GDP growth was 6.8% in 1998-99, up from 5,0% in the 1997-98 fiscal year,<sup>39</sup> then real GDP increased by 8.1% during the first quarter of 2005-2006 as against 7.6% in the first quarter of the previous year.<sup>40</sup> The Indian economy continued to clock a robust over 9% growth in financial year (FY) 2008-09, the Center for Monitoring Indian Economy (CMIE) said in its monthly report: "We had predicted a growth of 9.1% in our first forecast in February 2008, which was revised up to 9.5% in June 2008. We now believe that the economy would grow by 9.4% in FY09".

The FDI policy rationalization and liberalization measures taken by the government of India have resulted in increased inflows of FDI over the years. FDI inflows during 2007-08 stood at \$24.57 billion, up 56.50% compared with \$15.7 billion in 2006-07. During the period January-September of the Financial Year 2008, the FDI inflows were US\$ 29.09 billion as against US\$ 13.70 billion received during the corresponding period of year 2007, registering a growth of 112%. The 10 sectors attracting highest FDI into India are: service sector, computer software & hardware, telecommunications, Construction activities, housing & real estate, automobile industry, power, metallurgical industries, petroleum & natural gas and chemicals. The 10 top investing countries are: Mauritius, Singapore, USA, UK, Netherlands, Japan, Germany, Cyprus, France and U.A.E..<sup>41</sup> India is the world's 10th largest economy and the 4th largest in Purchasing Power Parity terms. In Asia, India is at the third position behind Japan and China.

India's economic reform policy was initiated during the early 1990's and since then foreign trade has grown steadily and assumed increasing

significance. India's trade increased from US \$ 42 billion in April 1990 - March 1991 to US \$ 186 billion in April 2004-March 2005. Cumulative value of exports for the period April- August 2008 was US\$ 81,225 million as against US\$ 60,101 million registering a growth of 35.1% in dollar terms over the same period previous year. Cumulative value of imports for the period April-August 2008 was US\$ 130,364 million as against US\$ 94,664 million registering a growth of 37.7% in dollar terms over the same period previous year. Destination-wise, developing countries continued to be the major markets for India's exports with a share of 41.6% of total exports. The share of OECD countries declined to 38.3% from 39.1%. However, within OECD group, the share of the EU increased to 23.0% during April-May 2008 from 20.6% in previous year. Exports to the EU, North America, OPEC, Eastern Europe and Asian and Latin American developing countries accelerated, while those to African developing countries decelerated. The UAE, with a share of 10.4%, replaced the US (10.3%) as the single largest export partner of India. Other major destinations of India's exports were Singapore (6.2%), China (6.0%), the UK (4.2%) and the Netherlands (3.8%)<sup>42</sup>

India has also huge experience of regional cooperation. The United Progressive Alliance's Government has the declared policy of giving "the highest priority to building closer political, economic and other ties with its neighbours in South Asia and to strengthening SAARC".<sup>43</sup> On the twelfth SAARC Summit in January 2004, a framework Agreement on South Asian Free Trade Agreement (SAFTA) was prepared. With the implementation of SAFTA, it would be able to move forward in other areas of economic integration such as services and investment with a view to realizing a Customs Union, and eventually a South Asia Economic Union.

## CONCLUSION

Above statements confirm that the fundamentals of the Indian and Uzbekistan economy have become strong and stable. The macro-economic indicators are at present the best in the history of independent India and Uzbekistan with high growth, healthy foreign exchange reserves, and foreign investment and robust increase in exports and low inflation and interest rates. India is today one of the most dynamic and fastest growing economies of the world. It constitutes not only a vast and growing market, but also a competitive source of technologies and knowledge-based services.

And in these achievements there is a significant share of the Indian economic diplomacy. Countries across the globe are beginning to see India as an indispensable economic partner and seeking mutually rewarding economic and commercial links with its emerging economy.

Today India has good relations with Uzbekistan and other Central Asian nations. There are a lot of common grounds for building Inter-Regional Cooperation between Central Asia and South Asia, where the economic factors will play a crucial role in shaping India's economic policy and diplomacy in these regions.

To sum up one can say that political and economic relations, diplomacy, energy projects, transport communications and improved modern technology capabilities constitute Uzbekistan's and India's main diplomatic instruments for projecting power into Inter-Regional Cooperation between Central Asia and South Asia. It is necessary to find the general format of cooperation between Central Asia and South Asia.

There exists the basis where Uzbekistan's and India's multilateral economic diplomacy could play active role to set up the Inter-Regional Cooperation between Central Asian and South Asian region (IRC-CASA). The basic purpose of such format is sustainable development of regions. The first stage could be the meetings of Ministers of Foreign Affairs of the Central and South Asian countries on the general problems of inter-regional cooperation and security. Subsequently, there could be meetings of the corresponding ministries of the countries of these regions on priority problems: transport corridors, trade and investments, energy resources and others. These could be new diplomatic steps for inter-regional cooperation in 21st century after twenty-year bilateral relations between Uzbekistan and India, between India and Central Asian countries.

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## SPIRIT AND LETTER OF STRATEGIC PARTNERSHIP BETWEEN INDIA AND UZBEKISTAN

FARKHOD TOLIPOV and K. WARIKOO

India and Uzbekistan have maintained close socio-economic and cultural ties through history. Both countries and their peoples have been evincing keen interest in each other's culture, lifestyle, literature, languages, songs and dances, food etc. Being situated in the very center of Central Asia and deriving its name from Sanskrit word *Vihara* (monastery), Bukhara retains its reputation as the holiest city with hundreds of mosques and *madrassas*. The Chor Minar *madrassa* at Bukhara is a crude and miniature form of Indian Char Minar at Hyderabad. Masjid Kalyan and Mir Arab *madrassa* in Bukhara continue to be the centers of important religious and social activity. Similarly Samarkand, situated on the bank of the Zarafshan river, was the very center of Silk Route system and a major urban center of erstwhile Sogdian empire. The Registan Square in Samarkand at first sight evokes the feeling of awe and splendour. That its main gate having two lions with sun painted on its top, is still called *Sher Dwar*, is ample testimony to close historical ties with India. In the Bibi Khanam mosque, in Samarkand people are still seen to be tying cotton tags to the mulberry tree asking for a boon, reminding us of similar practices in India.

The movement of trade, ideas and reciprocal cultural influences have left deep imprint on the social life and cultural traditions of this region. Popular usage of Indian spices, tea, medicinal herbs etc. and quest for Indian films and songs in Uzbekistan even today reflects the age-old Indian connection. A common cultural pattern embracing various forms of expression like astronomy, philosophy, language, literature, folklore, architecture, arts and crafts, calligraphy, textiles, food and dress habits developed in the process of socio-economic interaction between India and Uzbekistan. It is this consciousness of historical and cultural association

dating back to antiquity and permeating the psyche of the people of the two regions, which provides a firm basis for constructive Indo-Uzbek cooperation in diverse sectors.

Even during the Soviet period, when Uzbekistan was isolated from the world, India maintained deep interest in this region which was considered of great importance. India hosted the delegates from Uzbekistan at the first Asian Relations Conference held in Delhi in 1947. Jawaharlal Nehru, the first Prime Minister of India accompanied by Mrs. Indira Gandhi visited Uzbekistan during his official visits to former Soviet Union in 1955 and 1961. However, India's relations with Central Asia including Uzbekistan were conducted within the overall framework of the friendly Indo-Soviet relations. Prime Minister Lal Bahadur Shastri visited Tashkent in January 1966 in connection with the Indo-Pak talks. After his tragic death in Tashkent, Lal Bahadur Shastri's name has been commemorated with a street and a school having been named after him. A statue and a bust were also erected in Tashkent in his memory. In early 1975, Sharaf Rashidov, the then First Secretary of the Communist Party of Uzbekistan led a CPSU delegation to India. Former Indian President R. Venkataraman visited Uzbekistan in 1988 and former Indian Prime Minister V.P. Singh visited the country in 1990. India set up its Consulate General in Tashkent on April 1997, which was upgraded to the level of Embassy through the signing of a diplomatic and consular protocol on 18 March 1992.

President Islam Karimov of Uzbekistan first visited India from 17-19 August 1991. When President Karimov made his first state visit to India in January 1994, he was awarded an honorary doctorate by Jawaharlal Nehru University. Karimov visited India on 1-3 May 2000 on his second state visit. During this visit 9 agreements including the Joint Declaration on Principles of Relations between the two countries and an Extradition Treaty were signed. President Karimov visited India on his third state visit from 4-6 April 2005, during which 13 agreements were signed.

P.V. Narsimha Rao, former Prime Minister of India visited Uzbekistan in May 1993. Several agreements on trade and economic cooperation and also an Indo-Uzbek Treaty on the Principles of Inter-state Relations and cooperation were signed during this visit. Subsequently an 'India Chair' was set up at the University of World Economy and Diplomacy, Tashkent and an Indian Cultural Centre was opened in Tashkent. Apart from the donation of medicines and medical equipment worth Rs. 40 lakhs, a credit of US \$ 10 million for joint ventures, project exports, purchase of capital goods etc. was provided by India to Uzbekistan. Indian Prime Minister



Dr. Manmohan Singh visited Uzbekistan on 25-26 April 2006. During his visit agreements on Indo-Uzbek cooperation in oil and gas, mining, agriculture, textile and education were signed. The Prime Minister also inaugurated the India-Uzbekistan Jawaharlal Nehru Centre for Information Technology at Tashkent established with the Indian assistance of Rs. 3 crores.

The Republic of Uzbekistan and India established strategic partnership during the State visit of the Uzbek President Islam Karimov to India on 17-18 May 2011. The Joint Statement that was adopted during that visit declared that bilateral relations had been elevated to the level of a long term and strategic partnership based on equality and mutual understanding. This event marked the high point that was reached by two countries in the new era of bilateral cooperation which began after Uzbekistan gaining its independence in 1991 and establishment of diplomatic relations between India and Uzbekistan on 18 March 1992.

The relations of strategic partnership are supposed to be unprecedented in the sense that the title 'Strategic' articulates the exceptional significance of bilateral cooperation from the viewpoint of vital interests of both states and the existence of their special intentions. This type of relations between states is deemed to differ from the ordinary cooperation. The character and implications of strategic partnership are more important than those of more conventional or non-strategic cooperation. Strategic partnership can be defined as a special type of cooperation between the states which is characterized by the following features: 1) the sides – strategic partners – reached the very high level of mutual trust and confidence; 2) cooperation between them is intended for long-term perspective; 3) intensive cooperation includes not just one but many spheres: economic, political, cultural, military, security, and others with special emphasis on the national security interests; 4) the sides have common or very close interests in international politics and can correlate their positions on key international issues; 5) such a partnership inevitably has long-term geopolitical implications either on the regional and/or international level. Strategic partnership between states evolves from the comprehension of immense importance of one for the other, especially from the viewpoint of the national security rationale.

For Newly Independent States (NIS) of Central Asia and, in particular, for Uzbekistan the establishment of relations of strategic partnership with a certain great or regional power plays a triple role: it is a matter of prestige; it is a tool of geopolitical maneuver; and it is a matter of security

arrangement. Uzbekistan already has a Declaration on strategic Partnership with the United States (April 2002), a Treaty on Strategic Partnership with the Russian Federation (June 2004) and Joint Declaration on the Establishment of Strategic Partnership with the People Republic of China (June 2012).

The establishment of strategic partnership between India and Uzbekistan in fact was predetermined and prepared even before the dissolution of the Soviet Union and independence of Uzbekistan. The former Prime-Minister of India Indira Gandhi visited Tashkent twice in 1955 and 1961. Her successor Prime Minister Lal Bahadur Shastri visited Tashkent in 1966 where talks between Pakistan and India were held. The Tashkent Declaration adopted on 10 January 1966 was a peace agreement between India and Pakistan after the Indo-Pakistani war of 1965. Thereby strategic significance of Tashkent for Indo-Pakistani peace talks was revealed long ago when Uzbekistan was a part of the former Soviet Union.

The new era relations between India and Uzbekistan are developing when both countries experience new role in the international system: India persistently moving towards the global role and great power status; Uzbekistan has been since 1991 acting and for the first time in its history as an independent actor of international relations and finds itself today at the epicenter of fundamental global geopolitical transformation which is expected to have profound implications for the whole international system in the twenty first century.

Actually, the first visit of President of Uzbekistan Islam Karimov to New Delhi took place on 18-19 August 1991 – several months before the dissolution of the former USSR. Since then Karimov made four state visits to India. So strategic partnership of India and Uzbekistan has been nurtured on rich historical background, and the frequency of leaders' visits and diplomatic contacts as well as set of bilateral agreements just confirm this achievement.

The letter and spirit of the 2011 Indian-Uzbek Joint Statement<sup>1</sup> implies all elements of the above mentioned definition of strategic partnership. The Statement says: "This strategic partnership would encompass active cooperation in a wide spectrum of areas including political, economic, counter-terrorism, education, health, human resource development, science and technology, tourism and culture" (Article 5). The sides noted with satisfaction the conclusion of bilateral documents during the visit on cooperation in a range of areas including Information Technology,

Pharmaceuticals, Standardization, Small and Medium Enterprises, Coal gasification, Oil & Gas, Science & Technology, Textiles and Banking (Article 6). It has to be noticed that the total sum of joint projects which are envisaged in the wake of the last visit of Karimov to Delhi is 2.2 billion US dollars. India has also invested in Uzbekistan's economy. From 2007 to 2010, Indian investment totaled US \$ 33.5 million. Indian textile company Spentex bought two textile mills near Tashkent in August 2006 with an investment of US \$ 81 million. Spentex acquired another textile company in Ferghana in 2007. Another project of US \$ 25 million was initiated by Minda Group which is operating in automobile component production. This statistics is quite illustrative of the grand potential for economic cooperation and bilateral trade, potential that conceals the possibility of huge scale of multifaceted bilateral cooperation between India and Uzbekistan.

It has to be recognized that currently India's profile in Central Asia and especially in Uzbekistan in the sphere of trade and investments cooperation is not so high as compared, for example, to China's or Russia's profile. Nevertheless, India today is on the seventh place among Uzbekistan's foreign trade partners and trade turnover has been steadily increasing year by year.

INDIA-UZBEKISTAN BILATERAL TRADE<sup>2</sup> (AS PER UZBEK SOURCES)

<i>Year</i>	<i>Imports from India (in US\$ million)</i>	<i>Exports to India (in US\$ million)</i>	<i>Total trade turnover (in US\$ million)</i>	<i>Percentage change over previous year</i>
2007	64.0	9.5	73.5	23.73%
2008	79.9	11.1	91	23.80%
2009	101.6	23.1	124.7	37%
2010	123.8	27.2	151	21.10%
2011	137.6	22.2	159.8	

(Source: Uzbekistan State Committee for Statistics)

## INDIA'S TRADE WITH UZBEKISTAN (VALUES IN US \$ MILLION)

<i>Year (April-March)</i>	<i>Export</i>	<i>Import</i>	<i>Total trade</i>
1996-1997	8.14	2.60	10.74
1997-1998	17.59	2.71	20.30
1998-1999	12.83	1.67	14.50
1999-2000	9.94	12.97	22.91
2000-2001	9.39	10.58	19.97
2001-2002	6.53	17.27	23.80
2002-2003	5.08	20.54	25.62

2003-2004	15.14	27.70	42.84
2004-2005	21.35	31.46	52.81
2005-2006	24.44	26.13	50.57
2006-2007	29.69	33.91	63.60
2007-2008	40.32	16.20	56.52
2008-2009	45.53	70.74	116.27
2009-2010	54.03	29.97	84.00
2010-2011	60.42	20.63	81.05
2011-2012	89.39	61.58	150.97

Source: Export Import Data Bank, Department of Commerce, Government of India. Accessed at <http://commerce.nic.in/eidb/default.asp>

India's main exports to Uzbekistan include drugs, other pharmaceutical products, paper, wood products, machinery, garments and fabrics, tea, plastic items, chemicals, surgical items and consumer goods. Beans, chemicals and non-ferrous metals constitute the bulk of Indian imports from Uzbekistan apart from machinery, silver, raw cotton, silk, pulses and services.

Value of bilateral trade between India and Uzbekistan has increased from a mere 10.74 million US dollars in 1996-97 to 150 million US dollars in the year 2011-12. There is need for setting up joint ventures in textile, leather, sericulture, food and fruit processing, pharmaceuticals, machinery and instruments, IT etc. Indian textile company Spintex, which has acquired 3 textile mills in Uzbekistan, is a success story. Recently ONGC Videsh Ltd. and Uzbekneftegaz have signed an MOU on cooperation in oil and gas exploration, production, joint participation in oil producing assets in Uzbekistan and third countries.

During a visit to Uzbekistan in December 2004, this author visited Chakalov Aircraft Factory in Tashkent. Dr. Kucherov, the then Chairman of Tashkent Aircraft Production Corporation was keen to upgrade his company's cooperation with India. He was keen to cooperate with HAL, Bengaluru. This factory was a joint stock company, 51 per cent share being owned by Uzbekistan. And at that time, 25.6 per cent share were open/offered to international investors. One doubts whether India has availed this opportunity. Since 1990s, India has been acquiring IL-76, military transport aircraft and later since 2001 six refuelling planes were purchased by India. India's potential in the traditional sector is yet to be realised.

The main obstacles in the trilateral trade are:

- a. Lack of direct overland access
- b. Macroeconomic instability in Central Asia

- c. Inadequate Banking facilities
- d. Strict Visa Regimes and Language barriers
- e. Lack of trade dynamism and entrepreneurship among Indian businessmen.
- f. Failure of India to secure air connections, remove customs/tariffs bottlenecks to motivate Indian enterprises for joint ventures in Central Asian Republics

India can substantially raise its level of exports of tea, pharmaceuticals and consumer goods to Uzbekistan. India also needs to focus on trade and investment opportunities in the service sector including banking, insurance, health care, IT software, tourism, education (in English medium). Indian concept of alternative medicine has become so popular in Central Asia. India needs to become a construction sector player in the exploitation and distribution of the Central Asian energy resources. Indian firms need to join international consortia for oil and gas exploration in the region, thus securing energy security for India. India has sound technology of refineries at par with established international standards. There is scope for India's involvement in modernising refineries, laying pipelines, investment in retail outlets/infrastructure and marketing of petroleum products.

Besides trade, economic cooperation and investments, Indo-Uzbek bilateral cooperation has a strong cultural and normative dimension which makes strategic partnership of these two states even quite unique. There is scope for greater Indo-Uzbek cooperation in matters of counter-terrorism, intelligence sharing and between defence and security establishments, Afghanistan etc.

It has to be pointed out that India's relations with Uzbekistan are considered a part of its all-in-all Central Asian strategy. That's why they will inevitably have far reaching geopolitical implications. At the focus of this strategy is the ultimate goal of breaking out of its South Asian constraints and prevent what India can discern as joint Sino-Pakistani effort to encircle and threaten it.<sup>3</sup> The newly established India-Uzbekistan strategic partnership can become a Delhi's breakthrough in its scramble for a place and voice in shaping a New Regional Order (NRO), especially taking into account that the NRO in the Central-South Asian macro-region is becoming a corner stone of the New World Order (NWO) in the context of the situation in Afghanistan.

Uzbekistan views Afghanistan and Pakistan as the transit corridor

for access to South Asia, as an alternative to existing routes to Russian in the north. In the meanwhile, Uzbekistan, Iran and Afghanistan are developing trans-Afghanistan corridor. Iran has initiated work on building Kerman-Zahidan rail which will go directly to Pakistan. Iran has also constructed railway to Herat, thus connecting western Afghanistan. Uzbekistan is working to connect Kharaton and Mazar-e-Sharif in Northern Afghanistan, which is planned to be connected to Meshad-Zahidan and Pakistan.

Foreign and Transport ministers of Uzbekistan, Iran and Turkmenistan met in Tehran in November 2010 and agreed to build new transportation corridor between Persian Gulf and Central Asia through Iran. President Karimov had earlier visited Turkmenistan on 19-20 October 2010 and discussed with Turkmen President G. Berdemuhamedov, the issue of opening of a transport corridor of Uzbekistan-Turkmenistan-Iran-Oman-Qatar in the region. Soon after, Karimov visited Qatar on 23-24 November 2010. This initiative has the support of Persian Gulf states as well as Saudi Arabia. India is making efforts to reach Central Asia through Iran (via Bander Abbas, Chah Bahar) and through Afghanistan (via Delaram-Zaranj).

Afghanistan, in fact, became a testing ground for testing the spirit of Indo-Uzbek strategic partnership. The Joint Statement says "The sides highlighted the absence of surface transport connectivity as one of the reasons for the low level of trade between the two countries. To resolve these connectivity problems, the sides discussed implementation of such projects as the Trans-Afghan corridor and the project to establish the Central Asia-Persian Gulf corridor. The implementation of these projects may considerably cut down the distance and costs for transportation of goods between Uzbekistan and India, as well as provide Afghanistan the opportunity to integrate into the regional system of transport connectivity. The sides agreed to continue their work in terms of looking for various options for surface connectivity between India and Uzbekistan. (Article 11)

The Joint Statement resolutely condemned terrorism in all its forms and manifestations, and reaffirmed that international terrorism was a threat to global peace and security. It was noted with satisfaction that the fourth meeting of the Indo-Uzbek Joint Working Group on combating international terrorism at New Delhi in February 2011 discussed several issues of security and counter-terrorism including exchange of information, data, financing of terrorism and related matters. They emphasized the

need for adoption of the “Comprehensive Convention on International Terrorism” in the near future. The sides expressed the intention in this context to continue consultations between the Ministries of Foreign Affairs and to coordinate their efforts within the framework of the JWG on Combating International Terrorism. (Article 16).

Meanwhile, it seems that Indian and Uzbek common anti-terrorism stance, important and firm per se, needs to be demonstrated and performed beyond declaratory level. There is no doubt that Joint Working Group on combating terrorism is quite efficient in practical terms. At the same time, strategic partnership requires common position on such a really strategic issue as the situation in Afghanistan. However, there are some differences between the two states regarding this problem. For instance, Tashkent since 2008 endeavors to advance the initiative of establishing the so-called “6+3” group of representatives of 6 countries neighbouring Afghanistan and 3 major international actors – the US, Russia and the NATO to launch the negotiation process on the resolution of Afghan conflict and post-conflict reconstruction of this country. However, the “6+3” concept doesn’t include the Afghan government itself and such an important, albeit not a neighbouring country as India, which should be considered as indispensable participant of any Afghanistan-related multilateral forum. Moreover, Uzbekistan’s and India’s attitude to different insurgent groups in Afghanistan and to Taliban above all, are not similar. That’s why Tashkent and Delhi as strategic partners need to correlate their position on this question.

India and Uzbekistan have common strategic interest in eliminating roots of terrorism not only in Afghanistan but in neighboring Pakistan as well. As an Indian analyst P. Stobdan argues, “[O]ver the years, Pakistan has become a breeding ground for international terrorism. Apart from its involvement in Kashmir and Afghanistan, the role of the Pakistani fundamentalist activists in other countries, including those in Central Asia, is too well known to need any emphasis”.<sup>4</sup> Indeed, the terrorist organization *Islamic Movement of Uzbekistan* (IMU) that emerged in the Fergana Valley of Uzbekistan in 1990s fled the country after severe crackdown on its leaders and fighters by the Uzbek government and is hiding nowadays in different areas between Pakistan and Afghanistan. That’s why eradication of roots of extremism and terrorism in South Asia which simultaneously pose threats to India and Uzbekistan from the same source requires common strategic response of these two states against those threats.

The New Regional Order (NRO) is supposed to be shaped to a considerable degree due to the projected construction of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline – “a project of the century” for Central-South Asian macro-region. However, the unstable situation in Afghanistan and in Pakistan being far from peaceful and friendly towards India makes such mega projects rather a geopolitical conundrum.

The strategic Joint Statement says that “The sides expressed their strong commitment to multilateralism, with the United Nations playing a central role in dealing with global challenges and threats. They reaffirmed their commitment to the reform of the United Nations, particularly the Security Council, through its expansion in the permanent and non-permanent categories, with increased representation of developing countries in both, in order to improve its efficiency, representativeness, and legitimacy, and for it to better meet the contemporary challenges faced by the international community. The Uzbek side reiterated its support for India’s candidature for permanent membership of an expanded Security Council” (Article 18). This article is also in full accordance with the above given definition of strategic partnership because it reflects unanimity of both states about major international problems.

American analyst Stephen Blank argues that Pakistan’s designs on Afghanistan not only place it in conflict with India as an extension of their already long-running conflicts, but they also open up the possibility of inciting more conflict in Afghanistan itself and forcing Central Asian states “to lean to one side” regarding South Asia. If they lean towards India it is hardly beyond Pakistani capabilities, given Pakistan’s contacts with terrorist groups for inciting unrest in Central Asia. Since India has now opted to do more in order to support Afghanistan and has done so at U.S. urging, an Indo-Pakistani clash in Afghanistan, given Pakistan’s all weather friendship with China and improving Russo-Pakistani ties, could become another surrogate for great power rivalry here.<sup>5</sup> This means, among other things, that New Delhi cannot remain indifferent to the unfolding new round of geopolitical game in the region and must lift its profile in Central Asia. This is required by its newly established strategic partnership with Tashkent. Uzbekistan “leans”, to use Blank’s words, to India.

There is convergence of views and interests between Uzbekistan and India, on fundamental issues such as; (a) need to maintain social harmony and equilibrium by promoting inter-ethnic harmony and peaceful co-existence; (b) commitment to secularism and democracy and opposition to religious fundamentalism; (c) recognition of threat to regional security



and stability from trans-border terrorism, arms and drug trafficking, religious extremism and ethnic-religious secessionism; (d) commitment to the principles of territorial integrity of nation states and inviolability of state borders and (e) promoting economic, scientific and cultural cooperation. This mutual political understanding can and needs to be reinforced through synergy of thought and action between various Indian government agencies, universities and institutions so that the historical and cultural linkages between India and Uzbekistan are strengthened and developed into a fund of goodwill, love and harmony at the grassroots level.

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## UZBEKISTAN AND KAZAKHSTAN *TWO FAILED LEADERS OF CENTRAL ASIA*

FARKHOD TOLIPOV

Throughout the entire twenty years independence period, the perceptions and speculations about competition between Uzbekistan and Kazakhstan for regional leadership have been articulated with amazing persistence. Such perceptions and speculations have been maintained for geopolitical purposes, analyzed on the basis of classical geopolitics, and have geopolitical implications.

This paper seeks to analyse this mythic phenomenon by application of the school of constructivism and critical geopolitics. According to this school of thought, "In considering geographical imaginations we are inevitably drawn into debates over national identity and the specification of the boundaries – conceptual and cartographic – of 'the nation' ".<sup>1</sup>

The notion of leader is multifaceted: leader as hegemony (omnipotent subject); leader as the one who leads (while others follow); leader as an example (authority); leader as a success (advanced subject). The first type possesses physical power; the second one juridical; the third one normative; the fourth one has no power at all.

### KAZAKHSTAN'S FAILED LEADERSHIP

The self-perception of Kazakhs as leaders in Central Asia can be well illustrated in the following typical statement of Kazakh analysts: "While Kazakhstan was confidently conducting economic reforms and the Kazakh elite was effectively investing its incredibly rich human potential (spearheaded by a young generation of market-oriented, Western-thinking individuals), into the post-Soviet market modernization, its neighbors were concentrating on a return to their historical roots. In practice, this meant

the revival of archaic public institutions, together with the Islamization and degradation of the education system".<sup>2</sup> Such a stereotypical view distorted the real picture of Central Asian transformation after gaining independence in 1991. First, economic reforms have been conducted in all countries of the region, especially in Uzbekistan – Kazakhstan's alleged competitor. Second, human potential in Uzbekistan is obviously bigger than in Kazakhstan. Third, young generation is no less market-oriented and Western-thinking (for example, the pool of internet users in Uzbekistan is more than 8 million, almost half the population of Kazakhstan). Fourth, revitalization of Islam (which takes place in Kazakhstan, as well) doesn't mean at all the return to archaic way of life and institutions; and international education is very popular among Uzbek students.

Self-identification, as we can see and identification of neighbors are not only a difficult exercise but sometimes can be misleading, intentional or unintentional, undertaking. In this respect, it should be pointed out that the success of the Central Asian strategy of the EU, Russia, US, China or whichever great power depends to a large extent on Central Asian countries', especially leading ones' and peoples' self-identification. This phenomenon turns out very confusing.

Take, for example, only one issue, namely Kazakhstan's international orientation. One finds it surprising how Kazakhstani President Nursultan Nazarbaev described Kazakhs in his interview to BBC in September 2006. He was asked a question: "You actively lobby interests of your country in the OSCE in order to achieve the chairmanship of Kazakhstan in it. Why do you believe Kazakhstan is relevant candidate for the status of a chairman?" He responded: "Kazakhs are Europeans, not Asians. In fact, we are all Europeans. We were educated this way... I personally perceive further development of Kazakhstan as a democratic free development".<sup>3</sup> Why in order to look democratic and free country Kazakhs should distort their Asian identity remains unclear. On the other hand, if Kazakhstan is a European country, as it pretends to be, then, perhaps, it's more relevant to talk about competition between Kazakhstan and France or Kazakhstan and Germany for leadership in the EU.

Kazakhstan's chairmanship of the OSCE in 2010 was a symptom of leader's failure. As a chairman of the OSCE Kazakhstan failed bringing this organization closer to Central Asia and vice versa – bringing Central Asian countries closer to the organization. More than that, surprisingly, some Kazakh media even argued that the task of Kazakhstan was not corresponding to the OSCE standards but rather creation of new ones

that correspond new realities.<sup>4</sup>

In the last century, Hans Morgenthau well described the threefold pattern of international politics: the policy of status-quo; the policy of imperialism; and the policy of prestige. Kazakhstan's passion to get the chairmanship status in the OSCE reminds the classical rule of international politics, i.e., the policy of prestige. Morgenthau wrote: "The policy of prestige has used as one of its main vehicles the aristocratic forms of social intercourse practiced in the diplomatic world. That world, with its ceremonial rules, its quarrels about rank and precedence, and its empty formalisms, is the very antithesis of the democratic way of life. Even those not fully persuaded that power politics is nothing but an elitist atavism have been inclined to see in the policy of prestige as practiced by diplomats an anachronistic game, frivolous and farcical and devoid of any organic connection with the business of international politics".<sup>5</sup> "The purpose of the policy of prestige is "to impress other nations with the power one's own nation actually possesses, or with the power it believes, or wants the other nations to believe, it possesses".<sup>6</sup> Morgenthau also warned that the nation's image in the mirror of others' mind that is, its prestige can in fact be the distorted reflection.

The mostly technical and routine by character role of the Chairman of the OSCE was too euphorically ideologized by the 2010 Chairman. Kazakhstan as a Chairman was good in terms of keeping diplomatic contacts, organizing seminars and conferences, and in general adapting itself to the complex international arena, but it was not good in terms of playing the leading role in it. For example, it was very surprising that the OSCE Astana summit overlooked the tragic events in the South of Kyrgyzstan and the Declaration of the summit even didn't mention them. Interestingly, the Declaration was very common by content but the Interpretative Statements made by a number of countries in the course of the summit were very concrete and critical about the summit's outcomes.<sup>7</sup>

The Kazakh analyst Adil Kaukenov critically wrote that the "year 2010 became the year of escalation of tension in South Caucasus, and political dislocation in neighboring Kyrgyzstan brought to naught intentions of Kazakhstan to "keep in focus the region of Central Asia" about which it was mentioned in the Program of chairmanship as about the development of coordination "in reaction to new challenges and menace to safety... ...It would seem the course of chairmanship of Kazakhstan in OSCE during 2010 can be hardly regarded as successful and unequivocally effective".<sup>8</sup>

Interestingly, perhaps the understanding that the leadership in the region is beyond Kazakhstan's capacity led some Kazakh experts to the following view: "Such unethical things as 'leader of Central Asia' were removed from our rhetoric".<sup>9</sup> Two points in this statement need to be clarified: 1) that the expression 'leader of Central Asia' is unethical is correct. 2) However, that the Kazakh political lexicon is overburdened with, not cleaned from this expression is also evident.

Therefore, the chairmanship just like all its regional leadership ambition became somewhat a "*political narcissism*" of Astana.

### UZBEKISTAN'S FAILED LEADERSHIP

Some years ago, Uzbekistan's President Islam Karimov used the expression "strategic uncertainty" to describe the ambiguous geopolitical situation emerging in Central Asia due to the complex game played by great powers in and over the region. Recent trends in Uzbekistan's foreign policy, especially towards Afghanistan, reveal a strategic uncertainty in its own right due to Uzbekistan's recent controversial moves on the international arena. In turn, this perplexity reflects the ambiguity of geopolitical trends in the entire region.

Tashkent's attitude toward such very crucial issues as construction of the Rogun Hydro-Power Station in Tajikistan, border management with Kyrgyzstan and Kazakhstan, trade and economic cooperation with neighboring countries reveals its priority given to national interests which actually turn out to be state interests.

If in Kazakhstan the self-perception of leadership exists not only on the top state level but also in the society, in Uzbekistan, on the contrary, such a self-perception exists without social base and public support. In other words, if Kazakhstani authorities managed to inculcate in the Kazakh's public opinion the view about this country's leadership, Uzbekistan authorities inspired only themselves about their regional leader status.

Meanwhile, Uzbekistan bears special responsibility for Central Asian affairs, different from Kazakhstan's and other neighboring countries' responsibilities. It was Uzbekistan that initiated in 1993 the creation of the Nuclear Weapon Free Zone in Central Asia; it was Karimov who advanced in 1995 the slogan "Turkistan is our common home"; it was in Tashkent where the Collective Security Treaty was signed in 1992; it was Uzbekistan that managed to organize the "6+2" forum on Afghanistan

in late 1990s; it was Uzbekistan that signed a special Declaration on Strategic Partnership with the United States and provided the right of base for the US forces on its territory in 2002.

But it is Uzbekistan that mined its border with Tajikistan and Kyrgyzstan; it's Tashkent that keeps non-cooperative position with respect to the Rogun Hydro-Power Station project of Tajikistan; it's Karimov who decided to withdraw from the CST and after returning to the CSTO keeps the minimalist position in it; it's Uzbekistan that demanded the withdrawal of American forces from its territory; it is Uzbekistan that entered the EAEC and in a year suspended again its membership; finally, it is Uzbekistan that was sanctioned by the EU in 2005 for the well known Andijan events.

Kazakh analyst Tuleshov made an interesting observation of Uzbekistan's regional behavior. He writes that being in the center of the region this state, nevertheless, remains peripheral even with regard to other countries of the region. Tashkent overlooked its location. They thought that Uzbekistan really occupied the central position, but lacked the wider vision of the common Euro-Asian space for playing the central role.<sup>10</sup> To my mind, this is only partially correct. The discussion of centrality of location should not be considered solely from geographical perspective, but also from political (or geopolitical) and historical one. From this point of view the vast Eurasia is no longer common for post-Soviet states, since 1991. Moreover, in Eurasia only Russia can be regarded as having a central position, not any other country.

Two countries – Kazakhstan and Uzbekistan – represent nowadays two different schools of thinking of the phenomenon of the region to which they belong. Kazakhstani school portrays Central Asia, or at least Kazakhstan itself, as part of the larger Eurasian space whereas Uzbekistani school has until recently rejected Eurasianism and been adherent to Central Asianism. From this point of view, it's Uzbekistan that might be a genuine regional actor.

Uzbekistan as a state and a nation indeed possesses most of the necessary assets to play a responsible leader's role in Central Asia. Due to its central location in the region (it has borders with all other Central Asian countries), strong national identity and national unity, most developed economic and transport infrastructure, strongest military forces and biggest human potential (half of the population of Central Asia live in Uzbekistan) as well as its status of historical, religious and civilizational core of the region, Uzbekistan can claim its unique political posture among

other brother nations located around it. Thereby Uzbekistan can spur centripetal processes and resist centrifugal tendencies in this part of the world. But, as it sometimes takes place elsewhere, such rationale doesn't immediately bring about such regional behavior on the part of Uzbekistan.

Uzbekistan's participation or non-participation in regional affairs will have a decisive impact on the status of the region. In other words, its involvement in or self-isolation from regional processes actually reveals its genuine leadership potential. And Tashkent really believes that its leadership in Central Asia is obvious and a matter of fact. However, leadership needs constant recognition, confirmation, renovation and corresponding activity. Unfortunately, such features are not so far peculiar to Uzbekistan's regional behavior. Therefore, this leadership took the form of "*political arrogance*" of Tashkent.

#### IMPLICATIONS FOR REGIONAL GEOPOLITICS AND SECURITY

Both *political narcissism* of Astana and *political arrogance* of Tashkent are producing geopolitical and security implications for the region. A race for regional leadership between Kazakhstan and Uzbekistan is a myth, which may become a *meaningless virtual reality*, as it may help to distract the attention and resources from the meaningful actual reality, i.e. from topical issues and specific challenges the region is facing. Of these challenges the one must be pointed out as one of the most destructive, namely the micro-geopolitics of Central Asians within the region.<sup>11</sup> This micro-geopolitics destructs the region and can just contribute to the macro-geopolitics of great powers.

One large article in *Nezavisimaya Gazeta* of March 26, 1997 titled: "CIS: the beginning or the end of history" deserves mention in this respect.

"Integration inside Central Asia undermines the interests of the Russian economy in the region, while the course to submit the post-Soviet economies to the developed countries of the West and the South leaves no room for Russia. Russia should focus on washing out the emerging bloc (Central Asian Union), splitting it and instigating interregional rivalry. Lack of trust caused by the desire of Nazarbaev and Karimov to lead in Central Asia has repeatedly called into question the existence of the Central Asian Union. The game of personal ambitions of these leaders may actually change the entire political map of the region".<sup>12</sup>

Some confirmations of fading regionalism in Central Asia due to Kazakhstan-Uzbekistan divergence are looming today. Kaukenov from

Kazakhstan having noticed Kyrgyz President Otunbayeva's address for help to Kremlin, instead of Akorda at the moment of destabilization of the situation in the South of Kyrgyzstan, rightly argues that the countries of Central Asia in the sphere of security tie themselves not with each other but with external forces. In this case with the Russian Federation.<sup>13</sup>

The leadership needs to be somehow institutionalized. In the Central Asian case it might have been materialized in the framework of the regional organization of integration that was created in 1991 and had existed until 2005. Unfortunately, this process was artificially suspended with the unexpected merger of the Central Asian Cooperation Organization (CACO) with the Euro-Asian Economic Community (EAEC).

The leadership of Kazakhstan or Uzbekistan institutionally failed also because they have aspired leadership for the sake of own national interests, not regional interests. Kazakhstan's pseudo-leadership was distorted by its, so to speak, eclectic multi-vector foreign policy and desire to look as a leader not only in Central Asia but also in Eurasia, in Europe and in Asia. Uzbekistan's pseudo-leadership, in turn, was deadlocked by its selfish isolationism in Central Asia and ideologically biased conviction that the leadership is self-evident. In the end, with the sacrifice of the regional integration organization in 2005 both Astana and Tashkent sacrificed their leadership as well.

Mutual misperceptions and obsession with virtual reality influenced the perceptions of threats as well. One Report of the Eurasian Center for Political Studies indicates how Kazakhstan sees the challenges from the Southern Republic. The list of those challenges includes: barriers that Uzbeks create for the Kazakh business attempting to get an access to the Uzbek market; problems of Uzbek transit through the territory of Kazakhstan to Russia; water and energy disputes; diasporas problem; the export of religious-political extremism; expulsion of the moderate representatives of political Islam by official authorities of Uzbekistan which leads to their partial settling on the territory of Kazakhstan.

Another set of challenges is related to domestic problems of Uzbekistan which can arise when Tashkent begins scaled socio-economic reforms. These reforms will come too late and will inevitably cause domestic instability that in turn will pose a challenge to Kazakhstan, particularly in the form of uncontrolled migration. Some Kazakhstani analysts are really concerned about increasing threats from Uzbekistan and suggest protective measures in order to deter the possible threats from Uzbekistan. They also suggest pursuing active foreign policy from the



position of the regional leader which would give Kazakhstan besides geoeconomic dividends also the higher status as compared to other republics of the region in its relations with external key powers and thereby more opportunities for geopolitical maneuvering.<sup>14</sup>

It has to be pointed out that in the West, too, there exists the view that the alleged and mythic competition between Kazakhstan and Uzbekistan for leadership is immanently destructive and dangerous. Shireen Hunter, for example, argues that this process should take the form of an 'Uzbek thrust for dominance' because Uzbekistan is bound to take advantage of its large population, high degree of national homogeneity, rich natural resources and sizable Uzbek minority groups residing in the neighbouring Central Asian countries. These ambitions, Shireen Hunter argues, can be prevented by a 'Russian-led coalition to counteract Uzbek expansionism'.<sup>15</sup> Interestingly, such a perception, albeit exaggerated and negative, of Uzbek thrust for dominance in the region, reflects the recognition of its de-facto stronger potential among neighboring countries – potential which this country can employ for establishing its real leadership.

Meanwhile, neither Uzbekistan nor Kazakhstan could embody the status of a regional leader not only because of each one's mismanagement of its regional strategy but also because each has been mostly preoccupied until now with the nation- and state-building agenda which has been the primary task. The real leader should be above all internally strong and relatively prosperous nation and democratically developing polity. However, these two Central Asian countries fall under serious criticism of international organizations for their authoritarian regimes and lack of progress in democratization. These regimes have been concerned more with the preservation of regime stability than the creation (internally and regionally) of the real, not fake, image of the attractive regional leader.

From this point of view, stability – another key word in political lexicon in both countries concerned – seems having different nuances in these two countries. Stability in Kazakhstan is interpreted by Kazakh political elites and analysts as an outcome of reforms; stability in Uzbekistan is interpreted by Uzbek political elites and local analysts as an input of reforms. Kazakhs believe that their stability is a by-product of successful reforms; Uzbeks think that their stability is a prerequisite of successful reforms. Both perceptions, however, turn out wrong. And both perceptions are utilized in both countries as tools for justification of the non-democratic status-quo. By-and-large, leadership is, among other things, a function of

geopolitical strength and socio-economic attractiveness and good governance.

It is interesting, in this regard, to recall that until recently Kazakhs identified themselves as the most stable country and better organized society, not exposed to religious and social extremism. However, the events of 2011 related to first extremist and terrorist actions in Kazakh cities Atyrau, Aktobe, Astana, Almaty, and a social unrest in Janaozen revealed that such a self-perception of Kazakhs doesn't always reflect the reality.

At the same time, the situation is not like "zero-sum" game. Kazakh analyst Murat Laumulin acknowledges that although there is ground for competition for leadership between Kazakhstan and Uzbekistan, these two strongest countries of the region tried to keep solidarity and seek for compromises; this helped to ensure stable development of relations between them.<sup>16</sup> Indeed, there is a strong ground for cooperation, not competition, between them. For instance, Kazakhstan is a third, after Russia and China, major trade partner of Uzbekistan. Trade turnover between Uzbekistan and Kazakhstan has been steadily growing since first years of independence and reached the level of about US dollars 2 bln.<sup>17</sup> In 2003 it was only 295.4 million dollars and in 2005 US \$ 703.8 million.<sup>18</sup>

Constructivist perspective stresses the key role of emancipation in political discourse and political practice. It seems now that elites, scholars and ordinary people in both Uzbekistan and Kazakhstan gradually emancipate in mutual perceptions of each other – on the one hand, and of their mutual responsibility for the regional security and integration. But this process will probably take some more time before they fully comprehend that the rhetoric of 'regional leadership' is a false idea to a great extent imposed upon them by *meaningless virtual reality*, rather than by the *meaningful actual reality*, i.e. from topical issues and specific challenges the region is facing.

## CONCLUSION

Both ambitious states seem to construct their foreign policies in order to benefit internationally, however, they lose locally/regionally. Surprisingly, these two states overlook the fact when they lose on the regional level they lose on the international level as well. Tashkent and Astana seem to neglect and sacrifice their historical, geopolitical, cultural and economic interdependence. Kazakhstan dilutes the idea of Central Asia in a wider concept of Eurasia, whereas Uzbekistan conducts 'laissez-fair' policy in

the region. As a result, this impairs the regional security environment.

Uzbekistan and Kazakhstan are two strong states but failed leaders of Central Asia. Critical geopolitics explains such a situation by referring to the issue of self-identification of people and the state. Interestingly, the state authorities and elites are status-quo actors of the political systems of all Central Asian countries. However, peoples are anti-status-quo actors. Therefore, correspondingly, identity turns into a complicated phenomenon, especially on the background of macro-geopolitical competition of great powers.

- A country with confused identity is doomed to fail in its leadership endeavor.
- Over-personalized and non-democratic state cannot be the regional leader.
- It's difficult to be a leader among small and weak countries in the shadow of the great powers' geopolitical game.
- The true leader should not only demonstrate its own attractiveness as a leading country but also behave accordingly on strategic and normative levels, something that Tashkent and Astana do not perform.

Astana and Tashkent might give up their obsolete and failed concept of individual leadership in the region and compensate it with other initiatives more adequate to the new situation in and around Central Asia. They both might jointly return to the idea of building the common home in Central Asia with all corresponding regional political and economic institutions. France and Germany – two real leaders of Europe who make joint efforts today to establish an economic government of the Euro-zone – can be an example. For this to happen, however, the regional and international geopolitical certainty is to be achieved, since the problem as such was a by-product of the global struggle of two and more great powers.

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# UZBEKISTAN AND JAPAN

## *BILATERAL AND MULTILATERAL RELATIONS\**

MIRZOKHID RAKHIMOV

### CENTRAL ASIAN REPUBLICS AND JAPAN

Japan is among the first ones to have recognized and established diplomatic links with the new states of Central Asia and both sides have developed relations in different fields. According to the former Japan ambassador to Uzbekistan Kawato Akia, Kyrgyzstan was the first to attract Japan's attention, but the Kyrgyz government was not prepared for the implementation of large assistance projects because of its small-sized economy, and gradually, the priority of the Japanese government was transferred to Kazakhstan and Uzbekistan. If Kazakhstan is important due to its large oil reserves, Uzbekistan occupies a geopolitically vital place at the center of the Eurasian continent.<sup>1</sup> There were some problems in Kazakh-Japan relations in the mid-1990s and for many Japanese, Kazakh officials seemed intractable, leading to preference for the Uzbeks who always received the Japanese very cordially.<sup>2</sup>

In 1997, "Eurasian" or "Silk Road" Diplomacy concept of Japan's policy toward Central Asia was initiated. It had a three-layered structure: political dialogue, economic cooperation and cooperation in nuclear non-proliferation, democratization and maintaining stability. "Silk Road" Diplomacy also gave the Japanese government a chance to develop its

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systematic support of Central Asia.<sup>3</sup> Japan's "Silk road Diplomacy" was highly lauded by countries in the Caucasus and Central Asia. Japan's ODA yen loans to Central Asia are about US\$2 billion so far; grant-in-aid is rather small, totaling about US\$600 million. Within that sum, about US\$260 million is for technical assistance towards capacity building.<sup>4</sup> ODA loans were used for infrastructure development in Central Asia: roads, modernization of airports, railways, optical fiber lines, bridges, power plants, vocational schools, water supply and canalization system.<sup>5</sup> ODA was used to technological innovation and constructions and Central Asian Republics defined their priorities themselves.

In January-February 2010, this author performed qualitative sociological survey among 20 scholars from academia and experts from government (institutes of strategic studies) and non-governmental organizations in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan on the issue of Central Asia-Japan bilateral and multilateral relations. Although systematic research on Central Asia-Japan relations is lacking, the survey offers interesting trends for the Central Asian researchers and officials. According to the results, Japan has a moderate position in Central Asia. As regards the position of Japan in the foreign policy of their countries, the answer of respondents from Kazakhstan, Kyrgyzstan and Tajikistan was equally divided in two equal groups between "important" and "insignificant". But all the respondents from Uzbekistan considered it as "important". The main directions of bilateral partnership between Kazakhstan and Japan are trade and energy, transport, education and cultural relations; for other countries education, trade, transport and humanitarian partnership. It should be noted that oil and gas are not the only resources that whet Japan's interest in Central Asia, but also uranium. Japan is the world's third-largest nuclear-power nation in terms of the number of civilian nuclear plants in operation.

Koizumi's visit coincided with moves by the U.S. and EU toward Uzbekistan after the Andizhan tragic events of May 2005 and the EU sanctions against Uzbekistan. But in 2007, the EU also adopted a new strategy for the Central Asia region for the period from 2007 to 2013. It emphasized the increasing political and economic partnership and was welcomed by Central Asian nations.<sup>6</sup> In November 2009, the EU sanctions on Uzbekistan were lifted.

There are some challenges and problems in the Central Asia-Japan relations. For instance, according to Uyama the general public and political circles in Japan, do not always recognize the importance of Central Asia,

and diplomats and experts who work with this region have often had difficulties in explaining why Central Asia matters.<sup>7</sup>

In Central Asia there is also different understanding and approaches toward Japan. In my interviews, experts also mentioned some problems in Central Asia–Japan relations. Though the majority (80%) stated the absence of the problem in the relations of their country with Japan, but 20% of the respondents mentioned some problems, including language problem, low level of political cooperation as compared with economic relations, moderate level of economic cooperation, weak contacts and expertise, lack of experiences of Japan business in Central Asia.

To the question “Which fields should be the priority for partnership of your country with Japan?”, the answer was- political and economic cooperation, investment, trade, agriculture, informational technology, energy and educational partnership. Some referred to the relations at the level of political parties, NGOs (Kyrgyzstan); and some mentioned academic and analytical partnership between research centers (Uzbekistan).

During almost two decades, Japanese government and organizations have supported thousands of young students from Central Asia graduate and participate in different educational and trainings programmes at the universities and organizations in Japan. Taking into account that the majority of Central Asian population is young, it is a valuable contribution to the good and modern education of the new generation.

The results of author’s survey have shown that all the Central Asian experts responded to Japan’s ODA program and it being most effective for their countries. All mentioned education, including exchange of students, technical assistance to the high schools, the quality of training. Economic and cultural relations were also mentioned several times. Among the effective grants programs was pointed out free study of Japanese, possibility of students to study and get new knowledge on the social, economic, technological developments in Japan, improving of local government’s workers skills and get to know Japan’s experiences in economic management.

One of the most significant problems is lack of information about each other. According to a Kazakh scholar, ordinary citizens of Kazakhstan do not know much about modern Japan, its culture, moral system and far less about its current foreign policy priorities and modern diplomacy. The similar situation exists in Japan, where ordinary Japanese people almost know nothing about Kazakhstan and other Central Asian countries.

Existing vacuum of information creates mutual misunderstanding and negatively affects the development of bilateral cooperation between Central Asian states and Japan and moreover, Japanese multilateral cooperation initiatives in the region.<sup>8</sup>

But the situation has gradually changed, for instance in the different cities of Japan JICA's volunteers are holding different presentations on their work in Asian and African countries. This author had a chance to observe such presentation on JICA in Sapporo in April 2010 on their activities in the Central Asia and to talk with the volunteers who worked in Central Asian countries. It should be noted that after terrible earthquake in Japan in March 2011 all Central Asian countries expressed their support and Uzbekistan and Kazakhstan provided humanitarian assistance to the country.

#### DYNAMICS OF UZBEK-JAPAN BILATERAL RELATIONS

Japan considers Uzbekistan like Kazakhstan as an important country in Central Asia and has desired to develop cooperation with Uzbekistan in the wider sphere of bilateral relations. Uzbekistan also attaches particular importance to the further development of cooperation with Japan, the largest economy in Asia, an influential member of the international community which can play a significant role in solving major regional and international issues.<sup>9</sup> During the first visit of the President of Uzbekistan Islam Karimov to Japan in May 1994, were signed documents which included cooperation agreement between the Ministry of Foreign Economic Relations of the Republic of Uzbekistan and companies like Mitsui Corporation LTD, Mitsubishi Corporation, Marubeni Corporation and Nisse-Ivoi Corporation. During the same visit President I. Karimov held the first meeting of Uzbek-Japanese and Japanese-Uzbek Committees on Economic Cooperation. On the basis of the May 1994 agreement, annual joint meetings of the committees have been held. In the same year was established Parliamentary Friendship League "Japan-Uzbekistan" in Tokyo.

Uzbekistan regularly is visited by the representatives of major Japanese business and government officials. Since 1999, there has been an exchange of visits by foreign ministers. The Japanese companies are interested in the development of resources in large oil and gas bearing areas Ustyurt, Bukhara, Khiva, South-West Gisar, Surkhandarya and Fergana regions. In May 1995, a contract was signed between national company



“Uzbekneftegaz”, the company “Marubeni” and the French company “Technip” worth US\$ 262 million, to construct a refinery in Bukhara.

The most important direction of Uzbekistan-Japan bilateral cooperation is Japanese ODA for major investment and social programs in the country. Uzbekistan is provided with multimillion credits under the program of ODA. During almost two decades, soft and commercial loans totaling more than US \$2 billion were obtained and these funds were directed to projects for the development of telecommunication networks, reconstruction of train-car repairing plant in Tashkent, upgrading of airports in Samarkand, Bukhara, Urgench and also the railway project Tashguzar-Baysun-Kumkurgan.<sup>10</sup>

In 2001 Uzbekistan-Japan Human Development Center was established in Tashkent and the initiative of the organization and the founders of the center were the Japanese International Cooperation Agency and the Ministry for Foreign Economic Relations of Uzbekistan. The main objective was to organize special trainings programs based on the Japanese experience and organizing special economic training of Uzbek specialists in Japan.<sup>11</sup> The Japanese side supports the National Program for training, soft loans for the project equipping of professional colleges. JICA organizes internships for Uzbek specialists in Japan and attract Japanese experts to work on investment and other projects. In addition exchange of students, academics and specialists is taking place every academic year.

During President Karimov visit to Japan in July 2002, were signed fourteen documents aimed at enhancing political and cultural exchanges and strengthening economic ties through increased Japanese investment in the private sector and also a joint declaration on friendship, strategic partnership and cooperation between the Republic of Uzbekistan and Japan. President Karimov also promoted the idea of constructing a new railway to reduce dependence on Russia and Turkmenistan, opening a new transportation route: a route to the Persian Gulf via Afghanistan.<sup>12</sup>

In August 2008 Japan and Uzbekistan signed a mutual investment agreement.<sup>13</sup> The agreement came into force in September 2009 and there is hope that it will increase bilateral investment. In May 2010 during the 43rd Annual Meeting of the ADB Board of Governors in Tashkent between the government of Uzbekistan, the Asian Development Bank and the Japan International Cooperation Agency signed seven documents worth a total of US\$ 1.015 billion for financing projects in important sectors of Uzbekistan.<sup>14</sup> Among these projects are reconstruction of water supply

system in Ferghana Valley cities, development of regional roads, support and micro financing small business, participation of Uzbek banks in trade financing program, as well as construction of two combined cycle gas turbines at Talimarjan thermal power station.

At the same time, there are some problems in the development of economic relations between Uzbekistan and Japan. According to Japanese companies, these include frequent changing laws and regulations, lack of transparency in getting licenses, corruption, problematic convertibility of Uzbek currency, the problems with logistics and transportation, unstable taxes procedure etc. There are some problems in using agricultural equipments and imperfection of the educational system in Central Asian countries, including Uzbekistan.<sup>15</sup> But Uzbek side is partly willing to have more active participation of Japan in Central Asian affairs and also for enlarging Uzbek-Japan relations.

According to official opinions, Japan and Uzbekistan have also regular dialogue on different international issues and partnership in the framework of international organizations, including the UN and other international and regional organizations.. Uzbekistan has consistently supported Japan's desire to become a permanent member of UN Security Council. Tashkent appreciates Japan's role to strengthen security and stability on the international level and as well as in Central Asia. Japan is providing full support to peace initiatives in Tashkent, while appreciating the significance of the efforts of Uzbekistan and other Central Asian countries to transform Central Asia into a nuclear weapons free zone.

Uzbekistan supported the ADB in implementation of the project on construction of the railway Khairaton-Mazar-e-Sharif, and considers it necessary to further develop the railway infrastructure in Afghanistan. This will permit to implement the project of construction of the Trans-Afghan corridor and open the shortest route for a railway transit of cargoes from Central Asia to the nearest ports of the Indian Ocean and will promote economic development of Afghanistan.

Talking on Uzbek-Japan relations President Karimov stressed that Japan was one of the oldest and most reliable investment partners of our nation.<sup>16</sup> The dynamics of the Uzbek-Japanese relations over recent years shows positive transformation of bilateral partnership and multilateral dialogue. But it is important to solve mutual problems so that increased cooperation between Japan and Uzbekistan in all aspects could contribute for sustainable development and strengthening stability in Central Asia.

MULTILATERAL APPROACH: CENTRAL ASIA PLUS JAPAN.

The geopolitical situation in Central Asia changed considerably in the second part of the 1990s and at the beginning of the millennium, when China began activating bilateral and multilateral relations in Central Asia with starting Shanghai process in 1996, Russia reestablished its position and sphere of interest in Central Asia, joint activation of Russia and China, changing situation in Afghanistan and influence of the Taliban on the regional security. In 2001 after the terrorist action in the US, the new geostrategic transformation came to Central Asia with the setting up of US military bases in Central Asian countries – Uzbekistan and Kyrgyzstan, NATO contingent in Uzbekistan and Tajikistan and starting counter-terrorism operation in Afghanistan. Central Asia also got importance due to its natural resources, significant geo-economic potential and potential energy deliveries to the world market.

Also in the beginning of 21st century we see activation of India, Korea and Japan in Central Asia, which were mainly welcomed in the region. If compared with India and Korea, Japan attempted to implement not only active bilateral partnership, but also multilateral one. Tokyo recognized the growing strategic importance of Central Asia in the context of international security and sought to play a more active role as an Asian nation in Eurasia. In 2002 in the Asian Forum in Boao of China, former Prime Minister of Japan in his speech described Central Asia as the continent's geo-strategic hub in the integration of the region in economic cooperation with countries in East Asia. It was a call to join the transcontinental efforts to attract capital and technology to create and enhance the effectiveness of infrastructure in the region, including construction of oil and gas pipelines from the region in the East and South-East Asia.

As continuation of this new approach in August 2004 Japanese Foreign Minister Yoriko Kawaguchi visited the four countries of Central Asia -Uzbekistan, Kazakhstan, Tajikistan and Kyrgyzstan and held talks with their presidents. The talks mainly focused on the issues of bilateral relations, regional cooperation and situation in Afghanistan and a series of documents were signed. Also on August 28, 2004 the first foreign ministerial conference of "Central Asia plus Japan" was held in Astana, the capital of Kazakhstan. At the conclusion of the conference, foreign ministers signed a joint declaration in which all the participants expressed the hope of continuing the dialogue and developing the cooperative

relations in all spheres between Japan and the Central Asian countries. Yoriko Kawaguchi's visit to Central Asia was aimed at consolidating and strengthening the bilateral and multilateral relations between Japan and the Central Asian countries and further boost Japanese influence over the region.

The main concepts of inter-regional cooperation "Central Asia plus Japan" were declared respect for different points of view, competition and coordination and open cooperation. In October 2006 the Foreign Ministers of Japan, Kyrgyz Republic, Tajikistan, Uzbekistan, the special envoy from Kazakhstan and also the Foreign Minister of the Islamic Republic of Afghanistan as a guest held the Second Foreign Ministers Meeting within the framework of the "Central Asia plus Japan" Dialogue in Tokyo and discussed how these countries could cooperate among themselves, focusing on the promotion of intra-regional cooperation.

This meeting endorsed "policy dialogue," "intra-regional cooperation," "business promotion," "intellectual dialogue," and "cultural and people-to-people exchange" as the pillars of cooperation within the framework. Also during the 2nd Foreign Ministers' meeting the "Action Plan" was signed, which described in concrete terms the type and contents of contribution Japan intended or planned to make. The major instrument for implementing the Action Plan is Japan's ODA programs, mainly technical cooperation and grant of financial assistance and concessional loans.

However, further development of "Central Asia plus Japan" was very slow and not concrete. For example it was planned for the Japan Minister of Foreign Affairs Aso and his counterparts from Central Asia to meet while they attended the General Assembly of the United Nations in 2007, but, it did not happen. According to information from Central Asian embassies, there was also a plan to hold the third ministerial meeting in Tashkent in 2008, but due to some problems in Japan, including the often replacement of Prime Minister's administration, the Tashkent meeting could not be organized.<sup>17</sup> It was only in August 2010 that third ministerial meeting in Tashkent (Uzbekistan) was organized which agreed to have Central Asia-Japan economic forum in 2011 in Tokyo. According to my survey, the majority of Central Asian experts (80 %) consider the format "Central Asia plus Japan" as "having little effect", but the initiative could support future regional cooperation, due to the absence of geopolitical interest of Japan in Central Asia, its historical transformation and presumably its economic activation. At the same time 20 % of respondents

consider the initiative as “insignificant and having negative effect on the future cooperation”.<sup>18</sup> The Central Asian nations consider cooperation with Japan to be strategically important and collaboration would also build closer trade, economic and investment interaction between Eurasia, Europe, the Middle East and Asia-Pacific region, using geo-strategic and other advantage.

During many years Japan has been showing interest in the political stability and development of all forms of cooperation with the countries of Central Asia, the desire to strengthen and consolidate its presence in the region to ensure greater stability in the supply of energy for its economy. At present Japan imports some 90% of its crude oil from Middle East and it is essential for the energy security of Japan.<sup>19</sup> According to Japanese scholar Takeshi there is also a link between Russia and Central Asia in the context of the Japanese strategy of energy supply from Eurasia. The idea of diversifying the supply route was driven by Japan’s pragmatic policy towards Russia, especially since the beginning of the 21st century.<sup>20</sup> Also Japan and Russia have shared mutual interests in Central Asia regarding energy issues, and especially regarding the construction of a cooperative regime of technology for the peaceful use of nuclear energy.<sup>21</sup>

The Japanese also consider that the development of the trans-continental transport system will intensify the integration of Central Asia in global trade, as well as provide access to the development of commodity resources in the region. Japan like many other countries is very much interested to have Central Asia on any of the possible routes through China, Turkey, either through Iran or Afghanistan and Pakistan. The future transport communications projects will serve to foster economic relations between Central Asia and Japan itself.

According to its Ministry of Foreign Affairs, Japan continues to support efforts of the Central Asian and Caucasian countries towards democratization and transition to the market economy, through bilateral means as well as through the framework of the “Central Asia plus Japan” Dialogue and others.<sup>22</sup> The success of Japan-Central Asia multilateral partnership depends on a range of other factors. According to Prof. Dadabaev it is important to promote functionalist models of inter-state relations within the “Central Asia plus Japan” initiative, which would require a clear definition of goals, and consistently pursuing cooperation beginning with a limited number of sectors and areas.<sup>23</sup> “Central Asia plus Japan” initiative is a good platform for multinational partnership, but it is necessary to define the goals and measures, gradually widening

HRCSAD and the scope of cooperation with participation of all interested nations and international and regional organizations.

### CONCLUSION

Uzbekistan and Japan during almost two decades extended bilateral relations and multilateral partnership. Japan's ODA program provides considerable technological and infrastructure support to all Central Asian countries, but with some differentiation. There are some challenges and problems in the relations. Nevertheless there is large potential and prospects for improvement and fostering regional cooperation in Central Asia as well as in the Central Asian partnership with the vast Asian continent and beyond. Future cooperation between Central Asian nations and Japan should incorporate the following aspects:

Firstly, it is necessary to enlarge academic partnership and joint projects on bilateral bases and in the framework of "Central Asia plus Japan";

Secondly, it is necessary to pursue systematic joint research on the dynamics of bilateral and multilateral relations between Central Asia and Japan, political, economic, cultural transformations in region.

Thirdly, Central Asia and Japan should continue their partnership on alternative transport corridors and pipelines as well as their cooperation in solving a wide range of problems, including ecological ones;

Fourth, it is necessary to define particular actions and extend the activities of "Central Asia plus Japan" with the participation of all interested partners;

It is necessary to enlarge bilateral and multilateral Central Asian – Japan relations. A future strong partnership would promote stability and economic progress in Central Asia besides contributing to international stability.

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# THE CONCEPT OF FURTHER DEEPENING THE DEMOCRATIC REFORMS AND ESTABLISHING THE CIVIL SOCIETY IN UZBEKISTAN\*

ISLAM KARIMOV

The year of 2010 is coming to end and we stand on the eve of 2011 – the year of the 20th Anniversary of Uzbekistan’s Independence. On the occasion of this landmark date it is quite natural that there is a need to assess the following: how the quality of our life and image of the country have changed and are changing now; what achievements we have made for over the past period; how fast we are advancing along the path of building an open democratic state with socially oriented market economy, and establishing the civil society. Briefly speaking, it is the task from today’s perspective to objectively assess the course of implementing the long-term objective that we set, i.e. to join the ranks of the modern developed and democratic states, ensure our people the decent living standards and worthy place in the world community.

It is well known that Uzbekistan after gaining its independence in 1991, while rejecting the obsolete totalitarian, administrative-command and planning-distributive system chose its own “Uzbek model” of development. The essence and substance of the model, which was elaborated and is being put into practice today, are as follows: radical change and renewal of the state and constitutional order; implementing political, economic and social reforms based on such principles as deideologization of economy and its priority over politics, giving the state the role of a major reformer, i.e. the functions of an initiator and coordinator of reforms, ensuring rule of law, providing strong social policy,

\* Abridged version of address by Islam Karimov, President of Uzbekistan at the Oliy Majlis on 12 November 2010.



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implementing the reforms step-by-step and on gradual basis. We consciously rejected the revolutionary option of reforms by the methods of “shock therapy” in favor of evolutionary and phased development. By this we have saved our people from the severest economic and social turbulences.

Today the world community, as well as such high-profile international financial institutions as the International Monetary Fund, the World Bank, the Asian Development Bank and others do recognize the sustainable high growth rates, the stability and reliability of the functioning financial and banking system, successful structural reforms in the economy and in general Uzbekistan’s confident steps on the way of modernizing the country.

It is obvious that no one remains indifferent to the following facts: the growth of Uzbekistan’s GDP during less than 20 years of our independent development made up 3.5 times, and per capita ratio rose 2.5 times, the growth of population’s real incomes made up 3.8 times and in particular the achieved successes in social and humanitarian dimension – the growth of state expenses for social security of population by 5 times, considerable improvement of living standards, which have resulted in decrease of maternal mortality rate by more than 2 times, children’s mortality rate – by 3 times, increase of average life expectancy made up from 67 to 73 years, and the life expectancy of women – up to 75 years. The international structures, experts and specialists display a keen interest in the fact that in 2008-2010, i.e. during the period, when practically most of the countries of the world have experienced a considerable decrease of economic growth rates and stagnation of production, in 2008 Uzbekistan’s GDP growth rates made up 9 percent, in 2009 – 8.1 percent, and in 2010 it is expected to be 8.5 percent, and in 2011 it is estimated to be 8.3 percent. At a time, when serious concern, particularly in the developed countries, is aroused by continuous growth of foreign public debt, Uzbekistan’s foreign debt does not exceed 10 percent, and the State budget is executed with surplus for over the past five years.

All of this does confirm the obvious fact (phenomenon) that within a historically short period of our country’s independent development-Uzbekistan, once a republic with one-sided hypertrophied raw-oriented economy, destructive monopoly of raw cotton production, primitive industrial and social infrastructure and the lowest per capita consumption index in the former USSR, - has stepped up to new horizons, which completely changed its image and place in the world community. However,

what we have achieved is just a part of a long and difficult road to the goal that we have set forward – to build an open democratic and law-governed state with a stably developing economy and the society respected in the world, in which a man, his interests, his rights and freedoms are the highest value not in words, but in practice.

In the century of globalization and even more intensive competition we have to realistically and self-critically assess our place in the ongoing cardinal changes in the world today, keep pace with growing demand of the time. The life never stops, the particular country and the particular nation will be victorious, if it has a deeply thought-out program and the strategy of its implementation with clear-cut guidelines and priorities, and what is mostly important, capable to preempt possible crises and various cataclysms, the highs and the lows of the world economy.

In this context, I would underscore that summing up the outcomes of what was accomplished during the past period of our independent development is quite necessary not only to objectively evaluate and introduce certain alterations to the reform program, but first of all, proceeding from demand of the future, to give a fresh and powerful impetus to our progressive movement along the path of reforming and modernizing the country.

While undertaking this, it is of principle importance to proceed from the fundamental provisions and norms of the Main Law – the Constitution adopted in December 1992, which defined the main principles of democratic development and establishing the civil society in the country. This work has acquired its highest intensity, scale and purposefulness during the last decade – from 2001 to 2010. As a result, today we have all grounds to assert that we have achieved the main thing – the process of reforming and democratization of the country has acquired an irrevocable, irreversible and consistent nature. Our people change, their political and civic activeness, as well as their consciousness and complicity to everything, what is taking place around them, and finally, their faith in the country's future is growing.

In fact, it is these changes and these transformations in the mindset of people and our entire society that has now become a dominant powertrain which ensures the country's advancement along the path of progress and prosperity. The objective assessment of the path we have passed and accumulated experience, and the analysis of achievements secured during the past years of independence convincingly prove that we have chosen the right model of evolutionary, step by step and gradual

development of the country, and the need to follow up with this path. Proceeding from this, we deem it necessary to take the following measures as the most important priorities of further deepening the democratic reforms.

#### DEMOCRATIZATION OF THE STATE POWER AND GOVERNANCE

The reforms being carried out for over the past period in this sphere were aimed at consistent implementation of the constitutional principle of separation of powers, creating an effective system of checks and balances, strengthening the role of powers and controlling functions of the legislative and representative branch of power in the center and on the local level, as well as accomplishing measures on liberalization and independence of judicial system.

Profound attention has been paid to changing the functions of governing structures of central executive power and administrative bodies, radical reduction of their powers, regulatory and distributive authorities, as well as their direct interference in the activity of economic entities. In other words, we have brought their powers in line with market principles and finally - reduced the role of the state in managing the economy.

We have paid a lot of attention to decentralization of governance, delegating the part of functions from republican level to the bodies of regional, city and district levels, and establishing such a unique system of local self-governance in Uzbekistan as makhalla.

The outcomes of referendum held on January 27, 2002 on establishing the bicameral national parliament as well as adoption of the Law "On the results of referendum and the main principles of organizing the state power" defined the basis for a deep reforming the legislative power.

The major goals, which are pursued along this process, are to create the system of checks and balances in exercising by the parliament of its authorities, to raise considerably the quality of lawmaking, to provide the balance between the national and regional interests taking into account that the upper house of parliament – the Senate, which mainly represents the local Kengashes (Councils), will represent the regions, and the lower house – the Legislative Chamber – will undertake its activity on the permanent professional basis. Adoption in 2003 of constitutional laws "On the Legislative Chamber of *Oliy Majlis* of the Republic of Uzbekistan" and "On the Senate of *Oliy Majlis* of the Republic of Uzbekistan" had a special significance in terms of development of national parliament and

clearly defined the status, powers and mechanisms of activity of separate chambers and the new parliament as a whole.

The exclusion in 2007 of the norms from the Constitution of the Republic of Uzbekistan which stipulated that the President of the country was simultaneously the head of executive power became one of the political and legal acts of enormous importance of that period. Article 89 of the Constitution stipulates that “the President of the Republic of Uzbekistan is the Head of the State and ensures the concerted functioning and interaction of bodies of state power”. The abolition of the post of Chairman of the Cabinet of Ministers, which was initially occupied by the President of the Republic of Uzbekistan, was an important step in the course of liberalization. In accordance with the adopted laws, now the Prime Minister not only organizes, but also leads the activity of the Cabinet of Ministers, bears personal responsibility for efficiency of its work, chairs the meetings of the Cabinet of Ministers, signs its documents and adopts decisions on the issues of state and economic management.

Along with this, the growing level of political culture and public awareness of the country’s population and dynamically developing processes of democratization and liberalization of society, as well as consolidation of the multiparty system create the necessary prerequisites to ensure more balanced distribution of powers among the three subjects of state power: the President – the Head of the State, legislative and executive branches of power.

It is proposed to state the Article 98 of the Constitution of the Republic of Uzbekistan in the following words:

The executive power shall be exercised by the Cabinet of Ministers of the Republic of Uzbekistan. The Cabinet of Ministers of the Republic of Uzbekistan shall be composed of the Prime Minister of the Republic of Uzbekistan, his deputies, ministers, chairmen of the state committees. The Head of the government of the Republic of Karakalpakstan shall be a member of the Cabinet of Ministers.

The Cabinet of Ministers shall provide the leadership for effective functioning of the economy, social and spiritual spheres, implementation of the laws of the Republic of Uzbekistan, decisions of *Oliy Majlis*, decrees, resolutions and ordinances of the President of the Republic of Uzbekistan.

The Cabinet of Ministers in accordance with the current legislation shall issue resolutions and ordinances binding on all bodies, enterprises, institutions, organizations, officials and citizens on the entire territory of the Republic of Uzbekistan.

The Prime Minister of the Republic of Uzbekistan shall organize and direct the activity of the Cabinet of Ministers, bear a personal responsibility for efficiency of its work, preside at meetings of the Cabinet of Ministers, sign its decisions, on the instruction of the President of the Republic of Uzbekistan represent the Cabinet of Ministers of the Republic of Uzbekistan in international relations, exercise other functions stipulated by laws of the Republic of Uzbekistan, decrees, resolutions and ordinances of the President of the Republic of Uzbekistan.

The Cabinet of Ministers, in its work, shall be responsible before the President of the Republic of Uzbekistan and the *Oliy Majlis* of the Republic of Uzbekistan.

The Cabinet of Ministers shall tender its resignation to the newly elected *Oliy Majlis*.

The procedure of organizing the work and competence of the Cabinet of Ministers shall be defined by law.

The candidature of the Prime Minister of the Republic of Uzbekistan shall be proposed by a political party, which gains the biggest number of deputies' seats in the elections to the Legislative Chamber of the *Oliy Majlis* of the Republic of Uzbekistan, or by several political parties, which gain equal number of deputies' seats.

The President of the Republic of Uzbekistan, after considering the proposed candidature to the post of the Prime Minister, in ten days' time, shall propose it for the consideration and approval by the chambers of the *Oliy Majlis* of the Republic of Uzbekistan.

The candidature of the Prime Minister shall be considered approved, if more than half of votes out of the total number of, respectively, deputies of the Legislative Chamber and the members of the Senate of the *Oliy Majlis* of the Republic of Uzbekistan is given for him.

The members of the Cabinet of Ministers of the Republic of Uzbekistan shall be approved by the President of the Republic of Uzbekistan upon the nomination of the Prime Minister.

In case of arising persistent contradictions between the Prime Minister of the Republic of Uzbekistan and the Legislative Chamber of the *Oliy Majlis* of the Republic of Uzbekistan, upon the proposal officially submitted to the President of the Republic of Uzbekistan by the deputies of the Legislative Chamber, whose number is not less than one third of their total number, the issue of passing the vote of no confidence in the Prime Minister shall be put for discussion of the joint sitting of the chambers of the *Oliy Majlis* of the Republic of Uzbekistan.

The vote of no confidence in the Prime Minister shall be considered adopted, if not less than two thirds out of total number of, respectively, deputies of the Legislative Chamber and members of the Senate of the *Oliy Majlis* of the Republic of Uzbekistan vote for it.

In this case, the President of the Republic of Uzbekistan makes a decision on relieving the Prime Minister from the post. In this case, the entire Cabinet of Ministers of the Republic of Uzbekistan resigns together

with Prime Minister.

The new candidature of the Prime Minister, to be submitted for consideration and approval by the chambers of the *Oliy Majlis*, shall be proposed by the President of the Republic of Uzbekistan after relevant consultations with all fractions of the political parties represented in the Legislative Chamber of the *Oliy Majlis* of the Republic of Uzbekistan.

In case the *Oliy Majlis* refuses twice the candidature to the post of the Prime Minister, the President of the Republic of Uzbekistan shall appoint an acting Prime Minister and dissolve the *Oliy Majlis* of the Republic of Uzbekistan.

In their essence and substance these amendments to the Article 98 of the Constitution of the Republic of Uzbekistan introduce the new procedure of nomination and approval of the Prime Minister, which meets democratic principles, and gives the *Oliy Majlis* the right to pass a vote of no confidence in the Prime Minister. The right of the President of the Republic of Uzbekistan to take decisions on the issues related to the competence of the Cabinet of Ministers of the Republic of Uzbekistan shall also be eliminated.

The next proposed amendment is related to the Article 96 of the Constitution of the Republic of Uzbekistan. In order to rule out the ambiguity, vague interpretations of this article in case of the situation when the President of the country, due to various reasons, shall not be able to exercise his duties, it is proposed to introduce its new wording as follows:

If the functioning President of the country is not able to exercise his duties, his duties and authorities shall be temporarily entrusted to the Chairman of the Senate of the *Oliy Majlis* of the Republic of Uzbekistan, with holding the elections of the President of the country within three months in full accordance with the Law "On the elections of the President of the Republic of Uzbekistan".

In the context of amendments proposed to the Article 98 of the Constitution of the Republic of Uzbekistan, it is necessary to introduce relevant changes to the Articles 78 and 93 of the Constitution of the Republic of Uzbekistan.

The Clause 15 of the Article 78 shall be added with following words "...as well as hearing and discussion of the reports of the Prime Minister on outstanding issues of social and economic development of the country".

In the Clause 15 of the Article 93 after the words "shall appoint and

relieve..." the following words shall be added: "upon nomination by the Prime Minister of the Republic of Uzbekistan...", and hereinafter according to the text.

In the Clause 8 of the Article 93 the following words shall be excluded: "shall form the Office of executive power and direct it".

The Clause 16 of the Article 93 shall be added with following words: "...shall have the right to preside in the meetings of the Cabinet of Ministers of the Republic of Uzbekistan".

In the Clause 12 after the words "shall appoint and relieve the Prosecutor General of the Republic of Uzbekistan..." the word "deputies" shall be excluded and it shall be added: "and the chairman of the Chamber of Accounts" and hereinafter according to the text "with further approval of them by the Senate of the *Oliy Majlis* of the Republic of Uzbekistan".

It is necessary for all of us to clearly comprehend that the establishment of constitutional order when the candidature of the Prime Minister nominated by a political party, which wins the elections, is submitted for consideration and approval of the Parliament; introduction of the institute of vote of no confidence in the government and other consequent measures which have to be implemented in the course of modernization of political system, in fact stand as a new stage in reforming and democratization of the country. The success of this reform to much extent depends on dynamics with which we have been advancing along the path of democratization and liberalization, raising the social and political activeness of our citizens, their political and legal culture, and certainly, first of all, on the level of maturity of political parties, their readiness to take such an enormous responsibility for the fate and future of Uzbekistan.

#### REFORMING THE JUDICIAL AND LEGAL SYSTEM

One of the key priorities of democratic renewal of the country is a consistent democratization and liberalization of judicial and legal system aimed at ensuring rule of law, reliable protection of human rights and interests. In short, establishing a law-governed state and nurturing legal awareness of people.

In Uzbekistan we have implemented a set of organizational and legal measures aimed at consistent consolidation of judicial power, ensuring independence of court, turning it from the repressive instrument and punitive apparatus in the past into a truly independent institution of state

called upon to reliably protect and safeguard the rights and freedoms of a man and citizen.

According to the new wording of the Law "On courts", the amendments and additions introduced in this period to criminal procedure and civil procedure legislation, and with an aim to consistently implement the constitutional principle of separation of powers, the judicial system was taken out of control and influence of bodies of the executive power. The functions of nominating the candidatures for judges' posts, relieving and early termination of judges' authorities, as well as instigating disciplinary proceedings against them have been eliminated from the authorities of the Ministry of Justice.

The special body – the higher qualification commission on selection and recommending for the posts of judges at the President of the Republic of Uzbekistan is in charge of matters of organizing the activity of courts, in particular, the judges' corps. We have established a specially authorized body at the Ministry of Justice of the Republic of Uzbekistan – the Department for implementing the court decisions, material, technical and financial logistics of courts, which significantly relieved the courts of non-relevant functions and allowed them to concentrate on accomplishing their main task – to administer justice.

The specialization of general jurisdiction courts was undertaken and the courts for civil and criminal cases were established, and this facilitated efficiency of their work in terms of qualified consideration of criminal and civil cases, reliable protection of human rights and freedoms.

The guarantees of judicial protection of citizens have been significantly reinforced. The measures to ensure its accessibility have been implemented.

We reformed the cassation instance and introduced the appellate procedure of review of cases. Now according to these amendments the higher appellate instance may hear a case without referring it to a new hearing. The citizens gained the opportunity, in case of disagreement with the decision of the court of first instance, which entered into force, to immediately protect their rights and lawful interests at the cassation instance with participation of their defense lawyer. Thus, the practice of private and closed consideration of citizens' complaints about the decisions of courts of first instance was completely eliminated. The analysis of practice reveals that these changes served as an important guarantee to timely correct the errors made by courts of the first instance and avoid the red-tape in the legal procedure. In 2000 about half of judicial errors was corrected through supervisory procedure, and 2009 in more than 85



percent of cases they were corrected enacting the appellate and cassation procedure.

We have been consistently implementing the set of measures aimed at ensuring equality of prosecutor and defense lawyer, competitiveness at all stages of criminal and civil legal procedure, as well as improving the quality and timeliness of administering justice. In this context, it was greatly important to adopt in 2008 the Law "On introducing amendments and additions to some legislative acts of the Republic of Uzbekistan to improve the institution of advocateship". The set of amendments and additions was introduced into the current legislation to further consolidate independence of the advocateship as the fundamental component of the process of liberalization of judicial and legal system, and protection of human rights. According to the law, the defense lawyer is given the right to render a qualified judicial assistance at any stage of criminal process independently of state bodies and officials responsible for procedure on criminal case.

At the moment, the criminal procedure legislation does not have the norms, which used to oblige the defense lawyer to get a written confirmation from law-enforcement agencies on the access to the case, as well as permission to see defendant. To implement this right now it is sufficient to have an identity card of attorney and an order issued by the Lawyers' Association. The law envisages the responsibility for obstruction of lawyer's professional activity, attempts to exert pressure on him by any means to make him change his position towards defendant.

Liberalization, humanization and decriminalization of the criminal and criminal procedure legislation became the most important direction of development of penal policy.

The measures adopted in this sphere, in particular, the Law "On introducing amendments and additions to the Criminal, Criminal Procedure codes and the Code of the Republic of Uzbekistan on administrative responsibility in connection with liberalization of criminal punishments" of 2001 had enormous social and political significance. According to them, the classification of crimes was changed. About 75 percent of corpus delicti was shifted from the category of grave and the gravest crimes to the category of crimes, which do not represent serious public danger and the lesser grave crimes.

The chances were considerably expanded in terms of cases related to the crimes in the sphere of economy – instead of arrest and detention the economic sanctions in the form of fines are applied. Such a type of

punishment as deprivation of property is excluded from the punishment system. Article 11 of the Criminal Code now envisages provisions in accordance with which in case of compensation of damage the punishment in the form of imprisonment is not enforced.

It was not essential to imprison people for the criminal cases related to economic activity, as it costs a lot for the state and does not tackle the problem of education and rehabilitation of the convicted. At the same time, thanks to these and other measures on liberalization of the criminal punishments, today Uzbekistan has one of the lowest indicators in the world in terms of the number of imprisoned per 100,000 people of the country, i.e. 166 people. Let us compare: in Russia this indicator makes up 611 and in the United States – 738 people. In our country for over the last 10 years the number of imprisoned in the places of confinement decreased twofold.

It was an act of exclusive importance to abolish the death penalty in Uzbekistan from January 2008 and introduction instead of it of the punishment in the form of life and long-term imprisonment. The international community has extensively reacted to the abolishment of death penalty in Uzbekistan. The foreign experts say that with implementation of the aforementioned and certain other measures in this sphere, Uzbekistan has managed to create one of the most liberal systems of criminal punishment in the world. In this context, they cite the results of a comparative analysis. In such countries as Germany and Poland the life imprisonment can be enforced for 5 types of crimes, in Belgium and Russia – for 6, in Denmark – for 9, Sweden – for 13, France – for 18, the Netherlands – for 19 types of crimes, etc. In Uzbekistan the life imprisonment is an exceptional punitive measure and is enforced only for two crimes – for premeditated murder in aggravating circumstances and terrorism. In our country this type of punishment cannot be applied to women, persons who commit crimes at the age under 18 and the males elder than 60.

For over the past period the set of measures has been adopted to enhance the judicial review at the stage of pretrial investigation and liberalization of the legal procedure in this sphere. The introduction of “habeas corpus” became a principle step forward, i.e. in 2008 the prosecutor’s office delegated to court the right to issue the arrest warrant as a measure of restraint. The time has proved that it was timely and right decision since introduction of this institution served as an important factor to protect constitutional rights and freedoms of a citizen and his personal

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immunity. Since enforcement of this institution in January 2008 the courts more than 700 times denied the investigation bodies to apply this measure of restraint. According to the amendments to criminal procedure legislation, the terms of investigation and custody were reduced.

Since 2001 the institute of reconciliation was introduced to the law-enforcement and judicial practice and it is now effectively working. According to this practice, the person who commits a crime that does not pose grave public danger and fully compensates material and moral damage to victims shall not be a subject for criminal liability. This institution proved to be effective and it meets the centuries-old traditions of the Uzbek people, such as mercifulness and ability to forgive, and these factors have served as a platform to consistently expand it. Today the opportunity to enforce this institution is envisaged on 53 types of crimes. As a result of introduction of the institution of reconciliation for over the past period about 100,000 citizens were released from criminal liability.

During the recent years we have accomplished a considerable work to ensure lawfulness in the operations of law-enforcement agencies and, first of all, to reform the activity of prosecutor's office in order to turn it from a repressive instrument in the hands of party elite in the past into a body, which provides a steadfast implementation of laws and progression of democratic reforms in the country, as well as firm protection of human rights and freedoms.

In accordance with the Law "On prosecutor's office" in the new wording of 2001, the citizens are not the subjects of prosecutor's supervision, and we have increased the responsibility of the prosecutor's office in terms of observance of rights, freedoms and lawful interests of people. The prosecutor's offices are now also deprived of the right to suspend execution of court decisions, and the city and district prosecutors are deprived of the right to prolong terms of investigation and holding the accused in custody.

At the same time, large-scale tasks in the sphere of modernization of an entire system of political, economic, state and legal relations, and the objectives in terms of establishing the civil society, protecting the human rights and freedoms, put on the agenda the issue of further democratization of the judicial and legal system. With an aim to effectively resolve the tasks in this sphere it is proposed to implement the following package of organizational and legal measures.

**First.** It is proposed to adopt the Law "On normative legal acts" in the new wording. The law in force was adopted ten years ago. Meanwhile,

the lawmaking process has expanded and become more complex, and there are high demands in terms of the quality standards and reasonableness of the normative legal acts. This requires creating the new and more effective mechanisms to secure observance of law in this sphere so that the normative legal acts correspond to the laws, as well as meet the needs of social, economic and political reforms.

**Second.** It is proposed to introduce amendments and additions to the chapters 29 and 31 of the Criminal Procedure Code of the Republic of Uzbekistan, envisaging the order, according to which such measures of procedural coercion applied at the stage of pretrial proceeding as removal from the post and sending a person to medical institution can be carried out only by the sanction of a judge.

Delegation of these powers from prosecutor to courts will allow to enhance the judicial review while instituting an inquiry and in pretrial investigation, expand the sphere of application of “habeas corpus” in criminal procedure, ensure implementation of the universally recognized principles and norms of the international law in the field of protection of human rights and freedoms.

**Third.** It is proposed to make amendments to the Article 439 of the Criminal Procedure Code of the Republic of Uzbekistan envisaging the norm according to which the duty to announce indictment on the case in the court of the first instance is entrusted exclusively on the prosecutor. The legislation in force does not clearly define the duty of a public prosecutor with regard to announcement of an indictment at the court hearing. Therefore, an indictment is often read out by a judge and this is the practice, which doesn't correspond to functions and the mission of court. The introduction of the mentioned norm to the criminal procedure legislation shall promote independence, fairness and impartiality of court, as well as enhance the competitive nature of the criminal process.

**Fourth.** It is expedient to exclude from the Article 321 of the Criminal Procedure Code of the Republic of Uzbekistan the authority of court, in accordance with which it has the right to file a criminal case. It is well known that instigating a criminal case is, first of all, the duty of agencies of inquiry and pretrial investigation, other law-enforcement agencies that carry out criminal prosecution. Meanwhile, the court is required to fairly assess observance of law and reasonableness of charges brought against a person. At the same time, filing a criminal case by court, i.e. exercising a procedural act by it, which in fact means the start of criminal prosecution with all relevant consequences, makes the court a participant of this

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prosecution. This does not meet its high mission, i.e. to administer justice.

**Fifth.** It is proposed to adopt the Law “On operational investigation search activities”, which defines the principles, grounds, forms and methods of undertaking the operational investigation search activities, and the system of bodies which are to execute this activity. The law, the adoption of which would meet the recognized practice of democratic states, shall create the real legal guarantees to observe law, ensure the rights and freedoms of citizens in undertaking operational investigation search activities. At the same time, the law shall facilitate efficiency of measures to prevent and timely cut short the crimes at their early stage, as well as the quality of inquiry and pretrial investigation, provide further liberalization of work of law-enforcement agencies in this sphere, and in the first instance, the structures of the Ministry of Interior.

**Sixth.** Taking into account the dynamically developing processes of democratization, it is necessary to comprehensively work out and adopt the Code of the Republic of Uzbekistan on administrative responsibility in the new wording. The code in force was adopted in 1994 and since that time the amendments and additions were introduced more than 60 times. And its new wording should reflect on a systematic and complex basis the large-scale and principle changes took place in the penal policy and administrative law due to liberalization of the judicial-legal system.

In particular, it should reflect the trends related to decriminalization of criminal law and shifting certain offences from criminal to administrative jurisdiction. It should provide unification of legislation on administrative responsibility now reflected in tens of normative legal acts. The new wording of the code should also stipulate the measures to improve and democratize the procedural mechanisms of examining the cases on administrative offences, ensuring observance of law and solid protection of citizens’ rights in this sphere.

**Seventh.** It is necessary to draft and adopt the legislative acts that after the example of the developed democratic countries stipulate establishment of legal mechanisms, which define a special role of bodies of justice in undertaking review on observance of requirements of law, ensuring rule of law in the work of bodies of state power and law-enforcement agencies, including the prosecutors’ offices. The delegation of relevant authorities to the bodies of justice that enhance their role in carrying out a single state policy in lawmaking and law-enforcement practice shall permit to create an effective mechanism of checks and balances in the system of law-enforcement and supervisory bodies of the

country, which ensures observance of law and rule of law in the course of their work.

**Eighth.** The progressive movement of the society towards democracy and successful democratic reforms to much extent depends on the level of legal awareness and legal culture of people. The high legal culture stands as the basis of a democratic society and an indicator of maturity of the legal system.

In this connection, taking into account the modern political and legal realities, it is important to create targeted and comprehensive program of measures to radically improve the legal education and enlightenment in the country, as well as propaganda of legal knowledge in the society. The implementation of this program should nurture a respective attitude of people to human rights and freedoms, and law-abiding behavior of citizens.

#### REFORMING THE INFORMATION SPHERE AND ENSURING FREEDOM OF SPEECH AND INFORMATION

Without ensuring the freedom of information and without turning the mass media into the stage, where the people can freely express their views and ideas, positions and attitude to the ongoing events, one cannot speak about deepening the democracy, political activeness of the population, about its real participation in political and social life of the country. Providing freedom and rights of the citizens in the information space, which includes such components as freedom and realization of the rights to obtain, disseminate information and own ideas, stands as a cornerstone of building the democratic society in Uzbekistan.

Over the past 10 years, large-scale set of organizational and legal measures was implemented in the country to ensure the freedom of speech and liberalize the mass media. We have established the improved legislative basis of developing the mass media, which meets the democratic requirements and standards. For over this period, about 10 acts of legislation were adopted to provide the effective functioning of the information space, dynamic and free development of the mass media.

The adoption of the Law "On the principles and guarantees of freedom of information" was greatly important to implement the rights of each person to freely and without obstacles receive and use information, as well as to protect information and information security of a person, society and state. The amendments and additions, which were introduced

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for over the last years to the laws “On mass media (the new wording)”, “On telecommunications”, “On advertisement”, and the Law “On copyright and adjacent rights” and other acts of legislation provided deepening the democratic changes in the sphere of mass media in the new political conditions. We have implemented the large-scale institutional reforms aimed at developing the non-state mass media and their active participation in the process of democratization of the information space.

With an aim to support the non-state mass media, enhance their material and technical logistics and human potential, we have set up several public organizations, namely: the national association of electronic mass media, which now includes more than 100 electronic mass media, the social fund to support and develop independent print media and news agencies of Uzbekistan. In the process of dynamic modernization of the mass media it was of a great importance to adopt the new wording of the Law “On information”, which defined the mechanisms of access of juridical and physical entities to information resources with using the information technologies and systems. During these years Uzbekistan has set up the satellite network of broadcasting the television and radio programs. Today the national system of telecommunications has direct international channels on 28 directions with an access to 180 countries worldwide. There is an on-line broadcasting over the Internet.

The improvement of the national system of training and retraining of personnel, by adapting to the experience of the developed countries, had a decisive significance along implementing the set of measures to upgrade the level and quality of information activity. As a result of this extensive work for over the last ten years alone, the number of print mass media grew by 1.5 times, and the number of electronic mass media – to 7 times and now makes up about 1,200 mass media outlets. About 53 percent of all television channels and 85 percent of radio channels are the non-state. The mass media broadcast in more than 7 languages of nations and ethnic groups living in Uzbekistan, and there are print materials and television broadcasts in the English language, as well. The latest digital and multimedia technologies are being implemented to make broadcast production. There is a rapid growth of internet users, the number of which now makes up more than 6 million.

Critically assessing the accomplishments in terms of ensuring the freedoms and rights of citizens in the information sphere, it is necessary to pay special attention to a correct setting of priorities with regard to relations between the mass media and the bodies of state power. This

matter includes addressing such problems as elimination of economic mechanisms of controlling the mass media, closedness of information sources and pressure which the editorial boards of the mass media experience on the part of authorities and administrative structures.

The implementation of the following measures is seen to be quite urgent:

**First.** The adoption of the Law “On transparency of activity of bodies of state power and governance” could eliminate the bottlenecks in terms of realizing the constitutional rights of citizens to information and to much extent enhancing the responsibility of authorities and governing bodies for the quality of their decisions.

The law shall clearly define the procedures of informing the public about activity of bodies of state power, ensure a broad access of people and public associations to information regarding their decisions and, first of all, the decisions that touch on the rights, freedoms and lawful interests of citizens.

The implementation of the law must provide the transparency and openness of activity of bodies of executive power, the policy of reforms carried out in the country, foreign and domestic policies of the state with due consideration of political pluralism, diversity of opinions about the events taking place in the country and abroad.

**Second.** It is proposed to adopt the Law “On television and radio broadcasting” to develop this extremely important sphere of information communications, which plays an ever more significant role in the processes of democratization. At the moment, the activity of this sphere is regulated by separate articles of the laws on the mass media, radio frequency spectrum, telecommunications, and informatization.

Meanwhile, upgrading the television and radio broadcasting into an independent and powerful industry, emergence of new forms and types of television and radio broadcasting make it necessary to pass an integral law which would regulate on a systematic and complete basis the relations that take place in creating and disseminating the television and radio programs.

The adoption of this law shall allow to create the conditions to further extend competition in the sphere of making and disseminating the television and radio programs, and introduction of the new and perspective broadcasting technologies, such as mobile and digital television, and setting up the new promising sectors of television industry.

The law is called upon to define the mechanisms of legal regulation



and the principles of activity of national broadcasting systems, such as independence of financial sources, providing transparency and democracy in holding contests to obtain the broadcasting radio frequencies, creating the conditions for fair competition and avoiding the monopoly in the sectors of electronic media market and tackling many other problems.

**Third.** Further strengthening of independence of the mass media is immediately related to reinforcing the legal guarantees and mechanisms of ensuring reliable protection of copyright and intellectual property, introduction of market mechanisms in the information space.

In order to tackle these tasks it is proposed to adopt the laws "On economic foundations of activity of the mass media", "On the guarantees of state support of the mass media" aimed at promoting the efficiency of activity and protection of economic interests of participants of information market, creation of additional economic preferences, implementation of other organizational and legal measures, which would ensure the progressive development of the national information space.

**Fourth.** In order to establish the effective legal mechanisms aimed at extending the role of the mass media in providing the public and parliamentary control over the activity of the bodies of state power and governance, the close links between the authorities and society, it is expedient to adopt respective amendments and additions to the laws "On the mass media", "On the principles and guarantees of freedom of information" and some other legislative acts, which would stipulate in particular the set of measures to reinforce the activity of press services of state bodies and public associations, as well as the media structures. It is necessary to work out the legal mechanisms to cut the terms of considering the requests of the mass media for information, reinforce the administrative responsibility of juridical entities and officials, who infringe the provisions of law in the sphere of access to information, and other measures.

It is also necessary to broadly use the latest information and communication technologies in the system of state and social construction, as they play an ever more important role in the processes of political modernization.

The implementation of this task would be facilitated, if we further improve the norms of the law "On telecommunications", elaborate the State program of actions on switching over to the digital television and radio broadcasting aimed at setting up the digital broadcasting infrastructure and effective system of legal regulation of broadcasting with using the digital format.

In general, the implementation of the aforementioned measures shall help to strengthen the place and role of the mass media in the system of civil society institutions and fuller realization of the constitutional rights of citizens to the freedom of speech and freedom of choice.

#### ENSURING THE FREEDOM OF CHOICE AND DEVELOPMENT OF THE ELECTORAL LEGISLATION IN UZBEKISTAN

The principles of freedom of choice and expression of will, and, first of all, the constitutional right of each person to vote and to be elected to the representative bodies of the state power are laid in the foundation of the model of our national statehood. The elections stand as a crucial matter of how democratic the legal norms are in the country, an inalienable attribute of democratic and law-governed state, the principal form of expression of the will of people and involvement of citizens in governing the affairs of state and society.

The amendments and additions adopted in 2003 and 2008 to the Constitution, the Law "On the guarantees of the rights of voters", the new wording of the laws "On the elections to the *Oliy Majlis* of the Republic of Uzbekistan", "On the elections to the regional, district and city *Kengashes* (Councils) of people's deputies", "On elections of the President of the Republic of Uzbekistan", and other acts of legislation passed during this period developed the legal basis which ensured the phased and consistent liberalization of the national electoral system, holding the elections to the bicameral parliament in full harmony with provisions of law and generally recognized international principles and norms.

These laws provided a principle provision on holding elections to the representative bodies of power exclusively on multiparty basis; that the candidatures for the President of the country and deputies of the Legislative Chamber are nominated by political parties, and the candidates to deputies of the local *Kengashes* (Councils) – by respective bodies of political parties on the local level. The practice of nominating the candidates to deputies from executive bodies of state power was eliminated and this became a principle step forward along the path of deepening the democratic reforms in our country.

According to the, electoral legislation amendments to the Central Election Commission are given the exclusive power to prepare and hold elections. According to the law, any attempts to interfere in the election campaign by the state bodies and authorities, as well as the public

associations are prosecuted by law.

On the eve of elections of 2009, the Central Election Commission released the Concept on preparing and holding the elections to the *Oliy Majlis* of the Republic of Uzbekistan, regional, district and city *Kengashes* (Councils) of people's deputies. The foreign experts assessed the Concept as "a unique document". Putting it into practice in implementing the constitutional rights of citizens to the freedom of choice and free expression of will ensured holding the elections in full conformity with provisions of law with the most active participation of political parties and without interference on the part of bodies of state power in the capital and on the local level in the election process.

The law rules out any privileges and preferences to any participant of the election campaign. In accordance with the provisions of the Constitution of the Republic of Uzbekistan, the elections of the President, parliament and the local representative bodies of state power are now held in one day fixed by law, i.e. the first Sunday of the third decade of December in the year of expiration of their constitutional terms.

The amendments to the law on elections of 2008 became an important stage in developing the electoral system. With increasing the number of seats from 120 to 150, of which 135 deputies are elected from political parties, 15 seats in the Legislative Chamber are allocated to the deputies from the Ecological movement of Uzbekistan due to the importance and growing urgency of the environmental issues. The law envisages some norms that ensure further liberalization of the electoral process.

The six months' term provided for registration of political parties needed for them to participate in the elections was reduced from 6 to 4 months. The number of signatures of voters necessary to provide political parties an access to take part in the elections was reduced from 50,000 to 40,000 citizens. The allowed number of proxies of a candidate for deputy was increased from 5 to 10. There is a new institution in the electoral legislation – the authorized representative of political party with a right to participate in examining the correct filing of subscription lists and counting ballots at the polling stations.

There are some new norms of law to secure greater transparency in the work of election commissions on preparing and holding the elections. One observer from a political party, mass media and the observers from foreign countries, international organizations and movements have the right to participate at all stages of preparation and holding the elections being present inside the premises for voting in the day of elections and at

the time of counting ballots. The electoral system became an important factor of enhancing the social and political activeness of women and their role in the sphere of state and social construction. The electoral law now stipulates the norms that women should make up to not less than 30 percent of nominees from political parties for deputy seats.

The implementation of this norm in the course of elections of 2009 allowed to elect the parliament, in the lower house of which there are 33 female deputies, or it makes up 22 percent of the total number of deputies. Fifteen percent of the members of the Senate are women. Today in the local representative bodies women make up more than 20 percent of the total number of deputies.

In this regard, it is expedient to implement the following legislative initiatives.

**First.** It is proposed to introduce amendments and additions to the Article 27 of the Law “On the elections to the *Oliy Majlis* of the Republic of Uzbekistan” and the Article 25 of the Law “On the elections to the regional, district and city Kengashes (Councils) of people’s deputies”.

It is reasoned that with a tougher inter-party rivalry the forms and methods of the election campaign are becoming more diverse and extensive. In this connection, the electoral law should envisage the norms aimed at improving efficiency of mechanisms of providing equal opportunities for candidates and political parties in the course of holding this vital stage of election campaign.

It is essential to give a clear definition to the notion “election campaign” and define by law the conditions, types, allowed forms and methods of its holding. Such a practice is broadly used in the electoral law in various democratic countries.

**Second.** It is expedient to stipulate a norm in the Article 27 of the Law “On the elections to the *Oliy Majlis* of the Republic of Uzbekistan”, according to which it is prohibited to canvass not only in the election day but also in the day prior to polling. The introduction of this norm, used in the legislation of several developed foreign countries, would permit to give voters an additional time necessary to make up their mind and choose political preferences, in other words, to make a conscious decision in favor of whom and what political programs to vote for. The improvement of law in this regard shall also allow to rule out possible abuses and violations on the eve of elections.

**Third.** It is proposed to introduce additions to the Article 41 of the Law “On the elections to the *Oliy Majlis* of the Republic of Uzbekistan”,

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the Article 38 of the Law “On the elections to the regional, district and city Kengashes (Councils) of people’s deputies”. It is well known that the local election commissions often face various situations and problems, which require more clear stipulation in the law of terms, order and procedure of holding the early vote. It would be another step forward along the path of reliable ensuring the voting rights of citizens, their free expression of will, transparency of the work of local election commissions, and preventing possible violation of the electoral law.

**Fourth.** It is expedient to introduce the norm to the laws “On the elections to the *Oliy Majlis* of the Republic of Uzbekistan” and “On the elections to the regional, district and city *Kengashes* (Councils) of people’s deputies”, which envisages that “within five days prior to the voting day and in the voting day it is prohibited to publish (publicize) the results of opinion polls, prediction of election results and other researches related to elections being held, including their posting to the information and telecommunication networks of common use (including Internet)”. Enacting this norm would contribute to more effective protection of voters’ rights, ruling out preconceived attitude towards a certain candidate and the possibility of violation of electoral law on this regard.

**Fifth.** In order to provide the openness and transparency of elections of deputies from the Ecological movement of Uzbekistan to the Legislative Chamber of the *Oliy Majlis* of the Republic of Uzbekistan, it is expedient to make additions to the Article 6 of the Law “On the elections to the *Oliy Majlis* of the Republic of Uzbekistan”, which stipulate the right of observers to be present at the conferences of the Ecological movement of Uzbekistan on the election of deputies to the Legislative Chamber.

#### ESTABLISHING AND DEVELOPING THE CIVIL SOCIETY INSTITUTIONS

The past years were the time of dynamic formation and development of various institutions of civil society and non-state and non-profit organizations, which enjoy the support of the people of the country.

The stipulation in the Constitution of the principles of activity of non-state public organizations since the early years of independence created conditions for development of extensive network of NGOs which reflect the interests of different strata of population. At present there are over 5,100 NGOs in Uzbekistan functioning in various spheres of life, and this is 2.5 times more than in 2000. The number of citizens’ gatherings and the

self-governance bodies – *makhalla* make up more than 10,000. Among them there are such public organizations as the Public Youth Movement *Kamolot*, the Women’s Committee of Uzbekistan, the Fund *Soglom avlod uchun* (For healthy generation), the Fund of Artists of Uzbekistan, the Public Organization *Nuroni*, the National Association of Non-State and Non-Profit Organizations, and others. The civic institutions and non-state and non-profit organizations are now becoming an important factor of protecting the democratic values, rights, freedoms and lawful interests of people, as well as create conditions for citizens to realize their potential, raise their social and economic involvement and legal culture, and contribute to maintain the balance of interests in the society.

In Uzbekistan there are such national institutions on human rights as the Ombudsman, the National center on human rights, the Institute for assessing public opinion, the Institute of monitoring the current legislation, and many other organizations. For over the past period, in the process of democratic renewal of the country we have adopted more than 200 legislative acts aimed at reinforcing the role and importance of civic institutions and resolving the urgent social and economic problems of citizens.

The adoption of the Law “On guarantees of activity of non-state and non-profit organizations” was greatly important in dynamic development of the NGOs in the system of civil society institutions and providing them true independence. This law was aimed at protecting the rights and lawful interests, enhancing organizational, legal, material and technical support of activity of non-state and non-profit organizations.

During recent years we have adopted the laws “On social funds”, “On charity”, and the Resolution of the President of the Republic of Uzbekistan “On measures to support development of the civil society institutions in Uzbekistan”. These and many other documents became a tangible stimulus to extend social activeness of civil society institutions.

The adoption of the Joint resolution of the *Kengashes* (Councils) of the Legislative Chamber and the Senate of the *Oliy Majlis* of the Republic of Uzbekistan “On the measures to reinforce the support to non-state and non-profit organizations, other civil society institutions”, as well as setting up of the Social fund at the parliament and the Parliamentary commission, which includes the authorized representatives of the NGOs and public organizations, members and officials of financial structures, became a milestone event in developing the civil society in Uzbekistan.

The work of the Parliamentary commission permits to provide more

transparent, open, targeted and democratic distribution of funds from the State budget to support “the third sector” and this has a fruitful affect on strengthening the organizational, technical and economic potential of operations of the NGOs. Within the last three years alone the Social fund at the *Oliy Majlis* allocated more than 11 billion soums to implement various social projects initiated by the civil society institutions.

The adoption of the Law “On social partnership” may have a profound significance in ensuring further development of the civil society institutions, strengthening their role in providing transparency and efficiency of the ongoing reforms. The law shall stipulate a clear differentiation of boundaries and improve the organizational and legal mechanisms of interaction between the NGOs and government structures in implementing the programs of social and economic development, resolving the humanitarian problems, protecting the rights, freedoms and interests of different strata of population of the country.

It is high time to further improve organizational foundations of functioning of the citizens’ self-governance institution – *makhalla*, extend the functions and ensure its close interaction with bodies of state power and governance. The implementation of this task could be facilitated by introducing the amendments and additions to the Law of the Republic of Uzbekistan “On the citizens’ self-governance bodies” aimed at turning *makhalla* into the center of targeted social protection of population, developing the private entrepreneurship and family business, as well as further extending its functions within the system of public control over the activity of bodies of state governance.

It is also proposed to adopt the amendments and additions to the Law of the Republic of Uzbekistan “On the election of the chairman (*aksakal*) of citizens’ gathering and his advisers”, which would envisage the measures on further improvement of the election system of chairmen of citizens’ self-governance bodies, ensure election of *aksakals* and their advisers from among the most respected citizens, and upgrading the importance and role of *makhalla* in promoting the social activeness of citizens.

It is high time to adopt the Law “On public control in the Republic of Uzbekistan” aimed at creating the systematic and effective legal mechanism of control on the part of society and civic institutions over implementation of laws by bodies of state power and governance. In the law we must define the types, forms and subjects of public control, the subject of control and legal mechanisms of its implementation, as well as the conditions

when the officials are accountable for the failure to implement the legislation in force in this sphere. In this regard, it is essential to elaborate the national program of action in the sphere of human rights which would stipulate the measures on carrying out the public monitoring over observance of laws, first of all, by law-enforcement and controlling agencies, in the spheres of protection of human rights and freedoms, and forming the culture of human rights in the society, etc.

It is also necessary to introduce amendments and additions to the Code of the Republic of Uzbekistan "On administrative responsibility", which shall stipulate enhancement of responsibility of officials of state bodies for infringement of provisions of law that define the rights of NGOs in various spheres of social and state construction, social and economic development in the regions.

It is quite significant to work out the package of laws that create the legal basis for participation of NGOs in implementing the priority state programs in the spheres of public health, protection of environment, employment, especially, among youth, social protection of vulnerable groups of population, and other problems of great social importance. In particular, it is high time to draft the Law "On ecological control" aimed at defining the role and place of the NGOs in the system of environmental protection, as well as some other legislative acts.

#### FURTHER DEEPENING THE DEMOCRATIC MARKET REFORMS AND LIBERALIZATION OF ECONOMY

At the initial stage of the country's independent development (the period from 1991-2000) our main attention in terms of carrying out the large-scale reforms was paid to destruction of the centralized administrative and command system and creation of conditions to establish the foundations, and first of all, the legal basis of market economy.

Important laws and normative acts adopted during this period were; the Civil, Land, Tax and Customs codes, the Laws "On denationalization and privatization", "On banks and banking activity", "On foreign investments", and "On guarantees and measures to protect the rights of foreign investors". The elaboration and implementation of the next phase of our reforms of such laws as "On guarantees of freedom of entrepreneurship", "On private enterprise", "On currency regulation", "On foreign economic activity", "On farms", the new wording of the tax code and more than 400 laws on reforming the economy, served not only



as a solid legal foundation of further liberalization and modernization of economy, but also stood as a guarantee of irreversibility of market reforms underway.

Meanwhile, the objective analysis, logic and pace of our reforms and assessment of their conformity with modern market norms dictate a persistent demand for further deepening, improvement and liberalization of the system of management of economy.

In the first instance, we need to strengthen the rights and protection of private ownership, create a system of solid guarantees in which any private owner must be confident that legally purchased or created private property is inviolable. Each businessman should know that he can without fear invest in his business, expand industrial activity, increase the volume of production and income, as well as own, use and dispose his property keeping in mind that the state safeguards the lawful rights of a private owner. For these purposes it is necessary to work out and adopt the Law "On protection of private property and guarantees of rights of owners", which would fix the principal guarantees of the state with regard to private ownership that represents the basis of market economy.

In order to improve the system of management and eliminate the excessive bureaucratic obstacles, it will be important to draft and adopt the Law "On licensing procedures in the sphere of entrepreneurial activity". We need to clearly define the strictly limited shortlist and types of licensing procedures required to do business, thus resolutely cutting the excessive restrictions and setting forward the legislative prohibition on introduction of the new types of licenses and licensing procedures not envisaged by law.

To expand the small business and entrepreneurship, time has come to define by law the new organizational and legal form of business – the family business. In Uzbekistan this form of business completely corresponds to the developed national traditions of doing business and objective realities of economic activity. I am confident that establishing the legislative basis for its organization shall allow to improve legal guarantees of family business, bring about the conditions for a rapid and extensive development of family business in different branches of economy, and creation of new jobs.

Our financial and banking system has proved its sustainability and reliability during the financial and economic crisis. Meanwhile, its further consolidation is also linked to attracting private capital to the banking and financial sphere through establishing the legislative foundation of

setting up private banks and such financial institutions as leasing and insurance companies, credit unions and micro-financial organizations based on private ownership. This shall contribute to intensifying competition and raising the quality of banking and other financial services, and create conditions for developing modern market infrastructure that meets the highest international standards.

However, many existing laws need a serious review with due consideration of practices of their application and the new realities of development of market relations in the country. For example, in our country practically all industrial facilities were set up in the form of joint-stock companies. However, let us ask a question: to what extent the joint-stock companies operate in conformity with their status and to what extent they are using the relevant rights. What mechanisms we need to enact so that the joint-stock companies operate in line with their market status. In this context, we need to critically reassess, draft and adopt the new wording of the Law "On joint-stock companies and protecting the rights of shareholders". The law shall more clearly define the powers, rights and responsibility of bodies of corporate management and control to raise the role and importance of Supervisory Boards, general meetings and auditing commissions of the joint-stock companies, ensure greater guarantees to minority shareholders, expand the access of all shareholders and potential investors to information about the operations of the joint-stock companies.

We still face a pressing question about adoption of the laws, which would ensure further expanding the scales, role and share of small business, and first of all, the private entrepreneurship in the country's economy.

Despite the fact that this year (2010) the share of small business in the GDP will exceed 50 percent, nevertheless it does not take a leading role in the sector of real economy, primarily, in the industry. To address this task we ought to draft the new wording of the Law "On guarantees of freedom of entrepreneurial activity", which shall envisage the following: to streamline the scheme of access to set up small business and private entrepreneurship, provide greater freedom for their operations, give incentives for this sector through such mechanisms as crediting, access to resources, obtaining the government contractual work, granting new benefits for marketing their production, phased transition, according to the international practice, to procedure of annual declaration of income, to further streamline the system of financial and statistical report, including submitting it to the authorized state bodies in electronic form.

In developing competition, which makes up the core of market relations, the anti-monopoly legislation plays a great role. However, the existing Law "On competition and restricting monopolistic activity on the commodity markets" is outdated and does not meet the modern requirements. We need to draft and adopt the new Law "On competition", which would stipulate the norms that regulate the monopolistic activity not only on the commodity, but also on the financial markets, introduce the norms on antimonopoly regulations on operations in the stock market, to simplify the procedure of control and regulation of operations of merger, takeover and purchase of shares.

Today more than 80 percent of the GDP of the country is provided by the non-state sector. But the Law "On denationalization and privatization" of 1991 now requires review and adoption in the new wording, despite the fact that for over the past period we have managed to consolidate more than 80 bye-laws.

We need to continue expanding the share of non-state sector and attract the private investors to the leading and most important branches of economy preserving in the hands of state the controlling package or the "golden" share of strategically important sectors and enterprises of the country. Meanwhile, we should envisage the openness and publicity of privatization deals, extend participation of the private sector in privatization, and ensure equal access to privatization for all categories of potential investors.

To develop the aforementioned basic laws, we will need to adopt other new laws, which would facilitate our further advancement towards free market economy, for example: "On activity of credit bureaus and exchange of credit information", "On mortgage register", "On real estate activity", "On investment and mutual funds", "On innovations and modernization of economy" and other laws in line with logics and dynamics of market reforms underway in Uzbekistan.

Defining the most important priorities of the country's economic development, we need to pay special importance to stimulate the domestic demand. The implementation of this policy within the Anti-crisis program on neutralizing the consequences of the global financial and economic crisis has fully justified itself for over the past years. Proceeding from this, our priority task for the nearest future is to continue what we have started, i.e. to pay special attention to further increasing the consumer demand of population, primarily, through development of the social sphere and services, priority implementation of the infrastructure, transport and

communication projects, as well as progressive raise of wages.

In conclusion, I would like to express a confidence that the proposed Concept of further deepening the democratic reforms and establishing the civil society in the country shall become a basis for the *Oliy Majlis* to draft and implement the concrete and long-term action program in order to continue the process of reforms and modernization of Uzbekistan that we started almost 20 years ago.

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## BOOK REVIEW

Doi, Mary Masayo. *Gesture, Gender, Nation: Dance and Social Change in Uzbekistan*. Westport, Bergin & Garvey, 2002. xiii + 153 pp., black and white photographs. ISBN: 0-89789-825-7. Hardbound.

The social and historical investigation of dance in Soviet and post-Soviet years in Uzbekistan is a largely understudied and underrepresented area of ethnomusicology. Though, recent papers by noted researchers, Mark Dickens, Kiril Tomoff and Alexander Djumaev, have explored the nature and development of Uzbek identity and "Uzbekness", with regards to the performative arts under Soviet rule. In effect, Mary Masayo Doi's work attempts to fill a large void in ethnomusicological research by investigating the social history of dance from the 1920s to mid-1990s.

Doi's investigations and observations stemmed primarily from interviews with twenty dancers that ranged in age from twelve to seventy. Consequently, all dancers were born during the Soviet period. Of course, one problem with sampling oral life histories recognizes that "telling a life unavoidably also involves telling history in terms of passages through ages of time and transitions between levels of consciousness and social awareness" (p. 14). Doi's solution is rather an observation that is offered "principally as a collection of individual women's recollections of their lives and careers as dancers" (p.p. 14-15). Furthermore, Doi acknowledges the variability and pitfalls of "information mediated through the memories and sensibilities of the individual speakers" (p. 15).

The investigation of professional dancers in Tashkent was the primary group of study, since travel beyond Tashkent to other areas, such as Bukhara or Khorezm, was hampered by travel restrictions. In addition to biographical inquiries, Doi filmed several performances live and on TV. However, an accompanying DVD of dance styles and performances would have been very beneficial for readers to visually understand the nature of

the Farghana, Bukhara, and Khorezm dance forms discussed. The primary introductory material disseminates the collection methods, personal observations, social customs and linguistic observations. In fact, Doi begins the book as an ethnographical analysis of Uzbek social structure, using many simple and common phrases and words translated from Romanized Uzbek to English.

Due to the relatively groundbreaking nature of the study, previous research regarding theoretical models of Western dance analysis may not be appropriate for the interpretation of Uzbek dance. Consequently, Doi employed an experimental approach to explore the social relationships and dance by “Överbal data from the dancers’ life stories, visual and aural data from Uzbek dances, and phenomenological dataÖ” gathered from Doi’s own experience of learning the dances (p. 20).

The various dance groups and social histories were organized from the first dance company in 1929, during the October Revolution and early Soviet Years of 1924-1942. During World War II and the post-war period of 1943-1953, dancers began training for a career in dancing, while also performing openly in theatres and institutes. The industrialization and development era of 1954-1990, allowed dancers to strengthen ties with Moscow and open up more dance opportunities with pan-Soviet dance companies. The years of independence (1991-1994), featured dancers unveiled and performing in public on national holidays, while also struggling to define and examine their collective identities.

Doi explains the role of kinship structure and families as it relates to the interrelationships between greater social idioms and a pursuit of dance. One notable adage found throughout the book describes girls as “a daughter is a guest in her family’s home” (p. 23). This aphorism relates to the fact that girls have little power and influence in society, until they are married and have children. However, dancers were not likely to have children or be married.

The role of dance in pre-Soviet times involved mostly private performances with some public performances. Interestingly, pre-Soviet dancing boys often wore women’s clothing during these performances. Doi also touches on feminisms, including arranged marriages, teen marriages, child-rearing and household chores. Yet, the topic of effeminate behaviors for boys and young men never mentioned. This could be due to Doi’s main concentration involving female dancers, with only a passing mention of boys and their dance structure. Though boys were more prevalent on stage in the early years, with only a few veiled girls.

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Nevertheless, the first Uzbek dance troupe was created in 1928 by Muhayiddin Kari Yakubov. This was the vehicle that launched girls and women front and center on stage.

Doi chronicles three very well-known dancers, Tamara Khonim, Roziya Karimova and Mukarram Turghunbayeva. Born in 1906, Tamara Khonim was the first woman in Uzbekistan to perform without a veil. Tamara married her teacher, M. Kari Yakubov, which secured her greater acceptance in society. Unmarried dancers were not seen as noteworthy individuals, since a girl's ultimate life goal is to marry, produce children and care for the household and her in-laws. Tamara's success at folk dancing won her a gold medal at a festival in London, England in 1935. Doi's biographical look at her life merely introduces us to the dancer and singer called Lady Khonim. A thorough review of her specific dance forms and biographical observations are absent, because she died in 1991 – a year before Doi traveled to Uzbekistan to document Uzbek dance.

Another dancer, Roziya Karimova, was a recruit by the Soviet state. In those days, most of the young girls recruited for dancing were orphans. She was the daughter of an Uzbek father and Russian mother. M. Kari Yakubov recruited Roziya after seeing her dance in a concert at the technical school. Yakubov insisted she go to Samarkand to learn dance. Roziya went to Samarkand to study dance, play musical instruments, and learn the *harakat* (117 movements). Roziya's dancing led to teaching opportunities in the 1930s. She also sang opera, served in the military, and worked as a choreographer. Doi's analyses of Roziya's dance forms were characteristic of the early Soviet years construction of a national Uzbek identity. Roziya performed the Farghana, Bukhara, and Khorezm dances for Doi. However, Doi's quickly concluded and vague observations of specifics as the Farghana style was "Ösoft, light, and lyrical", the Bukhara style was "Ödense, with contained movements strongly connected to the earth", and the Khorezm style was "playful".

The last dancer described by Doi, is Mukarram Turghunbayeva. She joined the Uzbek National Dance Company in 1929. According to her biography, released in 1989, she ran away from home to join Kari Yakubov's company. Her relatively undocumented childhood and family history does not allow for an accurate account of her life as a dancer. However, she founded the Bahor Ensemble, which performed over 200 different works. Mukarram died in 1978, yet Doi managed to interview her close friend. Through her friend, Shirin, we are able to understand the contributions of Mukarram. One of the masterpieces, *Tanovar*, is a

song about national identity, Soviet resistance, and questioning gender roles. Interestingly, Tanovar occurs in eight different variations. The lyrical content describes a young girl waiting for a young boy in a garden. This song is performed by women and another version is performed by men. The role Tanovar played in social change related to public performance of female dancers, which was strictly opposed to traditional, Muslim beliefs.

Doi posits the lives of women was ambiguously influenced by Soviet reforms. The extent of reform that allowed women to dance in public life apparently led to wider available life choices. It is unclear how influential the Soviet reforms expanded the choices of women, since the women were still viewed as 'girls', if they did not marry. One exception involved the circumstances of marriage between two dancers or choreographers. Doi states, "If your husband is a musician, then he is always with you when you are working or traveling. One can criticize you then" (p. 63). In some way, this was a publicly acceptable form of lifestyle that appeased kinship ties and governmental authority. Importantly, a marriage between dancing parties did not automatically signify a socially approved relationship, as "appearing on stage, even with spousal approval and supervision, drastically lowered a woman's social standing" (p. 63). From Roziya's point of view, she believed that, "at that time, I was young. I did not think about freedom or whatever it was called. I lived for art" (p. 63). In effect, we do not know to what extent dance reform changed Soviet rule, or vice versa. That is one limiting factor to consider when dealing with biographical and oral narratives, especially when they are conducted many years after the initial event.

During the so-called "war years" of 1943-1953, the Uzbekistan Soviet Socialist Republic began building up their pan-Soviet nationalism with dancers that reflected a unity without giving disparate ethnic groups the stage. Dancers often performed for military personnel during World War II. Consequently, the acceptance of dance was regarded as an important social activity after years of performative oppression and disjointed Soviet direction. Also at this time, dancers were allowed to voluntarily pursue dance as a career and even with familial approval. Yet, dancers in the 1930s were often orphans and exhibited "God-given talent" and danced "from the heart". During the 1940s, dancers could no longer thrive with so-called innate talent, as years of formal training seemed to be the norm. Before the formation of the Soviet state, Dilorum notes, "when there was no Soviet state, women and girls, you, me, and others, stayed in the women's quarters in the home and wore the veil" (p. 78). In the 1940s,



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“when there was a Soviet state, after everyone tore off their paranjis, they became equalÖthen their dances too became free” (p. 78).

During the 1940s, dancers went through rigorous and institutionalized training regimens in order to instill a collective identity for socialization and ritualization. Students were expected to learn dances from Farghana, Bukhara and Khorezm over a five year span. Examinations were observed by Doi and a committee, and “it appeared that being of Uzbek origin was advantageous” (p. 86). In addition to the three common styles of dance, the performative arts of ethnic minorities, including the Uyghurs and Karakalpoks, were also learned. Additionally, classical dances and ballets were also taught. The issues plaguing Uzbekistan in the 1990s were largely confined to Uzbekness and nationalism. Following political independence in 1991, Uzbekistan faced an uncertain direction for dance repertoires and national celebrations with women and men at the forefront of these “new” performative arts. In fact, Doi notes, “when I left in 1994, people had begun adding the Qashqa Daryo and Samarkand provinces to the list of major dance styles” (p. 138). The role of dance as part of the global culture is another component that can shape and change the musical arts of Uzbekistan for future generations.

One underlying issue with Doi’s narrative involves a generous use of generalities. This is part of the nature of ahistorical and socio-cultural research. However, Doi would benefit from a more indepth analysis of each regional style, with descriptions and illustrations of the dance steps. This would have been very helpful in understanding the origins and directions of Uzbek dance from the 1920s through the 1990s. Yet, Doi exhibits a restrained voice that does not veer off into topics and material in unfamiliar territory.

One possibility for the generalities may be due to a limited subject pool and the reconstruction of ad hoc events into a current study on the development of social change and dance in Uzbekistan. Another possibility deals with time and coverage. Doi’s limited trips to Uzbekistan to interview dancers and individuals knowledgeable on the social changes of dance through Soviet times may not always be accurate. These generalities and missing information assume a rather linear historical development that at times, may have diverged multilinearly. The rather large job of covering the social aspects of Uzbek dance are possibly too vast and detailed to be adequately covered in 150 pages. However, the complexities of anthropological and sociological research warranted a brief treatise on the historical and cultural developments of women, in order for us to

understand how Soviet customs affected Uzbek dance. All things considered, Doi presents a fascinating study that considers various thoughts, topics and questions that allow other researchers in Central Asian ethnomusicology to explore the relatively underrepresented field of Uzbek dance.

**Matt Fross**

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