Caught Between a Dictatorship and a Democracy: Civil Society, Religion and Development in Kyrgyzstan

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Kyrgyzstan, once the poster child for economic and political reform in Central Asia, continues to be one of the biggest recipients of international aid and loans in the region. Impressed by President Askar Akayev's reform policies, the West has sunk millions of dollars of aid money into Kyrgyzstan. While this helped consolidate Akayev's political power and, in the short term, seems to have reinforced both economic and political reforms, the long-term results are yet to be determined. In fact, political reforms may be buckling as the economic situation deteriorates.

Substantial loans provided by the World Bank, the IMF and individual countries are now coming due, and the state cannot afford to pay them back; the coffers are empty. Little direct investment has taken place in Kyrgyzstan, nor any true restructuring of the economy and the infrastructure that supports it. In all sectors, private, government and non-profit, Kyrgyzstan finds itself dependent on the West at a time when the West should be gradually reducing its presence and allowing fledgling Kyrgyzstan to go it on its own. Confidence in the economic and political systems is eroding, as is the popularity of current leaders. Realizing the potential danger of a fractious political system at this time, President Akayev and his people are trying to consolidate their power and, in doing so, are stepping back from democratic reforms.

The political fallout of these economic and political issues will have detrimental effects on many aspects of the Kyrgyz society. First, Kyrgyzstan's status as the economic reformer in the region is in jeopardy. Despite the open economic conditions in Kyrgyzstan, their external debt burden and their lack of access to markets make it less attractive to foreign investors. Secondly, Kyrgyzstan's democratic institutions are in jeopardy as Akayev seeks to seize and hold power in an increasingly divisive political environment. Recent developments indicate pressures on election laws, press freedom, and regional rights. Kyrgyzstan also suffers from a geographical division that is manifesting itself politically. The south of the country, an agricultural region, feels politically disenfranchised and increasingly isolated from the capital, Bishkek. Further exacerbating this division is an underlying ethnic tension, mostly in the south, between Kyrgyz and Uzbek populations.
Thirdly, civil society in Kyrgyzstan, known in the region as the most open and most vibrant, is also at risk. Many of the non-governmental organizations that have sprung up over the last seven years are dependent on foreign donors and are therefore not

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sustainable. Most of these organizations will fold if Kyrgyzstan's political situation forces donors to pull out.

Finally, the economic downturn, which is affecting the southern population more than the northern, is fostering a backlash against change and a reinvigoration of fundamentalism. Islam, always stronger in the Ferghana Valley in the south than in the north, is beginning to play a much larger role in the southern regions of Kyrgyzstan. This religious revival has been the cause of controversy and even violence throughout the country.

The Golden Child's Impending Fall from Grace

After the collapse of the Soviet Union, Kyrgyzstan found itself facing enormous economic problems. Under the Soviet Union, Kyrgyzstan was part of a large, integrated economic system. It now finds itself a small, underdeveloped and struggling state. Prior to independence, Kyrgyzstan was an important supplier of gold and supplied a small portion of the USSR's defense industry. Kyrgyzstan benefited from the Soviet provision of cheap energy resources. The disintegration of the Soviet Union has taken away from Kyrgyzstan both its market for industrial goods and the inputs necessary to produce them. Without Soviet resources at subsidized prices, Kyrgyzstan's industrial output has fallen to about 40 percent of what it was in 1991.[1]

Additionally, unlike some of the other former republics, Kyrgyzstan's resource base is limited. Endowed only with cheap hydropower, coal, some gold, and negligible amounts of oil and gas, Kyrgyzstan is not a natural candidate for foreign investment.[2] Kyrgyzstan thought that gold could sustain it during the first year of independence. So far, however, there has been no windfall from Kyrgyz-Altin, the joint venture gold company. Controversy and calamity have surrounded the joint venture since its inception. The handling of the privatization of mines has been characterized as corrupt and unsavory. The most recent scandal involving Kyrgyz-Altin was a chemical spill in Lake Issyk-Kul in the summer of 1998, a public relations nightmare for the company and a blow to the tourism industry.

Aside from gold, there is little in Kyrgyzstan to attract foreign investment. The region manufactured light industrial goods and textiles during the Soviet period, but that was when markets were guaranteed. Now that the republics are competing for a narrower market, Kyrgyzstan has a distinct geographic disadvantage. Located in the remote east of the former Soviet Union, and with 80 percent of its land mountainous, Kyrgyzstan has difficulty accessing markets and higher than average transportation costs. Poor infrastructure makes it difficult to travel within Kyrgyzstan; especially in the winter, roads and even railways become impassable. The country's one airport is woefully inadequate for freight and passengers. Many people and companies rely on international flights to Almaty, Kazakhstan, a four-hour drive from Bishkek even in the best of conditions. As of

February 1, 2000, Kazakhstan began to require transit visas for foreigners flying out of Almaty. Before this, a Kyrgyz visa would allow a traveler a three-day transit in Kazakhstan without having to obtain a Kazakh visa.

Labor problems also plague this small emerging state. In 1989, the then Soviet Republic of Kyrgyzstan adopted a language policy which required Russian managers and professionals to learn enough Kyrgyz to communicate with their employees and clients in that language.[3] After independence, the government continued to support the language law, but prolonged its implementation until the year 2000. Despite the grace period, many ethnic Russians and other non-Kyrgyz nationalities left Kyrgyzstan. From 1989 to 1993, over 200,000 Slavs and more than 50,000 ethnic Germans departed.[4] They feared that they would be discriminated against by a system that would seek to promote ethnic Kyrgyz. The outflow of Russians was a huge loss to the Kyrgyz economy, which needed the expertise and experience of this highly educated, highly skilled labor force.

With the industrial sector collapsing, the skilled labor force leaving, how could a small, resource-poor, remote country attract investors? The plan that President Akayev and others pursued was designed to attract investors based on Kyrgyzstan's economic and political reform, specifically liberal trade policies and a commitment to democracy. If Kyrgyzstan were more attractive politically than its more dictatorial neighbors, the theory went, investors would accept greater risk. However, investors never came. Instead, they chose to invest in Kazakhstan and Uzbekistan, which have larger internal markets and hydrocarbon resources. The exception to this trend was international lenders.

Kyrgyzstan's relative progressiveness in economic and political reforms made it attractive to the international community, especially the economic gurus responsible for the transformation of some of the Eastern European economies. Daunted by the huge undertaking of reforming Russia, and concerned by the political conservatism evident in other Central Asian states, the International Monetary Fund, the World Bank and several individual nations, including the United States, thought that Kyrgyzstan would be an excellent model for economic transition. By the end of 1993, Western donors had pledged nearly half a billion dollars in assistance to Kyrgyzstan.[5]

Kyrgyzstan began its experiment as the first of the Central Asian states to introduce its own currency, the *som*, in 1993. Kyrgyzstan was immediately offered $40 million in loans to stabilize its currency and another infusion of the same amount four months later.[6] The IMF backed the *som* and therefore had a strong influence over the monetary policy of the Kyrgyz Republic. Inflation peaked at 1300 percent in 1993, thus leading to strict credit and monetary policies.[7] Restrictive monetary policies did manage to curb inflation, but also contracted production and "dampened overall economic activity."[8] Over the period of 1991-1994, Kyrgyzstan's GDP fell 48 percent.[9]

To ease the "growing pains of democratization," foreign lenders tried to help Kyrgyzstan by lending money to stimulate economic growth and meet its growing budget deficit. One USAID contractor estimated the total amount of Kyrgyz loans last year to be nearly $1.5 billion with an estimated GDP of $1.9 billion.[10] Although interest payments on IMF loans are current, Kyrgyzstan is finding it difficult to meet interest payments on loans from the World Bank, Russia, Turkey and the Asian Development Bank.

So why would the foreign community contribute to the indebtedness of this small country with few economic prospects? Many of the reasons are political. Kyrgyzstan is doing everything right, according to Western standards. It is developing a relatively liberal democracy, it is reforming its economic institutions to support capitalism, and it is pursuing strict monetary policy to keep inflation low. However, that it is in danger of collapsing anyway, and collapsing after doing exactly what the West prescribed, would make the doctor a little suspect; the operation was successful, but the patient died anyway. So the IMF and others are determined to keep Kyrgyzstan on life support.

The government has not been paying government wages to meet other financial obligations. Inflation, while lower than in other former Soviet States, is expected to have a yearly average of over 20 percent. Pensions payments are late and inadequate. The combination of low or non-existent wages, high energy costs, and continued inflation in a reform-weary country equals a disgruntled population, adding political to economic woes. The budgetary constraints placed on government agencies are causing ministries and other state agencies to seek other means of raising funds. Registration costs, licensing fees, and other payments are being charged by each agency in order to overhead costs no longer paid by the government budget. The fees have become so numerous and exorbitant that businesses and individuals look on them as extortion.[11]

Privatization is practically at a standstill and has produced precious little money for government coffers. One problem is the difficulty of valuation. The government does not know how to set prices that will attract investors. The Soviet Union used an entirely different accounting system and valued enterprises based on inventories. These huge, vertically integrated behemoths will cost investors a great deal of money to restructure and make profitable. Therefore, they are looking for bargain basement prices. The Kyrgyz government, on the other hand, still in Soviet-thinking mode, does not want to "sell the family jewels" for a price lower than what they, and the public, think is warranted. Consequently, even the most desirable industries such as telecommunications, energy, and airlines have yet to be privatized. Corruption in the privatization process has also haunted the Akayev administration. The head of the State Property Fund, Askar Sarygulov, was sacked for incompetence after a commission found that 10 percent of all privatized industrial enterprises had been under priced.[12]

Further, banking and tax reform trip on at a slow pace with tax officials collecting taxes on only about a third of goods legally sold in Kyrgyzstan.[13] The government is trying to pay interest on its international loans and keep the country going with little to no revenue from privatization and taxation. With the collapse of the Soviet Union, Kyrgyzstan lost subsidies on a number of important inputs such as energy, gas and oil, and now must pay market prices. Some industries that have yet to be privatized are being closed or production is being cut back due to lack of inputs.

The prescription for Kyrgyzstan's economic woes is to stop borrowing and to start making economic rather than political decisions. Of course, like most medicines, this prescription would be a bitter pill to swallow. As other transition countries know well, the social costs of reform are high, and this leaves the public impatient with the process. It takes a long while for economic reforms to permeate all layers of society, and those hardest hit are generally the most vulnerable populations: the elderly, the poor, single mothers, etc.. Those in power who do not want to lose their positions will try to ensure that the transition will be as painless as possible to avoid political repercussions. Additionally, leaders in this precarious position tend to take steps to consolidate their power so as not to be vulnerable to other would-be leaders with different agendas.

Dictatorial Democracy?

In October 1990, the Kyrgyz parliament met to elect the first president of the republic. Two rivals challenged Masaliev, the First Secretary of the Communist Party, for the post. The parliament could not decide on a winner in the first round. The constitution was written such that if, on a first round ballot, a victor was not chosen, none of the original candidates could proceed to the second round. The crisis was resolved when reformist Kyrgyz pushed for the election of Askar Akayev, a physicist with little political experience. Unlike his Central Asian counterparts, Akayev is not a Party-elite, Soviet leader retooled for a democratic society. After supporting Gorbachev more vigorously during the August 1991 coup attempt than anyone save Yeltsin, Akayev was elected to the presidency of independent Kyrgyzstan.

The Akayev government is unquestionably the most democratic government in Central Asia. In fact, that is one of the reasons why it receives so much aid from the United States and other Western countries. The West wants to "reward" the good behavior of democratic states as a lesson to other governments. Kyrgyzstan has received the most USAID money per capita of any of the Central Asian states, totaling over $142 million as of 1996. United States pledged approximately $36 million dollars of AID money to Kyrgyzstan for the 1998 fiscal year.[14] Turkmenistan, a Central Asian state with roughly

the same population as Kyrgyzstan (about 4.5 million people), received only a $6 million pledge from AID for the same time frame.[15]

For the past seven years, Kyrgyzstan has been working to maintain its reputation of being the most open and democratic society in Central Asia, not only to keep the aid and loan money flowing, but also to attract investors. However, some of the glow of democracy is fading. Legislators are becoming restless and Akayev is losing some of his popularity. More and more people are becoming disenchanted with the reform process, which is seen to benefit only those at the top. With fissures in the society beginning to show, Akayev's government is beginning to reevaluate the benefits of democracy.

Having supported considerably more press freedom and opposition activity than his counterparts in Central Asian leadership, Akayev left himself open for criticism and challenges to his leadership. Akayev's reaction to these challenges has been to eliminate them through extra-legal means and to consolidate power. His bid for re-election in 1995 was marred by controversy as the Supreme Court disqualified three of five presidential challengers, claiming they improperly collected voters' signatures. Human rights groups cited voting irregularities including government pressure on voters. Immediately following reelection, Akayev called for a referendum on constitutional amendments that would strengthen his power at the expense of parliament. The referendum passed in early 1996. This incident is what local observers point to as the emergence of "referendum governance." Parliamentarians, in particular, resent the weakening of the legislature and the tendency of the president to rule by decree.[16]

This year, Akayev plans to run for reelection. If he runs, he will most surely be elected again. However, according to the Kyrgyz Constitution, the President can only be elected for two terms. His opponents contend that he is not eligible because he has already been elected twice: in 1991 and 1995, and thus has served two terms. So how will "Mr. Big Democrat" (Akayev's nickname among his political opponents) get around this obvious dilemma?

The Constitutional Court took up the question and made a ruling in favor of the President on July 13, 1998. The Court concluded that the first election in 1991 was an affirmation of the legitimacy of the post of Presidency established in 1990 in the wake of an independent Kyrgyzstan. The new Constitution of independent Kyrgyz Republic was not enacted until 1993. After the adoption of the new Constitution, a referendum was held to confirm that the President of the Republic of Kyrgyzstan, as elected in 1991, now had the right to assume the Presidency of the Kyrgyz Republic under the powers written into the new Constitution. Since the Constitution changed the scope and structure of the powers of the President, the Court concluded, Askar Akayev was elected under the Constitution of the Kyrgyz Republic dated May 5, 1993 for the first time in 1995.[17]

The reaction to the decision in Kyrgyzstan was mixed. Akayev's opponents felt that the process was only rubber-stamping the executive branch's wishes. Those even more skeptical of the political process reason, "Akayev has already taken so much money from the country, if we elect someone else, they'll have to start all over again. It is better for us that Akayev is reelected."[18] While these incidents may seem like usual growing pains of an emerging democracy, the referendum held in October 1998 deepens the alarming trend. The referendum, which included sections on much-needed land reform and press freedoms, hid within its bulk a sweeping increase of presidential powers.[19] Additionally, the proposed reorganization of the legislature was seen to disadvantage the southern region of Kyrgyzstan.[20]

Kyrgyzstan is made up of six administrative regions called *oblasts*. Four of the oblasts are in the northern portions of the country and the remaining two are in the south, separated from the north by a large mountain range. The southern two *oblasts* make up roughly one half of the population of Kyrgyzstan. The proposed draft law recommended that one of the two houses of the Parliament, the People's Representative Assembly, be reduced to 42 members from 70 members, while increasing the Legislative Assembly from 35 to 63 deputies. According to the 1993 Constitution, deputies of both houses are directly elected by popular vote. The new proposal would have the Legislative Assembly elected based on proportional representation (48 of the seats) and on party lists (15 of the seats). The People's Assembly would be indirectly elected by the local *oblast kneshes* (local legislators) with six seats going to each *oblast* and six to the city of Bishkek.

Representatives from the southern *oblasts*, Osh and Jalal-Abad, already underrepresented in the central government, felt that these changes would further isolate their regions. Local observers felt that the regional *Kneshes* are influenced strongly by the *Haikims* (regional mayors), who, in turn, are appointed by the President. "It looks like a presidential effort to create a pocket Parliament," commented one local observer.[21]

The debate about the proposed draft law and the possibility of the referendum continued for the duration of the summer. The referendum, as was stated above, took place in October 17, 1998, and passed with Soviet-like numbers of over 90 percent approval and 96 percent of eligible voters participating. The referendum not only changed the size and distribution of legislative seats, but also stripped the Parliament's right to discuss budget spending without the consent of the government and lifting deputies' immunity. Voters were only allowed to vote "yes" or "no" on a group of complex questions, including land reform and the parliamentary reshuffle.[22]

As economic reforms become more protracted and the population of Kyrgyzstan witnesses an increase in income disparities, the political situation will become more difficult for

would-be reformers. Already, many outside of Bishkek have a sense that this new post-Soviet order is benefiting only a small group of Kyrgyz people. Those politically connected are seen as being rewarded by the system.

The most recent parliamentary elections in February 2000 were widely criticized. The second-largest political party, El Bei-Bechara, was barred from competing on a technicality: its registration form failed to specify it would field candidates. The country's third largest party, Ar-Namys, was barred on another technicality: it had only been registered for seven months and not the requisite full year. Individual opposition candidates Felix Kulov and Daniar Usenov have been investigated by the security services for what many observers consider trumped-up charges in an effort to disqualify and discredit them.

Many people point to the clan system, still very active in Kyrgyz society, as being the key to political and economic success. According to the head of the International Relations Department of Osh University, there is no such thing as a civil servant in Kyrgyzstan. "People get elected to office and bring in their fellow clansmen. People want change, but it is unclear that electing someone new would bring about improvement as the new person would do the same as the last and promote their kin."[23]

Those in the south of the country are particularly sensitive to the inequalities of the new political order. Even before the referendum, they felt that they had been underrepresented in Bishkek politics and further, that most international aid money had been spent in the north, while ignoring the needs of the south. In Bishkek, it is easy to get Western or other imported goods, though they are relatively expensive. In Osh, a major city in the south, imported goods are nearly impossible to find and if at all, and, with the exception of produce, they are prohibitively expensive. Inflation in the south is higher. Value-added goods are mostly imported and transport costs from Bishkek are high. Also, wages in the south are mostly tied to the agricultural sector and are much lower than those in the more industrialized north, especially Bishkek.

Ethnic tensions between the Kyrgyz and the Uzbeks further complicate the situation in the south of Kyrgyzstan. The city of Osh, located on the Uzbek border, has an ethnic breakdown of roughly 44 percent Uzbek, 41 percent Kyrgyz, and 15 percent other groups, but only about 10 percent of the city administration is Uzbek.[24]

Uzbeks have historically played an important role in this region because they made up most of the agricultural sector and controlled the railroads. In pre-Soviet times the Uzbeks were settled farmers who occupied the valley and the Kyrgyz were nomadic herdsmen, traditionally living the mountainous regions. Tension between the two flared into violent conflict in 1990. Some attribute the incident to anti-Gorbachev factions,

claiming they staged the incident to make Gorbachev look weak. Whatever caused that uprising, tensions between the two factions remain today. As one long-time foreign observer put it, "Osh is a pressure cooker. Right now the valves that let off steam are working, but who knows what kind of incident will make those valves stop working."[25]

The relationship between the governments of Kyrgyzstan and Uzbekistan has not been the best over the last few years either. Since the break-up of the Soviet Union, these two newly independent states have clashed over energy and water needs. Kyrgyzstan has been providing Uzbekistan with much-needed water supplies, while Uzbekistan has helped Kyrgyzstan meet its energy needs by supplying gas. Of the 50,000 million cubic meters of water collected in Kyrgyzstan's reservoirs each year, only 12,000 million cubic meters remain in the country.[26] Meanwhile, Uzbekistan grows richer from its cotton production. Last year, minimal rainfall in Kyrgyzstan left them unable to fulfill both its own and Uzbekistan's needs. In retaliation, Uzbekistan did not supply the Kyrgyz with the necessary amount of gas to get them through the winter. This past summer, excessive rainfall in Uzbekistan left them with no need for Kyrgyzstan's help so they have threatened Kyrgyzstan with the prospect of another cold winter.

These tensions worsened over the summer when a group of armed intruders advanced into southern Kyrgyzstan in August 1999, capturing several villages and taking some Japanese geologists hostage. The Kyrgyz claimed the gunmen were radical Islamists from Uzbekistan demanding safe passage to their homeland in return for freeing the hostages. The Uzbek authorities claim they are supported and armed by Tajikistan's Islamic opposition movement.

The NGO Community at Risk: So Much Money, So Little Sustainability

The emergence of the former states of the Soviet Union as independent entities has created not only a cottage industry for economic experimentalists, but also for social scientists and would-be donors weighing the activities of "civil society" on political process. Even as the echoes of the fall of the Berlin wall were still being heard in Eastern Europe, the donors of the West swooped down on the social institutions of the former communist block, bolstering third sector development.

The concept of civil society is generally perceived to mean the unofficial, autonomous social movements within a society that are outside the scope of government structure. The most common usage of the term equates it with the work of non-governmental organizations (NGOs), or the third sector. (The first two sectors are considered to be government and private or for-profit enterprises.) The prevailing wisdom holds that for true democratization to take place, it cannot only be top down, but needs to have some basis in the grassroots of a society. Normally, NGOs function as a check on government

and private activities or as an alternative political movement. The relationship between government and civil society is of critical importance in a transitioning state such as Kyrgyzstan because institutions are being developed and the population must actively participate in the development of those institutions. "There must be a political culture conducive to political action."[27]

Despite not having a strong history in democratic organization, Soviet Kyrgyzstan did produce some horizontally structured social movements. Non-governmental organizations, however, were frowned upon by the Soviet regime and laws clearly forbade groups of citizens from organizing for non-state sponsored activities.[28] The applications of these laws varied widely, the further from the political center of the Soviet Union, the more lax the enforcement of such laws. Thus, some groups began to develop in the pre-Gorbachev area, most notably the green movement.

Under Gorbachev, citizen organizations were given permission to register as legal entities. Social organizations formed in the pre-glasnost period began to register. Many of these groups remained active throughout the last few years of the Soviet Union and those leaders involved in such organizations became leaders of other post-Soviet groups.[29] Because of the favorable political environment in Kyrgyzstan, literally hundreds of NGOs have become active in the post-Soviet period.

The blooming of the third sector in Kyrgyzstan, coupled with the favorable political and economic trends, attracted international donors. Many of these organizations, whether government funded, like USAID, or privately funded, like the Soros Foundation, began to look for local partners in Kyrgyzstan's NGO community. Donors would give out direct grants based on proposals written by these fledgling organizations or would invest in NGO "training", which includes workshops on grant writing, management, and fund-raising. USAID alone has given funds to 99 NGOs for a grand total of $453,914 and has trained over 1700 NGO representatives.[30]

While the figures seem impressive, the results are not as impressive. According to Asiya Sadykbaeva, the Director of Interbilim Center, a clearing house for non-governmental organizations in Kyrgyzstan, of the several hundred NGOs in Kyrgyzstan – 180 of which are registered – only about five of them are strong, well-organized and sustainable. "International donors throw money at local NGOs without caring about sustainability," she says, concludes that organizations are springing up to get a piece of the donor money action. The result is too many NGOs chasing too few dollars; organizations are less creative in fundraising, less dedicated to issues and less likely to affect change in society.[31]

The climate for NGOs in Kyrgyzstan is considered better than that of the other Central Asian states. While the government has restricted some of the activities of a few NGOs,

for the most part, those organizations that are allowed to register are free to operate without much interference. The government is not the major problem facing most of these organizations; the sustainability issue is. International donors are starting to cut back on the amount of funds they send to Central Asia. This could be the death knell for many of the organizations that exist in Kyrgyzstan now.

Is there cure for donor dependency? The idea behind sustainability is to develop organizations that raise funds other than simply grant money; organizations that have a vested interest in the community, and that are invested in by the community. The problem in Kyrgyzstan is that there seem to be no local donors. Despite the fact that some people in Kyrgyzstan have gotten very rich from the transition to a market economy, for the most part, they are not reinvesting that wealth in their communities. One reason for this is an outdated tax code that does not provide for adequate tax exemptions for donations. Only about two to five percent of each cash donation is tax deductible and in-kind donations are not deductible at all.[32] People are reluctant to give money to organizations because they don't want the tax authorities to become interested in their income. If an organization decides to raise funds in other ways, such as selling crafts or services, those activities are subject to taxation, even if those funds are only used to cover the expenditures of the organization.[33] Therefore, most organizations do not spend time and energy attempting to raise funds in ways other than applying for outside grants.

As mentioned above, much of the donor money spent in Central Asia has financed training activities. One problem with this training is that it is based on western ideas of third sector development. Whereas some aspects of the training are generally helpful, such as project development and budgeting, others such as board development are western-oriented institution building strategies that have little application in Central Asia. For example, the idea of a board of directors consisting of certain segments of the population, including legal experts, politically and socially connected members of society, and, of course, large donors, is alien to Kyrgyzstan's NGO community. In the opinion of many NGO leaders themselves, such a notion is anti-democratic.[34] Some groups have formed such boards, but only in name and only when required by funders.

Another controversial aspect of the training is the workshop on writing grants. The idea of formulizing grant writing to fit the American or European mold is self-defeating. Groups have learned to ask for money from foreign sources and then depend on them for their livelihood. The dependency on foreign money has caused groups to cease seeking local sources, if indeed they ever sought them. Foreign donors are spending time and resources on the development of non-governmental organizations that provide a healthy and necessary function in civil society. They are neglecting, however, and even thwarting the growth of nascent philanthropic institutions. Of the twenty- eight organizations surveyed in the summer of 1998, none had received money from local philanthropic institutions,

whereas twenty-three out of twenty-eight had received funds from international donors. Seventeen cited that they receive no money from individual contributions, and of those that did receive private donations, six had received less than 15 percent of their budget in this manner. Nineteen respondents said that they received no help from local businesses and of the seven that had received donations from local business, four of those reported that these contributions made up less than 10 percent of their budget.

The above numbers show the precarious future of a healthy Third Sector in Kyrgyzstan. The real transition in Kyrgyzstan will occur when this generation of politicians finally gives way to the next. In order for Kyrgyzstan to be prepared for this transition, its civil society must be intact and self-sufficient. Only then can society fully participate in the political process. As Asiya Sadykbaeva pointed out, "As a whole, the NGO community has not worked to create a civil society. The majority of organizations do not participate in lobbying the government, even when laws are passed that directly contradict the goals written into their [the NGOs'] charters."[35] A lingering fear of the government, a dependence on donors for money, and the lack of support by the community undermine the very purpose of the Third Sector.

Fundamentalism: A Reaction to Modernity, A Threat to Democracy

"Islam is the mind, heart, and soul of indigenous Central Asian societies," writes Gregory Gleason, but it is, according to him, "cultural Islam, not political Islam."[36] Mr. Gleason, however, only paints a partial picture of the complexities of Islam in Central Asia. Islam in Uzbekistan, for instance, is a much older tradition dating back to the ancient civilizations of Samarkand and Bukhara. The sedentary nature of the Uzbek people led to strong ties among Moslem communities, the *mahalla*. For the Kyrgyz, Islamization wasn't completed until the 19th century.[37] The seventy years of atheistic Soviet rule relegated the religion of Islam to a cultural tradition more than a religious practice. However, as the Soviet Union collapsed and the newly independent states searched for identity, the leaders of Central Asia embraced Islam as a cornerstone of their identity and legitimacy.

President Akayev seems to have taken a different tack. He has embraced democratization as his country's creed, including freedom of religion, but at the same time, his credentials as a Kyrgyz and a Moslem cannot be questioned. He did not make a *hajj* during his 1992 trip to Saudi Arabia, but he did visit other Islamic holy sites and declared two Moslem holidays as state holidays in Kyrgyzstan.[38] Central Asian scholars consider role of Islam in Kyrgyzstan to be weak and point to a domestic secular policy of the government.

Life in the Ferghana Valley, though, is much different than life in Bishkek. It is easy to examine national policy while missing what is happening in the outlying regions of the country. Religion is one of the most visible, and potentially volatile, issues dividing the

societies of North and South Kyrgyzstan. The north, geographically and culturally closer to Russia, does not have a strong connection with Islamic tradition. In contrast, Islam in the south has played a central role in society. Cut off from the north both literally and figuratively, the southern population of Kyrgyzstan identifies itself with Islam, Sharia law, and the customs and traditions of Islamic life.

While the north portrays itself as a modern secular society; the south does not fit that description. This largely rural area has remained virtually unchanged under seventy years of Soviet rule and has not joined the industrialized world. Islamic traditions resonate with the tribal structure familiar to the inhabitants of Southern Kyrgyzstan. People do not have faith in political leaders because of the Soviet experience and because they see no marked improvement in their life from the reformers. It is the local religious leaders on whom they depend to help with village matters, questions of family law, and even for help meeting basic needs. Religion pits traditionalists against reformers, periphery against center, north against south.

Complicating matters in Kyrgyzstan is the very nature of the regime: open, democratic and tolerant. Compared to other states in the region, Kyrgyzstan is a haven for the politically disenfranchised. It is the only Central Asian state to afford displaced Afghans the status of refugees. Thousands of Tajiks, fleeing from civil war in their own country, have relocated to Kyrgyzstan. The Uigurs of China, Moslem and ethnically similar to the Kyrgyz, have come across the Chinese border to escape persecution. A crackdown on Moslem fundamentalists in Uzbekistan has caused an influx of Uzbeks into the Kyrgyz portion of the Ferghana Valley. Many of these Moslems are spreading their brand of Islam among the malcontents in Kyrgyz society; and this is making the government very nervous.

The government, in an effort to control, if not close the Pandora's box of religions, created a Religious Affairs Commission in 1998 to deal with this problematic issue in Kyrgyzstan. The President established the Commission by decree in order to "coordinate relations between the state and religious communities."[39] One of the main functions of this body is to recommend to the Ministry of Justice those religious organizations it feels should receive official registration. Like NGOs, religious groups are considered a form of social organization and must register with the Minostry of Justice. Thanks to the establishment of this commission, the Religious Affairs Commission must first approve religious organizations before they are allowed to register with the Ministry of Justice. Thirty-three religious groups are currently registered in Kyrgyzstan. "The government is trying to prevent a situation in which religion is the cause of violence," stated the Commission's deputy.[40]

Also, the existence of a relatively independent press has created some problems between the religious communities and the secularists. The country's most popular daily newspaper,

Vecherny Bishkek, has published many articles on a religious sect known as *Wahhabism*. Many of these articles have been inflammatory and sensationalist. The Moslem clerics, deeply offended by some of the content, put political pressure on Akayev to stop the newspaper from printing such articles. Those angered by the news reports held press conferences and issued statements decrying those newspapers it felt were slandering Islam. The Spiritual Board of Muslims in Kyrgyzstan (SBMK) accused Russian language newspapers of trying to turn the local population against Islam.[41]

An article published in *Slova Kyrgyzstan*, the state newspaper, on June 10, 1998 bemoaned the treatment of Islam in the local press. Russians, who know little of the subject about which they write, write most of the articles. Kyshtobaev, the journalist, referred to the backlash in the Kyrgyz and the Moslem press against such sensationalism. His conclusion was that economic hardships leading to social tensions could cause an upsurge in fundamentalism. To stop the rising popularity of extremists, he suggests that the moderate Moslems form a political party, perhaps an "Islamic Democratic Party." This, he contends, could become a channel for the energies of the economically and socially malcontent, thus rendering the opportunities for radicalism less fertile.[42]

Wahhabism has become the scapegoat of the Kyrgyz press. The term *Wahhabism* originates from Saudi Arabia, where it was used to describe a conservative Islamic sect which, among other things, believes in living in the manner prescribed by the Koran and in a direct and literal translation of Sharia Law. While this branch of Islam did exist in Kyrgyzstan prior to the Russian revolution, it recently had a surge in membership due to Saudi Arabian and Uzbek proselytizers.[43]

Meanwhile, in Uzbekistan, President Karimov is taking the threat of *Wahhabism* very seriously. Despite his early efforts to identify himself with Islam, including making the *hajj* and claiming observance of Islamic dietary laws, Karimov decided to promote secularism to avoid the plight of neighboring Tajikistan. He consistently rails against Islamic fundamentalism and has gone so far as to close madressas and mosques, often converting them into museums. Uzbekistan spearheaded a triple alliance with Russia and Tajikistan to combat extremism.

For his part, Akayev decided to support Tashkent in its fight against Islamic fundamentalism. When Karimov discovered that his crackdown on *Wahhibists* in Uzbekistan only forced them into adjacent Kyrgyz territory, his special services began to arrest religious dissidents hiding in Kyrgyzstan. In January 1998, Kyrgyzstan, Uzbekistan and Kazakhstan signed an agreement regarding the cooperation and collaboration of law enforcement agencies. Since that time, according to human rights activists, there have been ten cases of arrests of Krygyz citizens by Uzbek law enforcement in addition to Uzbek citizens.[44] Akayev, reluctant to comment on the situation at first, finally stated that,

"We must not go to extremes. Today we have no real threat in our country on the part of extremist religious organizations. But if the threat of a breakup of the country should arise, then we will employ severe measures against the representatives of these currents."[45]

The Moslem clerics in Osh are reluctant to discuss *Wahhabism,* dismissing it as a fabrication of an uneducated media. One Imam did put forth the view, however, that Uzbeks were fleeing from the strict society of Uzbekistan to come to Kyrgyzstan to practice their religion. Osh is becoming a religious center, with around fifty mosques in the town itself and seven hundred in the Osh Oblast.[46] Local television broadcasters censor their shows in deference to the religious leadership. While Russian television, easily received in the north, shows Western films replete with sex and violence, southern television stations censor kisses and provide free airtime for religious programming.[47]

These cultural fissures in Kyrgyz society and their regional implications spell trouble for the Akayev government. The novelty of the transition has worn off and certain elements of society have realized how to take advantage of the newfound freedom to further their own aims. As some forces of change move the country forward, others are pulling the country back towards a more traditional and less threatening society. Political leaders in the south who want to compete with Akayev are doing so by using religious rhetoric that resonates with the less-educated, largely agrarian southern population. Religious leaders in Kyrgyzstan and abroad are taking advantage of the political openness to push forth an agenda that is fundamentalist, pan-Islamic and anti-Western. These messages are capturing an audience of young men who find their options in Kyrgyz society are limited because of their ethnicity if they are Uzbek, their tribal background if they are unconnected with the clans in power, or their lack of access to a modern education.

Conclusions

The social, ethnic, and religious rifts in Kyrgyzstan could be mended if the economic and political situations were stable. However, burdened with foreign debt and a lack of foreign investment, the economy is going nowhere fast. The political situation is marred by charges of corruption, a system of rewards based on clan structure, and growing regionalism. The Third Sector, which should be the force challenging the poor decision-making of the government, is weak and not motivated by any political or social agenda, only self-perpetuation. Finally, social factions alienated by the change in society are reverting to fundamentalism to preserve their threatened way of life. This dynamic is being used by politicians, both internal and external, to weaken Kyrgyzstan's democratization.

If this process continues unchecked, Akayev will have to become even more dictatorial in an effort to keep the country together. An austerity program is necessary in order to

alleviate the budget crisis and will not be popular. Critics of Akayev, including some reformers, Islamicists, and Communists, will be able to capitalize on his weakness. As the Third Sector becomes increasingly critical of reforms, it will face more repression; perversely, this is exactly the time when Western donors will curtail their spending.[48] Social programs will have to be cut in order to balance the budget and this will adversely affect the less-industrialized south. Economic hardship will exacerbate social tensions and provide a rich breeding ground for religious leaders who offer an opposing message to the government.

Economically, the World Bank, the IMF and donor states have to resist the urge to lend dollars to Kyrgyzstan. In the short run, loans stave off the political instability caused by a budget deficit that doesn't allow the government to pay into social programs, but the long-run consequences could be disastrous. Akayev must work with Parliament to reform the tax code and improve collection mechanisms. Western legal advisors need to help legislators draft an enforceable anti-corruption law. The local currency, the *som,* should not be defended but be allowed to depreciate in order to stimulate growth.

Politically, it must be made clear to Akayev that support for his regime is contingent on his operating through the rule of law. Pressure can be brought to bear privately, without jeopardizing his political stature, to ensure that Kyrgyzstan is not ruled by presidential decree. The president should be inclusive in his decision-making process and consult with opposition parties to make coalitions. The precarious situation with political factions in the south makes it imperative that Akayev do all that he can to prevent regional factionalism. Western donors can also assist by spreading donor dollars more evenly around the country rather than keeping them in Bishkek. Attracting investors to the south of Kyrgyzstan is also vital to this strategy.

The Third Sector should be encouraged to seek funding from indigenous sources. While much of the population subsists below the poverty line, a small segment of society has enriched itself during the transition process. It is these "businessmen" that must be convinced that in order to maintain their business interests in Kyrgyzstan, they need to reinvest in society. Again, reforming the tax code to reward acts of charity is of primary concern. Western donors need to have clear criteria for the organizations which they fund. Otherwise, the credibility of NGOs as a group will be undermined. Training for NGOs should be transformed from teaching them how to sustain themselves to teaching them how to effect change in their societies.

Finally, the West has little direct influence on the religious and social cleavages in Kyrgyzstan. If, however, the economic and political situation improves the lives of the majority of the citizens of Kyrgyzstan, they will need no outlet for their dissatisfaction.

The longer and more protracted the transition process, the greater the possibility of a reactive movement like fundamentalism.

It is too soon to give up on Kyrgyzstan, but it is time to take off the rose-colored glasses. The problems in Kyrgyzstan are very real and very dangerous, but not insurmountable. The commitment to democratic and market reform in Kyrgyzstan was made back in 1991. It is now time for both sides to follow through on that commitment and not bend to pressure to take the easy way out.

Notes

[1] Martha Brill Olcott, *Central Asia's New States* (Washington DC: United States Institute for Peace, 1996), 98-99.
[2] Deborah Anne Palimieri, *Russia and the NIS in the World Economy* (London: Praeger, 1994), 27.
[3] Eugene Huskey, "The Politics of Language in Kyrgyzstan," *Nationalities Papers*, 23, 3 (1995), 555.
[4] Eugene Huskey, "Kyrgyzstan: the Fate of Political Liberalization," *Conflict, Cleavage, and Change in Central Asia and the Caucuses*, ed. Karen Dawisha & Bruce Parrot (Cambridge: Cambridge University Press, 1997), 155.
[5] Ibid., 242.
[6] Olcott , 89.
[7] Shirleen Hunter, *Central Asia Since Independence* (Washington DC: Center for Strategic & International Studies, 1995) 73.
[8] Abdoul Kadyrov, "Monetary Reform: a Comparison of the Kyrgyz Republic and the Republic of Uzbekistan," *Comparative Economic Studies*, vol. 37, no. 3 (Fall 1995): 41.
[9] Stanislav Zhukov, "Economic Development in the States in Central Asia," *Central Asia in Transition*, ed. Boris Rumer (Armont, NY: ME Sharpe, 1996) 107.
[10] David Calpepper, personal interview, 12 August 1998.
[11] G. Kozimen, "Bureaucrats are Killing the Market," *Vecherni Bishkek,* 16 July 1998.
[12] EIU Country Report, 14.
[13] Olcott, 101.
[14] *USAID Congressional Presentation: Kyrgyzstan, 1998*, [http://www.info.usaid.gov/pubs/cp1998/eni/countries/kg.htm]. Downloaded 12 May 1998.
[15] *USAID Congressional Presentation: Turkmenistan, 1998*, [http://www.info.usaid.gov/pubs/cp1998/eni/countries/tm.htm]. Downloaded 12 May 1998.
[16] Absamat Masaliev, Deputy of the Legislative Assembly, personal interview, 6 August 1998.
[17] Constitutional Court Decision of the Kyrgyz Republic, July 13, 1998.
[18] Galina Sergunina, International Foundation for Election Systems, personal interview, 10 June 1998.
[19] Dmitry Solovyov, "Kyrgyz Leader's Democratic Image May Fade," [http://www.rferl.org] Downloaded 19 October 1998.
[20] The information contained in this section about the International Conference on the Improvement of the Election System of the Kyrgyz Republic came from a variety of sources, including newspaper reports and interviews with representatives from the International Foundation for Electoral Systems, National Democratic Institute and a number of legislators themselves.
[21] Galina Sergunina, personal interview, 10 June 1998.
[22] Solovyov.
[23] Abdiraim Jorkulov, Osh State University, personal interview, 14 July 1998.

[24] Umarhon Umurakov, Secretary of the Uzbek Center of the Osh Oblast, personal interview, 17 July 1998.
[25] Zeljko Franci Smailagic, Head of the Field Office in Osh, UNHCR, personal interview, 13 July 1998. Interestingly, Mr. Smailagic himself is a Bosnian and says he sees frightening similarities between the current situation in the south of Kyrgyzstan and the situation in the Balkans.
[26] Jeremy Bransten, "Kyrgyzstan/Uzbekistan: The Politics of Water" [http://www.rferl.org/nca/features/1997/10/F.RU.971014134935.html] Downloaded 30 October 1998.
[27] Roger D. Kangas, "State Building and Civil Society in Central Asia," *Political Change and Civil Society in Russia and the New States of Eurasia*, ed. Vladimir Tismaneanu (New York: M.E. Sharpe, 1995), 272.
[28] Sievers, Eric, "The Last Soviets: Democratic Associations and the Development of Central Asia" (unpublished work with permission of author), 47.
[29] Ibid., 49.
[30] *USAID: Purpose, Achievements and Challenges* (Washington DC: USAID, 1998), 4.
[31] Asiya Sadykbaeva, Director of Interbilim, personal interview, 8 June 1998.
[32] Ibid.
[33] Natalya Ablova, Director of Kyrgyzstan Bureau on Human Rights and Observance of Law, personal interview, 2 June 1998.
[34] Asiya Sadykbaeva, personal interview, 8 June, 1998.
[35] Ibid.
[36] Gregory Gleason, *The Central Asia States, Discovering Independence* (Boulder: Westview Press, 1997), 170.
[37] Alexander Filonyk, "Kyrgyzstan," *Central Asia and the Caucuses after the Soviet Union*, ed. Mohiaddin Mesbahi (Gainesville: University Press of Florida, 1994), 159.
[38] Martha Brill Olcott , *Central Asia's New States: Independence, Foreign Policy and Regional Security* (Washington DC: United States Institute for Peace, 1996), 32.
[39] Natalya Shadrova, Deputy of the Commission on Religious Affairs and Religion in Kyrgyzstan, personal interview, 11 June 1998.
[40] Ibid.
[41] Natalya Ablova, *Monthly update on Press Freedom in Kyrgyzstan* (Bishkek: Bureau of Human Rights and Rule of Law) 29 May 1998.
[42] Daniel Kyshtobaev, *Slova Kyrgyzstan,* 10 June 1998, 1.
[43] Natalya Shadrova, personal interview, 11 June 1998.
[44] Ibid.
[45] Ibid.
[46] High Commissioner for Muslims in Osh, personal interview, 14 July 1998.
[47] Halijan Hudaiberdiev, President of Osh Television, personal interview, 15 July 1998.

[48]It is common for donors to spend more money in open societies to promote the Third Sector. NGOs in more repressive societies, such as Turkmenistan, receive a fraction of the funding of NGOs in more "progressive" states, like Kyrgyzstan.