

**THE INSTITUTIONAL ASPECTS OF ECONOMIC AND POLITICAL
DEVELOPMENT IN CENTRAL ASIA:
CASES OF KYRGYZSTAN AND TURKMENISTAN**

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Abstract

The study explains the interplay between economic development and democratization in Kyrgyzstan and Turkmenistan. The role of democratic institutions and of factors that impede development is analyzed and assessed. The thesis identifies what democratization and development are through the arguments and theories of prominent scholars; it also identifies the main challenges to democratization and development in Central Asia and tries to shape a theory of how both development *and* democracy could be achieved in the region, how Central Asia can transition to less authoritarian governance, how this transition will influence economic development, and what institutions are necessary for the transition.

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Introduction

Since the formation of earliest societies in the world, people strive for progress and social well-being. Humans experiment with different forms of governance and economy in order to transition to more advanced living standards, every time improving the potential for more discoveries and the evolution of civilization. Some countries evolved from monarchial rule to democracy, from communism to dictatorship; some adopted free market economies, and some still utilize a regulated planned economy. Even though it takes some countries longer to transition, change remains constant. This way, in the time when democracy is considered the most advanced form of governance, it seems that the transition to it is inevitable for all countries. Central Asia is not an exception. This thesis employs the definition of political democracy as described in Georg Sørensen's *Democracy and Democratization: Processes in A Changing World*:

- Meaningful and extensive *competition* among individuals and organized groups (especially political parties) for all effective positions of government power, at regular intervals and excluding the use of force
- A highly inclusive level of *political participation* in the selection of leaders and policies, at least through regular and fair elections, such as that no major (adult) social group is excluded
- A level of *civil and political liberties* – freedom of expression, freedom of press, freedom to form and join organizations –

sufficient to ensure integrity of political competition and participation¹

The region is in a complicated transition from Soviet rule to a “democracy”. However, the path to a better form of governance is especially rocky for these states as they are challenged by the soviet legacy, rentier economy, and lack of efficient institutions necessary for the development, namely democratic leadership and civic engagement, a system of checks and balances, free flow of information, and openness and transparency. ²

The governments of the newly independent states in Central Asia were left at crossroads after the breakup of the Soviet Union, having to decide which course of economic and political development to take. This thesis considers Kyrgyzstan and Turkmenistan as case studies for analyzing the interplay between economic and political development. These specific countries are chosen because they are vivid examples of a relationship between economic growth and democratization. While in Turkmenistan we can observe a steady economic growth but slow or “standstill”³ democratic transition, we see another situation in Kyrgyzstan, where democratic processes are taking place, economic development is still slow.

So, my main questions are whether better governance and social well-being can be achieved *as a result* of economic development, how can Central Asia transition

¹ Larry Diamond, Juan J. Linz, and Seymour Martin Lipset, eds., *Democracy in Developing Countries*, vol. 2 *Africa*, 1998. P. xvi (quoted in) Georg Sørensen, *Democracy and Democratization: Processes and Prospects in a Changing World*. 3rd Ed. Boulder: Westview Press, 2008.p. 14.Print.

² Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin, *Why Democracies Excel*, Foreign Affairs, Vol. 83 No.5 (Sep.- Oct., 2004), pp. 63-66 PDF. <http://jstor.org/stable/20034067>

³ Georg Sørensen, *Democracy and Democratization: Processes and Prospects in a Changing World*. 3rd Ed. Boulder: Westview Press, 2008. Pp. 55-65. Print.

to less authoritarian governance, how this transition will influence economic development, and what institutions are necessary for the transition.

My hypothesis is that economic development, specifically rentier economy impedes the transition to less authoritarian governance, and in order for the transition to happen it is necessary that a new generation of well-educated, open-minded and dedicated people with clear vision and program for development became a part of government and helped establish institutions that would ensure social and economic well-being for all citizens.

Literature Review

There is a great debate among scholars about whether economic development or democratization comes first. The proponents of “economic development first” theory argue that economic growth leads to the expansion of literate population, creation of a secure middle class, competition and participation, and therefore to a civil society that would promote its own interests and ideas.⁴ Joseph Siegle, however, in his work *Why Democracies Excel*, disagrees and takes several steps to prove that democracy is the most optimal form of government and explains how it fosters economic development faster and better than authoritarian governments. The “development first” theory asserts that a developing country needs an iron fist to direct economy and keep the country stable and secure, to prevent it from civil wars and from anarchy. This seems a legitimate claim, however Siegle argues that “countries remain poor precisely because they retain autocratic political structures and development-first strategy perpetuates a deadly cycle of poverty, conflict and

⁴ Seymour Martin Lipset (quoted in) Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin, *Why Democracies Excel*, Foreign Affairs, Vol. 83 No.5 (Sep.- Oct., 2004), p. 58 PDF. <http://jstor.org/stable/20034067>

oppression.”⁵ Considering this argument, the dispelling of development-first theory makes sense, as we question how can regular citizens benefit from economic development in an authoritarian country if these citizens cannot even claim a part of revenue from the development? How can these people benefit from economic development when there is no liberalization and therefore no knowledge or exercise of civil rights and no free flow of information? These citizens are led to just accept what they are dictated. Therefore, development in autocratic states does not lead to improvement of living conditions of the whole society but only to a small part of it – the elites or only the ruler’s family and relatives, or the ruling party.

The theory of “economic development first” supposes that a well-educated and concerned middle class will emerge and become an active civil society, that would accelerate a change in governance based on competition and participation. Mesquita, in his research *Development and Democracy*, also discards this idea and adds to Siegle’s pro-democracy argument that the authoritarian governments have become sophisticated in their ability to suppress the demands of the middle class.⁶ He agrees with development theorists that increase in per capita income lead to widespread demand for increase in political power; however he claims that the abilities of authoritarian governments are underestimated. Precisely, Mesquita argues, the authoritarian governments learned to control the emergence of civil society or opposition through *strategic coordination*.

⁵ Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin, Why Democracies Excel, Foreign Affairs, Vol. 83 No.5 (Sep.- Oct., 2004), p. 71 PDF. <http://jstor.org/stable/20034067>

⁶ Bruce Bueno de Mesquita, and George W. Downs, *Development and Democracy*, Foreign Affairs, Vol. 84, No. 5 (Sep.-Oct. 2005) p. 78. PDF. <http://jstor.org/stable/20031707>

The concept of *strategic coordination* is understood as “the set of activities that people must engage in to win political power in a given situation.”⁷ Such activities include disseminating information, recruiting and organizing opposition members, choosing leaders, and developing variable strategy to increase the group’s power and to influence policy. In order to stay in power autocrats raise the costs of political coordination among the opposition without raising the economic costs too much because doing so would threaten the regime.

Another important concept is *coordination goods* – “those public goods that critically affect the ability of political opponents to coordinate but have relatively little impact on economic growth.”⁸ These goods are different from public goods such as public transportation, healthcare, primary education, etc. The four types of coordination goods are: political rights, more general human rights, freedom of press, and accessible higher education.⁹ This is a very important concept for this thesis as it is the base for why the transition to democracy is so difficult in Turkmenistan while the presence of strategic coordination in Kyrgyzstan makes the country more democratic than its Central Asian neighbors.

Mesquita suggests that the suppression of coordination goods is the best-working strategy for survival of authoritarian regimes. The provision of coordination goods leads to the decline of authoritarianism while provision of other public goods either doesn’t change the regime or improves it. This way, economic development is no longer a way to democratization and better social conditions.

⁷ Bruce Bueno de Mesquita, and George W. Downs, *Development and Democracy*, Foreign Affairs, Vol. 84, No. 5 (Sep.-Oct. 2005) p. 80. PDF. <http://jstor.org/stable/20031707>

⁸ Bruce Bueno de Mesquita, and George W. Downs, *Development and Democracy*, Foreign Affairs, Vol. 84, No. 5 (Sep.-Oct. 2005) p. 82 . PDF. <http://jstor.org/stable/20031707>

⁹ Ibid.

This pattern can clearly be observed on the example of Turkmenistan, where various economic benefits are provided to citizens: free electricity, natural gas, and water are ways for the government to satisfy the basic needs of its population and come to silent mutual agreement that in exchange for these free utilities, non-interference in political affairs by ordinary citizens will be guaranteed. Ahmet Kuru describes this phenomenon in his research *The Rentier State Model and Central Asian Studies: Turkmenistan Case*, explaining how authoritarianism and absence of civil society is influenced by the rentier system economy that Turkmenistan follows up to this day. *Rentierism* here is defined as “reliance of state not on the extraction of the domestic population’s surplus production but on externally generated revenues, or rents, such as those derived from oil.”¹⁰

Hannes Meissner in his research article *The Resource Curse and Rentier States in the Caspian Region* also backs Kuru’s argument, saying that “Rents not only determine the characteristics of their national economies but also their state institutions and their government’s attitude towards society.”¹¹ Meissner introduces the three principles that modern authoritarian governments with rentier policies use in order to alleviate social pressure: taxation effect, spending effect, and rentier effect. All three contribute to the formation of a rentier mentality, which further shapes a society that is not concerned with political processes as long as they receive their economic bonuses, derived from rentier economy. This work supports the thesis

¹⁰ Lisa Anderson, *Policy-Making and Theory Building: American Political Science and the Islamic Middle East*, in Ahmet Kuru (ed.), *The Rentier State Model and Central Asian Studies: The Turkmen Case* ALTERNATIVES Turkish Journal of International Relations (2002), p.52 Web. 04 Dec. 2011 <<http://www.alternativesjournal.net/volume1/number1/akuru.htm>>

¹¹ Hannes Meissner, *The Resource Curse and Rentier States in the Caspian Region*, GIGA Working Papers, No. 133, May 2010. PDF http://www.giga-hamburg.de/en/system/files/publications/wp133_meissner.pdf

assumption that economic development does not necessarily lead to better governance.

So, given the setbacks of economic development, and the fact that the “development first” theory is now outdated, scholars argue that in order to transit to improved governance and superior living conditions it is necessary to reform institutions and come up with a creative vision of how to make these institutions effective. Adam Przeworski, in his work *Institutions Matter?* claims that institutions are ‘endogenous’¹², meaning that they are dependent on the conditions in which they exist. Institutions will be effective if they are in a society that is ready to accept them, and all preconditions are met. Considering the institutions necessary for enhanced governance proposed by Siegle and Meaquita, I am questioning whether they would be in favorable conditions in Kyrgyzstan and Turkmenistan. The answer to this question could be Przeworski’s main assertion that ‘institutions can be at most imported and never exported.’¹³

While Kyrgyzstan tries to adopt the democratic institutions, ensuring active civic participation, elections, and granting major freedoms, the country is considered a weak state by *Foreign Policy’s* failed states index,¹⁴ indicating that the course of democratization here is experiencing problems. The thesis will address these problems in chapter two. On a positive note, if Kyrgyzstan is successful in establishing strong democratic institutions and is able to fight the current challenges is

¹² Adam Przeworski, *Institutions Matter?* Government and Opposition Ltd., 2004, p.527 PDF.< http://politics.as.nyu.edu/docs/IO/2800/go_2004.pdf>

¹³ Luiz Carlos Bresser Pereira (quoted in) Adam Przeworski, *Institutions Matter?* Government and Opposition Ltd., 2004, p.540 PDF.< http://politics.as.nyu.edu/docs/IO/2800/go_2004.pdf>

¹⁴ *Foreign Policy, The Fund for Peace*, <http://fundforpeace.org/programs/fsi/fsindex2006.php> (quoted in) Georg Sørensen, *Democracy and Democratization: Processes and Prospects in a Changing World*. 3rd Ed. Boulder: Westview Press, 2008. p.69 Print.

has, it will experience the benefits of democratization in the long term. Siegle and Mesquita would argue that Kyrgyzstan's poor economic performance compared to Turkmenistan's indicators is not due to its democratization efforts, but due to the lack of natural resources and corruption. Despite the current instability in the country, holding on to and improving its democratic institutions will ensure long-term development and well-being for the Kyrgyz people. In Turkmenistan, while the population currently enjoys economic benefits, security, and stability, many freedoms are restricted putting the long-term stability in jeopardy.

CHAPTER I. Theoretical Framework

As the debate about whether economic development or democratization should come first continues to this day, some scholars bring an example of China as a successful case when authoritarian regime brings such great economic growth. Georg Sorensen, in his book *Democracy and Democratization: Challenges and Prospects in a Changing World*, discusses this issue as well, describing the various types and degrees of authoritarian regimes and democracies before making an assumption. For this thesis, it is particularly interesting to look at Kyrgyzstan as elite-dominated democracy and Turkmenistan, as an authoritarian developmentalist regime. Usually, scholars compare India and China through these types of systems. Sorensen emphasizes that it is difficult to generalize and say that democracies or authoritarian regimes perform better economically, because depending on degree it can be vice versa.¹⁵ Both, Siegle and Mesquita bring China as an example that economic growth doesn't lead to democratization. The argument is that China's economic growth is not an achievement of its authoritarian regime, but rather a result of introducing market reforms in 1970s.¹⁶

Siegle reminds about empirical evidence that democracies consistently outperform autocracies in the developing world; he compares several low-income authoritarian governments and low-income democracies to find out whether democracies are capable of developing at a similar rate with autocracies. The finding of the study is that the two grow with almost the same speed however outside of eastern Asia, the median per capita growth rates of poor democracies has been 50 percent higher than

¹⁵ Georg Sørensen, *Democracy and Democratization: Processes and Prospects in a Changing World*. 3rd Ed. Boulder: Westview Press, 2008. p.126. Print.

¹⁶ Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin, Why Democracies Excel, *Foreign Affairs*, Vol. 83 No.5 (Sep.- Oct., 2004), p. 62-63 PDF. <http://jstor.org/stable/20034067>

that of autocracies.¹⁷ Siegle brings several examples of such cases to empirically prove his point. Much of the scholar's research is based on statistics of democracies' prevalence over autocracies in levels of overall well-being such as literacy, life expectancy, access to clean drinking water, agricultural yields, and the quality of public-health services. Also, in comparison between the two forms of government, corruption and the rule of law is mentioned in the two systems, where democracies clearly do a much better job. Humanitarian issues are much worse in autocratic states where 80 percent of internally displaced persons in 2003 lived under authoritarian regimes.¹⁸

Democratic Institutions

As his conceptual underpinnings Siegle identifies several institutions that are key to democratization and development according to him: democratic leadership and civic engagement, checks and balances, openness, free flow of information. Siegle argues that in autocracies only elites have access to all the wealth and therefore only they can succeed in life. There is a great gap in society between the rich and the poor. A system of checks and balances in democracies ensures that power is not monopolized by one person or one branch of government and therefore no one can force their will on others without the consent of the majority. There is a flaw in this system though when we look at what is currently happening in the United States government as it became dysfunctional in a constant battle between Republicans and Democrats. It is hardly possible to pass a piece of legislature in the Congress, as opposing parties refuse to compromise principally. While the system of checks and balances might be imperfect, it is so far the most accountable system. When power is

¹⁷ Ibid.

¹⁸ Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin, Why Democracies Excel, Foreign Affairs, Vol. 83 No.5 (Sep.- Oct., 2004), p. 60 PDF. <http://jstor.org/stable/20034067>

not monopolized by one person or group of people, there is at least a forum for dialogue and an opportunity for compromise which would benefit as many people as possible.

Siegle sees development as an exercise in educating the population: to wash hands, improve farming techniques, eat nutritious food, or protect the environment; therefore free flow of information is not only essential for democratization but also for development. He also argues that lawful government allows for lawful economy.

According to Siegle, despite some minor flaws in democracies, they are still “distinctive not because they identify the best policy but because they institutionalize the right to change leaders or policies when things go poorly. Democracies present an enormously powerful set of institutions that propel development.”¹⁹

Democracy from Within

Siegle also introduces his five steps or policies that the US government and multilateral financial institutions should adopt to prioritize democracy. Most of them have to do with a stricter emphasis on liberalization and human rights when providing aid to foreign countries. Siegle also proposes to reconsider some of the existing policies in providing financial assistance, he calls on aides to make “democracy impact statements” an essential part of international development assistance, meaning that when giving financial aid for economic development, democratic development should come into account first. It is almost like a new concept of development – not economic, but democratic development which will bring economic development with itself. Siegle also suggests separating aid that is provided for security purposes from aid for development. This is an interesting point because it is still financial aid to

¹⁹ Joseph T. Siegle, Michael M. Weinstein, and Morton H. Halperin, Why Democracies Excel, Foreign Affairs, Vol. 83 No.5 (Sep.- Oct., 2004), p. 66 PDF. <http://jstor.org/stable/20034067>

countries which are not democratic, like Pakistan or Egypt for example. The US significantly helps Pakistan and Egypt and countries alike in financial terms for security reasons; however these countries' policies and laws are the reasons for civil conflicts and governance failures. The question is Pakistan or Egypt are that great of a threat to the US that it has to basically pay them not to attack its allies? What is a possible outcome if the US stops giving aid to these countries? If the US is the main promoter of democracy all over the world, is it doing enough to promote democracy, or is it taking the right steps in its promotion? Is it making things better or worse when giving financial assistance for development and security? One pattern of democracy be transmitted to all countries with different cultures and achieve the same results as in the West? My argument would be that instead of giving financial aid for economic development, an emphasis should be made on education as a priority. Creating institutions favoring civic engagement, rule of law and openness are the way to democracy.

Similarly to Siegle, Mesquita argues that donor-countries should change definitions of democracy and human rights and make them more precise and that they should establish stricter conditions for giving grants and loans to authoritarian countries even through USAID or World Bank.

Institutions that promote liberalization and not only economic development are essential in Central Asia, and just like the authors argued, the aid coming from donors should be managed by stricter policies and goals. For democratization and development in Central Asia there are definitely a lot of different challenges. The case of Kyrgyzstan and Turkmenistan is two opposite sides of the same issue – Kyrgyzstan is at least trying to become a democracy while being behind in economic development, and Turkmenistan – enriching its authoritarian regime while prospering

economically. The studies above show that democracies arrive at even better economic growth in the long run, so it is interesting to compare the examples from both countries and find the best optimal way for democratization and development for them since it is already decided, that indeed, democracy is better than authoritarianism and sooner or later we will need to take this path to a new form of government not only on paper but in on practice as well.

CHAPTER II. The Case of Kyrgyzstan. An Argument for Democratic Development. Challenges for Transition.

Since 1991, with gaining its independence, Kyrgyzstan has seen failures and successes, revolutions and changes in government structure, economic and ideological crises, each time aspiring for better governance and social well-being. Kyrgyz Republic is considered the most democratic among its neighbors. Nevertheless, the country still has a long way to go to become a consolidated democracy and finish its last stage of democratization. The biggest impediments to democratization in Kyrgyzstan are corruption, clan politics and family ties, and weak opposition that lacks a strong ideological base and concrete propositions for change.

Yet, Kyrgyzstan has always been called an “island of democracy” in Central Asia, and many referred to it as an example for other Central Asian countries. Whereas countries like Kazakhstan, Uzbekistan, Tajikistan and Turkmenistan are authoritarian and for the most part lack a civil society, Kyrgyzstan is open for change, debates, is willing to learn from other developed countries, there has been a change of power several times, media is relatively free, and politics is in spotlight of everyday life. The country’s civil society is active, Kyrgyzstan has friendly relations with most countries and it welcomes international organizations and NGOs for investments and aid. The president of an interim government of 2010 revolution, Roza Otunbayeva claimed an even greater title for Kyrgyzstan than just an “island of democracy”. In her interview with the Telegraph, she said, “...the Arab Spring started in Kyrgyzstan first.” “Al Jazeera was active in Kyrgyzstan showing everything that was going on

and showing it in the Arab world”²⁰. The “Rose Revolution” happened in Kyrgyzstan on April 7, 2010.

Defining Democracy

While Otunbayeva is confident that Kyrgyzstan is on the right track to become a democracy, it is important to define what democracy is. Democracy is an extremely broad term, and there are different definitions by different scholars. The most common one is that democracy is rule by the people for the people. There is narrow and broad meaning of democracy. Schumpeter argued for the narrow meaning which would produce a democracy in which people elect their political leadership. The narrow meaning of democracy claims that elections are the factor that defines democracy— as long as people can choose their government in a fair competition every so often it is democracy. However Schumpeter’s theory and view present some problems: just elections alone can overturn democracy and bring authoritarian rule when a corrupt leader comes to power. David Held proposed the broad meaning which argues that participation by people during elections is not enough.²¹ The broad meaning implies that people should be involved in the process of decision-making continuously, actively participating in political life of the country. It also argues that people should enjoy not just political but also economic and social rights.

²⁰ Otunbayeva, Roza in interview. Kilner, James. “Kyrgyzstan is a Beacon of Democracy in autocratic Central Asia says ex-leader.” *The Telegraph*. Telegraph.co.uk, 17 Jun. 2012. Web. 4 Apr. 2013
<http://www.telegraph.co.uk/news/worldnews/asia/kyrgyzstan/9336616/Kyrgyzstan-is-a-beacon-of-democracy-in-autocratic-Central-Asia-says-ex-leader.html>

²¹ Sorensen, Georg. *Democracy and Democratization: Process and Prospects in a Changing World*. 3rd ed.

According to Georg Sørensen, national unity, modernization, generation of wealth, high levels of literacy, urbanization and freedom of mass media are the preconditions for the democratization.²² It is important to remember that these preconditions must be in place to pave a road for democracy. How are these preconditions met in Kyrgyzstan? Compared to its neighboring countries, Kyrgyzstan is doing a much better job in levels of literacy and freedom of speech and media. Moreover its political culture is a concerned group of citizens who are constantly striving for change, even if they themselves do not have appropriate solutions to the problems, they realize that something should be different and therefore meetings, protests and other forms of civil participation take place on the daily bases. There are various civil society groups, human rights and city activists, who are dedicated to improving the conditions of people's life, there are discussions and debates taking place daily on social media even on such recent issues as gay rights.

However, compared to developed countries of the world, Kyrgyzstan's efforts of civil society activism and opposition are almost a failure, as most of them do not have alternative programs or ideological base. On the contrary, opposition is unorganized, there were more than twenty political parties running for election in 2011 – all of them compete for power, and try to retain it by all legal and illegal means available, which in turn hinders the process of democratization.

The Question of National Unity

Taking into account that the main basis for democratization is national unity, Kyrgyzstan suffers a huge problem with its ethnic minority group – Uzbeks who live

²² Georg Sørensen, *Democracy and Democratization: Processes and Prospects in a Changing World*. 3rd Ed. Boulder: Westview Press, 2008. p.29. Print.

in the Southern part of the country. There has already been a civil war in the 90s between the Kyrgyz and the Uzbeks over resources, land and language. The tensions continue to this day. This divide in the nation in Kyrgyzstan is known as North and South issue. Different clans and kinships belong to specific regions in the country – some in the North, some in the South. The North is traditionally more liberal, while the South is very conservative and religious. There are numerous Uzbek settlements, *mahallas*, in the South where the power, and the disputes often arise about language, territory and businesses in that region between the Kyrgyz and the Uzbeks.²³

Recently the Uzbek minority, which makes up about 15% of population, demanded to make Uzbek an official language. Currently, Kyrgyz is a state language and Russian is an official language in Kyrgyzstan. However in the South, many television stations, radios and some schools are in Uzbek language. This angers many Kyrgyz and gives a rise to nationalistic feelings among the communities which leads to tensions and violence.

Uzbeks, who live in the South, constitute 50% of the city of Osh, the second biggest city in Kyrgyzstan. In 2010, during the civil unrest in the South, much of the violence against the Uzbek community was documented and widespread, which led to even more anger among Uzbeks. They have long demanded more political and cultural rights, including greater representation in government, more Uzbek-language schools, and official status for Uzbek language.²⁴ During these violent events of 2010 majority of people who died were Uzbeks. The interim government was unable to stop the ethnic violence and showed its weakness. After the revolution of April 7, 2010, Uzbeks suffered much discrimination not only in the South, but also in Bishkek,

²³ Matveeva, Anna; Savin, Igor; Faizullaev, Bahrom. “Kyrgyzstan: Tragedy in the South”. *Ethopolitics Papers*. No. 17 (2012) p. 17. PDF. <http://www.ethnopolitics.org/ethnopolitics-papers/EPP017.pdf>

²⁴ Freedom House. *Freedom in the World 2012. Kyrgyzstan*. Web. 4 Apr. 2013
<http://www.freedomhouse.org/report/freedom-world/2012/kyrgyzstan>

the capital of Kyrgyzstan. Many felt threatened to even go outside because there were reports of rape and more violence towards ethnic Uzbeks by the ethnic Kyrgyz.

There is much speculation among the people in Bishkek as to why the ethnic violence takes place. And even during these discussions, it is easy to see the divide between the North and the South, as Northerners speak bad of Southerners and blame them for what happened and vice versa.

The Revolutions

This indicates that national unity, a precondition for democratization, is not met in Kyrgyzstan yet. However, people still speak of “island of democracy”. Many refer to revolutions and ongoing meetings and demonstrations across the country as indicator of civil participation and concern. Kyrgyzstan experienced its first revolution in 2005, when Askar Akayev was in power. He was the first president of the country after the Soviet Union broke up. Akayev came to power without much political background: he was a physics professor. Many considered him to be a liberal. He introduced privatization reforms and people enjoyed many freedoms. However, after having ruled for 15 years, Akayev became unpopular in the country and was accused of having authoritarian tendencies. Particularly, “the constitutional amendments adopted by the national referenda in 1996, 1998 and 2000 increased presidential power and substantially limited the role of parliament.”²⁵ Also, Akayev’s family became intensively involved in the government: his wife, daughter, son and other relatives were involved in policy making and controlled most profitable business enterprises. Akayev’s daughter, Bermet, was the leader of a political party “Alga Kyrgyzstan” and she and her brother Aydar both ran for elections in 2005.

²⁵ Temirkulov, Azamat. “Analysis of Current Events. Kyrgyz “revolutions” in 2005 and 2010: comparative analysis of mass mobilization.” *Nationalities Papers*. Vol. 38, No.5 (2010) p. 591 Print.

“According to the economist Anders Aslund’s investigations, the Akayev family accumulated wealth estimated between \$500 million and \$1 billion over its 14 years in power.”²⁶ At the same time, the people in the country were aggravated by the border disputes with China, and when Akayev decided to give up some territories that belonged to neither Kyrgyzstan or China, and were a disputed territory, the opposition used this issue to raise nationalistic feelings among the people and started mobilization. This personal enrichment of the presidential family, its high political involvement, and the decision by Akayev to give up the disputed territories to China triggered the revolution in 2005.

“The Tulip Revolution” of 2005 was among other “colored revolutions” that happened in Georgia, Ukraine and Serbia. It was supported by NGOs, activist groups and civil society. As these groups spread ideas of liberal democracy in the region and criticized corruption and authoritarianism, masses were mobilized. However not only NGOs were involved in these events, local patronage networks and clans worked together closely with NGOs despite being informal actors. All these institutions were successful after one month of protests and demands of Akayev’s stepping down. People’s Movement of Kyrgyzstan (PMK), an opposition union of parties, led by Kurmanbek Bakiyev finally took control over the “White House” on March 24th 2005. Akayev escaped the country and Kurmanbek Bakiyev became the president.

Challenges to Democratic Development in Kyrgyzstan

In 2005, when Akayev was ousted, the problems were already in place – corruption, socio-economic decline, ineffective governance, ethnic clashes, and clan politics. Still, it seemed that now, after the revolution, prospects for democratization

²⁶ Ibid.

in Kyrgyzstan were good. International community saw the revolution as fight against authoritarianism and against family rule. However, what wasn't taken into account is that Bakiyev was a leader who operated under the patronage networks and was elected with the support of his clan. Kyrgyzstan's people did not expect to see the new leader to be even worse than the previous one.

Authoritarian Tendencies During Bakiyev's Rule

During Bakiyev's rule, the government was highly disorganized. He was promising his clans power in the government, however he didn't keep his promises. The old local officials were confused after the revolution took place. One governor of a province shared,

“Initially one group entered my office and introduced themselves as the new authorities. Almost immediately afterwards another group came in and said exactly the same. And both groups cited decisions of the Coordinating Council and the new governor.”²⁷

Moreover, the previous problems of family ruling continued, even in a more intensive way. Corruption, clan politics, regionalism and economic stagnation remained but now new problems added: the new parliament was made up of “businesspeople” a term that included criminal elements and successful entrepreneurs. These people voted for any policies and authorities that would benefit their own interests. The parliament became full of people who were related to each other, who were involved in corruption, criminal activities and who had no sincere intention of serving the people of Kyrgyzstan.

²⁷ Akim in the interview. “Kyrgyzstan: After the Revolution” *International Crisis Group*. 4 May 2005. PDF. 4 Apr. 2013 http://www.crisisgroup.org/~media/Files/asia/central-asia/kyrgyzstan/097_kyrgyzstan_after_the_revolution

Furthermore, regionalism and tensions between North and South intensified, as this time the president was from the southern city of Jalalabad. Security issues became vital – murders took place, mafia and criminal groups were implementing their plans of self-enrichment and were closely connected to candidates in elections. “The security forces were largely powerless against this rise of organized crime. Some police chiefs had been replaced by representatives of local “informal leaders” leading to disquiet among the police that they would be unable to tackle any serious crime.”²⁸

Media also became controlled by the government: TV programs, newspapers, radio broadcasts, everything came under new editorship. Activists started fearing SNB (Service of National Security) because they were constantly under surveillance. Some of the activists said that they even had to take batteries out of their phones so that SNB didn’t know where they were.

Bakiyev’s family took control of most businesses and also became highly involved in politics. Roza Otunbayeva would later say that Bakiyevs filled the “White House”. Bakiyev’s brother Zhanysh was appointed Chief of Service of the State Guards, and informally supervised all law enforcement bodies. Another brother, Marat, was ambassador to Germany. The third brother, Akhmat, was the informal head of Jalalabad province. Bakiyev’s elder son, Marat, was appointed as deputy-director of the National Security Forces. And ex-president’s younger son Maxim supervised the economic sphere of the country and oversaw the Central Agency of Development of Investments and Innovations.²⁹ Maxim Bakiyev, the youngest son, abused his power so much that he basically controlled even state-owned enterprises such as Telecom, a phone company, majority of nightclubs, restaurants, stores and

²⁸ Ibid.

²⁹ Ibid.

other businesses. Owners of businesses would complain about how they were often visited by groups of people who would threaten them to close down their businesses or worse, if they didn't offer their share.

Moreover, numerous murders of well-known politicians, drug scandals, and human rights violations took place during Bakiyev's rule. Elections were bought off, there was fraud; and reports of hundreds of people being brought in buses to vote for particular candidates. People knew that every vote costs from 500 to 1000 Kyrgyz Soms (\$11 to \$22 USD) – it was talked about and everyone knew how corrupt and how fraudulent the elections were. Bakiyev's tight control over almost all aspects of people's lives triggered another revolution. However, the triggering point in this situation was the government's unpopular decision to increase tariffs on public services, including energy, heating, and mobile communications. Heating costs rose 400% and electricity by 170% in February 2010.³⁰ This particular issue affected the people directly, especially the ones living in impoverished rural and suburban areas, which led to discontent and later political struggle for power.

Less than a month before the revolution happened, minor clashes between citizens and local authorities took place – people expressed their dissatisfaction with the new policies and tariffs. However they were suppressed and; this angered the citizens even more. On March 17th, 2010 national *kurultai*, a traditional assembly, met with an agenda to remove Bakiyev from power, return power to the people, return to privatized state enterprises and decrease tariffs. Many opposition parties formed during this time, opposition leaders tried to organize more *kurultais* where they would speak about the removal of Bakiyev from power and restoring justice. However security forces quickly arrested these leaders. The arrest of political leaders led to

³⁰ Ibid.

mobilization of citizens. When they marched out to the streets to protest the arrests, and came close to the “White House” with demands for Bakiyev to leave, the government forces used weapons against protesters “killing dozens of people”.³¹ As more people were killed, additional participants joined the protest. This time, the citizens were furious and were led by patriotic feelings and solidarity with their fellow citizens. The legitimacy of this government ceased to exist, and Bakiyev fell in the eyes of the citizens completely. The crowds overturned the fence of the “White House” and took control of the building, damaging and burning most things on their way in a sign of protest. Bakiyev fled Bishkek first to find security in his hometown Jalalabad and then later he left the country after people were in search of him. His regime also collapsed and a new interim government was formed.

The new interim government was led by the former Foreign Minister Roza Otunbayeva. Ms. Otunbayeva became the first female president in the region, which was also significant in terms of democratization. She promised that she would not run for re-election in 2011 when then new government had to be formed. Instead, she used her diplomatic skills and experience to normalize relations both with Russia and the United States. She received financial help from Russian government and Russia was the first state to recognize the interim government as legitimate. Under Roza Otunbayeva’s leadership Kyrgyzstan became the first parliamentary democracy in Central Asia, where the powers of president were shared with prime minister and the parliament started playing a greater role.

On October 31, 2011 Kyrgyzstan held another presidential election, in which Otunbayeva did not contest for power, as she promised. By this she set an example in Central Asia of democratic passage of power. Almazbek Atambayev became the next

³¹ Ibid.

president and is the current president. He won the election with 63% of vote in the first round. The monitoring groups were not very satisfied with the process of elections, however. They mentioned some flaws such as voter registration system. “We believe that this election is crucial for the future of the country and its further co-operation with the European Union. Overall, our delegation positively assessed the voting procedures on election day but we would like to underline the necessity to improve the voter registration system to further increase public confidence in the electoral system,” said Inese Vaidere, the Head of the European Parliament delegation.³²

Kyrgyzstan, in its efforts of transitioning to better governance, also changed its government system from a presidential to a parliamentary republic, seeking to diminish the powers that president used to hold. Even though, authoritarian tendencies declined, the current parliament still has setbacks. Businesspeople are still in the government, holding political offices not because of their competencies or political will, but to the purposes of making decisions that would be favorable for businesses. Regionalism, family ties and clan politics still remains an issue that impedes the success of democratic efforts in the country. Kyrgyzstan is on its fourth government now, and things haven't become worse, however they haven't become much better either. Again, the problem of clan politics and corruption is still too vivid. Moreover, after Atambayev consolidated the power and chose a pliable prime minister, he

³² Vaidere, Inese in interview. “Kyrgyzstan’s Presidential Election Was Peaceful But Shortcomings Underscore Need To Improve Integrity of Process.” *Organization for Security and Cooperation in Europe OSCE. OSCE.org*. 31 Oct. 2011. Web. 4 Apr. 2011 <
<http://www.osce.org/odihr/elections/84571>>

stopped at any improvements. As Melinda Haring argues in her article, the rule of law hasn't been restored, and that is the reason why the colored revolutions failed.”³³

Even though Kyrgyzstan has made the transition from authoritarianism to democratization, it will take Kyrgyzstan some more time to become consolidated. As for now it needs to address the issues of corruption and family ties in politics. When we take into account the economic aspect of democracy - Sorensen suggests that when a country reaches an annual income of \$6,000 it is more likely to become democratic - Kyrgyzstan's GDP in PPP as of 2012 is \$2,400,³⁴ which is not very close to the suggested number. This is another impediment that prevents Kyrgyzstan from enjoying the benefits of being a consolidated democracy.

Conclusion

Despite the country's comparatively successful efforts at transitioning to democracy, the question of national unity yet has to be resolved, economic issues should be addressed, the problem of clan politics and patronage networks still needs to be tackled, there is also an urgency for a law enforcement reform. If Kyrgyzstan successfully resolves the problems that impede its development, and continue the tradition of improving democratic institutions while providing a public forum to discuss issues that concern the society, if it improves its economic performance, the country will most likely achieve advanced governance and superior living conditions where people's rights are respected, humans live in dignity and security, the institutions guarantee accountability, economic development will be inevitable, as stakeholder will feel confident that their investments are not going to be at risk.

³³ Haring, Melinda; Cecire, Michael. "Why the Color Revolutions Failed." *Foreign Policy*. 18 Mar. 2013 Web. 4 Apr. 2013

http://www.foreignpolicy.com/articles/2013/03/18/why_the_color_revolutions_failed?page=0,0

³⁴ IndexMundi. Kyrgyzstan's GDP- per capita PPP. *Indexmundi.com*. Web. 4 Apr. 2013 <
http://www.indexmundi.com/kyrgyzstan/gdp_per_capita_ppp.html>

CHAPTER III. The Case of Turkmenistan. Economic Development Through Rentier Economy. Challenges to Transition.

With the collapse of the Soviet Union in 1991, Turkmenistan became an independent country with abundant natural resources (especially gas and oil) and a legacy of being a Soviet colony which later influenced the course of politics in the country. The first president of independent Turkmenistan, Saparmurat Niyazov, was a former communist and a part of Soviet *nomenklatura*. Even though Niyazov was successful in preventing potential conflicts and uprisings in the country, uniting the people under an effective ideology, provided the citizens with free utilities such as electricity, natural gas, and water, and rebuilt Turkmenistan's major cities to become an object of pride for the Turkmen, there were setbacks in his rule that still influence the national policies. During the 15 years of his Niyazov developed a personality cult, created an ideology and an authoritarian regime in the country. This chapter seeks to examine the connections between Turkmenistan's rentier policies and authoritarian regime.

The topic of mutual reinforcement of rentierism and authoritarianism is significant for understanding the existing regime in Turkmenistan and finding possible solutions to build the currently non-existent civil society with democratic values, respect for human rights and give citizens an opportunity for opening their private businesses and developing free market.

Rentier Economy and Domestic Policies

A rentier state is a state, in which economy mostly or even completely depends on export of natural resources, such as oil, gas, or other raw materials. As Hootan

Shambayati defines it, “Rentier state is any state that receives a substantial portion of its income in the form of external rents.”³⁵ Those countries that have been blessed with the availability of these resources can enjoy the opportunity to grant free resources and utilities to its people and benefit from it at the same time. In 1980 direct taxes averaged less than 11 percent of total government revenue in the Middle East, while the world average was 63 percent.³⁶ This portrays how rentier states have an opportunity to get away without taxing their citizens. The same situation we can see in Turkmenistan, where economy highly depends on revenues from natural gas. This natural resource constitutes 70 percent of Turkmenistan’s GDP. The Turkmen government monopolizes gas and oil reserves leaving no space for private local companies to extract the resources and therefore develop market economy. The state aims to use natural gas revenues to consolidate its institutional structure.³⁷ Also it tries to receive support from its citizens by providing them with free electricity, water, gas, salt and setting purely symbolic prices for housing and utilities. Turkmen government uses these welfare privileges as their main aces and creates an image of a country that cares about its people. We can see same tendencies in other rentier countries such as Libya. The late Kaddafi also granted Libya’s people with free utilities. And just like Turkmenbashi, Kaddafi had a bizarre personality cult, a state ideology and a book which dictated how a life of a Libyan should be conducted.

³⁵ Hootan Shambayati, ‘The Rentier State, Interest Groups, and the Paradox of Autonomy: State and Business in Turkey and Iran’, *Comparative Politics*, Vol. 26, No. 3 (Apr., 1994), pp. 307-331 JSTOR

³⁶ International Monetary Fund, Government Finance Statistics Yearbook, vol. 9 (1985), p. 40., in Hootan Shambayati, ‘The Rentier State, Interest Groups, and the Paradox of Autonomy: State and Business in Turkey and Iran’, *Comparative Politics*, Vol. 26, No. 3 (Apr., 1994), pp. 307 JSTOR

³⁷ Ahmet Kuru (ed.), The Rentier State Model and Central Asian Studies: The Turkmen Case *ALTERNATIVES Turkish Journal of International Relations* (2002), p.54 Web. 04 Dec. 2011 <<http://www.alternativesjournal.net/volume1/number1/akuru.htm>>

In Libya, particularly we find its leader employing a powerful combination of ideology, charisma, reliance in moral persuasion and religious symbols, and invented national myths...to instill a sense of community and create political allegiance where formal mechanisms are absent or meaningless.³⁸

These similarities are not coincidences because there is clear system of how rentier states act. They all apply the principle of “no representation without taxation” to its domestic politics. Resource inflows allow a country with rentier economy not to tax its people. A rentier state becomes a sort of autonomy from its society because it doesn’t depend on them economically. Therefore, it acts in accordance with its will. Since the citizens are not demanded to pay for most of the utilities, they are also expected to not to intervene into a state’s political or economic policies; moreover they are expected to follow certain rules and norms no matter how peculiar they are. Shambayati explains such occurrence in his research:

The reason for this anomaly is that relations between rentier states and their citizens are defined in noneconomic terms. The rentier nature of the state changes the nature of challenges it faces. The state and its clientele are not engaged in the economic exploitation of the domestic population. Therefore, no conflict arises over the ownership of the means of production. Instead, strictly moral and cultural considerations become the legitimizing ideology of groups opposing rentier states. From the perspective of citizens, oil revenues do not result from

³⁸ Dirk Vandewalle, *Libya Since Independence* (Ithaca: Cornell University Press, 1998) p.29

government policies; rather, oil rents are a "gift from God" that should be divided equally among all citizens.³⁹

In rentier states, the citizens and the state are not in conflict over ownership of means of production, the citizens simply do not have to struggle for reduction of prices, they do not have to worry about getting their bills paid, and therefore the civil society is very weak or doesn't exist at all in such countries. In Turkmenistan, particularly people do not care much about the personality cults of both former and current president as long as they have their free electricity, water, gas and cheap utilities. This way, the citizens do not try to form any nongovernmental organizations or labor unions which promote interests of people, they do not participate in political or economic life of the country. Political life is not interesting for them, because it doesn't presuppose any struggle or competition to achieve basic needs. These basic needs are already covered. Turkmen people tend to believe that they owe these privileges only to the 'dear president', as he is often called in Turkmenistan. This belief is caused by propaganda that is being spread through media, educational and other institutions in the country.

Soviet Legacy, Nationalism and Personality Cult in Turkmenistan

Very often people wonder how Turkmen citizens tolerate the existing authoritarian or sometimes totalitarian regime in the country. The tolerance, patience, loyalty and obedience of the Turkmen are a puzzle for many. Some argue that this 'silence' in society is due to the fear of the security forces in the country. This theory is clear; the state agencies such as KNB are still a legacy of the Soviet Union and are still just as powerful. Just as in the case with Uzbekistan's Service of National

³⁹ Hootan Shambayati, 'The Rentier State, Interest Groups, and the Paradox of Autonomy: State and Business in Turkey and Iran', *Comparative Politics*, Vol. 26, No. 3 (Apr., 1994), pp. 308 JSTOR

Security; Turkmen KNB is feared among the population. The government controls strategic coordination, limiting the freedom of speech, free flow of information, freedom of association, etc. The fear to be persecuted or branded as a traitor is so widespread that people avoid talking about politics, economy or anything that could imply dissatisfaction with current state of affairs, even among friends and sometimes even relatives. Journalists and activists are usually under strict control and are being watched closely by national security services. It also needs to be mentioned that these forces are being suspicious towards any gatherings of more than 20-25 people in one place other than state-owned organizations. This discourages people to take any steps to expressing their views.

Turkmenistan was a colony of the Russian Empire and later a part of the Soviet Union for 70 years. When the Russians conquered Central Asia in the nineteenth century, there was no polity that called itself a Kazakh, Kyrgyz, Turkmen, Uzbek or Tajik nation. Rather there were nomadic confederations, most notably the Khanates of Bukhara, Khiva and Samarkand.⁴⁰ The Soviet officials created borders unifying the different tribes under a particular name (Kyrgyz, Tajik, Turkmen, etc.) Therefore the process of nation-building in those countries has started. During that time, the national identities of republics had almost been erased, traditions, religion, language and history of member-countries had almost been forgotten; every one republic had to adjust to Soviet ideology. So, when USSR collapsed in 1991, the new leaders, which in fact were all (except for Kyrgyzstan's Akayev) a part of Soviet *nomenklatura*, had to build new nations. Because of the poor economic and political conditions, the leaders had to revive every aspect of the newly independent states.

⁴⁰ Yilmaz Bingol, 'Nationalism and Democracy in Post Communist Central Asia', *Asian Ethnicity*, 2004, 5 (1) p.45, in Stephen Brown and Konstantin Sheiko, *The Soviet Legacy and Leader Cults in Post-Communist Central Asia: The Example of Turkmenistan* p.3

The Role of Nationalism is Creating Compliance in Society

“Under the direction of Turkmenbashi, the Turkmen State initiated the nation-building policy to fill the ideological vacuum, to maintain the source of legitimacy for the new nation-state, and to adapt inter-*national* system.”⁴¹ The goals were to unite the Turkmen tribes and minimize and exterminate the Russian influence in the society. To do this, the state started promoting Turkmen language as main language; Russian was put aside, and later converted into a foreign language. One common language unites all people, makes it possible to read official press and watch state TV channels. It is especially important in unification of tribes, as each tribe has their own dialect. Turkmenbashi’s goal was to create a shared Turkmen culture, in order to avoid tribalism. He aimed at loyalty to the Turkmen nation rather than to the tribe for several reasons: unification, peace among the tribes, prevention of opposition based on loyalty to a clan. The old Cyrillic alphabet was replaced with a Latin one to allow all Turkmen have their own *elipbiy*. It is interesting to note that Turkmenbashi did not adopt the Turkish alphabet as he didn’t want too much influence from the outside. Instead, he created a Turkmen alphabet which does not repeat any other, adding to the aim of creating a sense of uniqueness for Turkmen.⁴² Creation of *elipbiy*, therefore served both main objectives – to unify the tribes and to de-Russify the society.

Another significant tool of nationalism in Turkmenistan is media and its role in promoting symbols and slogans. All media in Turkmenistan is controlled by state. There are four TV channels that broadcast festivals, national dances and plays, or just monologs of people praising the Turkmen nation or the president while there is a

⁴¹ Ahmet Kuru (ed.), *The Rentier State Model and Central Asian Studies: The Turkmen Case* *ALTERNATIVES Turkish Journal of International Relations* (2002), p.59 Web. 04 Dec. 2011 <<http://www.alternativesjournal.net/volume1/number1/akuru.htm>>

⁴² Ahmet Kuru, *Between the state and cultural zones: nation building in Turkmenistan*. *Central Asian Survey* (2002) 21(1), 71–90. PDF. http://grad.sdsu.edu/~akuru/docs/Kuru_CAS.pdf

picture of Turkmen nature on the screen. The news is only about the president, his visits around the country, meeting with the ministers and greeting letters that he received from other heads of states. All news is in a very particular language, describing the president and his endeavors as great, merciful, mighty, etc. The language is used to praise the leader and imprint the respect and some degree of fear among the citizens. The strategy was used as in the times of Turkmenbashi's rule, as in the present Berdimuhamedov's administration. This is not without reason: Schmid and Langbein suggest that despite much criticism from international community for the personality cult, Niyazov understood his leadership as a necessity in order to guarantee political stability and preserve inter-ethnic peace in Turkmenistan.⁴³ This way, president himself is a national symbol, his portraits and statues are all around the country – in every office, every classroom, along every road, and even in the airplanes. Media also promotes slogans such as “21st century is the Golden Century of the Turkmen”, “The word of the President is law”; the most famous one used during Niyazov's era is “Halk, Watan, Türkmenbashi!” meaning, “People, Motherland, Turkmenbashi!” A more recent slogan is “Döwlet adam üçindir, adam döwlet üçindir”, meaning “State for the man, man for the state”, a slogan to indicate the unity of a Turkmen with state and vice versa. Media use colorful pompous language to talk about achievements of state, especially in regard to independence and neutrality. The status of Neutrality, achieved in December 1995 is the subject of national pride that is taught in schools since the first grade. In the media and schools, there is always a phrase that gets repeated until it is deeply penetrated into the minds of people “The first country which is accepted as permanently neutral by the UN, is our fatherland,

⁴³ Schmid, Heiko; Langbein, Joachim. *Turkmenistan – Nation Building and Economic Development since independence*. Ruprecht Karl University of Heidelberg p. 72 PDF. <http://www2.geog.uni-heidelberg.de/anthropo/mitarbeiter/schmid/pdf/turkmenistan.pdf>

Turkmenistan. Therefore it is compulsory for all of us to serve our fatherland.⁴⁴ The Turkmen people may not really know the meaning of neutrality; however they are proud that their country is the first in something. Monuments to such national symbols of pride are established throughout the country – Arch of Neutrality, Monument of Independence, National Museum, Earthquake Memorial – all of these serve the purpose of uniting the people in pride over national achievements or over the death of fellow people during battles, natural disasters, etc.

In Turkmenistan, history writing takes a special place, as Turkmenbashi's goal was to change the perception of the Soviet times, point attention to the unique Turkmen national history - not a shared Turkic history, and to acquire solidarity by uniting history of tribes and regions.⁴⁵ For example the Gokdepe Battle that was fought in the Ahal region, is claimed to be a national battle where all five tribes united and fought against the Russian imperialists. The schools and history books teach that the Turkmens sacrificed their lives for their nation, for their land; it is now marked as a national memorial day in Turkmenistan to commemorate the perished for the Motherland. History and other books that did not satisfy president's goals were destroyed in large amounts.

The major role in history writing in Turkmenistan plays *Ruhnama* or Book of the Soul, a book written by Saparmurat Turkmenbashi. In Turkmenistan it is called "The Holy Book of *Ruhnama*", a "guiding start of the Turkmen people". *Ruhnama* consists of five parts which tell about the origins of the word "Turkmen" – "turk iman" or "created from light", the history of the Turkmen, their ancestry and legends; there are some excerpts from Koran and Sufi philosophy. Turkmenbashi writes about the five epochs of the Turkmen nation, starting from the ancient times till modern

⁴⁴ Ahmet Kuru, *Between the state and cultural zones: nation building in Turkmenistan*. Central Asian Survey (2002) 21(1), 71–90. PDF. http://grad.sdsu.edu/~akuru/docs/Kuru_CAS.pdf

⁴⁵ Ibid.

time. Every epoch has a spiritual leader, a totem and a slogan. The first epoch was led by Oguz Han Turkmen; Turkmenbashi claims that Oguz Han and his 24 grandsons gave origins to the Turkmen tribes. The last, fifth epoch is led by Turkmenbashi himself.

Brown and Sheiko in their research describe Ruhnama as follows:

Niyazov has written a text, the *Ruhnama* or the *Book of the Soul* that has replaced the Soviet-era textbooks as compulsory source of instruction for students at every level in Turkmenistan's educational system. Prospective government employees are required to memorize parts of this book by heart. The citizens of Turkmenistan are required to swear oaths upon Ruhnama; passages from Ruhnama can be read alongside passages from Koran inscribed on a lavish mosque built in Niyazov's hometown in honor of his mother...⁴⁶

The numerous monuments to Ruhnama were erected everywhere around the country, with the largest talking animated book in Ashgabat. After the death of Turkmenbashi, the role of the book diminished in Turkmenistan and even the official web-site for it became a dead link. However the impact that the book made on a whole generation will remain immense, as it truly gave a sense of identity, history and pride to many Turkmens.

In spite of all the positivity of creating unity, pride and a sense of nation in Turkmenistan, the first leader also developed his personality cult, setting an example to the future leaders. In 2004 the months were renamed, making January – Turkmenbashi, April – Gurbansoltan (his mother's name), September-Ruhnama. Days

⁴⁶ Stephen Brown, Konstantin Sheiko *The Soviet Legacy and Leader Cults in Post-Soviet Central Asia: the example of Turkmenistan*. p. 5 2006. Web. 04 Dec. 2011. <<http://coombs.anu.edu.au/SpecialProj/ASAA/biennial-conference/2006/Brown-S+Sheiko-K-ASAA2006.pdf>>

of week were also renamed, Saturday became Ruhgun (day when Ruhnama should be mostly read). Along with months and days of week, numerous towns were called after the president; a big port-city in the west of Turkmenistan also was renamed from Krasnovodsk to Turkmenbashi. (It should be noted, however, that the months and days of week were renamed back after Gurbanguly Berdymuhammedov became president.) In one of the interviews Niyazov explained his cult as a need for Turkmen people to identify themselves with a significant person;⁴⁷ The late Turkmenbashi claimed that in order to revive the spirit of nation, to unite and to make the Turkmen proud of their origins, he needed to guide them and therefore Ruhnama and the ideology was created.

Rentierism as an Impediment to Emergence of Civil Society

Since the country gained independence, the Turkmen people got used to several things. First, the citizens are used to living as welfare recipients with free gas, water, electricity and cheap utilities. In a sense, they develop a ‘rentier’ mentality. Usually, in emerging democracies, it is the middle class who bring the changes and oppose the authoritarian governments. However in a rentier state, there is a lack of middle class. “Instead of a middle class and traditional elites there is a rentier class of civilian technocrats in public administration. The development of a rentier class is based on a rentier mentality reflecting the fundamental difference between earned and not earned incomes. Rewards and wealth in the rentier class are regarded as the result of rent opportunities.”⁴⁸

⁴⁷ “Turkmenskiy Gambit”, NTV television network. Web.

<http://www.youtube.com/watch?v=0LcVHK6sKiw>

⁴⁸ Andrea Gawrich, Inna Melnykovska and Rainer Schweikert, *More than Oil and Geography – Neopatrimonialism as an Explanation of Bad Governance and Autocratic Stability in Central Asia*,

Second, the people in Turkmenistan got used to being apolitical due to not being able to contribute to the course of events in the country. As Ahmet Kuru describes it:

Turkmen society has a very limited role in the political life. The dearth of civil associations, a free media, a bourgeoisie class, and political parties result in the weakness of society vis-à-vis the state. The rentier state policies of Turkmen state (e.g. free electricity, water, and natural gas) based on natural gas income, instead of the tax of the citizens; consolidate this uneven relation between the state and the society.⁴⁹

Moreover, the loyalty of the people is not exactly to the state, but to a person, in this case, to the president. The personality cult of Turkmenbashi has been replaced by that of Gurbanguly Berdymuhamedov's, the current president of the country. After Turkmenbashi's death in 2006, Berdymuhamedov took the responsibilities of head of state on himself. On February 14th, 2007, Berdymuhamedov was inaugurated. In his election speech he stated that he will not deviate from Niyazov's policies, but promised to make some reforms. What we see now, is a similar governance style with milder interest of erecting statues to self, however many other prerogatives are enjoyed by the leader. He also writes his books which are promoted in schools, universities and workplaces; his portraits are also everywhere in the streets and buildings, there is still no free speech or free media, the government is still praised for

GIGA German Institute for Global and Area Studies p. 5 Web. 04 Dec. 2011 < http://www.giga-hamburg.de/content/fsp1/pdf/neopat/paper_neopat_workshop_gawrich.pdf >

⁴⁹ Ahmet Kuru, *The Rentier State Model and Central Asian Studies: The Turkmen Case* *ALTERNATIVES Turkish Journal of International Relations* (2002), p.59 Web. 04 Dec. 2011 <<http://www.alternativesjournal.net/volume1/number1/akuru.htm>>

provision of free utilities and other material goods, such as annual presents to all schoolgirls and working women in honor of International Women's Day. Meissner defines this as "spending effect", when a government, instead of gaining legitimization through free elections, the government "purchases" legitimization through expenditures of revenues on popular social measures or population rewards.⁵⁰ Nothing much has changed in a better way since Turkmenbashy's times, in some parts the situations has worsened. The most significant reforms are made on the international scale, mostly in the energy sector.

The Role of Rentier Economy in Turkmen Foreign Policy

In 1991 when leaders of Central Asian countries gathered in Ashgabat to discuss common problems, they could not formulate the clear paths or strategies and decided to go each their own way.⁵¹ Since then Turkmenistan has established only bilateral relations with each of the Central Asian countries, avoiding any integration. Such policy can be explained by the abundance of natural resources, which Turkmenistan may not wish to share with its neighbors. In 1995 Turkmenistan received a status of Neutrality, meaning that it will not intervene in any political or military conflicts. However, this status is often used inappropriately; it is perceived as a justification for non-integration. Kuru explains that "[Turkmenistan] would like to be free in its natural gas policy and to benefit from its reserves alone. To refrain from any supranational integration, it declares the permanent neutrality (*Baky Bitaraplyk*) status."⁵²

⁵⁰ Hannes Meissner, *The Resource Curse and Rentier States in the Caspian Region*, GIGA Working Papers, No. 133, May 2010. PDF http://www.giga-hamburg.de/en/system/files/publications/wp133_meissner.pdf

⁵¹ Ibid. p. 60

⁵² Ibid. p. 63

Oil and gas policy

Turkmenistan takes the fourth place in the world in its natural gas reserves (after Russia, the US and Canada). According to CIA World Factbook, Turkmenistan has 7.504 trillion cu m (1 January 2011) of natural gas.⁵³ The country's foreign policy is mostly based on energy, oil and gas partnerships. For many years, Russia has been the most important partner of Turkmenistan. Before 2009 50 bcm of natural gas were sold to Russia⁵⁴. It was a sort of monopoly of Turkmen gas, and therefore, Turkmenistan had a degree of dependence on Russian Federation. Practicing its "permanent neutrality" policy, Turkmenistan had to diversify its energy trade partners, especially after facing problems of late payments by Russia, Ukraine, Georgia, and Armenia. New pipeline projects such as Transcaspian – to Turkey and Europe through Caspian Sea, Trans- Iran – also to Turkey and Europe but through Iran, another pipeline – to China and Japan through Uzbekistan and Kazakhstan and the last one To Pakistan and India through Uzbekistan and Afghanistan have been proposed or are already implemented.

The new routes for gas exports are available (Turkmenistan – Uzbekistan – China –Japan is ready and being used); however Turkmenistan's participation in Nabucco project is still unclear. Russia strongly opposes the Transcaspian pipeline project because "that will end the Russia monopoly on the transportation of Turkmen natural gas and that may also stop the export of Russian natural gas (with the

⁵³ CIA World Factbook/ Turkmenistan Web. 05 Dec. 2011
<<https://www.cia.gov/library/publications/the-world-factbook/geos/tx.html>>

⁵⁴ Deirdre Tynan, *Turkmenistan: Gas Flows Again to Russia While the Discontent Simmers*, Euroasianet.org, 13 Jan. 2010, Web. 05 Dec. 2011<
<http://www.eurasianet.org/departments/insight/articles/eav011410.shtml> >

Bluestream project via the Black Sea) to Turkey.”⁵⁵ Iran is also against this project since it would rather have the Turkmen natural gas go through Iranian territory via Trans-Iran pipeline. Iran has even built parts of that pipeline on its own territory, but “Turkey has suspended this project because of the resistance of the US and the anti-Iranian actors in Turkish domestic politics.”⁵⁶ Therefore, Turkmenistan mostly concentrates on the southern (Turkmenistan – Uzbekistan – Afghanistan – Pakistan – India) and western (Turkmenistan – Uzbekistan – China – Japan) routes.

The implementation of these projects is significant for Turkmen foreign policy. As Ahmet Kuru suggests:

Turkmenistan chooses its friends and enemies concerning the competition in the natural gas and oil markets. For example, the relationship between Turkmenistan and Azerbaijan broke down because of those countries’ disagreement on the status of some overlapping oil reserves in the Caspian Sea. [...] In the debate about the legal status of the Caspian Sea and the oil reserves in the Caspian Sea basin, for instance, Turkmenistan supported the opinion of Russia and Iran (considering the oil benefits) against that of Kazakhstan and Azerbaijan (ignoring its shared cultural identity with these countries).⁵⁷

However it is not only Turkmenistan that is mainly interested in energy politics, - other international actors are also led by the immense need to maintain good relations with the Turkmen leadership in order to secure trade agreements with the country’s energy sector. Some democracies even close their eyes serious violations of democratic principles in the country and choose to cooperate with the government in

⁵⁵ Ibid. p. 67

⁵⁶ Ibid.

⁵⁷ Ibid.

the sphere of energy security. Such incident, for example, happened in 2009 when the US Department of State was not able to negotiate a deal with Turkmen government on the issue of 150 students of the American University of Central Asia in Bishkek, Kyrgyzstan who were not allowed to leave from Ashgabat to continue their studies in the neighboring country. No explanations were given neither by the media, nor the political leader, nor the customs and immigration officers. US embassy in Ashgabat promised to do everything possible to solve the issue; however nothing has been done.⁵⁸ The ban on travel still remains a mystery.

Turkmen politics is highly based on a rentier state model. Both, its domestic and foreign policies are influenced by the existing system which relies on the country's vast natural gas and oil reserves. Turkmenistan leads its policy of "positive neutrality" towards its neighboring countries as well as towards other international actors. The rentier economy also determines the domestic politics of Turkmenistan. The provision of free utilities and gifts results in the absence of civil society and in development of rentier mentality among the population. Personality cult and nationalism also contribute to the lack of democratic institutions which could give rise to a civil society, competition, participation and as a result better governance and social well-being.

Conclusion

Many citizens of Turkmenistan take great pride in the fact that they are so fortunate to have such generous government which cares about them like no other

⁵⁸ Azat Jenish. "AUCA v Chernom spiske?" Gundogar. Org. 18 Sep. 2009 Web. 05 Dec. 2011 <<http://www.gundogar.org/?01104842300000000000011000000>>

Gundogar.org newsfeed "CIIA отступили перед нежеланием Туркменистана признавать Американский Университет в качестве вуза" 06 Sep. 2009 Web. 04 Dec. 2011 <http://www.gundogar.org/?topic_id=25;year=2009;month=9#8362>

government does. It is easy to think this way when one lives in an ideological vacuum with limited access to information and rare travel outside the country. As long as the basic needs are met, as long as there is no conflict, it is convenient to glorify the history, the beautiful white-marbled cities, the amazing horses and carpets, and the wealth. All these factors raise a great sense of patriotism among the population, especially the ethnic Turkmen. However, this comfort and unwillingness to step out of comfort zone in order to strive for progress, limits the potential and opportunities for further development of the nation.

The Turkmen nation is developing and transforming in the age of globalization. Despite relative isolationism in the country, foreign influence is still great in Turkmenistan. Even though the government tries as much as it can to preserve the original ethnic identity that we knew it in the 20th century, the modern Turkmen are highly influenced by Russian, Turkish, Arab and American cultures. These four are important in particular because of their relations with Turkmenistan, be they present or past. Many young people go to study abroad and adopt the elements of the foreign culture, bringing it back home and integrating it into the modern Turkmen culture. Modern technology and the Internet are crucial instruments in globalization trends in Turkmenistan, as more and more young Turkmen learn the alternative techniques of accessing certain web-sites to find information that interests them, breaking the limits of strategic coordination. As Ahmet Kuru argues, it is certain that the Turkmen of the modern times will not be what they used to be a century ago. Nationalism in Turkmenistan will shape a certain identity of an average citizen; however the role of globalization is great as well. With the information flow, and many young Turkmen studying and working abroad, Turkmenistan's current

governance style might be questioned in the long run and a chance for better leadership, political and social vision could be gifted.

Turkmenbashi's idea of a shared Turkmen culture is realized; he and current president Gurbanguly Berdimuhamedov have been successful in achieving the goal of a united, peaceful country with people who takes pride in where they live and who they are. This is a good base for a nation, for a new beginning of a new political direction. The preconditions of national unity and a developed economy are almost met, and the nation will need advanced governance and superior living conditions, where people would live in dignity and their rights would be respected, competition and participation would be among top priorities along with economic growth. However it is a question of whether the current leadership would be willing to allow the fresh ideas of the youth to enter national policies. It might take a shift of a whole generation for positive change to happen in Turkmenistan.

Conclusion

The study was aimed to explore the interplay between economic growth and democratization and find out whether economic development can lead to better governance. On the example of Kyrgyzstan and Turkmenistan this research demonstrates that it is difficult to generalize as there are many side factors that should be taken into account when assessing the role of economic development in good governance and social well-being. As we observed from the study, Turkmenistan was more successful in creating national unity, avoiding conflicts, and exhilarated its economic growth while having an authoritarian regime, which are actually the pre-conditions to democratic transition. However, the government controls strategic coordination and coordination goods, preventing the natural evolution of governance from happening, thus proving once again that the “development first” theory does not work anymore.

And Kyrgyzstan, while being considered an ‘island of democracy’ in Central Asia, experienced several internal conflicts, revolutions; its national unity and economic growth are still in need of special attention. On the other hand, people in Kyrgyzstan are able to enjoy the democratic institutions, personal freedoms, and free flow of information, which almost all scholars in this study claim to be the essential institutions for superior living conditions. Siegle, Mesquita and Sorensen would maintain that Kyrgyzstan is on the right path in its transition, because through liberalization and embracing democratic institutions, the country sets long term sustainable governance, which would in turn propel economic growth.

Turkmenistan, on the other hand, utilizes the revenue from its rentier economy extremely unsustainably, providing short-term growth and not considering long-term factors. Moreover, the study shows how the economic progression in Turkmenistan,

and specifically the rentier state model that the country employs, significantly and strategically impedes democratic processes through “no representation without taxation” principle. It means that if the government does not collect taxes from its subjects, and also provides them with free utilities and other economic benefits, it expects the citizens not to interfere in the political and economic affairs, and also to comply with the government official and non-official rules.

In order to allow for transition to more advanced governance, Turkmenistan needs to weaken the grip on media and allow freedom of association, giving way for young minds to apply their ideas and skills in development of the country. Through some minor democratic reform, Turkmenistan could benefit economically as by opening up a bit and loosening its control, the government could attract much interest and investment not only into economy but also in institutions.

As for Kyrgyzstan’s successful transition, there needs to be a creative solution on how to address the impediments that keep the country back from fulfilling its full democratic potential. This can be done through a clear political vision on how to address the issue poverty, corruption and elite domination and self-enrichment.

While the institutions of democratic leadership and civic engagement, checks and balances, free flow of information, and openness and transparency are necessary for transition to better governance and overall living conditions for people, these institutions can be only adopted, and never imposed, as was earlier discussed in the study. Therefore, it would take a concerned group of well-educated, open-minded citizens with integrity, motivation, determination, clear vision and a program of actions to end the impediments and boost both economic development and democratization in the region.

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