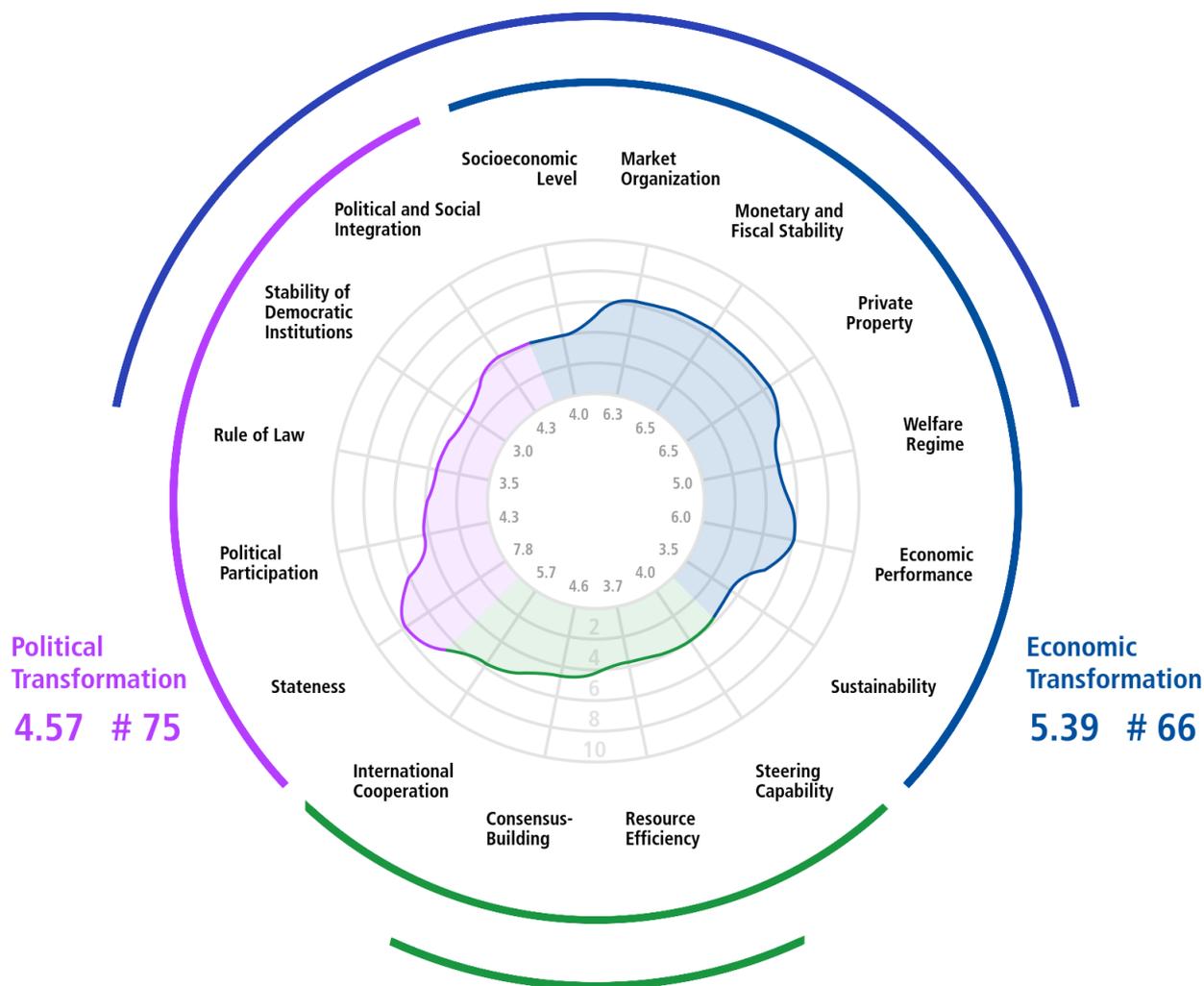


Kyrgyzstan

Status Index

4.98 # 73

on 1-10 scale out of 137



Political Transformation
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on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	6.8	HDI	0.692	GDP p.c., PPP \$	6133
Pop. growth ¹	% p.a.	1.7	HDI rank of 189	118	Gini Index	29.0
Life expectancy	years	71.9	UN Education Index	0.746	Poverty ³	% 18.7
Urban population	%	37.5	Gender inequality ²	0.370	Aid per capita \$	70.9

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

In October 2020, Kyrgyzstan experienced yet another political upheaval as the sitting president, the third since 2005, was ousted from office amidst post-election protests. The strongest of the protesting groups was led by Kamchybek Tashiev, the leader of a political party, and Sadyr Japarov, a political figure and close associate of Tashiev who was serving an 11-year prison sentence in a politically motivated criminal case. Japarov was taken directly from prison to the main square in Bishkek, the capital of Kyrgyzstan. Despite being unaware of the unfolding events, he became the chosen leader amid the chants of the crowds.

With the parliamentary election results annulled, the sitting parliament extending its term beyond the constitutional five-year limit and promising a thorough constitutional overhaul, among other big promises, Sadyr Japarov entered 2021 with an assured victory in the mid-January presidential elections. The subsequent two-year period has unfolded just as the first couple of months did – fast, dynamic and rife with errors. It was dominated by populism and bravado, lacking in foresight and strategy, and allergic to demands for stronger adherence to the rule of law, democratic procedures and consultation with critics. Predictions that the partnership between Japarov and Tashiev would be short-lived proved wrong – for more reasons than just their friendship. The two continued to share power into 2023.

In 2021, a new constitution was adopted, despite widespread criticism, which introduced a highly centralized presidential form of government with a significantly weakened parliament. (A new parliament was finally elected in November 2021). In spring 2021, the government moved to take over the Canadian-run Kumtor gold mine – the perennial subject in Kyrgyz politics from the late 1990s and a subject on which Sadyr Japarov had built much of his political clout. A high-risk move, the ordeal ended in an out-of-court settlement with Centerra, the Canadian company, in the middle of 2022. The terms of nationalization were not made fully public.

The Japarov government has adopted a distinctively populist, arbitrary, illiberal and strong-handed governance style, with even less transparency and accountability than before and neglecting the rule of law. The consequences of this type of politics have included a narrowing of civil society space, the suppression of press freedoms and free speech, intolerance of critics, and the use of repression and propaganda to denounce opposition. The outbreak of the war in Ukraine in February 2022 further restricted many freedoms. The year 2022 began with a temporary ban on holding rallies in certain parts of Bishkek and ended with the ban being expanded. During 2022, over 25 individuals – all of whom were outspoken critics of the government – were arrested and placed in pretrial detention.

The economic sphere was generally left to the care of the cabinet of ministers, headed by veteran politician and populist Akylbek Japarov. Economic reforms often lacked strategic vision, and some initiatives (e.g., the building of a new city) bordered on the infantile. However, some necessary, mundane economic governance issues were tackled, including introducing fiscal discipline, decreasing the share of the informal economy and expanding electronic tax administration. Nevertheless, given the overall climate of arbitrary and nontransparent governance, economic governance has been susceptible to corruption, inefficiency and populism.

Between April 30 and May 1, 2021, and again between September 16 and 18, 2022, Kyrgyzstan confronted military incursions from neighboring Tajikistan. During the incursions, numerous Kyrgyz villages were attacked, which included bombings and artillery strikes. As a result, tens of thousands of people were displaced and dozens lost their lives. President Japarov and Tashiev, the chief security officer, faced public criticism for being unprepared and allowing the conflict to occur, as well as for responding weakly. Nevertheless, these skirmishes did not inflict any political damage on them. The government of Japarov, which has become increasingly authoritarian, populist and unaccountable, has continued along its established trajectory.

History and Characteristics of Transformation

Kyrgyzstan became known as “the island of democracy” in the 1990s when Askar Akayev, a young and unconventional politician during the late-Soviet era, unexpectedly rose to the presidency under unique political circumstances. After gaining independence in 1991, the country embraced a path toward a pluralist electoral democracy and a free market economy under Akayev’s leadership. However, over the course of his nearly 15-year presidency, Akayev gradually shifted toward a more autocratic style of governance. In March 2005, his administration was overthrown in the Tulip Revolution, driven by resistance to dynastic rule, as well as the desire to tackle corruption and reinstate fair and democratic governance.

The presidency of Kurmanbek Bakiyev – Akayev’s successor – lasted from 2005 until 2010 (i.e., from the Tulip Revolution to the April Revolution). It was marked by an embattled first half, during which numerous opposition groups demanded greater democracy, constitutional reform and transparency. Meanwhile, the second half of Bakiyev’s presidency was characterized by runaway corruption, violence and dynastic rule, during which most opposition was silenced, and the sons and brothers of the president installed themselves as the real wielders of corrupt and raw power.

The toppling of the Bakiyev government in April 2010, which was the second such event in five years, resulted in the formation of a collective interim government consisting of 14 politicians. The interim government, led by Roza Otunbayeva, implemented a constitutional reform and conducted parliamentary elections later that year. However, this period was marked by the most severe violence the country had experienced since independence, with the violence stemming from an interethnic conflict, predominantly in the city of Osh, in June 2010.

Otunbayeva served as a transitional president until the end of 2011, when Almazbek Atambayev won the presidential elections and assumed office. The 2010 constitution moved the country toward a parliamentary form of government, while still remaining mixed, by granting significantly more power to the parliament and reducing the authority of the presidency. By 2017 – the conclusion of his constitutionally provided single term – Atambayev had effectively gained control over all branches of government, disregarding the constitutional framework. Consequently, he was able to secure the election victory of his chosen successor.

His successor, Sooronbay Jeenbekov, apparently chosen in anticipation of allowing Atambayev to maintain power from the shadows, quickly disproved this expectation. Within two months of assuming office, Jeenbekov swiftly replaced all of Atambayev's loyal supporters within the government, prompting Atambayev to openly criticize Jeenbekov in March 2018 for his perceived betrayal. Subsequently, one after another, the dismissed loyalists of the former president found themselves facing charges primarily related to corruption and were subsequently incarcerated. In this manner, Jeenbekov's initial year in office was largely defined by the ongoing conflict with his former "friend," which showed no signs of diminishing. As a result, the new administration became entangled in a pattern of exploiting law enforcement, security and judicial institutions for political gain, much to the dismay of the public.

Beyond this standoff, the Jeenbekov administration performed mostly in a low-energy, conciliatory manner, failing to offer a clear sense of direction and exhibiting indecisiveness, particularly with regard to corruption. The latter, eventually, proved to be Jeenbekov's undoing. The October 2020 parliamentary elections featured a massively corrupt vote, which resulted in major protests against the election outcome that – somewhat accidentally – ended up overthrowing the Jeenbekov administration.

In the ensuing stalemate, Sadyr Japarov and his key ally, Kamchybek Tashiev, demonstrated great agility and emerged as the victors.

The Japarov-Tashiev tandem, formerly members of the Bakiyev cohort, came in promising to address several of Kyrgyzstan's long-standing political issues – corruption, the lack of accountability, weak economic development, weak law and order, and even declining morale. According to their portrayal, the semi-parliamentary constitution of 2010, which they referred to as "the constitution of irresponsibility," was the underlying cause of all these problems. They believed that the solution to all these issues was to centralize governmental power solely in the office of the president. Over the two years that followed (2021 – 2022), their agenda was implemented in a dynamic but very turbulent manner.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state's monopoly on the use of force is established, effective throughout the country and arguably strengthened in 2021 and 2022. The government of Sadyr Japarov, powered by his close associate Kamchybek Tashiev, head of the national security agency and vice-chair of the cabinet responsible for overseeing the security sector, has shown a strong commitment to consolidating its exclusive authority over the country. While it has not eliminated organized crime or the notorious bosses of criminal groups, such as Kamchy Kolbaev, such groups have not in any way contested the state's monopoly on the use of force during the review period.

There were two episodes of violent and deadly confrontations between Kyrgyzstan and Tajikistan in April 2021 and September 2022. According to Kyrgyz observers, these confrontations involved significant looting, arson and other acts of violence perpetrated by Tajik forces in several border-zone Kyrgyz villages. While considered in Kyrgyzstan to be acts of military aggression by Tajikistan, the events were brief and have not resulted in any decline in the Kyrgyz state's monopoly on the use of force.

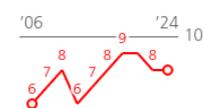
The situation in Kyrgyzstan has remained stable with regards to the recognition of the existing concept and scope of the nation-state. No large, identifiable group is denied citizenship, nor does any such group explicitly deny or contest the legitimacy of the state, whether religious or ethnic – the two most significant categories along which one might expect contestation.

On an emotional rather than practical level, residents of the southern border region of Batken complained in the wake of two militarized clashes with Tajikistan that they had felt abandoned and unable to fully enjoy their citizenship as could the rest of the country. However, such sentiments do not represent any actual disenfranchisement of those communities.

Question
Score

Monopoly on the
use of force

8



1

State identity

8



1

More recently, yet so far without tangible consequence, Russia’s invasion of Ukraine has given rise to more vocal anti-/de-colonial critiques, on the one hand, and subdued colonialist/imperialist backlashes, on the other. The division over Russia’s invasion has stirred feelings of not belonging to Kyrgyzstan (but rather to Russia) among some, while others have expressed a wish for those who appear to identify more with Russia to leave Kyrgyzstan. A few marginal voices have suggested, in veiled terms, a desire for the “reunification” of Kyrgyzstan with Russia.

These sentiments and rhetoric, however, remain marginal and primarily limited to social media platforms.

The constitution and legal institutions of the state, as well as governmental practice, remain secular. While the role of religion in society has been steadily – although not dramatically – growing, this development has not led to any significant calls to abandon secularism or introduce religious legal principles. Frequent vernacular expressions of, for example, “God willing,” which is especially prominent in presidential speeches, do not amount in any way to religious dogma.

That said, it is worth noting two developments. One is the emergence of a cleavage between those who vocally defend the secular state and those who vocally question it, arguing that it is an externally imposed form of governance. Between these two minority groups lies the vast majority of the population for whom Kyrgyzstan’s secular state is unquestioned.

The second development is that religiously inspired people have openly entered the political field. A relatively successful candidate in the January 2021 presidential elections ran on a program that largely, if not entirely, appealed to religious voters. (Ultimately, however, he only secured low single-digit support.) Similarly, a religious party, Yiman Nuru (Ray of Faith), won seats in the November 2021 parliamentary elections, becoming the smallest (sixth) party in the legislature. The party has not called for the abandonment of secularism or demanded other anti-secular initiatives from the parliament floor. However, it has voiced preferences dear to Muslim voters. In addition, members of Yiman Nuru – especially its leader, Nurjigit Kadyrbekov, one of Kyrgyzstan’s most popular public figures – have frequently spoken in favor of democratic, inclusive and civil society-friendly principles, although their speeches tend toward demagoguery.

No interference of religious dogmas

9



1

Kyrgyzstan, through state-run infrastructure and private company participation, delivers most basic civil services and fulfills most societal needs across the country. Nevertheless, key areas require improvement, including access to clean water and renovation of the country's decaying and increasingly insufficient hydroelectricity infrastructure.

According to the World Bank's World Development Indicators (WDI) 2022 data, the provision of clean water has been steadily improving, with 70% of the population having access to clean water in 2020. As in previous years, 100% of the population has access to electricity, but it has been increasingly facing difficulties. Adequate sanitation standards are met for more than 97% of the population, at least at a basic level.

As in previous years, the provision of clean running water was unstable in the second-largest city of Kyrgyzstan, Osh. Elsewhere, running water and sanitation infrastructure were in a state of disrepair in many provincial towns with multilevel urban housing.

The construction of new schools reduced classroom overcrowding in Bishkek, among other places. However, this relief was soon offset by the sudden relocation of thousands of families with children to Bishkek from the conflict-affected Batken region as well as the return of families of labor migrants from Russia.

Overall, during 2021/2022, there were no significant improvements or setbacks observed in the provision of fundamental living conditions. Basic bureaucratic processes, from tax collection to law and order, remain stable.

2 | Political Participation

Voters in Kyrgyzstan were engaged to the point of exhaustion in 2021. All voters had to go to the ballot box at least three times, with a significant proportion visiting the ballot box at least five times during the year.

Throughout all the elections in 2021 and the rerun elections for two single-mandate districts in Bishkek in February 2022 (due to inconclusive results in the November 2021 parliamentary votes), elections were open to all interested candidates, campaign opportunities were open to all, and all voters were able to vote. However, upon closer scrutiny, a number of circumstances surrounding each election and the period overall seriously compromised the democratic quality of the elections.

The presidential elections and the form-of-government referendum in January 2021 were essentially predetermined due to the political climate at the time, with Sadyr Japarov riding high on populist support after rising to power amid the October 2020 protests (see the BTI 2022 report). Japarov also enjoyed vastly greater financial and human resources than the other candidates, who often encountered a hostile campaign environment and intimidation from Japarov's supporters.

Basic administration

6

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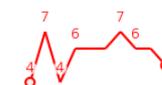


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Free and fair elections

5

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_____ 1

The constitutional referendum, as with most referendums, was guaranteed to pass. However, the simultaneous local elections featured fierce competition between parties, especially in several of the country's key cities. The competition in Bishkek, Osh and Tokmok resulted in disqualifications and disputed outcomes, which – in a somewhat surprising move – led the Central Elections Commission to cancel the results in those instances and announce reruns.

Following the introduction of the new constitution, the parliamentary elections took place under a significantly changed electoral system and for a significantly restructured and weakened parliament. The new mixed electoral system included 54 seats determined by proportional representation based on party lists and 36 seats elected by a single-mandate district vote. In light of these far-reaching changes, the elections went relatively smoothly. Some problems occurred in vote counting. However, these problems were overcome and settled.

Overall, the multiple elections during the period under review took place with the usual shortcomings, but under largely competitive and open conditions. Voter turnout proved to be a concern partly due to electoral fatigue but also due to a change that made it more difficult for citizens residing in places other than their registered place of residence to vote.

The centralization of power in the office of the president and the executive branch in general, following the 2021 constitution and related changes, has arguably strengthened their effectiveness. The main elected officeholder – the president – has full authority and the ability to govern as constitutionally charged.

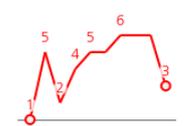
The partial veto powers of previous years, such as organized crime groups, corruption rings and religious leaders, have either lost influence or had to hide. While suspicions of religious leaders (i.e., that some invisible interests held sway over the president) were widespread, no serious evidence has emerged to support these suspicions.

However, a different but related challenge has arisen with the empowerment of the executive. Namely, the parliament, weakened following the 2021 constitutional change, has often been pressured into supporting government initiatives or, conversely, remaining aloof. A particularly dominant figure in such treatment of the parliament has been the head of the national security agency and friend of the president, Kamchybek Tashiev. Pushing back on such pressure and regaining parliamentary autonomy is still a task that lies with the deputies.

Effective power to govern

3

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Freedoms of association and assembly remain guaranteed by the constitution and the relevant laws, including the Law on Non-Commercial Organizations, the Law on Political Parties and the Law on Peaceful Assembly. Even though the new constitution represents a departure from liberal and democratic principles in general, the guarantees of the right to association and assembly remain unchanged.

While such guarantees remain, the government has been intent on introducing conditions and rules that would effectively curtail these rights or make their exercise burdensome.

A change made to the Law on Non-Commercial Organizations in 2021 introduced more intrusive and burdensome financial reporting requirements on top of what such organizations are obliged to report to fiscal institutions. In early 2022, following a series of protests against Russia's invasion of Ukraine in front of the Russian embassy, a court order imposed temporary restrictions on rallies in many Bishkek city areas. The order was repeatedly extended into 2023, and off-limit zones were broadened, effectively leaving only one spot in the city where meetings were allowed to be held.

In late 2022, a new version of the Law on Non-Commercial Organizations was introduced, which included provisions (e.g., a requirement for all such organizations to re-register) that undermine freedom of association. Another bill, the equivalent of Russia's Law on Foreign Agents, which had previously been voted down in 2016, was revived by two members of parliament and remained a serious concern at the end of 2022.

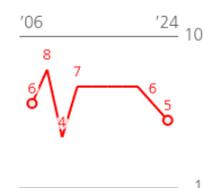
Freedom of expression is still guaranteed in the constitution, as it was before. However, in practice, it has been under attack, with multiple arrests and broadcasting bans throughout 2021/2022.

Restrictive and punitive measures were used against investigative journalists, independent bloggers, ordinary social media users, political activists, media companies and singers who focus on political themes. In most cases, the charges concerned alleged breaches of security or calls for unlawful actions. The most bizarre case involving journalist Bolot Temirov, whose group produced several reports investigating corruption among top officials, ended – at least for the time being – with his deportation to Russia on a flimsy allegation that his Kyrgyz passport was received unlawfully.

A 2021 law, adopted despite widespread criticism from the country's out-of-term parliament, on protections against false information resulted in at least two media outlets being suspended in 2022. The problem with the law is that the Ministry of Culture and Information is empowered to temporarily block relevant online sites without a court order. The measure was applied against Azattyk Radio – a Kyrgyz service from Radio Free Europe/Radio Liberty – in October 2022, with the radio station still blocked as of early 2023.

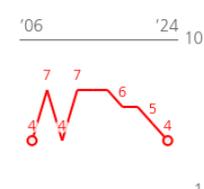
Association / assembly rights

5



Freedom of expression

4



Several bloggers and activists were arrested for merely reposting material (e.g., a video or Facebook post). A growing atmosphere of self-censorship and fear has been registered by some observers. In October 2022, in a record for a group arrest, 26 critics – including activists, journalists and politicians – were jailed for an alleged plot to violently overthrow the government, with no evidence produced by early 2023. Most of the people arrested had criticized a border delimitation deal with Uzbekistan.

In late 2022, a draft of the new Law on Mass Media was presented. If adopted, the new law would place significant limitations and controls on independent media. Unions of journalists and civil society organizations were vocally advocating against such articles as of early 2023.

3 | Rule of Law

Following the adoption of a new constitution in 2021 and Kyrgyzstan's transition from a mixed parliamentary-presidential model to a strongly presidential regime, the separation of powers has become ever more compromised. Riding a wave of popular dissatisfaction with chronic governmental instability and a lack of accountability, the new leadership proposed a highly centralized model of government where one seat of power would assume all responsibility and ensure the system works. However, with more than a year's hindsight, the result has been anything but greater responsibility, while power has concentrated in the office of the president.

Constitutionally, the change has led to a significant downgrading of the parliament and its role as a check on executive power. While still defined as “the highest representative body,” the legislature lost the power to dismiss the cabinet and individual members of the cabinet and retains only a symbolic role in their appointment. The president, constitutionally defined as the head of the executive branch, is not required to report to parliament. Moreover, the new constitution introduced the Kurultay (the People's Assembly), a unique feature that is symbolically positioned above the parliament as the country's most significant representative body. Under the new constitution, the parliament is obliged to report to the Kurultay, as are all other central institutions of power.

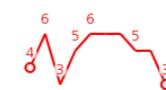
The influence of the head of the national security agency, the State Committee for National Security, Tashiev, casts a long shadow over all spheres of government. And this has contributed significantly to the rampant disregard for the separation of powers, especially in demonstrating contempt for and exerting domination over the parliament.

The judiciary in practice remains as dependent and subservient to the office of the president as before, despite renewed declarations of judicial independence. The new constitution has transformed the former Constitutional Chamber of the Supreme Court into the separate Constitutional Court. However, this does not represent any substantive change in favor of the separation of powers.

Separation of powers

3

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1

Some other formally autonomous government institutions, such as the Office of the Prosecutor General, the Chamber of Accounts and the system of local self-governance, de factor remained under the control of the presidential office. The National Bank, the one institution that in the past had maintained effective autonomy, has also succumbed to political interference, reflecting the overall negative development.

The judiciary of the Kyrgyz Republic is constitutionally differentiated and separate from the other branches of power. However, practically, the judiciary remains subordinated to and dominated by the executive – the office of the president, foremost. The judiciary is also publicly perceived as among the most corrupt institutions in the country.

The 2021 constitution introduced several judicial changes. In principle, these changes strengthened the system’s autonomy. For example, the previous Constitutional Chamber of the Supreme Court was upgraded, becoming the self-managing Constitutional Court – a reform that provided the court with greater formal independence. Another was granting the Supreme Court and the Constitutional Court, along with several other institutions, the right to propose legislation – a questionable change that diluted the legislature’s powers and added a token power to the judiciary. However, in practice, neither change increased the independence of the judiciary.

Conversely, another constitutional change subordinated the Supreme Court – as well as the Constitutional Court – to the president. Consequently, instead of the courts independently electing their own chairpersons, the chairs of the Supreme Court and the Constitutional Court are nominated by the Council of Judges and parliament and appointed by the president. This change had an immediate impact, with the former personal defense lawyer of the president, only recently appointed as a Supreme Court judge, appointed chairman of the court.

The legal requirements for members of the judiciary to have a legal education, legal work experience and to uphold professional standards continue to apply. However, the quality and integrity of these institutions make them a mere formality.

Despite the familiar promises to tackle corruption in government that every incoming leader in Kyrgyzstan makes, the country’s newest leaders have not delivered on their promises.

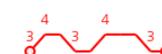
Similar to the two previous administrations that took power in 2011 and 2017, the current government has persecuted political opponents under the pretense of fighting office abuse. The current government’s targets have included the top leaders of former administrations and outspoken members of the opposition.

A few notable instances where high-level officials (including a minister of health, a minister of education and a prominent figure who led the government’s project of nationalizing the large gold company) were charged with office abuse were in fact episodic political in-fights. The first case only resulted in the dismissal of the minister, the second in the dismissal and home arrest of the respective minister, and the third case in the pretrial detention of the accused.

Independent judiciary

3

'06 '24 10



1

Prosecution of office abuse

3

'06 '24 10



1

In another related development since the new leadership assumed power, cases of high-level office abuse and corruption have been dubiously resolved. These resolutions resembled barely veiled corrupt bargains, where millionaire oligarchs would “restore” a fraction of what they likely stole, embezzled or otherwise misappropriated while escaping legal consequences. The lack of transparency in this practice has raised concerns about possible shady deals that the public was not privy to.

Civil rights are largely codified by law in Kyrgyzstan. The new 2021 constitution retained most civil rights provisions and protections, although some new language has introduced potentially negative provisions. Specifically, Article 10 prohibits activities that run counter to the “moral and ethical values and to the public conscience of the people” of Kyrgyzstan, which could increase censorship and discrimination. Nevertheless, overall, the constitution provides for and requires the government to guarantee and protect all internationally recognized human and civil rights, including freedoms of expression, assembly and association.

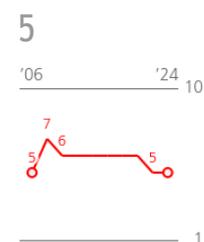
The latter freedoms, however, have been curtailed both in practice and in legislation. Many cases of legal persecution, including the use of pretrial detention, occurred when bloggers and activists (e.g., Yrys Jekshenaliev) posted information critical of the government and leadership. In gross violations of the rights to privacy and inviolability of privacy, some critical journalists – Bolot Temirov, in particular – were persecuted using secret recordings of their private lives. In October 2022, 25 persons were arrested on charges of plotting to overthrow the government on virtually no evidence and remained under indefinite arrest as of early 2023, with reportedly no investigative progress having yet been made. All 25 individuals happened to be vocal critics of the government and included journalists, civil and human rights activists, and political figures.

Beginning in March 2022, freedom of assembly was restricted by a court ruling, following a series of protests against Russia’s invasion of Ukraine. The court ruling enumerated several locations in the capital city of Bishkek where rallies were banned for a certain period. The ruling was repeatedly extended and its latest version specified only one city zone where such civil society activity was allowed.

In the legal sphere, besides such a dubious court ruling, a law on countering online misinformation was adopted, based on which at least two media outlets were temporarily suspended. The law allowed the Ministry of Culture and Information to suspend the media outlets without any court ruling.

Kyrgyzstan continues to lack an anti-discrimination law. While the constitution and criminal legislation provide general anti-discriminatory clauses, the lack of a dedicated law has led to vague sanctions and weak mechanisms for preventing or remedying discrimination regarding gender, ethnicity, religion, sexual orientation and other criteria. Yet, in general, significant civil rights violations have not occurred during the review period.

Civil rights



4 | Stability of Democratic Institutions

Once dubbed Central Asia’s “island of democracy,” Kyrgyzstan pivoted toward authoritarian rule in 2021 and 2022. The changes were precipitated by the sudden rise of Sadyr Japarov following more post-election protests in October 2020. The January 2021 snap elections confirmed Japarov as president, after which a wide-ranging onslaught on democratic institutions began.

Until late November 2021, the parliament remained in office beyond its term limit. The illegitimate “long parliament” presided over numerous legislative acts, rubberstamping the initiatives of the president and his close circle.

The new constitution, which was adopted following a referendum and signed into force in May 2021, created a super-presidential regime, with a significantly downgraded parliament and a much less autonomous system of local self-government. The latter change was formalized in the revised Law on Local Self-Governance, which reduced the independence of those institutions. The cabinet became virtually independent from parliamentary control but directly subordinate to the president.

The new parliament, elected in late 2021, comprises a 90-seat single legislative chamber, with 54 seats allocated through party-based proportional representation and 36 seats through 36 single-mandate districts. The elections for the single-mandate districts are akin to first-past-the-post votes but largely lack party affiliation.

A new but odd institution – the People’s Congress (the Kurultay) – was introduced. The high-level representative body convenes once a year to issue recommendations. While a constitutional law governing the institution is still being drafted, the first congressional meeting was convened in November 2022 by presidential decree. However, the meeting resulted in no notable political outcome.

Kyrgyzstan’s key democratic institutions have seen their legitimacy eroded since late 2020. This applies to the previous parliament that exceeded its term limit, the current parliament that merely rubberstamps decisions, a presidency that wields nearly all decision-making power, the cabinet of ministers that has been dismissive of the parliament but has itself been regularly reshuffled by the president, and a vice chair of the cabinet who is both chairman of the national security agency and exercises unaccountable power on par with the president.

The decline in support for democratic institutions has translated into an overall decline in support for democracy itself. The parliament’s record of corruption, incompetence and instability in recent years has made it a prime object of public resentment. Following the introduction of the new constitution, the newly downgraded legislature suffered a further decline in its status as a bearer of

Performance of democratic institutions

3

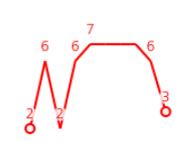
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Commitment to democratic institutions

3

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democratic politics. Meanwhile, the presidency, the main obstacle to democratization over the years, has become an even more potent hurdle under the new constitution. The president and his chief partner, the chairman of the State Committee for National Security, have spoken dismissively about the country’s democratic institutions and principles ever since taking power.

However, this is not to say that all these institutions face some terminal crisis with respect to their legitimacy and acceptance. The newly restructured parliament, despite its weakness, remains a key forum for the representation of all interests. Despite being a small minority and facing many risks, several critical and independent deputies have emerged. In addition, several important institutions – including the Office of the Ombudsman, the Constitutional Court and the institutions of local self-governance – continue to be seen as positive bearers of democratic legitimacy.

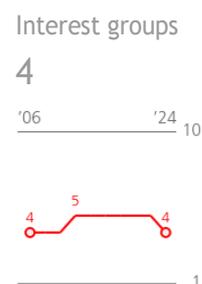
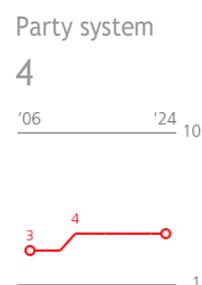
5 | Political and Social Integration

Kyrgyzstan’s party system continues to be highly volatile, shallow and fragmented. Its main function has been to serve as an institutional venue for politicians to seek electoral opportunities. The number of registered political parties has continued to grow, reaching nearly 300 around the 2021 parliamentary elections. Political parties are ideologically diverse, with parties representing the right, left and center of the political spectrum. Yet, ultimately, it is their leaders rather than ideology that defines a party’s vision and direction.

The political upheavals of late 2020 and the 2021 constitutional revision were, among other issues, motivated by widespread disappointment with the previous party-based parliamentary governance model. Political parties came to be seen as self-interested conspiracies of small groups controlled by oligarchs, focused on power-sharing and avoiding responsibility. According to several public opinion surveys, including an International Republican Institute survey, only a very small percentage of respondents (around 5%) report being party members.

It is illustrative that none of the six parties represented in the previous parliament were returned to the legislature following the November 2021 elections. Instead, the 54 party-based proportional representation seats were won by six new parties. Meanwhile, only one of the 36 single-mandate district seats was won by an identifiable party member; all other winning candidates ran as independents.

There are interest groups in Kyrgyzstan that represent most socially important, salient issues, including education, health and special care needs, as well as environmental, religious and cultural issues. However, the ability of interest groups to voice concerns and mobilize varies widely, and those interest groups that happen to oppose government policy or generally criticize the country’s leadership face targeted pressure. A case in point is the resistance of small businesses against the introduction of tax and regulatory novelties that significantly complicated their business activities. After some standoff and minimal leeway, the business sector accepted the changes and complied with the relevant requirements.



In terms of organization and stability, interest groups are underdeveloped in Kyrgyzstan and tend to emerge spontaneously in response to arising difficulties and challenges. In previous years, an example of effective interest group formation and mobilization was that of car owners with right-side steering wheels. In the last couple of years, no impactful and enduring group has emerged.

Overall, the current government of Kyrgyzstan has proven markedly less open than previous governments to listening to society, especially critics of government policy. As a result, most interest groups tend to fall flat.

Public approval of democracy in Kyrgyzstan remains stable and moderately positive. However, following the overthrow of the previous government in late 2020 and the rise to power of a new leadership that advocated for a strong government centered on the presidency, public approval of democracy could be assumed to have declined. However, opinion polls since the change in government have not confirmed such a change.

The International Republican Institute carried out three surveys in 2021 and two in 2022. To the question, “Do you believe that democracy is the best possible form of government for the country?” those who answered affirmatively comprised a modest 53%, 44%, 53%, 52% and – most recently, in September 2022 – 46%. However, when asked in the last two surveys, “How satisfied are you with the way democracy is developing in Kyrgyzstan?” 69% and 65% of respondents answered “very satisfied” or “somewhat satisfied” in April 2022 and September 2022, respectively. In a survey of civil society attitudes conducted by the PIL Research Company in late 2021 and published in 2022, 71% of respondents thought an “accountable and representative government” was good for Kyrgyzstan, but more than 60% of respondents simultaneously approved of a regime led by a “strong leader who doesn’t need to report to anyone.”

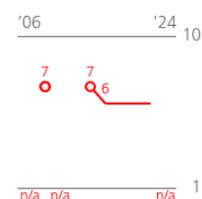
Based on these survey responses and casual observations, attitudes toward democracy appear generally positive, albeit not very strong or deeply held, and suggest some level of confusion. That said, there has certainly been a greater level of negative attitude toward specific democratic institutions, including the separation of powers, accountability mechanisms, the parliament and political parties. Conversely, there has been more pronounced support for undemocratic practices, including personalized authority, strong-hand governance and neglect of due process.

The level of social capital remains relatively low overall, and the networks where it is observed to be stronger continue to focus on familial, friendship and direct interpersonal ties networks. Occasional instances of civil society self-organization tend to be impressive but short-lived.

In a survey by PIL Research Company that assessed the level of civil society engagement in 2021/2022, the most common/frequent forms of associating with others were informal get-togethers of friends, classmates or relatives within a local community (73%). It is plausible to expect that many such small group associations are religiously inspired. The second most common form of association was local,

Approval of democracy

n/a



n/a

Social capital

5



n/a

informal credit union associations (35%), while sports associations and clubs comprised the third most common form (23%). The rest ranked in quickly declining order, with NGOs and civil society groups ranking as the least popular form (at 4%).

However, these surveys do not capture spontaneous instances of civil society self-organization around specific common interests. As evidenced by the nationwide mobilization that occurred in the wake of the militarized conflict on the Kyrgyz-Tajik border between April 30 and May 1, 2021, when thousands of people in many places collected humanitarian aid for victims of the conflict in the Batken region. The same humanitarian aid as well as weapons procurement by self-organized citizen groups took place on an even larger scale in September 2022, when conflict broke out a second time on an even greater scale. In a less dramatic but equally self-motivated and effective way, civil society activists and ordinary citizens organized a highly visible protest against the (accidentally publicized) unlawful arrest of a Kyrgyz musician in Kazakhstan amid political protests there. The musician was freed and returned home as a result of the protests.

All such instances of self-organization, while impressive in the moment, generally disappear soon after the root cause recedes and a sense of apathy sets in, with participants turning to one's closest (typically familial) circles.

A broad, more lasting and complex sphere of social capital formation and mobilization involves religious associations. The ever-growing role of Islam in social, cultural and economic life in Kyrgyzstan (besides political) has translated into multiple forms of faith-based activism and association. The effect and prominence of such associational life, however, have tended to be limited to in-group communities, which often accentuate differences with the outside.

II. Economic Transformation

6 | Level of Socioeconomic Development

Kyrgyzstan continues to face significant concerns regarding poverty and socioeconomic inequality. The contraction of economic activity due to COVID-19 led to a substantial increase in poverty. The National Statistical Committee estimated that almost 10% of the population (32%) lived below the national poverty line in 2021. The country's Gini coefficient, which measures income inequality, was 29.0 in 2020 (the most recent available data), with Kyrgyzstan ranked among countries with lower levels of inequality. Kyrgyzstan scored 0.692 and ranked 118th out of 191 countries in the 2021 Human Development Index (HDI). This places Kyrgyzstan slightly above the average in previous years.

While inequality rates and the HDI score did not indicate overwhelming challenges for Kyrgyzstan, serious gender inequalities and considerable urban-rural inequalities in access to socioeconomic benefits persist. Kyrgyzstan scored 0.370 on the Gender Inequality Index (GII) – a better than the average score. However, many countries

Question
Score

Socioeconomic
barriers

4

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4

1

that perform objectively worse regarding women's rights scored higher, making GII a rather unreliable reference. In reality, Kyrgyzstan continued to record regular abuses of women's rights and freedoms, including physical, sexual and mental violence, as well as ongoing disparities in pay levels and job promotion.

Rural communities were hit harder by rising poverty than urban areas and certain regions (e.g., Batken and Naryn) were significantly worse off than others (e.g., Talas). The main reasons for these disparities include inaccessibility, distance from markets and dependence on labor remittances, among other structural factors.

Economic indicators		2019	2020	2021	2022
GDP	\$ M	8871.0	7780.9	8740.7	10930.6
GDP growth	%	4.6	-8.4	6.2	7.0
Inflation (CPI)	%	1.1	6.3	11.9	13.9
Unemployment	%	4.3	4.6	4.8	4.6
Foreign direct investment	% of GDP	4.6	-5.2	2.6	2.7
Export growth	%	16.2	-27.3	16.4	-
Import growth	%	6.1	-28.0	39.3	-
Current account balance	\$ M	-1066.8	374.3	-737.7	-5422.2
Public debt	% of GDP	48.8	63.6	56.2	49.2
External debt	\$ M	8456.0	8677.7	9064.3	-
Total debt service	\$ M	760.2	628.7	570.0	-
Net lending/borrowing	% of GDP	0.4	-2.8	0.4	-
Tax revenue	% of GDP	16.9	14.9	17.5	-
Government consumption	% of GDP	16.4	19.3	17.3	-
Public education spending	% of GDP	5.4	6.1	6.5	8.0
Public health spending	% of GDP	2.3	2.4	-	-
R&D expenditure	% of GDP	0.1	0.1	-	-
Military expenditure	% of GDP	1.5	1.7	1.6	1.5

Sources (as of December 2023): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

The economic policy of the government that assumed power in early 2021 has primarily focused on stimulating rapid economic growth and boosting government revenues. These priorities have been driven by the aim to enhance spending on highly visible and popular budget items, such as teacher and medical doctor salaries, while also aiming to curb the immense informal sector.

In fact, this policy led to a series of clashes between the government (especially the fiscal authorities) and the private sector (particularly small and medium-sized enterprises), which accounts for almost 80% of the national economy. These clashes arose due to the sudden increase in tax and levy burdens, as well as the introduction of mandatory automatic online sales and cash registers. As of 2023, during the short period of policy implementation, it remains unclear whether revenues had increased or if private sector activities had slowed down. If the policies were successful, particularly the implementation of online automated sales register systems, the result would be a significant reduction in the informal and untaxed economy. According to a 2021 International Labour Organization report, informal employment comprises a staggering 63.2% of total employment.

The government's most significant and politically contentious action has been to nationalize the country's largest single economic asset, the Kumtor gold mine, which was achieved through a series of highly questionable moves. Operated by a Canadian company, Centerra, the project was consistently plagued by disputes, corruption, shady deals and a lack of transparency. The Japarov government intervened and assumed control of the Kumtor mine, nationalizing it following an out-of-court settlement in mid-2022. As of early 2023, concerns raised by the mine's national management persist.

The review period coincided with a series of economic crises related to the COVID-19 pandemic and Russia's invasion of Ukraine, among other things. The government reacted to these crises by restricting sales (e.g., setting a price ceiling for meat in 2021) and exports (e.g., of coal, meat and even carrots). Among other effects, the war in Ukraine led to a currency exchange rate shock in March 2022, with the national currency – the Kyrgyz som – losing up to 30% of its value against the U.S. dollar and euro. Shortly after, despite a serious shortage of U.S. dollars, the exchange rate returned to and stabilized at pre-shock levels through opaque and suspicious market manipulation. This development gave rise to a “mild” level of black market activity and jeopardized two long-standing strengths of Kyrgyzstan's economic governance – a free currency exchange market and a stable national currency.

Apart from this, most other aspects of market governance remained unchanged, including relatively easy and quick business registration procedures. In addition, there are no significant monopolistic players or unfair competitors. However, there are certain difficulties associated with Kyrgyzstan's main trading partners, Russia and China, and corruption.



Competition and antitrust policies in Kyrgyzstan are present and stable. A state agency, under the jurisdiction of the Ministry for Economy and Commerce, is responsible for regulating antitrust activities. This arrangement was established in 2021 following a significant restructuring of government entities. Additionally, there is a law in place that governs both monopolies and competition within the country.

Kyrgyzstan, despite its relatively small national market, participates in several multilateral trade accords and unions, including the World Trade Organization and the Eurasian Economic Union. The EAEU is particularly significant in matters of monopoly, and Kyrgyzstan fully adheres to the rules of the union without necessarily having the ability to influence them.

At times, concerns have surfaced regarding the monopolistic structure of medical drug imports, especially during the COVID-19 pandemic, when there was a severe shortage of critical drugs and prices skyrocketed. These concerns have been publicly raised and have drawn government intervention. However, there has been no formal and complete reaction.

Fuel prices are largely uncontrolled, even though fuel is imported by just one dominant importer – Gazprom. Despite occasional questions being raised, no specific action or policy has been pursued.

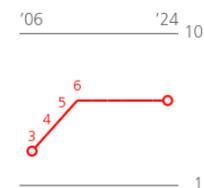
International cooperation and communication on Kyrgyzstan’s antitrust policy primarily occurs within EAEU platforms, with occasional engagement with others. Kyrgyzstan, represented by the heads of the national anti-monopoly agency, is a member of the International Competition Network.

The previous years’ trends generally remained intact during the review period, including the dominance of the Eurasian Economic Union, the importance of China and the underlying generally very open, liberal trade regime. Kyrgyzstan has been a WTO member since 1998, and the country’s simple average applied MFN total tariff was 6.5% in 2021. Kyrgyzstan has long had a negative trade balance, with import volumes three times larger than export volumes, and maintains no particular import barriers (tariff or non-tariff), except those that may be imposed by the EAEU (e.g., on cars). A few significant nuances are worth mentioning.

One was the start of Russia’s invasion of Ukraine and the subsequent blockade of export-import transportation routes that had previously passed through Russian and/or Ukrainian territory. The war in Ukraine and Western sanctions imposed on Russia also gave rise to unaccounted (i.e., semi-smuggled) flows to Russia of products from Western companies that had exited the Russian market (so-called parallel imports). A journalistic investigation uncovered a similar operation in 2022, when Kyrgyzstan emerged as a significant exporter of timber – originating from Belarus – destined for European markets and falsely labeled as from Kyrgyzstan.

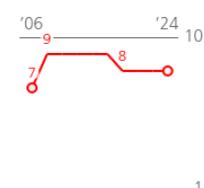
Competition policy

6



Liberalization of foreign trade

8



The second impediment involved restrictions at the Kyrgyz-Chinese border, a remnant of the COVID-19-related border closures that Beijing was slow to lift. It was only in late 2022 that it was announced that those limits would be lifted; however, reports from the ground were slow to confirm that the limits had been lifted.

A third development involves regional dynamics. On the one hand, in the aftermath of the April 2021 conflict with Tajikistan, Kyrgyzstan indefinitely closed its border with that neighbor for both goods and people. On the other hand, cross-border trade between Kyrgyzstan and Uzbekistan – a non-EAEU member – picked up significantly from the previous low level.

Due to supply shortages for certain goods in 2021/2022, short-term export limits on meat, carrots, coal and grain were introduced.

A subject of incomplete information was the export of gold in the wake of the de facto nationalization of the Kumtor gold mining company in 2021. Among other information, sales volumes and destinations of Kyrgyz gold remain opaque following Kumtor’s nationalization.

Kyrgyzstan’s banking sector – a small, moderately diverse, and developing sector – experienced greater pressures in 2021/2022. First, due to the economic repercussions of COVID-19 and then due to Russia’s invasion of Ukraine.

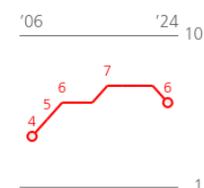
The ratio of nonperforming bank loans grew further in 2021, reaching 10.8%, according to the World Bank’s World Development Indicators (WDI). The growing trend began in the context of COVID-19 disruptions in 2020, with Kyrgyzstan remaining among the most troubled countries in the world. However, most countries covered in the WDI were not recorded in 2021.

The start of the war in Ukraine led to a currency exchange shock, which sent the local currency – the Kyrgyz som – tumbling against the U.S. dollar and euro, generating some panic regarding loan servicing and savings. Exchange rates stabilized within a month, but without objective reasons, generating suspicions of large-scale manipulation. Many reports, based on insider information, told of “bags full of dollars” being taken to Russia. The pervasive shortage of U.S. dollars led to most commercial banks introducing new limits and fees on inter-currency transactions, especially on cash.

In the meantime, the National Bank of Kyrgyzstan – the independent regulator of the banking sector – was caught in a situation that affected its autonomy from the government. For a brief period, the central bank became the main buyer of Kumtor gold, selling record amounts of U.S. dollars from its foreign reserves to stabilize the market. However, it failed to take any action regarding commercial banks’ new fees and limits.

Banking system

6



At the end of 2022, the combined earnings of all commercial banks in Kyrgyzstan was 5.6 times higher than in the previous record, apparently as a result of extra fees and the purchase of U.S. dollars at lower prices, followed by their sale or conversion into cash at an unusually high markup. The capital-to-asset ratio of Kyrgyz banks was 12.4% in 2021, the lowest level in the last five years, although still above the recommended minimum per the Basel Accords.

8 | Monetary and fiscal stability

Monetary stability measures in Kyrgyzstan suffered several setbacks in 2021/2022. However, as of early 2023, the country had managed to avoid significant destabilization.

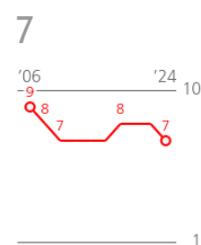
One factor was the pressure of inflation. In 2021, the inflation rate was 11.9%, with estimates of around 14% for 2022. This trend occurred in line with international developments, and there was little that the regulators could do. While some inflation dynamics may be due to seasonal factors (e.g., the prices of agricultural products and some energy products increase during winter), inflation rates during 2021/2022 appeared to be more significant and largely uncorrelated with seasonal factors.

Kyrgyzstan has a free-floating exchange rate policy regime. The exchange rate experienced a severe shock in March 2022 in the wake of Russia's invasion of Ukraine, with the Kyrgyz som (in line with the Russian ruble) depreciating against the U.S. dollar and the euro by more than 30%. It stabilized within a month to pre-March levels (about KGS 83 = \$1). The National Bank's main instrument for maintaining exchange rate stability – interventions in the market through the purchase or sale of U.S. dollars at a target price – was used during the period, with the National Bank largely selling U.S. dollars. By early 2023, one U.S. dollar traded at over KGS 87.

The stabilization of the currency exchange rate for most of 2022, however, was a curious phenomenon given the strong demand for and short supply of U.S. dollars. Despite the stable exchange rate in the absence of U.S. dollars, a currency exchange black market emerged – a situation not witnessed in Kyrgyzstan since the early 1990s and one that threatened its successful exchange rate regime. Nevertheless, the impact of this informal market remained limited due in part to low demand and skepticism toward unofficial transactions.

Monetary instability coincided with negative developments for the National Bank – the regulator. In 2021, amid a political showdown, the chair of the bank was replaced, allegedly for resisting cooperation in accommodating the Kumtor gold assets. The allegation was never confirmed; however, the bank's performance over the subsequent period – especially in 2022 after the start of the war in Ukraine – raised concerns about the bank's autonomy vis-à-vis the government.

Monetary stability



By late 2022, overall fiscal stability was in place, in spite of ambitious government spending. However, serious risks persisted.

The government began 2022 with the ambition of doubling and possibly even tripling government revenues over the next few years. One source for such growth was expected to be the earnings of the nationalized Kumtor gold company, while another was a drastic reduction in informal economic activity through the introduction of unified electronic fiscal accountability.

By the end of 2022, Kumtor's revenues had become a highly secretive issue, with scant reporting on its earnings, expenses and profits. On the other hand, electronic registration efforts combined with the introduction of new tax rates and taxation systems had generated widespread private sector opposition. The drive to reduce the informal economy in such a short space of time risked driving many entrepreneurs out of business and fueling more corruption.

The year 2022 closed with a record budget deficit of over KGS 35 billion – equivalent to more than 12% of planned budget revenue and over 4% of GDP. The deficit was attributed to a decline in customs earnings due to sanctions imposed on Russia and Belarus – two of Kyrgyzstan's customs union partners. This coincided with ballooning government expenses, which included salary increases for government employees (mostly teachers), special government expenses (e.g., restoration works following the conflict with Tajikistan) and national security expenses.

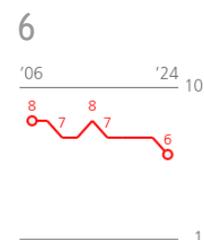
Kyrgyzstan's debt burden remained significant, with public debt standing at 61.1% of GDP as of 2021, according to World Bank statistics, and debt servicing remained a major item in government expenses. Government consumption fell to 17.6% of GDP in 2021, after reaching a COVID-19-related high rate of 19.3% of GDP in 2020. Although data for 2022 was not available at the time of writing, it is likely that the rate will have risen further due to post-conflict rebuilding costs.

9 | Private Property

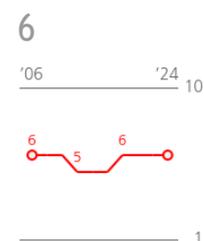
Despite violations of the rule of law since the new government assumed power at the start of 2021, private property has not been affected, positively or negatively. The status quo has persisted, including a generally positive and stable framework for private property rights, with all requisite laws in place, and the explicit protection of private property in the constitution.

No major public disputes or forced takeovers of private property occurred during 2021/2022. The only such case was the Kumtor gold mining company, which was owned by the joint stock company Centerra (Canada), in which Kyrgyzstan itself was the largest shareholder, holding 26% of shares. The government of Sadyr Japarov, who had built his political career in large part on revealing corruption in Kumtor and advocating for its nationalization, moved to nationalize the assets of the company.

Fiscal stability



Property rights



After a year of disputes and distinctly non-rule of law tactics by the government, the two sides came to a negotiated settlement in May 2022, with Kumtor nationalized and Centerra relieved of any liabilities. Additional terms of the settlement have not been publicly released.

While no other cases of private property confiscation occurred during the review period, there were some initiatives in the opposite direction. These initiatives involved the legalization of dubiously (potentially illegally) claimed property, which has weakened the foundations of legal ownership and acquisition. One such action was the legalization of illegally claimed housing plots around the city of Bishkek, where houses had been constructed and settlements had developed over the years. President Japarov issued a decree that legalized such properties. The second action aimed to benefit owners who had acquired wealth through potentially corrupt means. A bill was proposed to provide a means for owners to legalize previously undeclared and unregistered wealth. Critics viewed this as a method to launder corrupt capital. As of early 2023, the bill had not yet been passed into law.

The freedom and security of private enterprise, including private property, arguably suffered a setback when the Kyrgyz government moved to nationalize the Kumtor gold mining company, owned by the Canadian joint stock company Centerra. The process began with the abrupt de facto takeover of the gold company, with law enforcement agents taking aim at the company's office premises as well as its mining site in the mountains. The dispute was settled in a negotiated but nontransparent out-of-court process in the summer of 2022.

Initially, it was expected that this ordeal would damage Kyrgyzstan's investment attractiveness. However, while this may indeed have suffered somewhat due to the style of government, especially the government's frequent disregard for the rule of law, the Kumtor story may not have been as damaging as initially assumed. After all, the whole story was wrought with corruption and scandal from the very beginning, with the Canadian company deeply implicated.

Besides the Kumtor case, and despite the widespread sense of a weak rule of law and the corrupt and secretive style of government, private enterprises are allowed and generally protected and safe from arbitrary takeover or other predatory treatment.

No instances of asset privatization occurred in 2021/2022. Lingering interest in privatizing two major state-controlled assets – the fully state-owned KyrgyzTelecom company and the majority state-owned Alfa Telecom (mobile communications operator) – resurfaced in 2022. However, as of early 2023, this interest has not yet resulted in any actual privatization.

Private enterprise

7



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10 | Welfare Regime

Formally, Kyrgyzstan remains a socially oriented welfare state with clear obligations to guarantee the social security of its citizens. In practice, however, the country has consistently fallen far short of fulfilling these obligations since gaining independence. The new constitution of Kyrgyzstan, adopted in 2021, has further strengthened these obligations, partly as a result of a hastily conducted drafting process led by populist forces.

A point of curiosity raised in the parliament in late 2022 and unresolved as of early 2023 involves Article 44 of the constitution. A provision in the article unequivocally guarantees that all basic safety net payments (e.g., pension, disability and unemployment payments) will not be less than the legally established minimum consumer basket index. Yet, the minimum pension payment at the time was about four times lower than the minimum monthly consumption basket price.

Overall, in light of the COVID-19 crisis that highlighted vulnerabilities in the social safety net, the economic and social crisis has endured. Despite the substantial increase in government spending, socioeconomic insecurity persists. By the end of 2022, it is projected that more than 30% of the population will live below the national poverty line, marking an increase of over 10%.

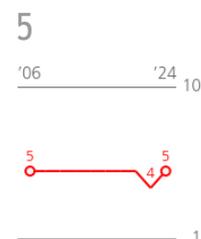
All in all, the previous levels of allocated social security payments and provisions continued. Access to health care, enrollment in schools, disability payments and all other standard package payments continued. No notable economic measures to address the sudden increase in the level of poverty were in sight as of early 2023.

Equal opportunities for all, regardless of gender, ethnicity, religion or other differences, are guaranteed by law and the constitution. However, the reality falls significantly short of that commitment, and the delivery of equal opportunities remains low.

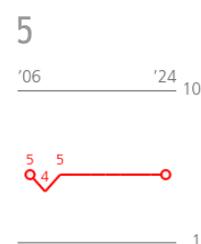
In education, gender equality is guaranteed – a legacy of the country’s Soviet period. Women in tertiary education even constitute the majority, at a ratio of 1.2 women to 1 man. However, women made up only 38.2% of the labor force in 2021 (World Bank WDI data). Women’s rights and security continue to be jeopardized across many spheres, as numerous cases of domestic abuse and violence against women illustrate. Women’s electoral chances are also unequal, and the measure aimed at addressing this inequality – the mandatory quota for women in party lists – only reserves less than 20% of parliamentary seats for women.

The rights of other groups – ethnic and linguistic, and people with disabilities, among others – are even less secure. This situation is compounded by the fact that there is a lack of systematic statistical accounting of rights. Thus, the education rights of children of Uzbek ethnic-linguistic groups are seriously limited, but no reliable account is available.

Social safety nets



Equal opportunity



11 | Economic Performance

The country's economic performance indicators rebounded after the COVID-19 crisis, with GDP growing 3.6% in 2021 and similar or higher growth expected for 2022. The World Bank estimated GDP growth to be about 4% for 2022, while the National Statistical Committee forecasted 7% growth. Correspondingly, the size of the economy grew to over \$8.5 billion in 2021, following a sharp decline from \$8.8 billion in 2019 to \$7.78 billion in 2020. GDP per capita was \$5,288 (at PPP) or \$1,276 (in real U.S. dollars) in 2021 at a 1.8% GDP per capita growth rate, according to the World Bank.

The nominal growth in 2021 and 2022, however, occurred against a notable inflation rate – rising from under 12% in 2021 to almost 15% in 2022. Nearly all consumer goods, especially food products, experienced price increases; some basic items, such as flour and sugar, saw notably higher price hikes compared to the general inflation rate.

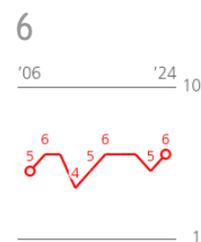
Initially, 2022 was expected to be a challenging year for the Kyrgyz economy due to the war in Ukraine. The war led to disruptions in transportation and logistics, the devaluation of the Russian ruble (the currency in which Kyrgyz labor migrants in Russia earn and transfer remittances), and an increase in unemployment. However, the year turned out to be surprisingly positive. Remittance volumes were higher than expected, and the Russian ruble remained strong for most of the year. Furthermore, the services sector benefited from the tens of thousands of Russians fleeing mobilization, resulting in packed hotels and restaurants. Unfortunately, this increase in demand contributed to inflationary pressures on housing and rent prices, creating difficulties for many local residents. Additionally, under international sanctions, Russians significantly increased their purchases of Kyrgyz goods, particularly clothing.

A notable positive factor in 2022 was the settlement of the nationalization of the Kumtor gold mine, which generated significantly higher income. That said, Kumtor's revenues became a matter of great secrecy, and media demands for full transparency have so far had little effect.

There was a positive, albeit modest, reversal in FDI dynamics as well. According to the National Statistical Committee, while FDI flows were mostly negative in 2019/2020, they were solidly positive in 2021 and 2022. In 2022, net FDI inflow was reported at over \$400 million, above 4% of GDP, the best performance over the last three years.

One important negative trend during the review period was the increase in poverty. In 2022, the percentage of the total population living below the poverty line ranged between 25% (World Bank estimate) and roughly 30% (National Statistical Committee estimate). Unemployment stood at 9.1% in 2021, up from 8.7% in 2020 (World Bank). However, the National Statistical Committee forecasted a slight decline in unemployment in 2022.

Output strength



12 | Sustainability

Environmental concerns continued to receive secondary attention from the government of Kyrgyzstan. The government has a dedicated agency (which was elevated to the level of a ministry in 2021), a body of legislation, and sustainability programs and schemes. However, they have failed to make any impact.

One ongoing program, for example, involves switching to natural gas for energy and heating. However, the process has been slow and dependent on investment by Gazprom. A smaller initiative has been the multi-year energy sustainability program called KyrSEFF. This program offers low-interest credits to households to improve energy efficiency and renewable energy renovations. It is funded by the EBRD. However, neither of these programs has had an impact on the worsening air quality in Bishkek. In fact, the city has consistently ranked among the worst five cities in the world in terms of air quality and often even takes the number one spot during many winter days. The city's poor air quality has only worsened over time. In the winter of 2022, not only the capital but also the broader surrounding region and several other cities faced hazardous conditions.

In an example of a self-serving and insincere reference to sustainability, the government filed a lawsuit in 2021 against the Centerra (Kumtor) company for causing environmental damage over many years, estimating the cost of the damage to be a substantial \$3 billion. A local court promptly awarded the damages. The verdict merely provided an opportunity for the government to intervene in Kumtor operations, and, once the company was nationalized in mid-2022, the hazards were conveniently forgotten.

The president of Kyrgyzstan made a much-publicized trip to the Glasgow climate summit in 2021, tabling a proposal for a multi-billion U.S. dollar financing program – roughly equal to the country's entire GDP for one year – to make the country fully environmentally sustainable. However, the proposal lacked details, and nobody inside or outside the country appeared to take the proposal seriously.

Education and research policymaking did not significantly change during the review period. A significant share of public expenditure continues to be spent on maintaining the education system, with a minimum budget for research and development (0.1% in 2020). As a result, there has been an absence of progress in this sphere. The constitutionally guaranteed and state-provided universal education for children up to nine years old is formally delivered, with literacy and first- and secondary-level enrollment rates near 100%. However, both the quality of school education and school attendance rates belie the strong statistic, and there is a lack of credible data. The 2021 U.N. Education Index score for Kyrgyzstan was 0.746, displaying a slowly and steadily improving trend.

Environmental
policy

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Education policy /
R&D

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While private education and research facilities are allowed, bureaucratic and market limitations have made private schools and institutions a challenging investment. However, the number of private schools has steadily grown in recent years, although their impact on the overall educational system in Kyrgyzstan remains minimal. Most education and, even more so, research infrastructure in Kyrgyzstan is state-owned and funded.

In 2021 and 2022, numerous new schools were constructed, while many existing ones were renovated and expanded. However, in Bishkek, this failed to alleviate the overcrowding issue. In most schools, the problem persisted with pupil numbers exceeding the capacity by more than double. The situation worsened in 2022 due to two factors: the influx of thousands of families fleeing the conflict zone in the Batken region and the arrival of a significant number of children, mainly from Russia, following Russia's invasion of Ukraine.

A comprehensive reform of the school system, as envisioned in the proposed Law on Education, is far from being implemented. In early 2023, the bill was still being publicly discussed, while the Ministry of Education experienced frequent turnover in its leadership positions.

Governance

I. Level of Difficulty

The structural difficulties that undermine Kyrgyzstan's transformation remain fairly high. These difficulties include the country's rough geography, which comprises over 90% mountains, with inaccessible regions divided by mountains and its location far from any sea. The country has a relatively small and fragile economy, which is highly dependent on the services sector and on labor migration remittances. Consequently, the country is extremely vulnerable to regional and global economic turbulence, as was evident during the COVID-19 pandemic and Russia's invasion of Ukraine in 2021 and 2022.

With a population of seven million, of whom over one million – mostly working-age citizens – live and work abroad, and a quarter of whom are children below working age, the economy suffers from a deficit of skilled labor and the pressures of funding the education of children.

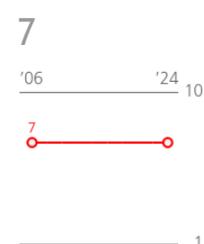
The climate in Kyrgyzstan is highly volatile, with regular dry seasons as well as unusually high precipitation, which adversely affects agricultural production.

There are also difficulties dictated by Kyrgyzstan's geography and neighborhood. An upstream country, Kyrgyzstan requires the largest amount of hydroelectricity in winter when Kyrgyzstan's downstream neighbors insist that it conserve water for irrigation during spring and summer. Kyrgyzstan is also affected in various ways by being surrounded by solid authoritarian neighbors, including its most important neighbor, Russia.

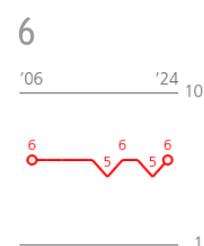
The civil society traditions in Kyrgyzstan show some contradictions, with low engagement and low social capital in general, but with outbursts of extremely strong mobilization and organization of mutual support on several occasions.

Strong volunteering, charitable action and mutual support were at a high point in the late April 2021 and mid-September 2022 border area conflicts with neighboring Tajikistan. With tens of thousands of people becoming internally displaced overnight, communities across the whole country mobilized money, food, shelter, clothing and other help for the affected, as well as for the national army and border troops. A similar self-organized civic mobilization was seen during the late 2020 political turbulence and – to a lesser extent – in protesting Russia's war against Ukraine in early 2022.

Structural constraints



Civil society traditions



Apart from these extraordinary situations, the traditions of civic cooperation and mutual support have mostly centered around family and kin groups, small community memberships as well as around faith-based solidarity mobilization. Religious charity, mutual support as well as mundane shows of solidarity, are a relatively novel and growing part of civil society and deserve close attention in the coming years.

While the political developments of 2020 mobilized broad swaths of rural and usually less mobilized citizens in support of the populist new leadership, the same mobilization also coincided with increased signs of fragmentation and deeper cleavages along the rural-urban, traditionalist-modernist, nationalist-liberal Kyrgyz- and Russian-speaking lines. While none of those threatened to seriously fracture society or lead to open conflict, they hampered social trust, cohesion and democratic civic engagement.

The society of Kyrgyzstan saw an increase in the intensity of conflict both inside society and as a nation with outside forces in 2021/2022.

The markedly populist new leadership of Kyrgyzstan rode high on themes of nationalist, traditionalist, and redemptionist rhetoric, not shying from the language of discrimination and hatred toward opponents and critics. Curiously, the long-concerned factor of religion became less pronounced, while nationalist vs. liberal, pro-Russian vs. pro-Western, “strong hand” vs. democratic, “national values” vs. open society, and paternalistic vs. egalitarian perspectives became the main watershed lines of political controversy.

The increased intolerance of the government toward critics among the media and non-governmental civic organizations further intensified divisions. And poorly disguised occasions of closing down or persecuting critical journalism and critical political activists, based on pent-up legal reasons, became commonplace and tended to make opinion-based divisions and conflict ever more ingrained.

The most intense conflict Kyrgyzstan came to experience, however, were the two main outbreaks of violence with neighboring Tajikistan over territorial disputes in the undelimited border region of Batken. A large-scale military conflict on April 30 and May 1, 2021 left several Kyrgyz villages destroyed and dozens of people killed. In September 2022, the same conflict was repeated on a still larger scale along a large stretch of the border, leaving an even greater level of destruction, casualties and more than 130 thousand people becoming internally displaced.

The two events left a serious sense of insecurity, a high degree of animosity toward the neighboring nation, and a heightened concern about and support for the strengthening of the country’s military. The conflict with Tajikistan also became a potent unifying theme on which the citizens were able to come together despite their internal political divisions.

Conflict intensity

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II. Governance Performance

14 | Steering Capability

Having come to power amid a third extra-constitutional turnover in late 2020/early 2021, it is difficult to evaluate the government of Kyrgyzstan's prioritization. Given its distinctly populist approach and broad support among its base, the government appeared throughout its first two years in power to care less for coherent strategic analysis, vision and planning, and more for its ability to force through situational and opportunistic initiatives.

The new president's general agenda has involved launching reforms in every direction, including constitutional, public administration, economic governance and education reforms. In most respects, the government's record as of early 2023 has been one of populist slogans, large-scale overhauls, and reliance on political will and decisiveness, while showing a lack of depth, clarity of envisioned outcomes and understanding of the resources required to implement its initiatives.

A major overhaul of the structure of government in early 2021, under the banner of optimizing and streamlining government bureaucracy, came close to paralyzing the work of government, with the government gradually restoring much of what was initially replaced. The constitutional reform, promising clear accountability under a mobile, centralized presidential form of government, was adopted despite serious debates and controversy. Numerous personnel changes among the upper echelons of government, including at the ministerial level, over the past two years have also raised concerns about the lack of clear criteria for personnel selection. The reordered structure of the presidential administration – with units for preparation of presidential decisions, monitoring of implementation, analysis and evaluation – has not improved prioritization capacity.

A few areas provide evidence of persistence in pursuing key priorities, such as forcing through initiatives to introduce fiscal transparency and discipline in the private sector, reducing the size of the informal economy, and nationalizing the Kumtor gold company.

Question
Score

Prioritization

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In line with weak prioritization, the government of Kyrgyzstan has shown weakness in implementing its policies and priorities.

Relatively successful examples of implementation include the introduction of an electronic tax administration system and the nationalization of the Kumtor gold company. The former is an unpopular but economically necessary development that had been repeatedly postponed in previous years and is yet to be fully implemented. The latter is an extremely popular and politically salient action but lacks economic rationale and is highly questionable in terms of the rule of law and investment climate. Ever since Kumtor's nationalization, the company and its revenues have become a matter of secrecy, suspicion and poor accountability.

In contrast, issue-specific policies (e.g., the introduction of a mandatory insurance policy and revised energy tariffs) as well as larger policy reforms (e.g., a reform of the education sector, the introduction of merit-based public administration, anti-corruption policy and environmental sustainability) have all lagged in implementation, despite government announcements and decisions.

Personnel turnover has been a major obstacle to implementation. Few of the government's initial members remain in office two years later, and many ministries have had more than two heads over the same period. These personnel changes have led to a discontinuity in policy direction and reform.

The government of President Japarov's policy-learning performance has been mixed. Structurally, the presidential administration has appeared to focus fully on policy learning, strategizing and monitoring. Given that the president is the head of the executive under the new constitution, his administration's priorities are likely to matter.

In actual practice, however, there seems to be little capacity for and even less interest in policy learning, as numerous initiatives have elicited disinterest in engaging with critical external input and feedback. Instead, the government's strong-headed determination to pursue its objectives no matter what the costs or circumstances has become the pattern.

Despite the government's stubborn and self-absorbed approach to decision-making and prioritization, and its rejection of feedback, there has been evidence of openness to innovative approaches and policies in some sectors of the government, such as in economic and fiscal governance and the Ministry of Justice.

Against the background of numerous misses, it was notable that the main speakers for the government – the president, the head of the cabinet and the two deputies to the head of the cabinet – maintained an unapologetic self-congratulatory attitude in response to nearly all public criticism. The government's populist style, popular support and centralized constitutional power have proven to be disincentives to learning and critical reflection.

Implementation

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Policy learning

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15 | Resource Efficiency

Under President Japarov's leadership, the government of Kyrgyzstan's use of resources and assets has become more opaque and less accountable. One of its main promises was to introduce greater accountability and efficiency in the use of state resources. The centralization of decision-making in the office of the president was presented as a key part of this promise. However, once implemented, all such changes ended up producing considerably less government accountability and drastically less transparency.

The efficient use of assets can best be judged by specific expenditure cases. Examples include the frequent use of private business jets for the foreign trips of the president and head of the cabinet, the construction of a dozen regional offices for the state security agency with funding from undisclosed sources, the purchase of expensive weaponry and machinery following the Kyrgyz-Tajik conflicts, and the purchase of large numbers of cars and utility vehicles with little justification and scarce information regarding funding sources.

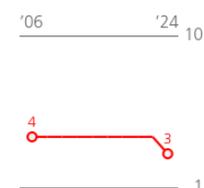
Following the nationalization of the Kumtor gold company, the government inaugurated a short-lived state holding company that would embark on massive investment and development projects, with initial capital coming from the gold company. Within a few months, the head of the holding company was arrested, followed by a financial audit that revealed millions of U.S. dollars in misappropriated funds.

Personnel recruitment has been as opaque and inefficient as the use of physical and financial assets. From ministerial to lower-rank public servants, appointment criteria have been universally opaque, with many appointees having a personal relationship to the president or his chief partner, Kamchybek Tashiev. Despite President Japarov's promise of reducing administrative expenditures, expenditures have increased significantly. Additionally, there has been a dramatic increase in the special presidential fund – an instrument that comes with few if any accounting requirements and is entirely spent at the president's discretion.

The possibility of such poor asset utilization was arguably facilitated by the windfall following the nationalization of the Kumtor company and possible corrupt payments from many oligarchs to avoid imprisonment on corruption charges. It is little surprise that there has been no transparency or procedural clarity regarding such payments.

Efficient use of assets

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Policy coordination under the Japarov government has been uneven, although generally more robust than in the preceding years. The stronger coordination was a result of taking away the prerogatives of personnel and transferring policy decisions from parliamentary party caucuses to the office of the president.

However, the downside of such centralization has been the high degree of personalistic and informal coordination. In the opaque corridors of government, coordination has both been achieved and jeopardized by harmony and agreement among the main actors – especially the president and the head of the national security agency. On several occasions, members of the cabinet viewed as close to either one or the other of the two leaders became embroiled in cases of miscoordination or conflict. However, on most occasions, there appeared to be stable coordination and hierarchy.

Kyrgyzstan’s anti-corruption policy has clearly deteriorated. Several previously instituted measures, designed to prevent or mitigate corruption, were reversed, including the requirement to hold open public tenders for government acquisitions and the requirement for all public officials to submit income and asset declarations.

There remained little budget transparency, with virtually no transparency regarding the assets and revenue of the Kumtor company. On numerous occasions, expenses have been explained by reference to “undisclosed donors.” The government’s authoritarian turn, which has involved clamping down on critical media and civil society activists, has made it possible for the government to ignore demands for information and transparency. Unfounded trust in the president, backed by repressive government tactics, has enabled corruption to flourish, with no effective mechanisms in place to counter it.

16 | Consensus-Building

There is a consensus among the main political actors that democracy is not a top priority, and democracy – upheld in rhetoric and formal statements – is meant primarily in a populist and collectivist sense, somewhat like the “democratic centralism” doctrine held by Leninist communists, rather than in a liberal democratic sense. It is highly likely that part of the critical attitude among major political actors toward liberal democracy is fueled by Moscow’s anti-liberal and anti-Western attitude.

In a series of op-eds, the head of the legal support department of the presidential administration maintained that Kyrgyzstan needed to abandon the alien liberal democratic model of the West and aim for the collectivist model of Asian democracies such as Singapore. While the president and other top officials do not openly embrace such models, it aligns with the critical view of “Western” democratic institutions such as independent media, individual rights, civil liberties and electoral standards.

Policy coordination

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Anti-corruption policy

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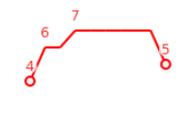
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Consensus on goals

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The supporters of a more authentic democratic course of development – mostly the opposition, civil society groups and independent media outlets – do not wield significant power. In late 2022, they were significantly weakened when 25 government critics, including a dozen vocal pro-democracy actors, were jailed on flimsy charges, and several independent media organizations were forced to defend against attacks on them.

The government and all major actors remain committed to a market economy, vocally or implicitly. No serious actor opposes or otherwise challenges the market economy as the relevant economic model for Kyrgyzstan. Differences only refer to the degree of market regulation or deregulation. Regulatory drives occur occasionally, with measures attempting to balance certain market inequities, such as sudden price hikes on particular goods. But overall, the government only resorted to requiring fiscal transparency and proper tax payment from the private sector. Some initiatives, including the creation of the Creative Industries Park and the adoption of the corresponding Law on the Creative Economy, were some novel ways of advancing the market economy. The nationalization of the Kumtor gold company called into question the principles of a market economy, just like some other initiatives where the government acted as a market player. However, ultimately, none of these initiatives specifically advanced an anti-market, statist economic model.

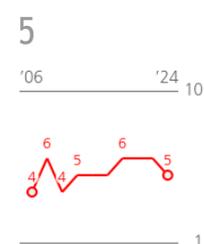
In addition to the political leadership of Kyrgyzstan – given its pushback against liberal democratic institutions and promotion of a problematic, collectivist and populist form of democracy – there are a few potent anti-democratic forces in the country. The most important is the security and law enforcement sector, headed by the highly influential head of the State Committee for National Security, Kamchybek Tashiev. Tashiev is a politician and party leader with ambitions for his political future, including possibly securing the office of president. Of all possible anti-democratic actors, he is the only real veto player.

Close to that first potential locus of anti-democratic interests is the network around the notoriously corrupt former customs official Raimbek Matraimov, who was arrested, fined – rather symbolically – and quickly released early in 2021. He remains influential, and his influence and the omnipresence of his network is widely recognized. The potential anti-democratic interests of the Matraimov network would be driven by a desire to shield their illicit operations from publicity.

A third potential anti-democratic power are religious political forces. However, the political party with parliamentary representation that most closely fits this form is far from anti-democratic and far from wielding veto power.

Lastly, a semi-anti-democratic power is the political party and parliamentary faction of Adaham Madumarov, “Butun Kyrgyzstan.” Madumarov is the leading opposition figure to President Japarov, launches vocal and stinging attacks from the parliamentary podium, and criticizes Japarov for abuse of power and violation of the rule of law. His own political views, however, appear to be far from democratic and very anti-liberal. Nevertheless, he and his party fall short of enjoying veto power.

Anti-democratic actors



There is fragmentation and cleavage-based division within society, but it is not at a level that might endanger the security and integrity of the state.

One of the incoming leader's early pledges in early 2021 was to strengthen the unity of the country and act as a unifying president for the nation. At the time, the country was divided between those who supported Sadyr Japarov – an alliance of rural people, traditionalists, the less educated, anti-Westerners, non-Russian speakers and anti-liberals – and those who resisted his leadership. However, this division was rather situational and bridgeable and did not reflect a deep cleavage.

As the government moved on and faced criticism and disagreement on various issues, mostly from those who had opposed Japarov as president from the start, the rhetoric of the government often doubled down on societal divisions. The president himself has been an eloquent generator of new divisive terminology, as he has cast critics as “false patriots,” “the destructive” and “enemies of the people,” among other things.

More serious, deep-rooted cleavages (e.g., over religion, ethnicity, language and the regional north-south divide) have not become salient and explosive issues in recent years. Indeed, in one regard, Sadyr Japarov can be credited as a unifier – as president, Japarov enjoys equally strong support in both the north and south of the country.

In 2022, in the wake of the war in Ukraine, new lines of division within Kyrgyz society opened. For example, between those who sided with Ukraine and those who sided with Russia; those who cherished the country's Soviet past and those who saw it as a colonial legacy; and those who welcomed Russian immigrants and the use of the Russian language, and those who did not welcome them and advocated for the Kyrgyz language. The government has not engaged in these debates but instead prohibited political rallies in most parts of Bishkek.

The new leadership of Kyrgyzstan nearly broke with one habit of previous leaders – namely, the practice of occasionally gathering diverse members of civil society and the media, including those who were critical of the government, to engage and consult them. These gatherings were largely perfunctory but were held nonetheless.

President Sadyr Japarov has notably avoided hosting such meetings with independent groups. Only very rare and tightly controlled meetings have been held over the past two years. Two such meetings were held with community members concerning a proposed border delimitation agreement with Uzbekistan. However, on both occasions, the meetings were held behind closed doors, with carefully selected people and aimed at popularizing the government's position rather than soliciting alternative views.

In late 2022, Japarov decreed and held the first People's Kurultai – a national consultative gathering written into the 2021 constitution but still lacking the required special law to regulate it. From the start, the gathering was expected to be a formalistic gathering of government supporters. Out of more than 700 participants, only five to six voiced criticism of the government. No particular outcome was recorded from the gathering.

Cleavage /
conflict
management

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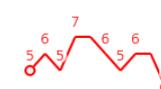


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Public
consultation

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Some routine forms of cooperation are held. However, these discussions rarely involve the president and are often chaired by much lower-ranking members of the administration. Typically, these discussions focus on proposed bills. Inclusive working groups are organized to debate important bills, although the final outcomes of these groups always remain open to authoritative interpretation. Another institution that occasionally seeks civil society feedback is parliament. However, such occasions are rare, and, in any case, the parliament has limited authority.

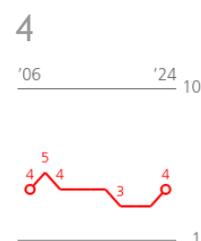
In this regard, two themes apply to Kyrgyzstan: reconciliation of the recent post-independence political turmoil that saw widespread violence and injustice; and reconciliation of the country's late-czarist and Soviet past, including the national traumas caused by Russian and Soviet governments in collaboration with local partners.

On the former, President Japarov's government has engaged in a contradictory manner. The Japarov government has appeared to seek redress against its two predecessors – the members of the provisional government of 2010/2011 and President Atambayev, under whom Japarov was sentenced to prison. Conversely, toward former presidents such as Askar Akayev and Kurmanbek Bakiyev, the government of Japarov seemed inclined to seek reconciliation. (Japarov and Tashiev were initially seen as members of the Bakiyev team). Regarding Japarov's immediate predecessor, Sooronbay Jeenbekov, there has been nearly no action.

In mid-February 2023, President Japarov surprised the country with a Facebook post in which he announced he would gather all presidents of Kyrgyzstan in “a neutral place” (which turned out to be Dubai) in an attempt to achieve national reconciliation and unification. The reception of the news was generally more critical than welcoming. It lacked consultation, was unprepared and was implemented without prior request or consent.

In regard to past national traumas, the government – while not getting directly involved – appeared to at least permit independent civil society groups to re-examine Soviet/communist historical narratives, conduct archival research and strive for historical reconciliation. However, such processes have only just started, and reconciliation remains a distant prospect as of early 2023.

Reconciliation



17 | International Cooperation

In order to distance himself from his predecessors, President Japarov has sought to build a reputation for not needing foreign support, not taking international loans, and only relying on domestic resources and capabilities. Japarov's government has also been notable for its lack of strategic planning, preoccupation with populist projects and promises of breakthroughs. Consequently, the government's development strategies have lacked sustainable international cooperation.

However, the government continued to call for such cooperation – sometimes in an egregious manner. An unrealistic but memorable occasion was when Japarov, at the Glasgow COP26 summit, called on the international community to provide nearly \$10 billion in aid to help Kyrgyzstan cope with the effects of climate change and become sustainable. However, lines of borrowing and aid seeking have continued as before, with the government seeking funding from international financial institutions and China and Russia, among other donors and partners.

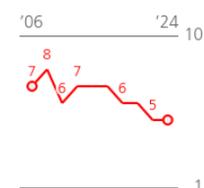
Yet, there was neither a well-considered development road map that envisioned international support nor any set of policy initiatives that would corroborate the government's credibility for major international financing lines. Instead, short-term, superficial and ad hoc projects dominate the government's portfolio for international cooperation.

The significant increase in opaque practices within the entire financial and fiscal sector and the politicization of international cooperation have made it still more difficult to analyze the use and effectiveness of international cooperation. Modest amounts of borrowing, such as to finance a budget shortfall in 2021 or partially fund an energy sector overhaul in 2022 (despite state-run media denials of any funding), were primarily for short-term purposes to cover spending gaps. More serious and longer-term development proposals were claimed to be financed by domestic sources (e.g., the earnings of the nationalized Kumtor gold company) and investment funds. However, these have yet to materialize as of early 2023.

In seeking partnerships and demonstrating credibility, the government of Sadyr Japarov has primarily focused on non-Western partners, especially Russia, China, Türkiye and Kyrgyzstan's neighbors, namely Uzbekistan and Kazakhstan. In relations with these non-democratic and non-Western partners, Japarov's manner of demonstrating credibility was to act and govern just like those partners, autocratically. Besides attending international events (at the United Nations in New York and the Glasgow summit), Japarov's very first bilateral visit to a Western country was – incidentally – to Budapest in early 2023, more than two years after taking office.

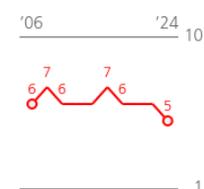
Effective use of support

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Credibility

5



Kyrgyzstan is a member of many international bodies and renewed its membership in the U.N. Human Rights Council for 2023 to 2025. It has not yet ratified the Rome Statute of the ICC, although it began the process in 2022. It is a member of the OSCE and all relevant U.N. bodies. However, most such memberships appear to have had minimal effect on the country's performance, primarily serving to maintain its token commitment to international cooperation.

From the perspective of the international democratic community, most of Japarov's initiatives and policies have impaired Kyrgyzstan's credibility rather than strengthened it. This is evidenced by the overhaul of laws that derailed many legislative achievements, especially in criminal and criminal-procedural legislation, which had been implemented with international support. It is further evidenced by the persecution of independent critical media; the initiation of several legislative acts that would restrict freedoms of speech and the press; the systematic neglect of due legal process, especially in treating politically salient cases; and the government's arrogance in its occasional encounters with Western partners, which demonstrate a lack of understanding of the issues at hand, such as defending a bill curtailing the independence of civil society organizations. These and other issues have hardly won the Japarov government strong support among democratic partners.

In contrast to its cool relations with Western and democratic partners, the Kyrgyz government has pursued a much closer and more committed policy of regional cooperation with immediate neighbors, although with one exception.

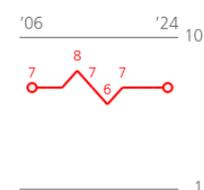
Kyrgyz-Tajik relations, marked by two major armed conflicts in the border region of Batken, continue to be the most challenging issue concerning security and cooperation for Kyrgyzstan. The exact causal chain that led to the open fighting, bombing and destruction of 2021 and 2022 is a complex matter, with both sides insisting on the culpability of the other side. Certainly, the border delimitation involved some complicated points of dispute, which has been a well-known fact. Moreover, both sides had domestic reasons for upping the rhetoric with each other. However, the stronger and earlier preparation for the conflict, the range of heavy weaponry put to use, and the damage caused to the other side suggest that Tajikistan was more of a culprit than Kyrgyzstan.

Following both violent episodes, the Kyrgyz leadership was decidedly open and interested in engaging in a peaceful settlement, including a visit by Japarov to Tajikistan just two weeks after the 2021 conflict, amid widespread disapproval in Kyrgyzstan. Hence, Kyrgyzstan has not purposefully sought enmity with Tajikistan but rather sought to mend it once the clashes occurred.

With Kazakhstan and especially with Uzbekistan, the Kyrgyz government has built a strong partnership. The summit of Central Asian leaders held in Kyrgyzstan in June 2022, embarked on a bold regional treaty of friendship and cooperation, which was initially signed by only the three countries. Kyrgyzstan also became an active participant in the newly inaugurated Organization of Turkic States.

Regional cooperation

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The positive relationship dynamics, energized by the sanctions imposed on Russia, resulted in the rejuvenation of the long-stalled China-Kyrgyzstan-Uzbekistan railroad project in 2022 – a project that Kyrgyzstan has been eager to see realized, as it would offer access to the sea and strengthen the economy's links to eastern and western markets.

Strategic Outlook

Kyrgyzstan entered 2023 as a less democratic and less free country. Although its commitment to a market economy remains intact, the arbitrary and undemocratic political regime threatens the freedom and transparency of economic governance, making the economy less appealing to investors. Given the changing regional and global political economy, Kyrgyzstan will need stronger and more credible international cooperation, a well-founded, long-term development strategy, and a more open domestic political environment in order to overcome the challenges it faces and capitalize on new opportunities.

The government's populist style, effective in attaining power, is incapable of fostering long-term social cohesion and political support without tangible positive outcomes for the people. These outcomes must encompass not only higher incomes and improved livelihoods but also stronger rule of law, reduced corruption, enhanced security, greater government accountability and protection of civil society freedoms. Achieving these objectives necessitates greater transparency, more robust consultation, authentic dialogue between the government and citizens, and a healthy diversity of perspectives among the populace. Populism, which relies on accentuating societal differences and unrealistic promises, will ultimately cease to be effective. Unpopular policy decisions are inevitable moving forward and will require enhanced dialogue and trust, which can only occur once divisive and self-righteous populism is set aside.

A post-populist policy prescription for the Japarov administration will require, besides greater openness to dialogue, a devolution of the highly centralized nature of power in favor of the parliament and regional and local self-government. Equally important, effective civilian – parliamentary and civil society – control of law enforcement and the security institutions should be introduced, while the current dominance of repressive government institutions should be dismantled.

For the Japarov government, these changes would represent a complete overhaul of its governing approach, and it is unlikely that many members of the administration would view them as aligned with their vested interests. Kyrgyzstan's international partners and donors should influence the government to implement these changes. They can achieve this by directly communicating these ideas to their government counterparts and by facilitating dialogue between the government, civil society and media in Kyrgyzstan.

A tragic element of Kyrgyzstan's reputation as an "island of democracy" was that democracy, along with its related principles and institutions, was perceived as imported and learned from external instead of local sources. Because of that perception, it has always been comparatively easy for authoritarian-minded leaders to reject democracy. The challenge in 2023 and beyond is for domestic actors to embrace democratic governance, demonstrate that it is a model that belongs to Kyrgyzstan, and prove that it is a necessary and meaningful form of governance. The government should see the consequences of violating democratic principles and the gains of abiding by them, citizens should see democratic instruments as necessary for ensuring their own interests, and both should realize how democratic governance enables effective development and productive international cooperation.