



CRS Report for Congress

Uzbekistan: Recent Developments and U.S. Interests

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Summary

Uzbekistan is a potential Central Asian regional power by virtue of its relatively large population, energy and other resources, and location in the heart of the region. It has made scant progress in economic and political reforms, and many observers criticize its human rights record. This report discusses U.S. policy and assistance. Basic facts and biographical information are provided. This report may be updated. Related products include CRS Report RL33458, *Central Asia Regional Developments and Implications for U.S. Interests*.

U.S. Policy

According to the Administration, the Uzbek government “increasingly views U.S. assistance as a threat to its rule,” and it avers that “democratic and economic reforms are stalled [and] corruption is endemic” in the country. Despite these difficulties, the United States still attempts to encourage “democratic reform and respect for human rights, promote regional stability, counter terrorism, strengthen economic growth, and address health concerns [in] hopes of a reversal of the backsliding trends.” Security assistance to Uzbekistan partly is limited because the Secretary of State has not been able to determine that Uzbekistan has undertaken democratic and human rights reforms (see below). U.S. assistance helps Uzbekistan combat terrorism, counter the proliferation of weapons of mass destruction (WMD), and interdict narcotics trafficking. In October 2006, Deputy Assistant Secretary of State Evan A. Feigenbaum evinced “serious disappointment” that U.S.-Uzbek relations had “deteriorated so sharply.” He reportedly stated during another



Source: Map Resources. Adapted by CRS. (08/02 M.Chin)

visit in March 2007 that it aimed at improving Uzbek-U.S. relations after a “difficult” hiatus.¹

Cumulative U.S. assistance budgeted for Uzbekistan in FY1992-FY2006 was \$810.3 million (FREEDOM Support Act and agency budgets). In FY2006 budgeted assistance was \$49.41 million (FREEDOM Support Act and agency budgets). The Administration has requested \$9.37 million for FY2008 (FREEDOM Support Act and other Function 150 foreign aid, excluding Defense and Energy Department funds). Some U.S. aid for FY2006 and FY2007, even humanitarian, has been disrupted by Uzbek government decisions to close down the operations of many non-governmental organizations (NGOs) that receive U.S. support.

Concerns about the proliferation of WMD led the Administration at the end of 2003 to waive restrictions on most anti-terrorism aid to Uzbekistan under authority provided by the National Defense Authorization Act for FY2003 (P.L. 107-314). The Administration indicated that Uzbekistan had not satisfied congressional requirements to respect human rights, as contained in Sec. 1203(d)(6) of the Cooperative Threat Reduction (CTR) Act of 1993 (P.L. 103-160), making the waiver necessary. The waiver authority was exercised again for FY2005 funding. The waiver authority, exercisable each fiscal year, expired at the end of FY2005, but Defense Authorizations for FY2006 (P.L. 109-163) provided a non-sunsetting waiver authority, exercisable annually. This waiver authority was exercised for FY2006 and FY2007 CTR aid.

Since FY2003, Congress also has prohibited FREEDOM Support Act assistance to the central government of Uzbekistan unless the Secretary of State determines and reports that Uzbekistan is making substantial progress in meeting commitments to respect human rights, establish a multiparty system, and ensure free and fair elections, freedom of expression, and the independence of the media (P.L.108-7; P.L.108-199; P.L. 108-447; P.L. 109-102). Congress received a determination of progress in FY2003. In July 2004, the State Department announced that some FY2004 aid to Uzbekistan would be withheld

Basic Facts

Area and Population: Land area is 174,486 sq. mi., slightly larger than California. The population is 27.3 million (*World Factbook*, mid-2006 est.). Administrative subdivisions include the Karakalpak Republic.

Ethnicity: 80% are Uzbek, 5.5% Russian, 5% Tajik, 3% Kazakh, 2.5% Karakalpak, 1.5% Tatar, and others (*World Factbook*, 1996 est.). Uzbeks are the most numerous Central Asian nationality. More than 1.2 million Uzbeks reside in Afghanistan, one million in Tajikistan, and a half-million in Kyrgyzstan.

Gross Domestic Product: \$54.8 billion; per capita GDP is about \$2,000 (*World Factbook*, 2006 est., purchasing power parity).

Political Leaders: *President:* Islam Karimov; *Prime Minister:* Shavkat Mirziyoyev; *Speaker of the Legislative Chamber:* Erkin Xalilov; *Speaker of the Senate:* Ilgizar Sobirov; *Foreign Minister:* Vladimir Norov; *Defense Minister:* Ruslan Mirzayev.

Biography: Karimov, born in 1938, in 1989 became First Secretary of the Uzbek Communist Party. In 1990, the Uzbek Supreme Soviet elected him to the newly created post of President, and he also became a member of the Soviet Communist Party Politburo. In December 1991, he was popularly elected President of Uzbekistan, winning 86% of the vote against opposition Erk Party candidate Mohammed Solikh. In 1995, Karimov orchestrated a popular referendum to extend his presidency until 2000, won re-election, and in 2002 orchestrated another to extend his term until December 2007.

¹ U.S. Department of State. *Congressional Presentation for Foreign Operations for FY2008*; U.S. Embassy, Tashkent, Uzbekistan. *Transcript of Deputy Assistant Secretary of State Evan A. Feigenbaum's Address to the 10th Annual Conference of the American-Uzbekistan Chamber of Commerce*, Oct. 3, 2006. Open Source Center. *Central Eurasia: Daily Report*, March 8, 2007, Doc. No. CEP-950059.

because of “lack of progress on democratic reform and restrictions put on U.S. assistance partners.” IMET and FMF programs — which are conditioned on respect for human rights — were among those affected. Some aid that was subject to restrictions was able to be reprogrammed or was allocated using notwithstanding authority. The then-Chairman of the Joint Chiefs of Staff, Gen. Richard Myers, during an August 2004 visit to Uzbekistan, criticized the cutoff of IMET and FMF programs as “shortsighted” and not “productive,” since it reduced U.S. military influence. The Secretary of State in FY2005 and FY2006 did not determine and report to Congress that Uzbekistan was making significant progress in respecting human rights, so aid restrictions remained in place.

Contributions to the Campaign Against Terrorism

In her testimony on April 8, 2004, to the Commission on Terrorist Attacks Upon the United States, then-National Security Advisor Condoleezza Rice emphasized that early Administration efforts to counter global terrorism — before the September 11, 2001, terrorist attacks on the United States — included cooperation with Uzbekistan. These ties proved useful in soliciting Uzbek support for Operation Enduring Freedom (OEF) in Afghanistan. An agreement on U.S. use of the Khanabad airbase, near the town of Karshi (termed the K2 base) was signed on October 7, 2001, and a joint statement pledged the two sides to consult in the event of a threat to Uzbekistan’s security and territorial integrity. In March 2002, the two sides signed a “Strategic Partnership” accord that reiterated this nonspecific security guarantee. The United States also pledged military aid, and Uzbekistan pledged to “intensify democratic transformation.” In early 2003, Uzbekistan was the only Central Asian state that joined the “coalition of the willing” (Kazakhstan joined later) that endorsed prospective U.S.-led coalition military operations in Iraq, but Karimov later declined to send troops. Uzbekistan benefitted from its defense ties with the United States. In addition to security assurances and increased military and other aid, U.S. forces eliminated many terrorists belonging to the Islamic Movement of Uzbekistan (IMU; dedicated to the forceful establishment of Islamic rule in Uzbekistan). Not only were IMU bases destroyed in Afghanistan, but IMU military leader Juma Namanganiy was killed.

On July 5, 2005, Karimov and other presidents of the Shanghai Cooperation Organization (SCO; other members are China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan) signed a declaration that called for coalition members supporting operations in Afghanistan “to decide on the deadline for the use of the temporary infrastructure and for their military contingents’ presence in those countries.” The language seemed to target U.S. and coalition bases in Central Asia. Despite this declaration, none of the Central Asian leaders immediately called for closing such bases. However, after the United States, the U.N., and others interceded so that refugees who had fled from fighting in Uzbekistan could fly to Romania, Uzbekistan on July 29, 2005, demanded that the United States vacate K2 within six months. On November 21, 2005, the United States officially ceased operations at K2. The Uzbek government has permitted Germany to maintain a small base at Termez.

Foreign Policy and Defense

Home to more than half the population of Central Asia, Uzbekistan seeks to play a leading role in regional affairs. From the late 1990s until mid-2005, Karimov’s priority

was to seek closer security ties with the United States while maintaining working relations with Russia and China. However, after the mid-2005 events in Andijon (see below), he shifted to closer ties with the latter two states. In 2001, Uzbekistan joined the SCO and in 2003 insisted on hosting its Regional Anti-Terrorism Center. In March 2006, the SCO sponsored an exercise in Tashkent on how to repulse terrorist attacks on the “state infrastructure.” Uzbekistan has ongoing tensions with other Central Asian states over its mining of borders, water-sharing, border delineation, and other issues. In 1998, the Tajik president accused Uzbekistan of supporting an uprising in northern Tajikistan, and in 2002, the Turkmen government accused Uzbek officials of conspiring to overthrow it. The Kyrgyz premier rejected claims by Karimov in 2005 that Kyrgyzstan had provided training facilities and other support for the Andijon militants.

The Uzbek military is the most advanced among those of the Central Asian states. The armed forces consist of about 40,000 ground force troops and 10,000 to 15,000 air force troops. There are also up to 19,000 internal security (police) troops and 1,000 national guard troops (*The Military Balance*, February 2007). Uzbekistan’s military doctrine proclaims that it makes no territorial claims on other states and adheres to nuclear non-proliferation. Military cooperation between Russia and Uzbekistan is ensured through a 1992 Friendship Treaty, a 1994 military treaty, a 1999 accord on combating terrorism and Islamic extremism, and a November 2005 Treaty of Alliance. The latter accord calls for mutual consultations in case of a security threat to either party. In December 2006, Uzbekistan rejoined the Collective Security Treaty Organization (it had withdrawn in 1999; members now include Russia, Belarus, Armenia, and the Central Asian states except Turkmenistan). Until 2005, Uzbekistan played an active role in NATO’s Partnership for Peace (PFP) by participating in military exercises and training, including in the United States.

On February 16, 1999, six bomb blasts in Tashkent’s governmental area by various reports killed 16-28 and wounded 100-351. In response, the government arrested dozens of suspects, including political dissidents. The motives for the bombing remain murky, but Karimov termed them an assassination attempt. He alleged that exiled Erk Party leader Mohammad Solikh led the plot, assisted by Afghanistan’s Taliban and IMU co-leader Tahir Yuldashev. Solikh denied any role in the bombings. In November 2000, Yuldashev and Namanganliy received death sentences and Solikh 15.5 years in prison (all *in absentia*). Another defendant tried *in absentia*, Najmiddin Jalolov (see below), received 18 years. Other security threats included the invasion of neighboring Kyrgyzstan in July-August 1999 by several hundred IMU and other guerrillas. They were rumored to be seeking to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan. By mid-October 1999, they had been forced out of Kyrgyzstan with Uzbek aid. The next August, dozens of IMU and other guerrillas again invaded Kyrgyzstan and Uzbekistan, but were expelled by late October. In September 2000, the State Department designated the IMU as a Foreign Terrorist Organization, and stressed that the “United States supports the right of Uzbekistan to defend [itself against] the violent actions of the IMU.”

A series of bombings and armed attacks began in Uzbekistan on March 28, 2004, and continued through April 1, reportedly killing 47 individuals. President Karimov asserted that the attacks were aimed against his government to “cause panic among our people, [and] to make them lose their trust.” Then-U.S. Air Force Secretary James Roche and the then-Combined Forces Commander for Afghanistan, Lt. Gen. David Barno, visited

Uzbekistan in April 2004, with Barno stressing that “we stand with Uzbekistan in facing down this terrorist menace.” An obscure Islamic Jihad Group of Uzbekistan (IJG; Jama’at al-Jihad al-Islami, reportedly an alias of the IMU) claimed responsibility for the violence. Suspected terrorists testified at a trial in mid-2004 that Jalolov was the leader of IJG, that they were trained by Arabs and others at camps in Kazakhstan and Pakistan, and that the IJG was linked to Hizb ut-Tahrir, the Taliban, Uighur extremists, and Al Qaeda. During this trial, explosions occurred in Tashkent on July 30, 2004, at the U.S. and Israeli embassies and the Uzbek Prosecutor-General’s Office. The IMU and IJG claimed responsibility.

On May 12, 2005, an armed group stormed a prison in Andijon where those on trial were held and released hundreds of inmates. There is a great deal of controversy about whether this group contained foreign-trained terrorists or was composed mainly of the friends and families of 23 businessmen who were on trial on charges of belonging to an Islamic terrorist group. Many freed inmates then joined others in storming government buildings the next day. Karimov flew to the city to direct operations and reportedly had restored order by late on May 13. According to testimony at the first major trial in late 2005 of alleged Andijon terrorists, the governments of the United States and Kyrgyzstan had helped finance and support the terrorists’ attempt to establish an Islamic caliphate, and international media, local human rights groups, and non-governmental organizations (NGOs) had conspired in this attempt. The U.S. and Kyrgyz governments and several media organizations denied such involvement. The United States and others have called for an international investigation, which Karimov has rejected. The events at Andijon and their aftermath “severely tested the [U.S.-Uzbek] bilateral relationship,” according to the State Department.²

Political and Economic Developments

In January 2002, Karimov orchestrated a constitutional referendum to create a bicameral legislature and to extend his term to December 2007 (almost eight years). The new legislature (termed the Oliy Majlis or Supreme Assembly) consists of a 120-member, directly-elected lower chamber, the Legislative Chamber, and a 100-member upper chamber, the Senate. The Senate is composed of 16 members appointed by the president, with the rest selected by local legislatures. The lower chamber has most of the responsibility for drafting laws and the Senate confirms the prime minister and other top officials. Constitutional amendments approved in April 2003 established that — after the next presidential election — the prime minister will exercise greater power. Explaining his constitutional goals, Karimov in January 2005 proclaimed that he aimed to create three powerful branches of government, to correct a situation where “everything now depends on me.”

Only pro-Karimov parties operate legally: the Popular Democratic Party (PDP), founded by Karimov; the Fidokorlar (Self-Sacrifice) National Democracy Party, created by Karimov as a youth party; the Adolat (Justice) Social Democratic Party; the Liberal-Democratic Party, consisting of government-connected businessmen; and the National Revival Party, consisting of state-supported intellectuals. After the Andijon events, repression increased against the banned opposition parties Birlik (Unity), Erk (Will),

² *Congressional Presentation for Foreign Operations for FY2007.*

Ozod Dehqonlar (Free Farmers; formed in late 2003), and Serquyosh Ozbekistonim (My Sunny Uzbekistan; formed in April 2005). In March 2006, the latter's co-founder, Nodira Khidoyatova, was given a 10-year prison term on embezzlement charges viewed by some observers as politically motivated.

The last presidential race was in January 2000. The two candidates were incumbent President Karimov and Abdulkhafiz Jalolov. Jalolov was nominated by the PDP — which he headed after Karimov resigned as head in 1996 — to give the appearance of a contest. Jalolov endorsed Karimov during the campaign. Karimov won 91.9% of 12.1 million votes cast. The State Department concluded that “this election was neither free nor fair.” Similarly, a limited OSCE observer mission concluded that Legislative Chamber elections held on December 26, 2004, “fell significantly short of ... international standards for democratic elections.” The lack of open information about the race contributed to low public interest and in less than a 50% turnout in half the districts, triggering required run-offs on January 9, 2005. Two weeks later, local legislatures, overseen by members of the Central Electoral Commission, selected Senators.

The State Department's *Country Reports on Human Rights Practices for 2006* (released in March 2007) reported that Uzbekistan's poor human rights record worsened in 2006. Police and security forces routinely and systematically tortured, beat, and harassed persons, including human rights activists, reporters, political dissidents, and alleged religious extremists. Arrests almost invariably led to guilty verdicts. Prison conditions were poor. There were reported cases of political and human rights activists being committed to mental hospitals. More than 5,500 persons were estimated to be in prison for political or religious reasons. The government severely restricted freedom of speech and the press and continued to prohibit unauthorized public meetings and demonstrations. The Uzbek government closed down the operations of most international NGOs carrying out democratization, human rights, and humanitarian projects. Compulsory labor continued to be reported, particularly in cotton harvesting.

After economic dislocations associated with the breakup of the Soviet Union, the Uzbek economy ceased to decline and began to turn around in 1996. GDP increased an estimated 6.8% in 2006 and consumer price inflation was an estimated 38% (*The World Factbook*). After long resisting full currency convertibility, Uzbekistan in 2003 announced that it would permit it, but vitiated the reform by reducing money in circulation, closing borders, and placing punitive tariffs on imports. These restrictions helped fuel organized crime, corruption, consumer shortages, unemployment, and wage arrears. Uzbekistan is the world's fifth-largest cotton producer and second-largest exporter, and about 30% of the country's economic activity is based on agriculture. The government closely controls this sector. Up to one-third of the population remains below the poverty level. The European Bank for Reconstruction and Development announced in 2004 that it would limit its lending in Uzbekistan, citing the government's poor democratization and human rights record. Other international financial institutions have maintained some engagement. The World Bank in mid-2006 offered technical assistance and loans for poverty reduction, structural reforms, and civil society participation. A mission of the International Monetary Fund in December 2006 praised Uzbekistan for large trade and external current account surpluses mainly due to increases in exports, increases in gold and foreign exchange reserves, and budgetary surpluses despite tax rate reductions, and offered technical assistance.