



## CRS Report for Congress

# Kyrgyzstan: Recent Developments and U.S. Interests

Jim Nichol

Specialist in Russian and Eurasian Affairs  
Foreign Affairs, Defense, and Trade Division

### Summary

This report examines Kyrgyzstan's uneven political and economic reform efforts. It discusses U.S. policy and assistance for democratization and other programs. 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*, by Jim Nichol.

### U.S. Policy

According to the Bush Administration, U.S. assistance aims to improve Kyrgyzstan's security and agricultural-based economy and to address social issues such as primary healthcare and educational reforms. Strengthening democracy and combating corruption are other focuses, as are bolstering the capabilities of the armed forces and border troops to combat terrorism and trafficking in persons, narcotics, and weapons of mass destruction.<sup>1</sup>



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

Cumulative U.S. humanitarian and technical budgeted aid to Kyrgyzstan for FY1992-FY2006 was \$850 million (FREEDOM Support Act and agency funds), with Kyrgyzstan ranking third in such aid per capita among the Soviet successor states. Foreign aid budgeted for FY2007 was \$54.41 million (FREEDOM Support Act and agency funds). Foreign aid was an estimated \$32.63 million in FY2008, and the Administration requested \$29.61 million for FY2009 (FREEDOM Support Act and other Function 150 aid, not including Defense and Energy

<sup>1</sup> U.S. Department of State. *Congressional Budget Justification for Foreign Operations FY2009*.

Department or Millennium Challenge funds). U.S. assistance proposed for FY2009 will focus on strengthening the legislature, political parties, criminal justice, and local governance. Other emphases include support for agribusiness, trade liberalization, micro-financing, and electricity generation. Security and healthcare assistance also will be provided.

The Millennium Challenge Corporation (MCC), created in 2004 to provide U.S. aid to countries with promising development records, announced in late 2005 that Kyrgyzstan was eligible to apply for assistance as a country on the “threshold” of meeting the criteria for full-scale development aid. In March 2008, the MCC signed an agreement with Kyrgyzstan to provide \$16 million over the next two years to help it combat corruption and bolster the rule of law.

## Contributions to the Campaign Against Terrorism

The Kyrgyz government declared its support for the war on terrorism almost immediately after the September 11, 2001, attacks on the United States and approved a U.S. request to use Kyrgyz airspace for counter-terrorist operations in Afghanistan. The U.S. military repaired and upgraded the air field at the Manas international airport (and named the U.S. facilities after the late New York City firefighter Peter J. Ganci), and war support to Afghanistan began in March 2002. The Defense Department reported in late 2003 that the airbase at that time was the “primary hub” for trans-shipping personnel, equipment, and supplies to Afghanistan.

In mid-2005, after Uzbek officials imposed more limits on U.S. flights at the Karshi-Khanabad (K2) airbase in Uzbekistan and then ordered its closure, U.S. flights increased at Ganci. Although Bakiyev had endorsed a call by the Shanghai Cooperation Organization (SCO; see below) in early July 2005 to consider closing regional bases supporting operations in Afghanistan, he pledged to visiting then-Defense Secretary Donald Rumsfeld in late July 2005 and visiting Secretary of State Condoleezza Rice in October 2005 that operations at Ganci would continue. In April 2006, Bakiyev threatened to close Ganci unless the United States soon agreed to new terms. In July 2006, the two sides issued a joint statement that Ganci would remain open and that the United States would provide \$150 million to Kyrgyzstan in “total assistance and compensation over the

### Kyrgyzstan: Basic Facts

**Area and Population:** Land area is 77,415 sq. mi.; about the size of South Dakota. Population is 5.36 million (*The World Factbook*, mid-2008 est.).

**Ethnicity:** 65.7% Kyrgyz; 11.7% Russians; 13.9% Uzbeks, 1% Uighurs; 0.4% Germans, and others (*Kyrgyz Statistics Committee*, 2001 est.). Ethnic Uzbeks are a majority in southern Kyrgyzstan. About 420,000 ethnic Kyrgyz reside elsewhere in the former Soviet Union and 170,000 in China.

**Gross Domestic Product:** \$10.4 billion; per capita GDP is about \$2,000 (*The World Factbook*, 2007 est., purchasing power parity).

**Political Leaders:** *President:* Kurmanbek Bakiyev; *Legislative Speaker:* Aytibay Tagayev; *Prime Minister:* Igor Chudinov; *Foreign Minister:* Ednan Karabayev; *Defense Minister:* Bakytbek Kalyev.

**Biography:** Bakiyev was born in 1949 and was trained as an engineer. In 1991, he became first secretary of the Kok-Yangak city Communist Party committee, then chairman of the city soviet (council), and then chairman of the Jalal-Abad regional soviet. In 1994, he became chairman of the State Property Fund, in 1995 governor of Jalal-Abad region, and in 1997 governor of Chu region. From 2000-2002, he was prime minister, but was held culpable in the deaths of protesters and ousted. He then led the opposition People’s Movement, but lost a legislative run-off election in March 2005. The legislature appointed him prime minister and acting president in March 2005, and he won a presidential election in July 2005.

next year,” subject to congressional approval.<sup>2</sup> The Kyrgyz finance minister stated in early 2008 that the annual land lease payment for the airbase was \$17.5 million. The Ganci airbase reportedly is moving toward “a sustainment posture,” with the replacement of virtually all tents and the building of aircraft maintenance, medical, and other facilities. National defense authorizations for FY2008 and FY2009 legislate construction funding for the Ganci airbase. U.S. and Spanish troops and personnel reportedly number about 1,200 at the airbase. The U.S. Ambassador to Kyrgyzstan stated in May 2008 that the Ganci airbase serves as a “critical logistics hub for the entire Coalition effort in Afghanistan ... In the past year, Coalition forces at Manas transported over 118,000 Coalition troops, and nearly 40 million kilograms of cargo, and provided nearly 70 million liters of aerial refueling to support operations in Afghanistan.”<sup>3</sup>

Just after U.S.-led coalition forces began ground operations in Iraq in March 2003, Kyrgyzstan’s Legislative Assembly (lower chamber) issued a statement calling for the United States to cease “gross violations” of international law. Although Kyrgyzstan’s then-Foreign Minister Askar Aytmatov told Vice President Cheney during a June 2003 U.S. visit that Kyrgyzstan was ready to send peacekeepers to Iraq and Afghanistan, in April 2004 the presidential spokesman and the defense minister announced that Kyrgyzstan had no plans to send peacekeepers to either country.

## Foreign Policy and Defense

In January 2007, President Bakiyev stated that his “blueprint” for foreign policy emphasized close ties with its neighboring states — Kazakhstan, Uzbekistan, Tajikistan, and China — “built on the principles of respect for sovereignty, territorial integrity, and common security.” To advance regional integration, he called for strengthening participation in the Shanghai Cooperation Organization (SCO; composed of China, Russia, and the Central Asian states, except Turkmenistan) and the Collective Security Treaty Organization (see below). Among other countries, he stressed that “strategic partnership” with Russia was a “key priority.” He called for “beneficial cooperation” with regional and world powers, especially “Russia, China, the European Union, Germany, Japan and Turkey.” He also urged increased trade and economic cooperation with the “Arab countries, South Korea, Pakistan, India, and others in South-East Asia.”<sup>4</sup>

Kyrgyzstan’s relations with Uzbekistan have been marked by trade, border, and other disputes. Tension escalated in mid-2005 when Kyrgyzstan permitted U.N. emissaries to evacuate about 450 Uzbek refugees who had crossed the border to flee fighting in the Uzbek city of Andijon. Uzbek officials maintained that Kyrgyzstan had served as a base of operations for “terrorists” (including citizens of Kyrgyzstan) who invaded and attacked Andijon and as a safe haven after the “terrorists” fled. Perhaps somewhat easing tensions, visiting President Bakiyev and Karimov issued a statement in October 2006 reaffirming mutual adherence to the 1996 Kyrgyz-Uzbek Treaty on Eternal Friendship. During 2008, Kyrgyzstan and Uzbekistan have wrangled over border delineation and water-sharing.

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<sup>2</sup> U.S. Embassy, Bishkek. *Joint Statement the United States and the Kyrgyz Republic on Coalition Airbase*, July 14, 2006.

<sup>3</sup> U.S. Embassy, Bishkek. Ambassador Marie L. Youvanovitch. *The United States and Kyrgyzstan: Steadfast Allies*, May 14, 2008.

<sup>4</sup> Open Source Center. *Central Eurasia: Daily Report*, January 12, 2007, Doc. No. CEP-950201.

Bakiyev seeks to bolster Kyrgyz-Russian relations to ensure economic and trade benefits, to receive security assistance to combat terrorism, and to balance ties with the United States and China. Kyrgyzstan signed the Commonwealth of Independent States' (CIS) Collective Security Treaty (CST) in 1992 and 1999, which calls for mutual consultations on military support in case of outside aggression. Several hundred Russian border troops (most reportedly were Kyrgyz citizens) guarded the Chinese border until 1999, when Russia handed over control to Kyrgyzstan. However, three Russian military bases remain under a 15-year accord signed in 1997. Russia further ramped up its security presence in September 2003 with the signing of a 15-year basing accord with Kyrgyzstan for use of the Soviet-era Kant airfield near the capital of Bishkek (and near Ganci). The Russian troops ostensibly also form part of a CST rapid deployment force. Although the purpose of the base purportedly is to combat regional terrorism and defend CIS borders, it also appears aimed at countering U.S. and NATO influence. The CIS Anti-Terrorist Center — a body created at former Russian President Vladimir Putin's urging to facilitate cooperation between intelligence agencies of the member-states — set up a regional branch in Bishkek after September 11, 2001.

Kyrgyzstan's armed forces number about 10,900 active ground and air force troops. There are also about 5,000 border guards, 3,500 police troops, and 1,000 National Guard troops (*The Military Balance*, February 2008). Most of the troops are ethnic Kyrgyz conscripts, though some officers are Russians. About one-third of the armed forces are female. Most Kyrgyz officers receive training in Russia and the Russian language remains the language of command. Most military equipment is purchased from Russia. The minimum age of conscription has been raised to 20 and the term of conscription lowered to 12 months. A defense law passed in April 2008 calls for the creation of all-volunteer armed forces, and Bakiyev created an inter-departmental commission in June 2008 to work out military reforms. Kyrgyzstan joined NATO's Partnership for Peace (PFP) in 1994 and has participated in several PFP exercises in the United States, Central Asia, and elsewhere. About 8-12 Kyrgyz troops serve in U.N. observer forces.

A reported 800 guerrillas belonging to the terrorist Islamic Movement of Uzbekistan (IMU) and other groups from Tajikistan invaded Kyrgyzstan in July-August 1999. They allegedly aimed to create an Islamic state as a springboard for jihad in Uzbekistan. Another possible aim may have been to secure drug trafficking routes. Kyrgyzstan received air support from Uzbekistan and Kazakhstan and expelled the invaders in October 1999. In August 2000, a reported 500 IMU and other guerrillas again invaded Kyrgyzstan (others invaded Uzbekistan). Uzbekistan provided air and other support, and Kyrgyz forces defeated the guerrillas by late October 2000. In 2002 and 2003, the IMU allegedly set off bombs in Bishkek and Osh. Kyrgyzstan arrested the bombers in May 2003, reportedly before they were able to carry out a plan to bomb the U.S. embassy. About a dozen alleged IMU members invaded from Tajikistan in May 2006 but were soon defeated (some escaped). After this, the Kyrgyz defense minister claimed that the IMU and other terrorist groups were an increasing national security threat. The U.S. State Department designated the IMU as a Foreign Terrorist Organization in September 2000.

## **Political and Economic Developments**

A February 2005, legislative election (and March runoff) resulted in opposition candidates winning less than 10% of seats, although there reportedly were many close races where they "lost" only by a few votes. The U.S. State Department judged the

election as somewhat improved over previous ones but still falling seriously short of democratic standards. Opposition party-led protestors called for a new election and then-President Akayev's resignation, and they occupied several local government buildings, including in the southern city of Osh. When they stormed presidential offices in Bishkek on March 24, 2005, Akayev fled the country.

Some observers hailed this coup as the third so-called "democratic revolution" in Eurasia, after those in Georgia and Ukraine, and the first in Central Asia. They suggested that the country, because of its slightly wider scope of civil liberties compared to the rest of Central Asia, might lead the region in democratic reforms. Other observers cautioned that governmental corruption and institutional weakness would make it difficult for Kyrgyzstan to easily democratize.

Opposition politician and acting president Kurmanbek Bakiyev received 88.71% of about 2.0 million votes in a 7-person presidential election held on July 10, 2005. The OSCE stated that "fundamental civil and political rights were generally respected," but it raised concerns about "problematic" vote tabulation. In November and December 2006, conflict between the executive and legislative branches over the balance of powers resulted in the passage of successive constitutions, with President Bakiyev appearing to lose and then win back some presidential powers.

In late September 2007, the pro-Bakiyev constitutional court invalidated all constitutional changes since the adoption of the 2003 constitution. Bakiyev announced a few days later that he was setting up and supporting a new political party, the Ak Dzhol People's Party. He then pushed through a snap referendum in October 2007 on a draft constitution. An advisory body to the Council of Europe, the Venice Commission, assessed the draft as placing an "excessive concentration of power in the hands of the president."<sup>5</sup> The day after the referendum was held, Bakiyev dissolved the legislature and set new elections for December 16, 2007, a move many observers viewed as preventing opposition parties from carrying out effective campaigns during the short period of time.

Twelve parties were registered for the December 2007 election. The new constitution established a 90-seat legislature elected by party lists. A new election law stated that a party could not win seats unless it received 5% or more of the vote of all registered voters. Another provision stated that a party could not win seats unless it gained at least 0.5% of the vote in each region. This provision did not specify how the percentage was to be calculated, leading to controversy that was eventually settled by a Supreme Court decision. After the election, the CEC announced that Ak Dzhol had won 71 seats, the Social Democratic Party had won 11 seats, and the Communist Party had won 8 seats, but that Ata Mekan had been disqualified based on the 0.5% rule. In its final report on the election, observers from the OSCE assessed the race as "fail[ing] to meet a number of OSCE commitments.... The elections were a missed opportunity, falling short of public expectations for the further consolidation of the democratic election process." The observers "assessed the organization of the count as bad or very bad in 33 per cent of [polling stations observed], with implications for transparency and

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<sup>5</sup> The European Commission for Democracy Through Law (Venice Commission). *Opinion on the Constitutional Situation in the Kyrgyz Republic*, December 17, 2007. In May 2008, Bakiyev argued that a strong presidency was needed to prevent the country from descending into clan- and region-based civil war.

accountability of the process.” Although the observers fell short in declaring the results invalid, they stated that there were “serious irregularities and inconsistencies” in vote-counting, and that there was “questionable consistency” between reported preliminary and final results.<sup>6</sup>

According to the U.S. State Department’s *Country Reports on Human Rights Practices for 2007* (released on March 11, 2008), Kyrgyz police and security forces at times employed torture, beat detainees and prisoners to extract confessions, and used false charges to arrest persons and solicit bribes for their release. Police corruption was a major problem, but the government took some steps to address it, including prosecutions and increased salaries. Other police were prosecuted for police brutality. The executive branch at times interfered with the judiciary. Lawyers and citizens commonly believed that judges were open to bribes. The *Country Report* stated that the government at times incarcerated political opponents, restricted freedom of the media by assaulting journalists and vandalizing property, and restricted freedom of assembly by harassing NGOs, labor unions, and political parties. Human trafficking remained a persistent problem, and victims alleged that government officials facilitated, or were complicit in, trafficking. However, the report stated that the government had made significant efforts to address trafficking, including by improving assistance to victims. The country was a source, transit, and to a lesser degree, destination for trafficked persons.

Kyrgyz GDP reportedly grew 8.2% in 2007, but increasing prices for food and energy imports during the second half of 2007 contributed to an rise in inflation to 20% by the end of the year.<sup>7</sup> Gold production still is the most significant industrial source of GDP and export earnings. Agriculture accounts for a major portion of GDP and employs one-half of the workforce. Cotton, tobacco, wool, and meat are major agricultural products. Up to one-fifth of the labor force (500,000 people) works in Russia and elsewhere, and reportedly remits \$700 million or more to Kyrgyzstan each year. Over 40% of the population lives below the poverty line. Crime and corruption stifle economic growth and private foreign investment. Kyrgyzstan leads Central Asia in the privatization of farms, industries, housing, and retail outlets. Kyrgyzstan has surplus hydroelectric energy, rare earth mineral reserves, and tourism potential that could boost its development. U.S. support contributed to Kyrgyzstan’s admission into the World Trade Organization in late 1998. Foreign loans have been a significant factor in Kyrgyzstan’s budget, contributing by late 2006 to external debt of about \$1.26 billion. Some debt rescheduling has occurred. The International Monetary Fund (IMF) in 2006 invited Kyrgyzstan to participate in its Highly Indebted Poor Country debt relief initiative, but public opposition to being termed a “poor” country supposedly led authorities to reject participation. The IMF stated in late 2007 that Kyrgyzstan had ably managed its economy and debt during the past two years, so that the country no longer would be classified as highly indebted.<sup>8</sup>

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<sup>6</sup> OSCE. Office for Democratic Institutions and Human Rights. *Kyrgyz Republic Pre-Term Parliamentary Elections, Final Report*, April 24, 2008.

<sup>7</sup> IMF. *Statement of an IMF Staff Mission at the Conclusion of a Visit to the Kyrgyz Republic*, Press Release No. 08/44, March 6, 2008.

<sup>8</sup> IMF. *Kyrgyz Republic: Fifth Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility—Staff Report*, November 2007.