



## CRS Report for Congress

# Kyrgyzstan: Recent Developments and U.S. Interests

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### 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, an important U.S. focus is strengthening Kyrgyzstan's capabilities to fight terrorism, halt narcotics trafficking, and combat other transnational threats. The United States also aims "to maintain a multi-faceted and comprehensive set of programs that will effectively aid and encourage [Kyrgyzstan] to reform its political culture," so that it continues to lead the way in democratization in Central Asia. U.S. assistance has been instrumental in making quality, client-oriented, cost-effective primary health care in Kyrgyzstan "a model for Eurasian countries." In late 2005, Kyrgyzstan was designated as a "threshold country" eligible for some Millennium Challenge Account (MCA) aid for justice sector reform, restructuring the prosecutor's office, and combating corruption in law enforcement. If Kyrgyzstan makes further reform progress, it may be considered for more substantial MCA aid for poverty reduction and economic development.<sup>1</sup>



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

<sup>1</sup> U.S. Department of State. *Congressional Budget Justification for Foreign Operations FY2008*.

During an August 2006 visit to Kyrgyzstan, Assistant Secretary of State Richard Boucher stated that bilateral ties remained close, despite Kyrgyzstan's ouster of two U.S. diplomats (the United States in turn declared two Kyrgyz diplomats *persona non grata*) and lengthy negotiations over U.S. use of the Ganci airbase (see below). Relations were further tested after a military aircraft accident in September 2006 and the shooting death of a Kyrgyz citizen at the airbase in December 2006.

Cumulative U.S. humanitarian and technical budgeted aid to Kyrgyzstan for FY1992-FY2006 was \$844.56 million (FREEDOM Support Act and other agency funds), with Kyrgyzstan ranking third in such aid per capita among the new independent states of the former Soviet Union. Foreign aid budgeted for FY2006 was \$38.02 million (FREEDOM Support Act and agency funds). The Administration's FY2008 request for \$31.4 million in aid (FREEDOM Support Act and other Function 150 aid, not including Defense and Energy Department funds) is planned to help the government adopt business-friendly fiscal management and zoning regulations, help businesses improve accounting procedures, assist civil society NGOs, provide legal advice to media, improve the efficiency of courts in handling commercial and anti-corruption cases, improve primary health care, and combat terrorism and trafficking in people and drugs.<sup>2</sup>

#### **Kyrgyzstan: Basic Facts**

**Area and Population:** Land area is 77,415 sq. mi.; about the size of South Dakota. Population is 5.21 million (*CIA World Factbook*, July 2006 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:** \$10.5 billion; per capita GDP is about \$2,000 (*CIA World Factbook*, 2006 est., purchasing power parity).

**Political Leaders:** *President:* Kurmanbek Bakiyev; *Legislative Speaker:* Marat Sultanov; *Prime Minister:* Azim Isabekov; *Foreign Minister:* Ednan Karabayev; *Defense Minister:* Ismail Isakov.

**Biography:** Bakiyev was born in 1949 and was trained as an electrical 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. He became prime minister in December 2000, but was held culpable in the deaths of protesters and ousted in May 2002. He became leader of the opposition People's Movement. He lost a legislative run-off election in March 2005. He was appointed prime minister and acting president by the legislature in March 2005 after President Askar Akayev fled the country.

## **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.

<sup>2</sup> U.S. Department of State. *Fact Sheet: U.S. Assistance to the Kyrgyz Republic FY2006*, November 28, 2006; *Congressional Budget Justification for Foreign Operations FY2008*. The data for FY2006 were estimates.

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. On July 14, 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 next year,” subject to congressional approval.<sup>3</sup> Some reports indicated that the amount devoted to “renting” the airbase would be \$20 million.

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. They also agreed on visa-free travel between the two countries, but extortion and “red tape” at border posts reportedly still was hindering travel in March 2007.

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<sup>3</sup> U.S. Embassy, Bishkek. *Joint Statement the United States and the Kyrgyz Republic on Coalition Airbase*, July 14, 2006.

<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 and Russia concluded a Friendship and Cooperation Treaty in 1992, and 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, Russia ramped up its security presence in September 2003 with the signing of a 15-year military basing accord with Kyrgyzstan for use of the Soviet-era Kant airfield near the capital of Bishkek (and near Ganci). A Russian military publication stated in January 2007 that the Kant airbase hosts 366 troops and 448 civilians. 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 southern CIS borders, it also appears aimed at countering U.S. and NATO influence. The CIS Anti-Terrorist Center — a body created at 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 12,500 active ground and air force troops. There are also about 5,000 border guards (*The Military Balance*, February 2007). Most of the troops are ethnic Kyrgyz conscripts, though some officers are Russians. Many or most Kyrgyz officers have received training in Russia. Most weapons and equipment are purchased from Russia. Defense Minister Isakov is phasing in Kyrgyz as the language of command. He also has raised the minimum age of conscription to 20 and adopted a twelve-month term of conscription and plans for eventually switching to an all-volunteer military. 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.

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. The incursion indicated ties between terrorists in Central Asia, Russia (Chechnya), and Afghanistan, and the need for Kyrgyzstan to bolster its defenses. In August 2000, a reported 500 IMU and other guerrillas again invaded southern Kyrgyzstan (others invaded Uzbekistan). Uzbekistan provided air and other support, but Kyrgyz forces largely were responsible for defeating 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, HT, and other such groups increasingly were threatening national security. The U.S. State Department designated the IMU as a Foreign Terrorist Organization in September 2000.

## **Political and Economic Developments**

Dissatisfied with a 1993 constitution that he described as democratically "idealistic," former President Akayev orchestrated constitutional referendums to enhance his power

in October 1994, February 1996, and October 1998. These changes created a weak bicameral legislature called the Jogorku Kenesh (Supreme Assembly), gave the president greater power to veto legislation, dissolve the legislature, and appoint all but the prime minister without legislative confirmation, made it more difficult to impeach the president, and restricted legislative power over bills involving the budget or other expenditures. Despite these changes, the legislature continued to display a degree of independence. The most recent referendum, in February 2003, re-created a unicameral legislature (the Jogorku Kenesh) of 75 members and eliminated party list voting.

A February 27, 2005, legislative election (and March 13 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 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 a third instance of so-called “democratic revolutions” in Eurasia, following those in Georgia and Ukraine. 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. Bakiyev’s main competitor, Feliks Kulov, pulled out of the race after the two agreed that if Bakiyev won, he would nominate Kulov as prime minister. The “tainted” legislature was retained, purportedly because Bakiyev feared that another election would exacerbate political instability. Helping to relieve regional tensions, Bakiyev symbolized southern interests and Kulov northern interests.

Thousands of supporters of “For Reforms” and others launched daily rallies in early November 2006. Demands included that Bakiyev and Kulov resign if they did not quickly accede to constitutional reforms to create a more balanced separation of powers. On November 6, Bakiyev submitted a draft constitution to the legislature that retained substantial presidential authority, but the “For Reforms” members of the legislature vowed to enact their own version. On November 7, demonstrators outside the legislature supporting Bakiyev violently clashed with critics of Bakiyev, resulting in some injuries. This violence was denounced by both Bakiyev and the “For Reforms” legislators, and they formed a small team to quickly work out a compromise draft. Late on November 8, the legislature approved this draft, and it was signed by Bakiyev the next day. Among the innovations, this constitution established a mixed voting system for a new legislature to be elected in 2010, with one-half of the members elected by party lists and one-half in single-member constituencies. The legislature would be increased from 75 to 90 seats, and the body would have more influence over budget legislation. The main party winning seats in the legislature would nominate the prime minister and cabinet. The National Security Service (NSS) would be placed under the purview of the prime minister rather than, as is presently the case, under the personal control of the president.

Strife between the two sides reopened in December 2006 when Bakiyev and Kulov accused the legislature of being tardy in passing a 2007 budget and other laws. According to Kulov, Bakiyev convinced him that if the ministerial government resigned, Bakiyev could obtain agreement from legislators to hold a new election. The government resigned,

but most legislators balked at holding a new election. Following a threat by Bakiyev on December 30, 2006, that he would otherwise dissolve the legislature, it agreed to another constitution that restored his power to appoint the prime minister, ministers, and regional governors, and to directly oversee the NSS during the transition period up to 2010. Bakiyev signed this new constitution in early January 2007 and nominated Kulov to head the new government, but the legislature rejected the nomination. Bakiyev again submitted Kulov's candidacy, and it was again rejected, creating a crisis. If the legislature again rejected Kulov, Bakiyev could dissolve the legislature and call for new elections, although the constitution and various laws appeared murky on this score, according to some observers. Bakiyev and the legislature instead agreed on Azim Isabekov as a compromise prime minister. In mid-February 2007, Kulov and several For Reforms leaders announced the formation of an opposition United Front for a Worthy Future for Kyrgyzstan.

Kyrgyzstan's human rights record improved in several areas during 2006, although problems remained, according to the State Department's *Country Reports on Human Rights Practices for 2006*. At times, police beat detainees and prisoners to extract confessions and arrested persons on false charges. Prison conditions were poor, but medical services improved during the year. Some police were prosecuted for abuses. The government permitted several large opposition demonstrations, and NGOs generally operated freely. There were instances of government interference in freedom of the media, including lawsuits for allegedly slandering officials. Some opposition politicians faced police harassment or violence by unknown assailants. Trafficking in persons remained a problem, but the government made significant efforts to combat it, including by prosecuting traffickers and improving assistance to victims.

Kyrgyz GDP stopped declining in 1995 and has grown in most years since, including by 2% in 2006. Consumer price inflation in 2006 was 6.4% (*CIA World Factbook*). 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 \$200 million or more to Kyrgyzstan each year. Over 40% of the population still lives below the poverty line despite efforts by the government and IMF. 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 assistance has been a significant factor in Kyrgyzstan's budget, contributing by 2006 to public foreign debts of about \$1.9 billion. The Paris Club of government lenders eased Kyrgyzstan's debt payment burden in 2002 and 2005. The IMF invited Kyrgyzstan to participate in its Highly Indebted Poor Country (HIPC) debt relief initiative, but reported popular opposition led Bakiyev to reject participation in mid-February 2007.