



**ANALYSIS OF POLITICAL EVENTS IN KYRGYZSTAN
JULY-SEPTEMBER 2007**

Bishkek, October 2007

1. *Major political events.*

Date	Event
July 2007	Start of the administrative territory reform. Presidential decree on "Reorganization of administrative territories."
July-August 2007	Political action related to the SCO summit preparation.
August 16, 2007	SCO Summit and the state visit of the Chinese leader.
July-September 2007	Political discussions on the issue of gold-mines and reconsideration of agreements between the government of Kyrgyzstan and the companies "Cameco" and "Centerra" regarding profit distribution from the Kumtor gold-mine.
August-September	Political reaction regarding the rise of prices for foodstuffs.
September 2007	Cessation of activities of the opposition movement the United Front "For the worthy future of Kyrgyzstan."
September 14, 2007	Declaration of the "November" and "December" Constitutions of 2006 as illegitimate by the Constitutional Court.
September 18, 2007	Official visit of President of Tajikistan Emomali Rahmon to Kyrgyzstan.
September 19, 2007	Address of President of the Kyrgyz Republic to the nation of Kyrgyzstan. Announcement of the economic and political program of President. Decision to establish the Presidential party.
September 19, 2007	Presidential decree to conduct a national referendum on the draft project of the Constitution.
September 22, 2007.	Establishment of the movement "For the Constitution, reforms and development!"
September 24, 30, 2007	The Jogorku Kenesh and the Constitutional Court in conflict. Start of the parliamentarian crisis.
September 20-30, 2007	Public discussion on the referendum and the content of the draft Constitution and Code of Elections to be decided at the referendum.

2. *Major political tendencies.*

The political period of July-August 2007 can be clearly divided into two stages: 1) internally and politically quiet summer with the hosting of the SCO summit, 2) the start and development of the autumn political project of President to complete constitutional reform and to re-construct the political landscape of the country.

Political processes which took place during the summer stage were only efforts of different interest groups to use the SCO summit for their own interests.

Internal political opposition did not actively participate in these processes, disregarding its promises declared in the spring to criticize the authorities both during the summit and afterwards.

Nevertheless, the preparation for the summit was actively used for political purposes due to external actors. The uncertainty regarding the date and place of the summit; a number of predictions of the summit's failure; the influence of Iran in the SCO creating confrontation with NATO and the USA – these issues were the context in which the preparatory activities took place. The most active voices came from anti-western representatives who initiated protests against Kyrgyz public organizations regarding the relocation of the anti-terrorist forces based in Kyrgyzstan.

Each country used the organization to raise its own internal political matters. This includes the Kyrgyz opposition, the group which organized the Kazakh parliamentary elections, Tajik power ideologists and others.

The Bishkek SCO Summit was expected to result in a common approach to issues important for Russia (IRAN, American RLS) but it did not fulfill such expectations. The question of Iran was not even raised and the problem of Russian-American relations was moved into the corridors.

Despite efforts by some to attach a military aspect to the summit and despite some leaders attempting to make the SCO a special ideological zone, the distinctive outcome of the meeting is likely to be new steps towards positioning SCO as an organization for economic and humanitarian partnership.

Kyrgyzstan received benefits from this event. In particular, the reiteration of Russia and Kazakhstan's interests in developing energy projects in Kyrgyzstan, in addition a preliminary agreement was reached with China to build Uzbekistan-Kyrgyzstan-China railroad.

Moreover kyrgyz side escaped the issue of the closure of military base 'Gansi', which had been promised by President of Kyrgyzstan at the last SCO summit. The Chinese President mentioned the matter indirectly when stating that SCO states are able to address problems related to terrorism and other threats to national security by themselves.

A negative side to the meeting was that statements of intent were not followed by a discussion of concrete due dates regarding when these plans are to be realized. This may result in a situation where activities on all summit agreements will be delayed and energy projects in particular will not be realized for quite some time. President Putin stated that Russia is ready to invest up to 2 billion dollars in Kyrgyzstan, if the latter is able to recognize the project which are of interest to the Russians.

Thus, Kyrgyzstan was basically informed that potential partners are ready to make significant financial investments, but to get concrete agreements the Kyrgyz government needs to finalize the legislation relating to privatization, in particular the privatization of energy capacities.

The only important internal political event of the summer period was the Presidential Decree on the “Reorganization of administrative territories.” The President’s reform strategy, validated in this document, differs substantially and in this sense conflicts with the opposition strategy, formulated in the draft bill presented by the deputy Beknazarov.

According to the Presidential Decree, the reform will be carried out gradually, stage by stage, and the main part of the reform – a change of territorial-administrative system of the country – is planned for the period after 2010. Such an approach can be taken in two ways: firstly, the President is unwilling to conflict with regional powerful elites until 2010 elections, secondly, he intends to build a vertical power structure that is easier to control.

Two important themes stood out in the political activity which took place in the country in September this year: the start of the realization of the President’s political project to complete constitutional reform and re-construct the political landscape of the country, as well as the emerging of new political discourses, related to the serious rise in the prices of main foodstuffs.

The significant rise in the costs for consumers became a major issue and set the context of political events at this time. Over a short period, the price of flour products increased by three times and vegetable oil doubled in price. This resulted in the serious rise – almost double – of the price of bread, which is the main food product in rural areas of the country and for the poorer section of population. There was also a noticeable change of prices for meat and other foodstuffs. The reason for the price increases was the rise of world prices for cereals coupled with the Uzbek government’s decision to allow the free importation of cereal, bread-stuffs, vegetable oil and other food products. Due to the high prices of these products in Uzbekistan, a large scale export from the Kyrgyz Republic started.

The sharp change of prices of the main food products triggered discontent among the population. There were small protests of residents of Jalalabad, Batken and Naryn oblasts on September 16, 17, 18. Despite the small scale of the rallies (from 25 to 45 people), this indicates that political forces are able to use government faults in this sphere to initiate a new wave of rallies for their own interests. The current situation of the food market is seen as a weak point of Atambaev’s government and may be a reason not to put forward Atambaev’s candidacy for the position of Prime-Minister after the referendum. The issue of the price raise and responsibility of the authorities for the worsening of citizens’ socio-economic situation will be actively explored by opposition political forces

during the lead up to the referendum and possible elections to the Jogorku Kenesh.

The significant political event of the month was the decision of the Constitutional Court on violations of procedures while introducing amendments into the Constitution. These violations resulted in the annulling of the November and December versions of the Constitution. Another significant event was the address of the President of the Kyrgyz Republic to the nation of Kyrgyzstan in which he proclaimed his program of action, including the date of referendum on the new Constitution.

The political situation after these steps indicated that there was a serious shift in power distribution.

The reaction of the opposition to these political activities was mainly negative. The general remarks suggested that the President, like his Kazakh colleague, had decided to concentrate power in his own hands.

Various opposition forces criticized the decision of President on the date of referendum as well as the content of the new draft of the Constitution.

The focus of this criticism was that the President's version of the Constitution results in the strengthening of the President's power and that since he appoints the judges the the President would also control the judiciary. Moreover, the President's representatives (i.e. Heads of local administrations) have the right to propose for consideration of local councils (i.e. representative bodies of local self-administration) the candidacy of Heads of local governments (ayil okmotu).

It was also noted that the President's Party establishment may result in a situation in which the party needs to win the elections and in this case the President will have the complete control over the parliament.

However, it is obvious that this reaction does not have the dynamism of a mass political protest. Conversely, there has been a rapid breakdown of opposition forces. Despite the increasing activity of the political parties and the predictions of political experts regarding possible scenarios in the autumn, during September the opposition movement became less active, at least in the coordinated form in which had been during the last year and a half. Moreover, Feliks Kulov stated on September 25 that the United Front "For the Worthy Future" had accomplished its task and now no longer exists. During this period there was no statement from the opposition movement "For reforms!" even though the work of the government and President gave opportunities for new meetings.

All this means that political forces plan to operate mostly in the party format. All major political parties have started activities in preparation for the Jogorku Kenesh elections which will be held in December this year.

The main economic events that have relevance to the political dimension are the agreements between the Kyrgyz government and company "Cameco" on increasing a share of Kyrgyzstan in the joint company "Centerra". Centerra deals with gold-mining at the Kumtor mine, hence this would increase the country's share in the mine as whole.

The negative reaction of deputies to this agreement indicates that the matter of the Kumtor mine is not yet closed. Furthermore, in the incidence of new budget crises or to strengthen their own positions, deputies and political parties will return to the matter of fair profits distribution among foreign investors and the state.

To support the President's political project the movement "For the Constitution, Reforms and Development!" was established. This movement mainly includes those parties that support the President's course of action. This movement is not likely to last long and will end after the referendum on the new version of the Constitution.

3. *Tendencies for the near future.*

In general, this period can be characterized as a preparation for the next election cycle and the rest of the year will see the creation of party-based a parliament for the country.

Thus, based on the current trends, there may be several scenarios for the near future:

Scenario 1. In the process of party building pro-presidential forces are likely to have the most success due to the administrative resources of the authorities. The process of creating such a party has already started and the President, in his address to the nation of Kyrgyzstan, mentioned the need to create a political party that will be a basis for the executive power in view of the realization of the designated political course.

Risks. This party, if it emerges, may destabilize the situation and will give opportunity for opponents to complain that the President uses administrative resources. Hence, any results of elections to the parliament that will not satisfy opposition forces may be disputed at the Constitutional Court as well as at the square, if elections take place closer to the spring.

Scenario 2. Parallel to the formation of the pro-presidential party there will be a formation of the opposition block of parties. Parliamentarians opposing the

President's party may secure their preferred position at elections by criticizing the government and by providing candidates at all the election districts of the country.

Risks. In this version of events it is still possible that confrontations similar to those of last year may occur. This version could also lead to social destabilization and economic decline.

Scenario 3. None of political parties will receive a decisive majority during the prior-to-date elections to the Jogorku Kenesh. The current power distribution at the parliament will remain but subjects of political process in the parliament will now come from the political factions, represented by parliamentarians.

Risks. If none of political parties receive a decisive majority in the new parliament, it is possible that certain forces will try to return to previous methods of adopting draft bills by means of threatening the mass of the people.

For example, in case of disagreement on the candidacy of the new Prime-Minister or the blocking by certain parties of the procedure of the Prime-Minister's election, the country may return to an election cycle which risks the political destabilization of the country.

4. Conclusion.

The events of September showed that after the quiet conditions of the summer the country is returning to a period of political instability. However, in this case the initiator and generator of events is the presidential party and not the opposition as it was during the two and a half years of the Kurmanbek Bakiyev presidency. The President is trying to take the initiative and begin the building of an active system of political management.

In general, July-September of 2007 may be characterized as a period of activities directed towards the building of a political system with larger subjects of political processes. The period did not result the political confrontation but it is likely that it has initiated a process that may result in confrontation. The negative economic background related to the rise of prices, the coming change of the government and the elections to the Jogorku Kenesh based on the party lists may indeed lead to crises.

The success of Kyrgyzstan at an international level, both in the sphere of politics and economic communications and agreements will largely depend on how well balanced the new system of political relations turns out to be.

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