



Uzbekistan: In Transition

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I. Overview

Islam Karimov's death creates uncertainty, first for Uzbekistan but also for neighbours and major powers, all with strong interest in the strategic state's stability. The transition's first stage has been smooth. Shavkat Mirziyoyev, prime minister since 2003, has emerged as the main leader, expected to be elected president on 4 December. However, he will inherit an authoritarian state with pressing economic and social issues, environmental concerns, unpredictable neighbours and a jihadist extremism threat. The ruling elite will want to preserve the status quo if it can, though Uzbekistan's governance system is deplorable for most Uzbeks. Russia, China, the U.S. and Europe, each from its own perspective, wish to avoid unmanaged upsets. But all should use the transition to recalculate how best to preserve long-term stability and recalibrate relations with Uzbekistan. They should offer cooperation in practical areas benefiting the population while highlighting need for meaningful reforms; departure from abusive practices; and long-term consequences if the incoming leadership continue to run a police state.

Karimov's rule oversaw a deeply corrupt system of wealth distribution among powerful clans. The country's dismal human rights record is facilitated by corrupt police and courts and heavy-handed security services. Nepotism and cronyism deprive the civil service of talent. The agricultural sector remains unreformed, and urgent water issues with neighbours are unresolved. Relations with Kyrgyzstan and Tajikistan are fraught, including over water and borders. Karimov used repression to keep Central Asia's largest population in line and manage the state's challenges. Mirziyoyev's 8 September address indicated no plans for change.

Retaining Karimov's policies and tactics may well work for a time, but they are as big a risk to lasting internal stability as any outside threat. Forced labour, mass arrests, torture and repression are not reliable building blocks for long-term stability. The death of the only leader Uzbekistan has known in its quarter-century of independence gives the political elite an opportunity to consider whether some adjustments may be necessary for the state's long-term stability and their own survival.

Russia and China have no interest in liberalisation as such, but each should think deeply about the increased security threats it would face in Central Asia if some combination of the challenges were eventually to bring chaos to Uzbekistan. While Tashkent often tries to justify its heavy-handed tactics by citing the security and terror threats it says it faces, and the region has seen some radicalisation and a few cases of jihadist extremism, the Islamic Movement of Uzbekistan (IMU) has been distracted from Central Asia by more than a decade fighting in Afghanistan and

Pakistan. Nevertheless, the IMU has aligned itself to Islamic State (IS) and long stated an ambition to create a caliphate in the densely populated Ferghana Valley.

The West has been discomfited by the human rights violations, especially the killing of hundreds of protestors in Andijon in 2005, but neither the U.S. nor the European Union (EU) has stuck with sanctions. Especially the U.S. has prioritised accommodation with the regime to retain an important logistical route to its troops in Afghanistan and the cooperation of Uzbek security services with its counter-terrorism and counter-narcotics policies. It needs to consider carefully whether its calculation of immediate benefit against longer-term risks remains valid.

Major early change in Uzbekistan is not in the cards. An attempt to press for it from the outside would certainly be strongly resisted. The West should maintain a principled stance to keep up pressure against the regime's human rights abuses, not least because long-term stability is inconceivable without respect for fundamental rights. Such a stance is insufficient by itself, however, and it would be prudent for all outside powers to explore through quiet diplomacy whether a dialogue can be initiated with the new leaders to encourage incremental adjustments of common interest and practical benefit, at first in non-political areas where ordinary Uzbeks could benefit.

In specific terms, Uzbekistan's new leadership and outside powers should aim to find openings in three areas: technical cooperation on basic services, improving/liberalising governance and regional issues. The Tashkent government should thus prioritise steps to improve services such as dependable power and clean water and to undertake agriculture reform, including modernising irrigation systems to ease frictions over water with Tajikistan and Kyrgyzstan. The U.S. and EU should respond supportively with increased technical assistance in these areas. The government should also release political prisoners and end exit visas. The U.S. should end support to the security services and defence sector until a real degree of progress on human rights has been made, including ending forced labour in the cotton fields.

Regionally, Kyrgyzstan and Tajikistan should initiate top-level consultations with the new leadership to address water, energy security and border topics. The three governments should commit to resolving border demarcation problems by diplomacy and create a tripartite council to oversee day-to-day management of water and land resources.

II. Succession: The King is Dead, Long Live the King

The death of President Karimov, announced on 2 September, has thrust Uzbekistan into a transition where vested interest and powerful elites will likely be focused on survival more than new gains, much less significant reforms. The key players – Karimov's inner circle and now potential rivals for power – are Prime Minister Mirziyoyev, Finance Minister Rustam Azimov and head of the National Security Service (SNB) Rustam Inoyatov. They as well as Karimov's immediate family will be seeking to advance themselves or cut deals that allow them to retain their influence, wealth and access to resources. The smoothest transition would mean business as usual under the new president.

Mirziyoyev has emerged as the dominant figure. He was declared acting president on 8 September, though the constitution would require Senate Speaker Nigmatilla

Yuldashev to take that role. Russia has given its support in early talks with President Vladimir Putin and Prime Minister Dmitry Medvedev, and Russian media has emphasised his experience and ability to provide stability.¹ Azimov, was not seen or heard from in the days after Karimov's 3 September funeral, but resurfaced on 12 September to endorse Mirziyoyev's leadership.² Karimov's eldest daughter, Gulnara, widely believed to be under house arrest since 2014, did not attend the funeral.³ Media reports have asserted that one of Tashkent's largest markets, Abu Sahiy, reportedly owned by Timur Tillyaev, the husband of Karimov's younger daughter, Lola, is undergoing an unplanned tax audit heralding its eventual transfer to Mirziyoyev's sons.⁴ Tillyaev did not attend his father-in-law's funeral. Lola denied the audit.

A. *The Inner Circle*

According to the constitution, elections should be held within three months of Karimov's death, with the speaker of the senate serving as acting president in the interim. However, Yuldashev stood aside for Mirziyoyev, 59, the long-time prime minister and former governor of Samarkand and Jizzakh with a degree in mechanised farming and a reputation for obstinacy and even physical violence.⁵ While Azimov was a pall bearer for Karimov's coffin, Mirziyoyev organised the funeral. This is significant. As an Uzbek source remarked, "it's a Soviet tradition, whoever buries rules next".⁶

The Oxford-educated Azimov, 57, has been widely viewed in and outside Uzbekistan as a potential successor who might bring some progress toward democratic reforms and address the human rights record of a country with thousands of political prisoners and where millions are forced to pick cotton each year. But as a veteran member of Karimov's inner circle and given the opposition he would face to such reforms, that view is probably unrealistic. Furthermore, he is believed to control the currency black market, a position that offers enormous opportunity for enrichment, since the difference between the official and market rate of the Uzbek sum is over 50 per cent.⁷ He is likely focused on retaining his post, while Inoyatov manages Mirziyoyev's confirmation as president.

¹ "Москва и Ташкент проведут инвентаризацию проектов и продолжат сотрудничать" ["Moscow and Tashkent will draw up an inventory of projects and continue to cooperate"], RIA Novosti, 3 September 2016. "Путин почтил память Каримова в Самарканде" ["Putin commemorated Karimov in Samarkand"], TASS, 6 September 2016.

² Tweet by Bruce Pannier, @BrucePannier, Radio Free Europe/Radio Liberty (RFE/RL) correspondent, 12 September 2016.

³ Karimov also had a son, Petr, from a brief marriage to Natalia Kumchi. For years he lived in Moscow, with a high Asia-Invest Bank position; contacts with his father are believed to have been rare. Some sources say he now lives in Uzbekistan with his wife and works in "some public structure". Alisher Taksanov, "Петр Каримов – неизвестный сын известного человека" [Petr Karimov – unknown son of a well-known man], CentrAsia.ru, 2 September 2016.

⁴ "Узбекистан после Каримова: Раздел «бизнеса» семьи покойного президента уже начался" ["Uzbekistan after Karimov: Division of 'business' of the late president's family has begun"], Ferghana News (ferghananews.com), 8 September 2016.

⁵ Bruce Pannier, "In Karimov's shadow – A look at Shavkat Mirziyayev", RFE/RL, 2 September 2016. Yuldashev, a former justice minister, was not widely known. "Which Yuldashev? I don't know him. We thought Mirziyoyev is now president". Crisis Group interview, Mahalla (neighbourhood) Ferghana, September 2016.

⁶ Crisis Group interview, Tashkent, September 2016.

⁷ "Лица власти. 'Главный финансист Узбекистана Рустам Азимов'" ["'Power persons', The chief money-man of Uzbekistan Rustam Azimov"], Ferghana News, 6 May 2013.

Having gathered compromising material about others for years, Inoyatov can be expected to remain one of the most powerful people in the country. He is widely believed to be behind the fall of Gulnara Karimova, who at the peak of her career as a diplomat, businesswoman, pop-star, professor and NGO executive was viewed as a potential successor of her father. He may become the king maker and power behind the throne, but at 72 is viewed as too elderly for the presidency. He is also averse to public appearances. His last official photo is more than a decade old.⁸

B. *Family*

As Gulnara Karimova's vast business empire was being demolished by scandals, she used social media to condemn her mother and sister and Uzbek officials, including Azimov and Inoyatov.⁹ Gulnara, eliminated as a potential successor since at least 2014, thinks the "SNB got her" and remains a bit of an inspiration for some younger Uzbeks. Others consider her "a talentless thief". Believed to be under house arrest along with her daughter Iman in Tashkent, she has not appeared in public since 2014, and most of her associates have been arrested.¹⁰

Lola Karimova-Tillyaeva is an ambassador to UNESCO residing in Geneva. In a 2013 BBC interview, she stressed she had no presidential ambitions.¹¹ She and her mother, Tatyana Akbarovna, must have agreed with Inoyatov and other actors over the disposition of Gulnara's case, but they are in any event not relevant for the new regime. Lola's appearances in Tashkent may become even rarer, while Tatyana Akbarovna may move to the daughter's properties in Beverly Hills or Geneva.¹² The family is likely to lose its money-making capacity in the country, but most of its wealth is likely outside Uzbekistan, and the new regime can be expected to allow it to keep some of its status in exchange for silence.

C. *Clan Dynamics*

Uzbekistan's political system is delineated by clans – regional and elite powerbases and networks of patronage that control access to resources. The most powerful are from Samarkand, Tashkent and Ferghana, a Tashkent lawyer said. Azimov and Inoyatov come from the Tashkent clan. Mirziyoyev comes from Jizzakh, but his powerful links in Samarkand, where he was provincial governor, 2001-2003, likely broaden his base. "Mirziyoyev is well known among the Samarkand clan and will likely find common language with the right people", the lawyer added.¹³ As prime minister, he also established important connections in Tashkent. Furthermore, he is a distant relative of Russia's richest man and Ferghana Valley native, Alisher Usmanov, who is

⁸ "Uzbekistan: Rumors of Succession Planning, Government Reshuffling", U.S. embassy Tashkent cable, 31 July 2009, as made public by WikiLeaks. Bruce Pannier, "Who could replace Uzbekistan's ailing president?", RFE/RL, 29 August 2016.

⁹ Natalia Antelava, "Gulnara Karimova: How do you solve a problem like Googoosha?", BBC News, 16 January 2014. Gulnara faced money-laundering and corruption charges in Europe, the U.S. and Uzbekistan.

¹⁰ Crisis Group interviews, youth activist, Tashkent, December 2014; Tashkent resident, December 2015. "Islam Karimov: Uzbekistan holds funeral for president", BBC News, 3 September 2016.

¹¹ "Uzbekistan's Lola Karimova-Tillyaeva reveals rift in first family", 27 September 2013.

¹² Jonathan DeHart, "Inside Uzbekistan's first family feud", *The Diplomat*, 27 September 2013.

¹³ Crisis Group interview, Tashkent, August 2016.

on good terms with Putin. In effect he is connected to if not a member of all three main clans, as well as the oligarchy in Russia.

If Mirziyoyev has the support of the security chief, Inoyatov, political and business elites, including organised crime groups with links to politicians, will be loyal to him.¹⁴ Elements interested in stability and maintaining the status quo will support him as someone who can serve the interests of all three main clans.¹⁵ Beyond clan buy-in, if Mirziyoyev secures the Kremlin's partnership, as he seems to have done, it will strengthen his hand in case of any challenge.

D. *Opposition*

The little opposition that exists is under tight security-service control. Thousands opposing Karimov fled the country during his quarter-century rule; thousands more are in prison, with politically-motivated convictions on evidence often extracted by torture. Self-censorship and fear are prevalent. The five official political parties have essentially the same agenda: following the executive's orders. The only alternative presidential candidate there, Muhammad Solih of the Erk (Liberty/Freedom) party, has been in exile since contesting the first election in December 1991. Alternative movements and parties such as Birlik (Unity), Birdamlik (Solidarity) and Ozod Dekhon (Free Peasant Party) are denied registration and prevented from meeting. Membership, even contact with them is secretive and risky.¹⁶

In summer 2005, Sanjar Umarov, an oligarch, founded "Sunshine Uzbekistan" and sought to enter the political scene gradually, with aspiration to succeed Karimov in the 2007 election. He was charged with money laundering, arrested in October 2005 and sentenced to fourteen and a half years in prison, where he was tortured until amnestied in 2009. His case illustrates what happens to those with an alternative vision for Uzbekistan who dare challenge the regime.¹⁷

In 2015, the education ministry abolished political science as a subject, further limiting any critical thinking.¹⁸ No group can even use the word "opposition", which is associated with terrorism. The harassment of opposition figures and their torture or exile have led to the silencing of even private political discourse. "Don't even

¹⁴ "Most everyone suspects that most instances of money laundering here involve senior government officials, organized crime figures associated with them, or other members of the Uzbek elite seeking to feather nests or purchase vacation homes abroad. Any mention ... is taboo to the point of being lethal, to one's career if not to one's life". "Passing the Buck on Money Laundering", U.S. embassy Tashkent cable, 14 August 2007, as made public by WikiLeaks.

¹⁵ Most analysts believe succession was pre-negotiated while Karimov was alive, and Mirziyoyev was the agreed option.

¹⁶ Abdujalil Abdurasulov, "Five ways to stay in power in Central Asia", BBC, 9 March 2015. "Uzbekistan: Pressure Grows on Opposition, Rights Activists", Human Rights Watch, 21 December 2009. "Until the Very End: Politically Motivated Imprisonment in Uzbekistan", Human Rights Watch, 25 September 2014.

¹⁷ Umarov founded a telecommunications company, Uzdurobita, in 1991, with the backing of U.S. investors. Following up its success, he started a number of other businesses, including in agriculture, petroleum and natural gas. He became known particularly for close ties with Western investors. "Sunshine Uzbekistan: A Conversation with Sanjar Umarov", Sharnoff's Global Views, 6 November 2012. Amy Braunschweiger, "Witness: Surviving the Monkey Cage – Sanjar's Story", Human Rights Watch, 26 September 2014.

¹⁸ "Узбекские чиновники отказались от политологии" ["Uzbek authorities abolish political science"], RFE/RL, 1 September 2015.

pronounce his [Solih's] name; are you crazy?", is a typical response to attempts to discuss alternatives.¹⁹ Members of the old opposition in exile would not find much support in today's Uzbekistan, especially among the *mustaqillik* (independence) generation born after 1991, which has no experience with a more open, pluralistic society and has been heavily shaped by official propaganda. Many, including in the older generation, saw Karimov as the guarantor of stability and peace, the opposition as puppets or extremists. Even labour migrants, whom he called lazy gold-diggers, considered him an irreplaceable leader.²⁰ Ethnic minorities considered him the guarantor of their security, saying "we can live here peacefully because of him".²¹

The Free Karakalpakstan National Revival Party appeared in 2008, calling for a referendum to grant the autonomous republic independence. It was neither the first nor last such demand from the resource-rich yet economically depressed and ecologically devastated western region that is over a third of the country and has flirted with sovereignty since the Soviet Union dissolved. Karakalpakstan's constitution stipulates the "sovereign republic" may secede via a referendum. In 2014, inspired by the annexation of Crimea, activists under the slogan of "Alga Karakalpakstan" (Forward Karakalpakstan) called again for a referendum, but appeared to garner little local support.²²

Karakalpakstani independence groups interpreted Karimov's surprise visit in April 2014, ostensibly to inspect construction of a chemical plant in Ustyurt, as a direct response to their agitation. Pro-independence leaflets and graffiti had appeared in the autonomous republic that year, accompanied by a concerted social media campaign by Karakalpakstani who live abroad in places such as Almaty, Aktau and Atyrau (Kazakhstan), Bishkek and Moscow.²³ Since then, the movement seems to have lost momentum. Regardless of the independence group's current status, the authorities will only put up with so much agitation before feeling compelled to squash it. However, the new president will have to ensure his own credibility in Karakalpakstan and secure the support and loyalty of formal and informal leaders that Karimov enjoyed.

E. Activists

There are also persons who have no political ambitions but are critical of the regime: civil society leaders, human rights activists and individuals vocal about injustices and prepared to take great risks. Human rights advocate Elena Urlaeva is frequently committed to psychiatric hospitals, typically after she spotlights slavery or forced labour. The police perceive her as a U.S. agent who brings shame to Uzbekistan.

¹⁹ Crisis Group interview, Ferghana province, December 2015.

²⁰ "Что говорят о Каримове мигранты из Узбекистана" ["What Uzbek migrants say about Karimov"], video, Current Time, 7 September 2016.

²¹ Crisis Group interview, Ferghana province, August 2016. Minorities in Uzbekistan include Kazakhs, Kyrgyz, Tajiks, Turkmen, Karakalpaks, Russians and others.

²² Gulnoza Saidazimova, "Uzbekistan: shadowy group agitates for 'Free Karakalpakstan'", RFE/RL, 5 April 2008. "The Republic of Karakalpakstan has the right to secede from the Republic of Uzbekistan on the basis of a general referendum of the people of Karakalpakstan", Karakalpakstan constitution, Chapter I, Article 1. An Alga Karakalpakstan leader called Crimea events inspiring and said Karakalpakstan seeks independence and would not rule out assistance from a third party such as Russia, the U.S. or Kazakhstan. Crisis Group interview, April 2014.

²³ Crisis Group interviews, Kazakhstan, Kyrgyzstan, Russia, 2014.

Another human rights activist, Dmitry Tikhonov, claimed asylum in Germany in April 2016 after police harassment, a September 2015 fire at his home and the theft of his computers and cellphones.²⁴ The few remaining human rights activists are unable to follow unless the authorities grant them exit visas.

Independent-minded journalists rarely leave prison. State security kidnapped and arrested Solih's brother Muhammad Bekjanov, a well-known opposition journalist in 1999; he "has been imprisoned", Human Rights Watch says, "longer than any other reporter in the world". Investigative journalist Jamshid Karimov, a presidential nephew, was detained in 2006, briefly released in 2011 and subsequently disappeared.²⁵

A strong argument can be made that liberalising its governance and instigating a shift toward pluralism and respect for political and civil rights and freedoms would help guarantee Uzbekistan's genuine long-term stability. Karimov's successor, however, can be expected to fear that such a course would lead to regime demise, so seek to preserve the status quo, confident that the security services are loyal and will eliminate anyone in the way, be it a president's daughter, hundreds of protestors or a handful of activists.

The practical challenge for outside actors, especially Western governments, is to determine whether it is possible to engage the new leaders in a way that involves both stressing Taskhent's obligation to comply with universal human rights standards and its own commitments and offering limited, specific cooperation that might lead to at least some institutional modernisation and tangible benefits for the population. A deep shift is very unlikely, but modernisation in some sectors might conceivably produce openings that could be expanded over time.

III. Risks of Transition

Karimov left unresolved issues for the new leader. Chief concerns are domestic socio-economic pressures and dysfunctional relations over borders, enclaves and water with Tajikistan and Kyrgyzstan, both of which Karimov treated as a hegemon would treat junior partners. Uzbekistan has become increasingly insular since the Soviet collapse, a trend likely to continue. Regional trade is unimpressive; shared social and cultural space has shrunk. Border crossings are bureaucratic, corrupt and time consuming; flights between Central Asian capitals run sporadically or not at all; rail tariffs were used to punish Tajikistan.²⁶

²⁴ "Uzbekistan: Brutal Police Attack on Activist", Human Rights Watch, 4 June 2015. "Fire destroys Uzbek rights advocate's house, computers ...", Ferghana News, 2 November 2015.

²⁵ "Until the Very End", op. cit. Jamshid Karimov was also subjected to forced psychiatric treatment. "Джамшид Каримов как человек, журналист и VIP-племянник" ["Jamshid Karimov as a person, journalist and VIP-nephew"], Ferghana News, 28 November 2011.

²⁶ Bahodir Ganiev and Yuliy Yusupov, "Uzbekistan: Trade Regime and Recent Trade Developments", Institute of Public Policy and Administration, University of Central Asia, working paper no. 4 (2012). Flights to Astana and Bishkek from Tashkent go four days a week. There are no direct flights to Ashgabat or Dushanbe. "Tajik-Uzbek rail freight dispute escalates", 3 January 2012, and "Uzbekistan's new railway to isolation", 25 February 2016, both RFE/RL.

A. Internal

Protests are rare but not unknown.²⁷ Uzbek analysts say there is much discontent, and despite the high repression, it sometimes surfaces. When it does, as in Andijon in 2005, the state's response can be brutal.²⁸ Pensioners and state employees can wait months for pensions and salaries and sometimes receive goods instead of cash. Salary delays have reached Tashkent, impacting the law enforcement services, the backbone of regime stability. Unemployment and low salaries have prompted at least 1.75 million, but probably many more, to seek work in Russia. Winters are harsh, electricity supplies irregular. Gas shortages are routine despite vast natural gas reserves.²⁹

Health care is unreformed and obsolete and has been used by the authorities to exert control. Cases of government-sanctioned forced sterilisation of women have been documented, and experts have called the system “degrading and abusive”.³⁰ The education system, one of the most corrupt spheres of state activity, has a key role in forced labour. While children are no longer routinely taken to the cotton fields, university and professional-college students spend three months picking cotton each fall. Against this backdrop, the SNB run an extensive network of informants that fuels fears and suspicions, even within families.³¹ Its reputation for brutality is well-documented; even Karimov described the law enforcement agencies as “callous”.³²

Each year higher education graduates over half a million young people in need of jobs. Not surprisingly, the first law Mirziyoyev signed was “on State Youth Policy”, which, among a variety of provisions, focuses on employment.³³ With 58.5 per cent of the population under 30, occupying young people and preserving their “moral well-being” is a top domestic priority.³⁴ Under Karimov, the state “protected” them from “negative outside influences”, including with an unofficial ban on rap and rock music, which it viewed as satanic, evil and Western.³⁵

The state controls movement tightly by exit visas, mandatory address “*propiska*” registration and passport checkpoints on inter-city roads across the country. Tashkent is in effect a closed city where residents of other provinces can permanently

²⁷ “Protests Reported in Ferghana Valley and Tashkent”, U.S. embassy Tashkent cable, 7 September 2007, as made public by WikiLeaks; Bruce Pannier, “Samarkand street sweepers strike back”, RFE/RL, 10 August 2016.

²⁸ Crisis Group Asia Briefing N°38, *Uzbekistan: The Andijon Uprising*, 25 May 2005.

²⁹ “В узбекистанцах поддерживают жизнь по-минимуму: цыплята вместо зарплат” [“In Uzbekistan they have minimal life-sustenance: chickens instead of salaries”], RL, 11 May 2016. “Сотрудники милиции из Узбекистана жалуются на задержки зарплат” [“Police officers from Uzbekistan complain about salary delays”], Al Vostok, 17 January 2016.

³⁰ Crisis Group interview, Uzbek analyst, September 2016. See also: Natalia Antelava, “Forced Sterilization of Women in Uzbekistan”, Open Society Foundation, Policy Report, December 2013.

³¹ Crisis Group interview, exiled Uzbek, Bishkek, April 2014.

³² Bruce Pannier, “Uzbek law enforcement ups the terror on citizenry” RFE/RL, 20 March 2016.

³³ “Uzbekistan adopts Law ‘On state youth policy’”, UzReport.uz, 15 September 2016, www.news.uzreport.uz/news_3_e_144599.html.

³⁴ “About Uzbekistan”, United Nations Development Programme (UNDP), www.uz.undp.org/content/uzbekistan/en/home/countryinfo.

³⁵ Bruce Pannier, “Rock ‘N’ Roll is dead (wrong) in Uzbekistan”, RFE/RL, 7 March 2011.

reside and own property only by marriage to a person with a Tashkent *propiska*; temporary presence exceeding five days must be authorised.³⁶

Students cannot travel abroad during the academic year. Study abroad and Western exchange programs have been minimal since 2005. Foreign degrees require a recognition certificate from the education ministry. Even a booklet on debate was viewed as terrorist literature teaching revolutionary behaviour.³⁷

While the state encourages entrepreneurship, even elementary currency conversion is challenging and complex. With currency black-markets, inflation, cash shortages and few ATMs, only those traveling abroad for work, education or medical treatment can purchase up to \$2,000 at state banks on a special card, with a monthly and daily limits of \$300 and \$100.³⁸ The European Bank of Reconstruction and Development (EBRD) notes that despite growth, “monopolisation of power within the executive branch, state dominance of the economy, and the failure to establish a functionally independent judiciary has hindered Uzbekistan ...”.³⁹

Karimov’s government showed no signs of acknowledging, even tacitly, and addressing such weaknesses, but it is in the new regime’s long-term interest to do so to improve state sustainability. The case for reform of the education and health sectors is compelling. The poor service they provide, together with gas and electricity shortages, lack of jobs, forced labour, mass migration, inflation and low salaries are pressure points the new president can hide from only at his regime’s peril. It is not realistic to expect deep reforms, including a genuine attack on endemic corruption, from the current elites. They might, however, possibly judge modernisation of some of these spheres, focused primarily on increasing skills, useful and, importantly, manageable.

The government may accept international assistance to address at least some of these issues if approached in a manner that highlights the technical and avoids the overtly political. But it is important that donors avoid Potemkin village exercises and focus on measurable improvements. These would need to be better defined than when pressure was successfully put on the government to end child labour in the cotton harvest: the state replaced some two million children with doctors, teachers, soldiers, university students and other free adult labour.⁴⁰ A September 2016 report by International Labor Rights Forum (ILRF) criticised the World Bank for lending to Uzbekistan’s cotton sector while forced labour continues: “Besides questions of legality, the World Bank’s decisions concerning its loans to the Government of Uzbekistan raise serious concerns about the prudence and effectiveness of the Bank’s

³⁶ “Временный учет приезжих в Ташкент теперь ведут ОБВИОГ” [“Temporary registration of people entering Tashkent is now performed by department of entry, exit and naturalisation”], 9 March 2016, *Gazeta.uz*, www.gazeta.uz/2016/03/09/registration.

³⁷ “Руководство по дебатам’ признали угрозой нацбезопасности Узбекистана” [“Debate booklet recognised as national security threat in Uzbekistan”], RFE/RL, 26 February 2016.

³⁸ “Жителям Узбекистана запретили снимать с карт более \$300 в месяц” [“Residents of Uzbekistan cannot withdraw more than \$300 per month”], *Ferghana News Agency*, 4 July 2016.

³⁹ “Where We Work in Legal Reform: Legal Reform in Uzbekistan”, EBRD, www.ebrd.com/legal-reform/where-we-work/uzbekistan.html.

⁴⁰ “В Узбекистане учителям приказали и хлопок на поле собирать, и одновременно вести занятия” [“Teachers in Uzbekistan were ordered to teach classes and harvest cotton at the same time”], RFE/RL, 22 September 2014.

policies and strategies in countries where gross human rights abuses are perpetrated by the State".⁴¹

B. Regional

Unresolved border disputes are a perennial source of tension with Kyrgyzstan. A number of segments of the long, twisting border are not demarcated and have periodically witnessed escalations. In March 2016, Uzbekistan deployed troops to Chalasart on the Kyrgyz border. They have been withdrawn, but without a sustainable agreement. Uzbekistan has four exclaves in Kyrgyzstan's Batken province, including the large one of Sokh populated by ethnic Tajiks. Kyrgyzstan's exclave in Uzbekistan, Barak village, has also known tensions. Restrictions on movement and access to basic resources, including food and medicines, adversely impact border residents, who have been shot at by guards in disputed areas; in demarcated areas, barbed wire divides people who lived side by side for generations and intermarried.⁴²

Regional competition over water and other resources is a source of tensions both locally and between the capitals. Uzbekistan's agriculture sector, dominated by cotton, largely depends on water from high in Kyrgyzstan's and Tajikistan's mountains. Reforming agriculture is a long-term project the government may be in no hurry to undertake, since cotton is simultaneously a source of income and a means to control those forced to grow or pick it.⁴³

Lacking hydrocarbons, Kyrgyzstan and Tajikistan would like to monetise their water resources by producing electricity. Uzbekistan considers upstream hydropower projects, particularly Tajikistan's Rogun Dam, as threatening, because they could jeopardise water flow or, worse, be used coercively by Bishkek and Dushanbe.⁴⁴ But mono-agriculture, aging infrastructure and outdated irrigation practices keep it more dependent on its upstream neighbours than need be, a situation Tashkent bitterly resents. Karimov belligerently warned of a water war. In 2014, Kyrgyzstan threatened to withhold water to pressure Uzbekistan into resuming gas supply, which Tashkent had let expire soon after Bishkek sold its state gas company to Russia's Gazprom for a nominal price. Supply was renewed late that year and water not cut, but tensions continue, and there is little confidence between capitals that generally approach resource sharing with a zero sum logic.⁴⁵

The latest standoff centres on the Ungar Too Mountain in another undefined border area, and the Orto-Tokay Reservoir in Jalalabad. On 13 August, Kyrgyz border

⁴¹ "Financing Forced Labor", International Labor Rights Forum, September 2016.

⁴² Crisis Group Europe and Central Asia Report N°233, *Water Pressures in Central Asia*, 11 September 2014. Cholpon Orozobekova, "An absence of diplomacy: The Kyrgyz-Uzbek border dispute", *The Diplomat*, 1 April 2016. Farangis Najibullah, "Uzbek, Kyrgyz, and Tajik loves collide in Sokh", RFE/RL, 3 June 2010.

⁴³ Crisis Group Asia Report N°93, *The Curse of Cotton: Central Asia's Destructive Monoculture*, 28 February 2005.

⁴⁴ Kyrgyzstan's plans for the 2,000MW Kambarata 1 on the Naryn River, which flows into the Syr Darya, appear moribund after Russia was unable to fund them.

⁴⁵ Raushan Nurshayeva, "Uzbek leader sounds warning over Central Asia water disputes", Reuters, 7 September 2012. Karimov was speaking in Kazakhstan's capital, Astana. "Kyrgyz parliamentary committee recommends government consider restrictions in irrigation water supply to Uzbekistan over lack of water in Toktogul dam", AKIpress, 20 May 2014. Dmitri Denisenko, "Кыргызстан решил импортировать электричество из Таджикистана" ["Kyrgyzstan decided to import electricity from Tajikistan"], *Vecherniy Bishkek*, 29 April 2014.

guards arrested an Uzbek officer from the Namangan province internal affairs department near the reservoir; on 22 August, Uzbek soldiers landed by helicopter on Ungar Too, arresting four television relay station workers. A Kyrgyz politician called for a local militia to storm the mountain. The workers were released on 9 September, but Uzbekistan is demanding that the Kyrgyz Border Service remove its checkpoints around the reservoir. The current Kyrgyz authorities do not recognise protocols signed by the Uzbek-Kyrgyz inter-governmental commission under the then Kyrgyz President Kurmanbek Bakiyev that described the water tower on Ungar Too as Uzbek territory.⁴⁶

Tajik President Emomali Rahmon will not lightly drop the flagship Rogun project.⁴⁷ Bukhara and Samarkand have large ethnic Tajik populations, though official statistics are lacking. In 2009, Rahmon said those cities would someday be returned to Tajikistan and boasted of physically fighting Karimov over water shortages and road closures.⁴⁸ Uzbekistan's language policy puts pressure on ethnic Tajiks, with schools offering education in their tongue declining.⁴⁹

Relations with Kazakhstan, where Nursultan Nazarbayev is now the oldest and longest serving president in Central Asia, have been competitive. Under Tsarist and Soviet rule, Uzbekistan was the administrative, political and educational centre of the region. With a population more than ten million greater than Kazakhstan's, Central Asia's largest but most thinly populated state, Karimov assumed its voice would be decisive in regional affairs – a position resented and rejected by his neighbours. Nazarbayev will likely take a cautious approach to Uzbekistan's transition and new leader until he proves he can maintain stability.⁵⁰

Karimov had difficult relations over borders and water with Turkmenistan's first president, Saparmurat Niyazov. The Uzbek ambassador was suspected of being privy to a coup plot in 2002. With economic cooperation, gas pipelines and infrastructure projects at "various stages of planning" as their backbone, relations improved under Niyazov's successor, Gurbanguly Berdimukhamedov.⁵¹

⁴⁶ Ungar Too and Orto-Tokoy are called Ungar Tepe and Kasansay in Uzbek. Local leaders asked residents not to become involved. "А. Бекназаровдун чагымчылдыгына Аксы эли каршы" ["Aksy people are against A. Beknazarov's provocation"], Egemen Kyrgyzstan, 26 August 2016. "Узбекистан настаивает на требовании снять посты вокруг Орто-Токойского водохранилища" ["Uzbekistan insists on removing border posts around Orto-Tokoy reservoir"], RFE/RL, 9 September 2016. "Унгар-Тоо. Власти перекалдывають вину на своих предшественников" ["Ungar Too. The Kyrgyz authorities shift the blame on their predecessors"], RFE/RL, 25 August 2016.

⁴⁷ If completed, the Rogun Dam on the Vakhsh, 100km downstream of Dushanbe, would be as high as 335 metres, with a 3,600MW capacity. Aside from fears of Tajik water control, Uzbekistan maintains that if it collapsed in an earthquake, the effects would be devastating. Rustam Azimov, "Key issues for further consideration of the proposed Rogun Dam project and the use of transboundary water resources", speech to Central Asian representatives on World Bank draft Rogun report, Almaty, 18 July 2014, www.gov.uz/ru/press/politics/25860.

⁴⁸ Arkadiy Dubnov, "Мы возьмем Самарканд и Бухару" ["We will get Samarkand and Bukhara"], Vremya Novostei, 10 December 2009.

⁴⁹ Murat Sadykov, "Uzbekistan: Tajik language under pressure in ancient Samarkand", Eurasianet, 5 November, 2013.

⁵⁰ "The worst case scenario for Kazakhstan would be turmoil in Uzbekistan and an influx of Uzbek refugees". Crisis Group telephone interview, Western diplomat, Astana, 8 September 2015.

⁵¹ Alexander Kim, "Uzbekistan and Turkmenistan: Can common interests push old quarrels aside?", Eurasia Daily Monitor, vol. 10, no. 189, 3 October, 2013. Umida Hashimova, "Uzbekistan's unrealized potential in cross-border trade", *ibid*, vol. 12, no. 8, 2015. Niyazov, in 2006, was the first post-Soviet Central Asian president to die.

Afghanistan is the core security threat. The 137-km Uzbek-Afghan border is easily the most secure in Central Asia, in stark contrast to Afghanistan's borders with Tajikistan and Turkmenistan. For more than a decade, the focus has been on the risk of spillover from Afghanistan, but some Uzbek analysts say the risk runs both ways while their country is in transition.⁵² Uzbekistan is a major staging post for Afghanistan's exports as well as its fuel and grain imports. Instability in Uzbekistan would cause major economic disruption for Afghanistan. Similarly, further deterioration in the Afghan security situation would alarm the Uzbeks.

The Taliban says it has no interest in penetrating Central Asia but has implied other groups do.⁵³ The IMU began with the aim of creating a caliphate in Uzbekistan but has been distracted by the war in Afghanistan. The group now claims allegiance to IS, but in some areas of northern Afghanistan still operates in conjunction with Taliban. While current IMU ambitions and capabilities are unclear, the Uzbek government will not downgrade its assessment of the threat. In recent years, mass arrests of alleged Islamic extremists have fuelled resentment toward the government, but the security services are so feared protest or resistance is unheard of.⁵⁴ Hundreds of Uzbeks are in Syria and Iraq fighting with IS and other groups but are for now unlikely to return. "If there is a threat to the country and its citizens, it's more likely to come from government security forces than from Islamic insurgents", said an independent expert on Uzbekistan.⁵⁵

C. *Beyond Central Asia*

Karimov's foreign policy, which Mirziyoyev has said he will continue, sought to balance Russia, the U.S., China and, to a lesser degree, the EU. Uzbekistan entered the Moscow-led Collective Security Treaty Organization (CSTO) in 2006 but withdrew in 2012. Since then, policy has been premised on four "no's", to foreign bases; membership in a military bloc; participation in international peacekeeping operations; and external mediation of conflicts in Central Asia.⁵⁶

Uzbekistan has joined the Shanghai Cooperation Organisation (SCO) but not the Russia-led Eurasian Economic Union (EEU). Nevertheless, Moscow is a key strategic partner, having already committed to assist in the transition and build cooperation upon the "foundation" set by Karimov and Putin. The relationship is complicated, though, also in ways other than strategic regional considerations. According to the Russian Federal Migration Service, 1.75 million Uzbek migrants live in Russia, but

⁵² Crisis Group interview, Uzbek analyst, 8 September 2016.

⁵³ "Afghan Taliban issues statement for the Central Asian countries", Khaama Press, 18 July 2016.

⁵⁴ Mansur Mirovalev, "Uzbekistan arrests 200 alleged ISIL 'sympathisers'", Al Jazeera, 17 November 2015.

⁵⁵ Crisis Group Europe and Central Asia Briefing N°72, *Syria Calling: Radicalisation in Central Asia*, 20 January 2015. Sarah Kendzior, "No, Uzbekistan is probably not going to be invaded by terrorists", Sarakendzior.com, 6 September 2016.

⁵⁶ In his last inaugural speech, 11 April 2015, Karimov insisted "Uzbekistan will never accede to any military-political blocs". "Выступление Премьер-министра Республики Узбекистан Шавката Миромоновича Мирзиёева на совместном заседании Законодательной палаты и Сената Олий Мажлиса" ["Prime Minister Mirziyoyev's address, joint session, ... Legislative Chamber and Senate ..."], Uzbekistan National News Agency, 9 September 2016. Farkhod Tolipov, "Uzbekistan without the CSTO", *The Central Asia-Caucasus Analyst*, 20 February 2013.

some analysts say the true figure is at least double. The remittances account for 10 per cent of Uzbek GDP.⁵⁷

Relations with China have centred on platitudes and infrastructure projects, including recent construction of the longest mountain railway tunnel in Central Asia, linking the Ferghana Valley to the rest of Uzbekistan. Though Uzbekistan is rich in natural gas, it has a large internal demand, and increased exports have led to domestic shortages and rare protests in the Ferghana region. A 30 August suicide car bomb attack at the Chinese embassy in Bishkek is likely to have far reaching implications for Beijing's security views throughout Central Asia.⁵⁸

The U.S. describes Uzbekistan as a strategic partner, but the relationship has at times been troubled. Uzbekistan hosted a U.S. airbase, until Karimov shut it down in 2005 after Western criticism of the Andijon killings. The EU partly lifted its sanctions over Andijon in 2008 and fully removed them next year. In 2012, the U.S. waived the ban it had placed on military assistance.⁵⁹ Uzbekistan was vital for the Northern Distribution Network, the ground line of communication for bringing non-lethal goods to U.S. troops in Afghanistan, and Washington continues to consider that its cooperation is sufficiently important to its counter-terrorism and counter-narcotics interests to justify working with the SNB.⁶⁰

Such pragmatism may be shortsighted and dangerous. U.S. diplomats raised concerns as early as 2008 that Uzbekistan might be using the counter-narcotics equipment for other purposes. Security cooperation that benefits power elements, including the SNB, facilitates regime intransigence and impunity. In 2015, Uzbekistan received 300 armoured vehicles from U.S. contingency stocks in Afghanistan.

⁵⁷ "Количество трудовых мигрантов из Центральной Азии в России несколько сократилось" ["The number of working migrants from Central Asia in Russia has slightly decreased"], Ferghana News, 7 April 2016. Farkhod Tolipov, "The Problems and Possible Scenarios of Labour Migration in Uzbekistan", Central Asian Bureau for Analytical Reporting, 18 July 2016. Remittances are a much smaller part of GDP than in Tajikistan and Kyrgyzstan (at 49 per cent and 32 per cent respectively the world's most remittance-dependent countries). David Trilling, "Remittances to Central Asia fall sharply, as expected", Central Asia Today, 21 April 2015.

⁵⁸ "Президенты дали старт первому поезду через Камчик" ["The presidents started the first train through Kamchik"], Gazeta Uzbekistan, 22 June 2016. "Жители Ферганской области требуют возвращения в дома электроэнергии и газа" ["Ferghana province residents demand electricity and gas supply to their homes be restored"], Rosbalt, 23 December 2015. "Embassy attack must be properly handled", *Global Times*, 31 August 2016.

⁵⁹ Nathan Hodge, "U.S. ends ban on aid to Uzbekistan", *The Wall Street Journal*, 1 February 2012.

⁶⁰ In a 16 July 2012 letter to Carl Levin, then the Senate Armed Services Committee chairman, for example, then Deputy Defense Secretary Ashton Carter, wrote: "The U.S. Embassy's counter-drug programs supports the National Security Service, the State Border Protection Committee, the State Customs Committee, and the Ministry of Internal Affairs. The National Security Service is Uzbekistan's primary foreign and domestic intelligence service responsible for tracking and targeting regional drug-trafficking networks. They are capable of conducting long-term investigations against trafficking networks with human intelligence and signals intelligence collection capabilities provided under section 1033 authorities for counternarcotic equipment". According to Carter, Uzbekistan received \$17.1 million in counter-drug support in FY2012, some \$1.288 million of which was earmarked as "tactical equipment" for the SNB. A draft Statement of Objectives accompanying a 2013 U.S. Air Force solicitation to provide "Counter Narcoterrorism and Global Threats (CN & GT) Support Services" indicated that \$862,675 was awarded to a vendor to "Procure, deliver and provide logistical support for equipment that is necessary to support ongoing counter-narcoterrorism operation efforts of the [SNB] in Uzbekistan". U.S. Air Force tender, Counter Narcoterrorism and Global Threats (CN & GT) Support Services, Solicitation Number FA4890-13-R-0110, attachment "Exhibit A", 23 April 2013.

In August that year, it declined to join the Americans' anti-IS coalition. The C5+1 format, in which the five Central Asian states and the U.S. treat topics as diverse as counter-terrorism cooperation and transport, has yet to prove it is more than a talking shop.⁶¹

While Afghanistan remains unstable, the U.S. will be hesitant to impair ties with the Uzbek security services, but support for the SNB works against other American aims, including support for human rights and the sustainable stability for which better human rights performance is an essential component. The dichotomy is not an easy one, but Washington must recalibrate the relationship if it is to bolster long-term internal and regional security.

Europe should also re-define its relations. The millions of euros Germany paid to rent the Termez airbase until 2015 undermined reform messages it and EU institutions and member states sought to send. Brussels and member states should use the new situation to deepen dialogue, including on difficult issues, while continuing to invest in practical projects, including financial planning for low income households, women's health and judicial reform.⁶²

IV. Conclusion

Mirziyoyev, the likely Karimov successor as president, has already flouted the constitution. His election will not be democratic. Uzbekistan's human rights record is poor, its police and courts corrupt and security services brutal. The agricultural sector is unchanged despite previous efforts to modernise it and water issues with neighbours are unresolved. The new leadership has already shown signs that it does not see these as problems, at least not urgent ones.

There are sectors where Western technical expertise could possibly engender improvements that benefit the population, be seen as useful by the authorities and promote stability. Asian Development Bank and World Bank portfolios are heavily invested in energy and infrastructure, and to a lesser degree water. Both banks should consider a greater focus on health, education, industry and trade.⁶³

Short-term security threats are linked to possible disputes among elites. Longer-term threats include socio-economic challenges such as lack of rural development and energy security, corruption, weak civil society institutions, unemployment and migration, all of which, together with an overall climate of heavy repression, could facilitate violence and extremist agendas. Uzbekistan and its neighbours, Kyrgyzstan and Tajikistan, should mutually prioritise defusing flashpoints around water and border disputes. Russia, too, as well as China, should consider carefully whether a

⁶¹ "Sensitive Investigative Unit Still Functioning and Waiting", U.S. embassy Tashkent cable, 22 January 2008, as made public by WikiLeaks. Joshua Kucera, "No longer under sanctions, Uzbekistan gets 300 armored vehicles from U.S.", Eurasianet, 22 January 2015. "U.S.-Central Asia (C5+1) Joint Projects", U.S. Department of State, 3 August 2016.

⁶² Deirdre Tynan, "Uzbekistan: Veil is lifted on German payments for Termez base", Eurasianet, 24 March 2011. "List of Projects", EU Delegation to Uzbekistan, www.eeas.europa.eu/delegations/uzbekistan/projects/list_of_projects/projects_en.htm.

⁶³ Member factsheet, Uzbekistan, Asian Development Bank; Uzbekistan Partnership: Country Program Snapshot, World Bank Group, April 2016.

fully repressive regime is actually the best guarantee of that long-term national and regional stability which is in the common geopolitical interest of all outside powers.

Karimov's death will produce individual changes in power structures, but systematic governance changes are unlikely in the short-to-medium term. The transition presents an opportunity, however, to use quiet diplomacy to test the new regime's willingness to move beyond a stagnant and repressive status quo.

Bishkek/Brussels, 29 September 2016

Appendix A: Map of Uzbekistan

