



Map of the Republic of Kyrgyzstan

Kyrgyzstan: An Overview

by

Iraj Bashiri

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General Background

The origin of the Kyrgyz as a people continues to be debated. The Kyrgyz themselves have some eighteen theories about how they came to be living where they are. One theory posits that the Qarakhanids (ruled 922-1211) moved the Kyrgyz from their homeland to the present location; another espouses that the Qara Khitai (ruled 1137-1220) were responsible for the move. There is even a theory that distinguishes the Kyrgyz who live around [Lake Issyk Kul](#), from the Kyrgyz of the Upper Yenisei. In that case, the Kyrgyz of the Altai would be a mixed group made up of Mongolic, eastern Turkic, and Kipchaq peoples.

What is certain, however, is that as a people the Kyrgyz are close to the Kazakhs and that their movement, too, is tied to the march of the Hordes of Chingiz Khan west.

Records indicate that from very ancient times, a people called the Kyrgyz inhabited the Upper Yenisei River. The Orkhon inscriptions of 8th century AD mention the Kyrgyz as a people. Historical documents indicate that in the 10th century, the Kyrgyz overthrew the Uigurs who lived to their southwest. The *Hudud al-Alim*, an 11th century text written by an anonymous Muslim geographer, mentions them as a tribe living in that general area. In

the thirteenth century, both the Kyrgyz and the Uigur became incorporated into the domains of Chingiz Khan.

Russia annexed Kyrgyzstan in 1864. As a result, the Kyrgyz underwent a period of Russification during which they became familiar with Western values and with the educational and cultural advances in Russia. In the 1920's, the Soviets took over Kyrgyzstan and its natural resources; but Kyrgyzstan did not become an integral part of the Union until 1936. By then its agriculture was collectivized and, in addition to its traditional cottage industry, it acquired the basic means for the production of agricultural implements.

In October 1991, Kyrgyzstan became independent and joined the Commonwealth of Independent States (CIS). In March 1992, it became a full member of the United Nations. At the present, Kyrgyzstan is in the process of privatizing its state holdings, expanding its democratic institutions, and providing means whereby it can provide more political freedoms to its people. The resolution of interethnic problems and combating terrorism are high on the list of Kyrgyzstan's priorities.

Geography

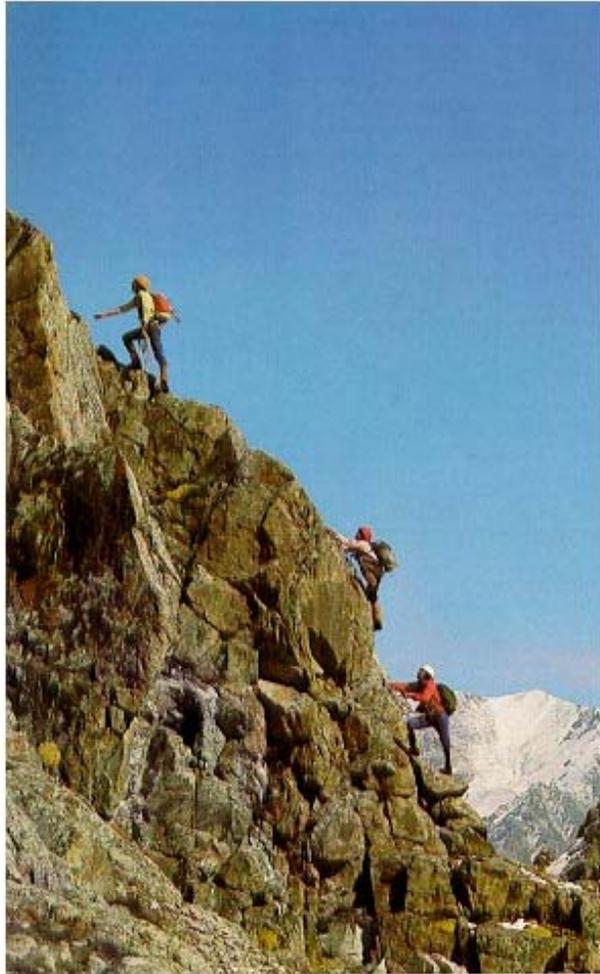
Formerly known as Kirghizia, the Central Asian republic of Kyrgyzstan with an area of 76,650 square miles (198,500 sq km) stretches from the Pamirs in the west to the Tien Shan (height of 10,000 feet) in the east. Among the geographical features of this landlocked country, are the Pobeda Peak, [Lake Issyk Kul](#), the grassy meadows of Naryn and Ferghana, and the similarly grassy valleys of the Chu and Talas Rivers. Kyrgyzstan's lowest elevation is about 3,000 feet above sea level.

Climate

The climate of Kyrgyzstan is varied depending on elevation. In the lower elevations, it is dry continental, while in the high Tien Shan it approaches polar. Summers in the valleys are hot and dry, 82 F (or 28 C) in July with an average January temperature of -0.5 F (or -18 C). Annual rainfall, too, varies from 7.1 inches in the eastern Tien Shan to about 35 inches in the mountains around Ferghana.

Tourism

Kyrgyzstan can easily be the hot spot for tourism in Central Asia. It is located across the Tien Shan and is blessed with white peaks, glaciers, and emerald lakes. The salty water of Lake Issyk Kul, some Kyrgyz believe, will heal a wound the second time the wound is washed in it. Additionally, at Aksu, Jalalabad, and Jettioghuz, there are hot water springs for health and recreation. There are ski resorts that are open throughout the winter. Horseback riding, walking, and fishing are some of the other sports available in the river valleys and around the lakes. In the cities, there are public parks, restaurants, and museums. The latter include the History Museum, the Fine Arts Museum, and the Kyrgyz Economic Achievement Exhibition, which specializes in the Kyrgyz culture from the days of the *yurts* to the present.



Mountains outside Bishkek

History

Historically, the Kyrgyz, an ancient Turkic tribal people (ca. third century BC), were a major power along the Yenisei River. There, they had developed a "runic" script and established an elaborate civilization. In AD 629, the Chinese chronicler Hiuan Tsang recognized the Kyrgyz as an independent people. By AD 1000, having overthrown the Uighur Empire, the Kyrgyz, under the leadership of warrior king Manas and his descendants, moved south and west. Finally, after the Mongol onslaught (AD 1207), they settled as mountain-dwelling pastoral nomads in the grasslands of the Tien Shan.



Manas village

The process of the Islamization of the Kyrgyz could have occurred either after they settled in the Tien Shan region or, possibly, after the Mongol onslaught. The ancient southern city of Osh, which became a major Islamic stronghold during the thirteenth and fourteenth centuries and which continues to accommodate Islamic resistance to infidel infiltration of the region today, led the way. During the eighteenth century, influenced by Muslim traders and the Sunni Uzbeks, the northern Kyrgyz, too, joined the faith. The process of Islamization can be traced in the celebrated Kyrgyz epic, [Manas](#), the millennium of which was celebrated in 1995 in the sprawling Manas Village, near Bishkek.

Kyrgyzstan was incorporated into the Russian Empire in 1876. The incorporation, however, was not easy. It was prompted by harsh winter conditions that divested the tribal Kyrgyz of their herds and by Russian encroachment on the territory. The encroachment itself dates back to 1857, when Peter Semiyonov first mapped the territory. After 1876, Russian peasants routinely displaced the Kyrgyz by confiscating their grazing lands and turning them into wheat and cotton fields. In 1916, pressured by shortages at the front, Tsar Nicholas II was forced to draft the Kyrgyz youth into the Russian army. The decision set off revolts throughout Muslim Central Asia, resulting in many deaths and the departure of many more Central Asians to eastern Turkistan.

The Soviet takeover of the region and the formation of the soviets (peoples committees) played a major part in the shaping of Soviet Kyrgyzstan. As a first step, the Soviets crushed the Basmachi movement, a movement that advocated national independence and a return of the *waqf* (religious endowments) lands. Following that, the Kyrgyz were forced to abandon their nomadic lifestyle and settle in makeshift towns and villages. The effects of this forced settlement is still visible in cities like [Bishkek](#) and Almaty. The recitation of Manas was outlawed. Even the Arabic-based Kyrgyz script was considered to be anti-revolutionary.



View of a corner of the main square in Bishkek

In the 1930's the *Jadidist* movement, which had begun much earlier and which sought Turkish unity and modernization of Islam, met with strong Soviet resistance. Things got even worse when, in 1937, after the completion of collectivization of Kyrgyz agriculture, all the manifestations of the Kyrgyz past were dissolved. Mosques and *madrasahs* masqueraded as museums and opera houses, while programs of sovietization and russification dominated Kyrgyz education. This was followed, in 1938, with the cold-blooded murder and collective entombment of some 137 Kyrgyz intellectuals, including the entire 1938 Supreme Soviet Central Committee. The famous Kyrgyz linguist Kasum Tynystavov, and Torokul Aitmatov, father of [Chingiz Aitmatov](#), were among the dead.

Culture

Contemporary Kyrgyz culture is quite complex. It comprises ancient Kyrgyz myths and legends, especially about the time that the Kyrgyz had not become Islamized and their interaction with Muslim traders who, gradually, familiarized them with the culture of Islam. Legends that relate the Kyrgyz to their past as nomadic herders tell of the exploits of their heroes like Manas and Kokotoy-Khan, about whose adventures and hospitality many stories are told. The legends dealing with interaction of the Muslims and the Kyrgyz involve the culture of the Silk Road, especially the Kyrgyz's visits to such centers of civilization of the time as Samarqand and Bukhara.

Kyrgyz music represents a major aspect of Kyrgyz culture. It would be impossible to visit Bishkek and not become acquainted with the life story of the famous bard, Toktugul Satilganov. Similarly, the Kyrgyz legendary horses sought by the Chinese who called them the "heavenly horses of Ferghana" are of prime importance. In general, the horse plays a pivotal role in Kyrgyz life to the point that it is said that some ancient Kyrgyz loved their horses more than they loved their wives.

Natural resources

Kyrgyzstan has at least sixty types of chemical materials. However, the republic has neither the funds nor the necessary expertise to extract, process, and market its abundant

resources. For instance, the coal reserve of the republic is estimated at 25 billion tons, but only a small fraction of it is actually extracted and used. The other major raw materials of Kyrgyzstan are gold, lead, zinc, coal, oil, mercury, antimony, polymetallic ores, natural gas, cotton, sugar beets, tobacco, and various types of grain.

The Soviets placed a great deal of importance on the development of hydroelectric energy. The potential of the Naryn River, currently supplying about 92 percent of the republic's energy needs, is tremendous, as is the potential of the Kara Dariya, a major river, yet to be exploited for hydroelectric power production.

Environment

Water and air pollution are two of the major sources of illness in Kyrgyzstan. Water pollution is especially important because many people get their drinking and cooking water directly from contaminated streams and wells. The source of the pollution is either agricultural, especially related to soil salinity from faulty irrigation practices, or industrial, i.e., pollution caused by major industrial plants like those operated by Kumtor near Lake Issyk Kul.

Natural hazards

The only natural hazard in Kyrgyzstan is earthquakes. The earthquakes, however, are generally mild and not as life threatening as those in Kazakhstan.

People

Today Kyrgyzstan has a population of 4,892,808 (55 percent Muslim), made up of 52.4 percent Kyrgyz, 18 percent Russian (50 percent in urban centers), 12.9 percent Uzbek, 2.5 percent Ukrainian, and 2.4 percent German. The latter are given two districts in which to live. As in the other republics, the highest birthrate continues to occur among the native population. Additionally, 100,000 ethnic Kyrgyz live in Chinese Xinjiang and 200,000 elsewhere in Central Asia. During the Stalin era, some 50,000 ethnic Kyrgyz fled to the Wakhan corridor and remained in Afghanistan until the 1980's. Then forced by the Soviets one more time, they migrated to Pakistan and, subsequently, to eastern Turkey.

Nationality

During the Soviet era, the Kyrgyz were not in control of their republic. A nomadic people, they concerned themselves more with the well being of their herds than with either government or industry. Russians and other Soviets filled over 80 percent of the administrative cadres of the republic.

In general, the Kyrgyz are more nationalistic than the Kazakhs. When they became independent, they gave preference to the Kyrgyz language and considered Russian suitable for international transactions only. Soon, however, they realized the pivotal role

of the Russian language in their culture and reinstated it alongside Kyrgyz. It is unclear; therefore, whether the Kyrgyz would feel comfortable to be called Kyrgyzstanis (cf., Kazakhstani), in the specific sense of the word.

Health Care

Before the fall of the Soviet Union, the Kyrgyz had access to two fairly well-equipped medical systems. The republic's own system, supported by the Soviet Union, provided well-trained doctors and nurses and annually trained new cadres to meet future needs, as well as to the Soviet medical system with quick access to the resources of Moscow and of the other republics in the Union.

Today, access to Moscow and to the medical facilities of the other republics no longer exists. Furthermore, the Kyrgyz health care system itself is experiencing difficulties. Kyrgyz health care has two major problems. One is apathy generated by a loss of self worth on the part of the doctors and nurses--few young people want to join the profession. The other is the shortage of medicine, in general, and antihistamines, insulin, antiseptics, vaccines, narcotics, and antibiotics, in particular.

The major health issues in the republic are related to cardiovascular conditions and respiratory infections. In the south, especially in Osh and Jalalabad, there are often outbreaks of hepatitis and gastrointestinal infections due to the use of contaminated water. Life expectancy is 64 years for men and 72 years for women.

As a response to its growing medical problems, the state is reviewing various plans for setting up a system to be funded by compulsory employer fees. The state would take care of the unemployed. This system, it should be mentioned cannot become truly operational before the republic reforms its revenue collection and allocation strategies.

Education

Before sovietization, Kyrgyz children were educated at home by their parents. Formal education, comprising study of religion and the Arabic language, was offered at theological seminaries in major cities. In 1917, for instance, about one percent of the Kyrgyz population was literate. The Soviets changed that situation by making education, until the age of fifteen, compulsory.

In addition, after years of debate, in 1940, the Arabic-based Kyrgyz script gave way to Latin and later to Cyrillic; Russian became the state language. The *shari'ah* (legal code of the Muslims) and the *'adat* (traditional, tribal codes of conduct) were replaced by the Soviet civil code and prayers, death rituals, pilgrimages, and circumcisions were outlawed. Even Islamic marriages, including the traditional practice of *kalym* (bride price) and *ichkari* (confinement of females to women's quarters), were forbidden.



Great Kyrgyz akın Toktogul Satilganov

Today, Kyrgyz and Russian (since December 2001) are Kyrgyzstan's official languages and nearly 97 percent of the population is literate. At school, students can choose either a Russian or a Kyrgyz education. English introduces an attractive option for those interested in diplomacy and democracy. Kyrgyzstan's institutes of higher learning include the Kyrgyzstan Academy of Sciences, the Kyrgyz National State University, the Kyrgyz Slav University, Technical University, and many other institutions and academies.

Welfare

Until 1991, under Soviet subsidies, nearly 600,000 pensioners and 1.6 million children received state support. Age and work history served as the criteria for inclusion of the individual into the system. Since 1993, only those whose income was below a fixed level receive child allowances and only pensioners receive bread price compensation. This still leaves 55 percent of the citizens below the poverty line. Kyrgyzstan must identify and eliminate all Soviet excesses in its current welfare system and must use international aid for new initiatives in welfare.

Housing

In pre-Soviet times, the nomadic Kyrgyz lived in *yurts*. During the Soviet era everyone lived in government subsidized apartment blocks. The only exceptions were the herders who took the cattle to the mountains and stayed with them for the duration of winter. The apartments that the town and village dwellers received were efficiencies that shared water, electricity, and disposal lines. Some apartments shared bathrooms, showers, and kitchens, as well.

In 1989, Kyrgyz intellectuals persuaded the government to hand over some land to them for private construction. Since independence, the flow of the rural populations, attracted by market-oriented jobs, has been a constant. They have taken over most of the efficiencies forcing some citizens to find plots in the suburbs. Similarly, some of the open spaces created by Soviet architects in front of major administrative buildings are taken over by businesses installing never-ending rows of kiosks.

Religion

The majority of the Kyrgyz (75 percent) are Muslim. Of the rest, 20 percent, primarily Slavs, are Russian Orthodox, and 5 percent belong to Lutheranism (Germans), Buddhism (Chinese), and other religions.

Islam in Kyrgyzstan is influenced both by the conservatism of the Kazakhs and the extremism of the Tajiks. In the capital of Bishkek, in the north, Islam has been taking its first steps, while in the southern city of Osh, on the edge of the Ferghana valley, many young people are finding their salvation in Islam. They perform the rituals and attend mosques. The urban faithful, however, are only a fraction of the main body of the Kyrgyz devotees of the rural south, where the Imam and the chief Islamic Judge of the republic expend most of their energies. As a result of their efforts, today Kyrgyzstan has over two hundred mosques whereas in 1985 it had only forty. Similarly, by the end of 1992, Bishkek alone was scheduled to add six more mosques to its existing four.

Kyrgyzstan has two *madrasahs*, the Bishkek Islamic Seminary and the Qara Qul Seminary. The Islamic Republic of Iran, Turkey, and Saudi Arabia provide funds for many of the Islamic activities in Kyrgyzstan, including the organization of pilgrimages to Mecca, the acquisition of books for instruction in Islam, and the building of mosques and *madrasahs*. Saudi Arabia's assistance is more poignant than the others in that the Saudis promote Wahhabism, a subset of the Hanbali School, the strictest in the administration of the rules of the *Shari'ah*.

Language

Kyrgyzstan has two official languages: Kyrgyz and Russian. Russian was demoted to the status of the language of international transactions until December 2001, when the Kyrgyz legislature made it an official language, equal in status to Kyrgyz. Today, the Kyrgyz who wish to enter jobs that involve technology or deal with a scientific field must exhibit a good grasp of the Russian language. The same is true for those who seek employment in the administration of their country.

Government

Kyrgyzstan is a republic. The capital of the republic is the city of Bishkek. Originally named Pishpek, the city was chosen as the seat of government in 1925. In 1926, the name was changed to Frunze in honor of Mikhail Frunze, the Soviet general who conquered the region. After the fall of the Soviet Union, in 1991, a slightly modified form of the old name, Bishkek, was reinstated. The largest city in the republic, Bishkek, has a population of about 616,000. Other important cities include Osh, Jalalabad, and Perzhvalks. Administratively, the republic is divided into seven provinces and one city.



The circus in Bishkek

Kyrgyzstan gained its independence from the Soviet Union on August 31, 1991.

The republic adopted its Constitution on May 5, 1993. President [Askar Akayev](#) expanded the power of the president through a referendum on February 2, 2003. The amendment has curtailed the powers of the legislature quite significantly.

The legal system of Kyrgyzstan is based on civil law with suffrage at 18 years of age. The executive branch consists of a chief of state (president), a head of government (prime minister), appointed by the president, and a cabinet of ministers appointed by the president on the recommendation of the prime minister.

The legislative branch comprises a bicameral Supreme Council which consists of a) the Assembly of People's Representatives with 70 seats, elected by popular vote to serve five-year terms, and b) the Legislative Assembly, with 35 seats, elected by popular vote to serve five-year terms. The legislature became bicameral in February 1995.

The judicial branch consists of the Supreme Court (the Supreme Council appoints the judges for 10-year terms on the recommendation of the president), the Constitutional Court, and the Higher Court of Arbitration.

Political parties

The major political parties of Kyrgyzstan are the Agrarian Labor Party of Kyrgyzstan, the Agrarian Party of Kyrgyzstan, the Ata-Meken or Fatherland, the Banner National Revival Party, the Democratic Movement of Kyrgyzstan, the Democratic Women's Party of Kyrgyzstan, the Dignity Party, the Erkin Kyrgyzstan Progressive and Democratic Party, the Justice Party, and many others. The political pressure groups in Kyrgyzstan include the Council of Free Trade Unions, Kyrgyz Committee on Human Rights, the National Unity Democratic Movement, and the Union of Entrepreneurs.

It should be noted, in relation to the parties in Kyrgyzstan that some parties have strong Islamic tendencies while others gravitate to the democratic ideologies of the West. The

former intend to move Kyrgyzstan closer to Pakistan, Iran, and the Middle East. The latter, determined to keep Kyrgyzstan secular, oppose any attempt that would distance Kyrgyzstan from its immediate past.

In spite of the challenges facing it, Kyrgyz society continues to enjoy a considerable degree of political freedom. Neither is this a new phenomenon; intellectuals like Chingiz Aitmatov have been advocating political, cultural, and economic reforms for the republic as early as the late 1960's. The fact that the Soviet bureaucrats muffled their voices did not discourage them.

Indeed, among the emerging republics of Central Asia only Kazakhstan approaches Kyrgyzstan in the degree of freedoms granted and promises kept. Turkmenistan is a virtual police state; Uzbekistan exercises what resembles martial law, especially since the February 1999 bombings in Tashkent; and Tajikistan is enmeshed in guerrilla warfare within, as well as across its borders with Afghanistan.

Flag



Adopted March 3, 1992. Red field with a yellow sun at center, which symbolizes light, nobility, and eternity; 40 rays represent the 40 Kyrgyz tribes led by Manas; on the obverse side the rays run counterclockwise, on the reverse, clockwise; within the sun is a stylized representation of the *tunduk* or peak of a traditional Kyrgyz *yurta*.

Democratization

General Introduction

In order to understand the economy of the republics of the former Soviet Union, it is necessary to understand how centrally controlled economies work and how a centrally controlled economy is changed into a market economy.

In simple terms, the Communist Manifesto gave birth to a number of economies in Central Asia all of which were controlled by the state. The articles of the Manifesto asked for a total, central control of all aspects of life. In other words, all the peoples' assets were taken from them and placed under the supervision of the State. This included the factories, plants, and natural resources, as well as human resources.

Privatization is the reverse of centralization. It requires a centrally controlled state that wishes to become a modern independent state to decentralize its agriculture, industry, businesses, and housing. It requires that the individual be given the right to buy and sell property. Means of transportation, production, and communication should be placed in the hands of the people. Similarly, the state should decentralize its banks, allow foreign

investment to help develop its resources, and become a party to local and international efforts in running a meaningful and profitable market economy.

A truly independent republic cannot ignore freedom. It must allow its population the right to free speech by placing the media (newspapers, radios, and televisions) in the private domain and by removing censorship. Additionally, people should be given political freedom so that they can form political parties, stand for election, and vote.

What was outlined above serves as the basis for creating a democratic state with a stable government. A republic with a parliament that respects international law and which legislates laws that are sensitive to ethnic, racial, ideological, national, and gender concerns of the people, a government that recognizes equal opportunity and equal rights of its people.

Finally, an independent state must create access to education and health care through state and private welfare programs, it should form committees to oversee its conduct of human rights, as well as a committee to handle abuse of natural resources.

Since receiving their independence, the republics in Central Asia have responded differently to the demands of independence, especially with respect to privatization, political freedom, and human rights issues. The difficulty does not rest with the republics as much as with the nature of changes that are required of them. Obviously these changes cannot be meaningfully implemented unless those receiving the changes are cognizant of the rules of democracy. As every one knows, the road to democracy is long. It requires sacrifice as well as a large amount of funds for educating the people and making them understand the working of the law vis-à-vis the rights of the individual and the community.

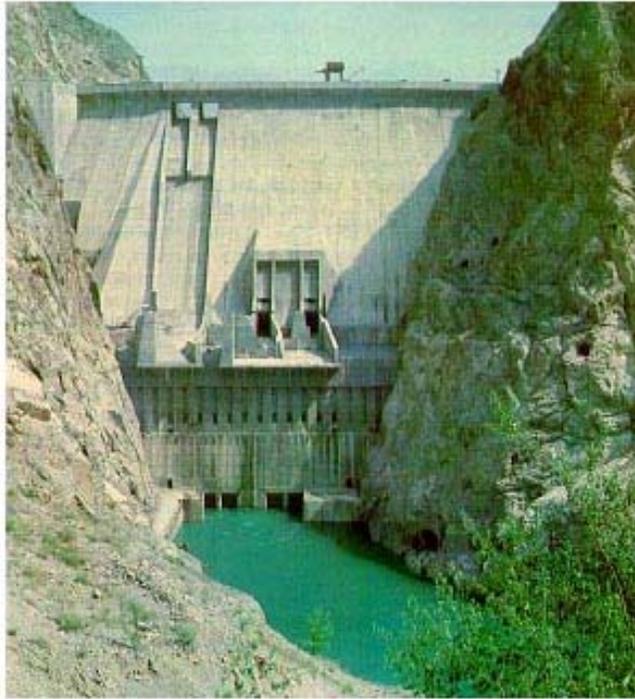
Economy

The economy of Kyrgyzstan is predominantly agricultural. Before the advent of the Russians, Kyrgyzstan had a relatively healthy economy managed by the Khan of Qoqand. During the rule of the Soviets it experienced a few decades of prosperity; but, after the fall of the Soviet Union in 1991, it lost almost all its purchasing power, both at the local and the international levels. Several factors contributed to this decline. Among them, the unwise dismantling of the *kolkhoz* and *sovkhos* farm systems at the behest of foreign advisors, a lack of exports, and a continuous reliance and dependence on Russia for acquisition of consumer goods. Between 1991 and 1994, when the inflation was gradually lowered (from 88 to 15 percent), the Kyrgyz suffered a great deal of hardships. After 1994, production recovered, and the export of goods increased considerably.

Agriculture

Only 7 percent of Kyrgyzstan is arable land, the remaining 93 percent is mountain and steppe, that the Kyrgyz use for grazing fine-fleece sheep, horse breeding, and dairy farming.

In addition to coniferous forests and nut-tree groves, the republic's mountainous terrain is also ideal for the cultivation of cotton, tobacco, various types of oil-bearing plants, vegetables, and fodder crops for sheep and cattle. The lower elevations are more amenable for the cultivation of potatoes, vines, and orchards. Mulberry trees in particular contribute to raising the silk worm and the production of fine silks.



Toktogul hydroelectric station

Like the agriculture of the other republics, between 1929 and 1936, the Soviets collectivized and mechanized Kyrgyzstan's agriculture, resulting in surplus production in all sectors. The surpluses, which were exported to Russia, provided Kyrgyzstan with its needs in industrial and consumer goods. By the 1980's, however, the Soviet Union could no longer subsidize Kyrgyz agriculture. Consequently, the *kolkhoz* and *sovkhos* system that rested at the heart of Kyrgyz agriculture lost its importance and relevance.

Between 1991 and 1996, persuaded by foreign advisors, the Kyrgyz introduced radical changes into the management of their agriculture. The most daring of these was the dismantling of the entire system of *kolkhoz* and *sovkhos* farms. They were replaced by a multi-ownership system in which the private sector plays a vital role. The initial results of this bold move have been disappointing to the Kyrgyz. The long-term effects, however, remain to be seen.

Industry

The industrialization of Kyrgyzstan began in the 1930's with the production of heavy agricultural machinery, electric motors, light manufacturing, and mining. Before that

textiles and leather goods constituted Kyrgyzstan's main industry. During World War Two, Kyrgyzstan benefited from the Soviets' movement of their heavy industry from the European theater to the East. Some of this industry was placed in Kyrgyzstan and later formed the basis of the industrialization of the republic. Soon after, Bishkek, Aksu, and Tokmak received more military-related industrial plants and factories from the European part of the Union. Before long, the republic became a major contributor to engineering, instrument-making, non-ferrous metal manufacturing, and coal-mining. With the increase in expertise, the volume of Kyrgyz industry increased, boosting industrial production manifold.

In the 1980's, the Soviet Union was heavily involved in Afghanistan. Much of the funds that, thus far, had been allotted to the agriculture and industry of the republics was funneled to the war front. Consequently, the republics were no longer receiving the subsidies that helped them manage their industries. Without the vital subsidies from Moscow, Kyrgyz industry began to decline.



Memorial to revolutionary heroes of Kyrgyzstan

It should be noted that at its height, the republic's industry that was centered on mining, processed uranium, antimony, mercury, and molybdenum contributed a great deal to the economy of the Soviet Union. Kyrgyz light industry produced textiles, clothing, and footwear, while the agricultural sector produced cotton, silk, fruits, and vegetables. Automobiles, tractors, electrical equipment, furniture, timber, cement, and prefabricated cement walls were among the major industrial products of the country. It should be noted that goods manufactured in Kyrgyzstan are of poor quality. They are not fit for export. The country is poor, so it cannot invest in technology to bring its industry up to par with the rest of the world or to create trade relations at an international level.

One of the major contributors to Kyrgyz economy is hydroelectric power generated by the Togtogul, Uchqurqan, and Qumqasoi hydroelectric stations on the Naryn River. They produce not only most of the energy needs of the republic, but also much surplus energy for export to neighboring countries.

Kyrgyzstan's next promising economic sector is gold. Currently Kumtor, a Kyrgyzstan-Canadian mining company working near Lake Issyk Kul, mines it. In 2002, Kyrgyzstan registered a \$6 million benefit for its share in Kumtor.

Privatization

On December 20, 1991, Kyrgyzstan became the first among the Commonwealth of Independent States to transfer all its state-owned enterprises to the private sector. The World Bank's Consolidated Structural Adjustment Credit assisted the republic so that by 1992, small-scale enterprises could be privatized. Then, between 1992 and 1994, 97.2 percent of small trade and food processing companies, 86.7 percent of catering, and nearly all service companies were privatized. Finally, in 1994, the core sectors of the economy, i.e., the medium and large enterprises (industry, transport, and construction) were privatized. Thus, by 1997, 926 medium and large companies had entered the private sector. In 2000, 168 more enterprises were privatized.

The privatization that the Kyrgyz welcomed and implemented almost fully, especially in agriculture and light industry, played a substantial role in the country's economic recovery. During 1996-97, privatization and a healthy dose of foreign assistance were the main factors influencing Kyrgyz economic recovery. Those trends did not have a lasting effect, however. The Kyrgyz economy continues to experience great difficulty. Daily, the number of pensioners, unemployed workers, and government workers with salaries in arrears grows. Individuals hold two, sometimes three jobs but still are not able to make ends meet. There are several reasons for this. A major culprit is the budget shortfall, a consequence of inadequate revenue collection. Another contributing factor is a rampant welfare system that creates excessive external debts, and boosts inflation.

The Kyrgyz need to create procedures that address the proper collection and allocation of revenues. Such a step would be particularly important for their membership in the World Trade Organization, where they must integrate their economy into the global economic system. It should also be added that where privatization and allowing the private sector a share of the economy is concerned, the Kyrgyz are way ahead of the other Central Asian republics. Since 1991, they have reduced the state's share in the republic's economy to one fourth.

Through the process of privatization, the state-held enterprises have been divided among small concerns in the public sector. Agriculture, livestock raising, mining, and manufacturing are all privatized. The Kyrgyz economy, however, can in no way be called strong. Profoundly affected by the dismemberment of the *kolkhoz* and *sovkhos* systems of agriculture and the dislocation of the traditional agricultural work force, it cannot adequately respond to the needs of Kyrgyzstan's ever-growing urban population. The flight of the farmers from Jalalabad, Naryn, and Osh to Bishkek acerbates the situation.

Today, led by Central Asia's only head of state that had not been a Soviet government official, Askar Akayev (elected first in 1990 and retained through the present time), the republic has established a democratic government (Constitution in place in 1994; parliament elected in 1995) and a market economy. Early on in his administration, Akayev used to meet with Kyrgyz intellectuals weekly and incorporate their concerns and ideas into the government plans. That democratic process, however, proved to be too open and was subsequently abandoned.



Kyrgyz boy in national costume

Banking

The National Bank of the Kyrgyz Republic (NBKR) is Kyrgyzstan's main bank. There are also 23 commercial banks and 133 bank branches in the country. The United States, with \$23.5 million, is the first among investors in the Kyrgyz economy. Other investors are Turkey (\$12.1), Germany (\$9.5), Holland (\$9.1), Canada (\$6.7), and the United Kingdom (\$6.07). Kyrgyzstan's national currency is the *som* [som]. It was introduced in May 1993.

Exports and Imports

During the Soviet era, the Kyrgyz did not benefit either from their hard work or from the amount of cotton that they produced. Close to 80 percent of their yield was shipped to Moscow. Furthermore, a high percentage of Kyrgyzstan's trade was with Russia and the other Soviet republics. Today, Kyrgyzstan's industries are open to other nations for trade and investment. Since May 1992, for instance, a joint venture agreement has enabled China and Kyrgyzstan to provide each other with direct investment and trade. Kyrgyzstan is also part of a regional common market that includes its immediate neighbors, as well as Iran, Turkey, and Pakistan.

Exports

Kyrgyzstan's main exports include cotton, wool, silk, meat, tobacco, as well as gold, mercury, uranium, hydropower, machinery, and shoes. The country's total exports in 1999 were estimated at \$515 million, \$504.5 million in 2000. Kyrgyzstan's export partners are Germany, Kazakhstan, Russia, Uzbekistan, and China.

Imports

Kyrgyzstan's main imports are petroleum and petroleum products, natural gas, machinery, equipment, and foodstuffs. The country's total imports in 1999 were estimated at \$590 million, \$554.6 million in 2000. Kyrgyzstan's import partners are Russia, Uzbekistan, Kazakhstan, Germany, and China. Although Kyrgyzstan's trade partners have not changed, the share of the CIS countries in Kyrgyz trade has been considerably decreased.

Balance of Payment

In 1999, Kyrgyzstan's external debt was estimated at \$1.1 billion. In 1995, Kyrgyzstan received \$329.4 million in economic aid.

Transportation

Kyrgyzstan has a total of 370 kilometers in common carrier service, 30,300 kilometers (140 kilometers expressways) paved, 22,600 kilometers (some all-weather gravel-surfaced roads) unpaved, and 7,700 kilometers of unpaved road that are difficult to negotiate in wet weather. There are also 371 kilometers of railways, 600 kilometers of waterways, and 200 kilometers of pipelines. In 2001, Kyrgyzstan had 20 airports, only 4 with paved runways.

Communication

The state of Kyrgyzstan's communication system is poor. The names of close to 100,000 unsatisfied applicants are on a waiting list for household telephones. The system uses microwave radio relay and there is only one cellular provider limited to the Bishkek region. Connections with CIS countries are by landline or microwave radio relay. Connections with other countries is via the Moscow international gateway switch (leased) and by satellite; satellite earth stations - 1 Intersputnik and 1 Intelsat, connected internationally by the Trans-Asia-Europe fiber-optic line.

Military

Kyrgyzstan's military consists of an army, air and air defense, security forces, and border troops. The recruitment age for the army is 18. The available manpower for the army is 1,265,019. The number of manpower fit for military service is 1,026,063. Kyrgyzstan's annual military expenditure is \$19.2 million.

Border Issues

In 2000, in order to settle a long-standing dispute, Kyrgyzstan ceded 1,270 sq km of its land to China. The Kyrgyz parliament has recognized the legality of the transfer. The minor delimitation dispute with Kazakhstan, for all intents and purposes, is resolved, but the resolution of the dispute with Tajikistan over the Isfara Valley is delayed. The most

difficult border dispute Kyrgyzstan has to resolve is with Uzbekistan regarding the status of the enclaves.

A potential border issue between Kyrgyzstan and the other republics rests in water rights. Placed high in the mountains, the Kyrgyz have the potential of using more of the water that must flow to the other republics. Given the rapid rise in population in Central Asia, and scarcity of water, the chances for dispute are always there. Neither is water the only issue for potential conflict. Land claims, especially issues that have remained unresolved since independence, are as likely to flare up. The Ethnic Conflict in [Osh](#).

Although Kyrgyzstan cultivates a limited amount of cannabis and opium poppy for sale in the CIS markets, in general it is in favor of the eradication of illicit crops. Kyrgyzstan is also a transit point for Southwest Asian narcotics bound for Russia and the other European markets.

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