



Uzbekistan: Recent Developments and U.S. Interests

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Summary

Uzbekistan is a potential Central Asian regional power by virtue of its relatively large population, energy and other resources, and location in the heart of the region. However, it has failed to make progress in economic and political reforms, and many observers criticize its human rights record. This report discusses U.S. policy and assistance and basic facts and biographical information are provided. Related products include CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*, by Jim Nichol.

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U.S. Relations

According to Assistant Secretary of State Robert Blake, Uzbekistan is “playing a vital role in international efforts to confront violent extremists in Afghanistan. It has provided much-needed electricity to Afghanistan, undertaken infrastructure projects in Afghanistan such as the rail line to Mazar-e-Sharif, and facilitated the transport of non-lethal supplies into Afghanistan via the Northern Distribution Network” (various U.S. military and NATO land, sea, and air supply routes transiting Central Asia). He also states that the Obama Administration has a commitment to annual bilateral consultations with Uzbekistan to elevate dialogue, make contacts regular, and achieve greater cooperation on trade, the human dimension, and energy issues.¹

U.S. relations with Uzbekistan were set back in 2005 after the United States joined others in the international community to criticize an Uzbek government crackdown in the town of Andijon (see below). The criticism contributed to Uzbekistan’s closure of over a dozen U.S.-based or U.S.-supported non-governmental organizations (NGOs), the termination of U.S. basing rights at Karshi-Khanabad (see below), a fall-off in official and diplomatic contacts, and the strengthening of U.S. Congressional restrictions on aid to the Uzbek government (see below). Relations recently have improved, according to the Administration.

Cumulative U.S. assistance budgeted for Uzbekistan in FY1992-FY2008 was \$885.31 million (FREEDOM Support Act and agency budgets). Budgeted assistance was \$8.555 million in FY2009 and an estimated \$12.04 million in FY2010, and the Administration has requested \$12.14 million for FY2011 (FREEDOM Support Act and other Function 150 foreign aid, excluding Defense and Energy Department funds). The main priorities of U.S. assistance requested for FY2011 are planned to be healthcare, civil society development, equipment and training to combat weapons of mass destruction, and agricultural reforms. These areas of assistance are permitted under provisions that otherwise limit U.S. aid to Uzbekistan (see below). U.S. and other donor aid will modernize the healthcare system, improve primary healthcare, and help strengthen infectious disease surveillance systems and services to vulnerable populations. In the civil society area, the United States will provide legal advice to NGOs and independent

Uzbekistan Basic Facts

Area and Population: Land area is 174,486 sq. mi., slightly larger than California. The population is 27.9 million (World Factbook, July 2010 est.). Administrative subdivisions include the Karakalpak Republic.

Ethnicity: 80% are Uzbek, 5.5% Russian, 5% Tajik, 3% Kazakh, 2.5% Karakalpak, 1.5% Tatar, and others (World Factbook, 1996 est.). More than 1.2 million Uzbeks reside in Afghanistan, one million in Tajikistan, and a half-million in Kyrgyzstan.

Gross Domestic Product: \$77.6 billion; per capita GDP is about \$2,800 (World Factbook, 2009 est., purchasing power parity).

Political Leaders: President: Islam Karimov; Prime Minister: Shavkat Mirziyoyev; Speaker of the Legislative Chamber: Dilorom Toshmuhammadova; Speaker of the Senate: Ilgizar Sobirov; Foreign Minister: Vladimir Norov; Defense Minister: Qobul Berdiyev.

Biography: Karimov, born in 1938, worked in Uzbek state planning and finance for much of his early career. In 1989, he became First Secretary of the Uzbek Communist Party. In 1990, the Uzbek Supreme Soviet elected him to the newly created post of President, and he also became a member of the Soviet Communist Party Politburo. In December 1991, he was popularly elected President of Uzbekistan, winning 86% of the vote against opposition Erk Party candidate Mohammed Solikh. In 1995, Karimov orchestrated a popular referendum to extend his presidency until 2000, won re-election, and in 2002 orchestrated another to extend his term until 2007. He was re-elected in December 2007.

¹ U.S. Department of State. *Remarks at the American-Uzbek Business Forum*, July 7, 2010. Voice of America. *Blake Interview Part 1, U.S. Policy toward Uzbekistan*, Central Asia, November 7, 2009.

media, recommendations to the government on the implementation of legal reforms, and training for defense lawyers. Agricultural assistance aims to help agri-businesses to expand domestic and international trade and to better manage water and land resources.²

Since FY2003, Congress has prohibited FREEDOM Support Act assistance to the central government of Uzbekistan unless the Secretary of State determines and reports that Uzbekistan is making substantial progress in meeting commitments to respect human rights, establish a multiparty system, and ensure free and fair elections, freedom of expression, and the independence of the media. Congress received a determination of progress in FY2003. In FY2004 and thereafter, however, some aid to Uzbekistan has been withheld because of lack of progress on democratic reforms. In FY2008, Congress added a provision blocking Uzbek government officials from entering the United States if they are deemed to have been responsible for events in Andijon or to have violated other human rights. In FY2010, Congress permitted expanded International Military Education and Training programs for Uzbekistan, consisting of courses stressing civil-military relations and military justice.

Figure 1. Map of Uzbekistan



Source: CRS

² U.S. Department of State. *Congressional Budget Justification for Foreign Operations, FY201: Annex, Regional Perspectives*, March 2010.

Contributions to Counter-Terrorism

An agreement on the U.S. use of the Khanabad airbase, near the town of Karshi (termed the K2 base) for Operation Enduring Freedom (OEF) in Afghanistan was signed in October 2001, and a joint statement pledged the two sides to consult in the event of a threat to Uzbekistan's security and territorial integrity. In March 2002, the two sides signed a "Strategic Partnership" accord that reiterated this nonspecific security guarantee and Uzbekistan pledged to "intensify democratic transformation." In addition to security assurances and increased military and other aid, U.S. forces in Afghanistan killed many terrorists belonging to the Islamic Movement of Uzbekistan (IMU; dedicated to the forceful establishment of Islamic rule in Uzbekistan). Following U.S. criticism of Uzbek government actions in Andijon, the government demanded at the end of July 2005 that the United States vacate K2 within six months. On November 21, 2005, the United States officially ceased operations at K2. The Uzbek government has permitted Germany to maintain a small airbase at Termez with about 163 troops.³

Among possible signs of improving U.S.-Uzbek relations, in early 2008 Uzbekistan reportedly permitted U.S. military personnel under NATO command, on a case-by-case basis, to transit through an airbase near the town of Termez that it has permitted Germany to operate.⁴ President Karimov attended the NATO Summit in Bucharest, Romania, in early April 2008 and stated that Uzbekistan was ready to discuss the transit of non-lethal goods and equipment by NATO through Uzbekistan to Afghanistan. This issue was part of the agenda during then-Assistant Secretary of State Richard Boucher's May 30-June 3, 2008, visit to Uzbekistan. After the Commander of the U.S. Central Command, Gen. David Petraeus, visited Uzbekistan in January 2009, the country reportedly began facilitating the transit of U.S. non-lethal supplies to Afghanistan. A first rail shipment of U.S. non-lethal supplies departed from Latvia and entered Afghanistan in late March 2009 after transiting Russia, Kazakhstan, and Uzbekistan. President Karimov announced in May 2009 that the United States and NATO had been permitted to use the Navoi airport (located between Samarkand and Bukhara in east-central Uzbekistan) to receive non-lethal supplies, which could then be transported by air, rail, and ground to Afghanistan. In August 2009, Gen. Petraeus visited and signed an accord on boosting military educational exchanges and training. Reportedly, these visits also resulted in permission by Uzbekistan for military overflights carrying weapons to Afghanistan. President Karimov hailed the visit by Gen. Petraeus as a sign that "relations between our states are developing further. In the fact that we are meeting with you again I see a big element of the fact that both sides are interested in boosting and developing relations."⁵

Assistant Secretary of State Robert Blake visited Uzbekistan in November 2009 and stated that his meetings there were "a reflection of the determination of President Obama and Secretary Clinton to strengthen ties between the United States and Uzbekistan." He proposed that the two countries set up high-level annual consultations to "build our partnership across a wide range of areas. These include trade and development, border security, cooperation on narcotics, the development of civil society, and individual rights."⁶ The first Bilateral Consultation meeting

³ International Institute of Strategic Studies. *The Military Balance*, February 1, 2009.

⁴ "U.S. Military Returns to Ex-Soviet Uzbekistan," *Agence France Presse*, March 6, 2008; "Only Germany Can Use Uzbek Bases Now," *United Press International*, December 13, 2005.

⁵ Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), August 18, 2009, Doc. No CEP950264; July 14, 2009, Doc. No. CEP-950075.

⁶ U.S. Embassy in Tashkent, Uzbekistan. *Press Conference of Assistant Secretary for South and Central Asian Affairs* (continued...)

took place in late December 2009 with a U.S. visit by an Uzbek delegation led by Foreign Minister Vladimir Norov. The two sides drew up a plan for cooperation for 2010 that involved diplomatic visits, increased military-to-military contacts, and investment and trade overtures. Many of these outreach activities have taken place in recent months, including a July 2010 American-Uzbek Business Forum.⁷

Foreign Policy and Defense

Home to more than half of the population of Central Asia, Uzbekistan seeks to play a leading role in regional affairs. From the late 1990s until mid-2005, Karimov's priority was to seek closer ties with the United States, the European Union, and NATO while maintaining working relations with Russia and China. However, after the mid-2005 events in Andijon (see below), he shifted to closer ties with the latter two states. In 2001, Uzbekistan joined the SCO and in 2003 insisted on hosting its Regional Anti-Terrorism Center. Uzbekistan has ongoing tensions with other Central Asian states over its mining of borders, water-sharing, border delineation, and other issues. In July 2008, the head of the Tajik Supreme Court asserted that Uzbek security forces had bombed the Supreme Court building the previous summer as part of efforts to topple the government. In 2002, the Turkmen government accused Uzbek officials of conspiring to overthrow it. The Kyrgyz premier rejected claims by Karimov in 2005 that Kyrgyzstan had provided training facilities and other support for the Andijon militants. Karimov again accused Kyrgyzstan in late May 2009 of harboring terrorists that had attacked across the border.

After the April 2010 coup in Kyrgyzstan, Uzbekistan tightened border controls with this country, greatly harming its economy. Conflict between ethnic Uzbeks and ethnic Kyrgyz in southern Kyrgyzstan in June 2010 further strained relations between the two countries. Up to 100,000 ethnic Uzbeks fled fighting in southern Kyrgyzstan to refugee camps in Uzbekistan. Although critical of the Kyrgyz government, Uzbekistan did not intervene militarily or permit its citizens to enter Kyrgyzstan to join in the fighting. According to Assistant Secretary of State Eric Schwartz, "the Government of Uzbekistan acted quickly and constructively in response to the humanitarian crisis, [and] cooperated closely with U.N. agencies, the International Committee of the Red Cross and non-governmental organizations. These efforts helped many people in a time of dire need."⁸

Uzbekistan began to restrict railway and road transport to and from Tajikistan in February 2010, perhaps to pressure Tajikistan not to build a dam that might limit water flows to Uzbekistan. Reportedly, thousands of railcars and trucks have faced delays, including those carrying construction materials bound for Afghanistan to support the International Security Assistance Force (ISAF), materials from Iran for completing a hydro-electric power plant on the Vakhsh River (the Sangtuda-2 project), fuel and seeds for Tajik farmers, flour, and materials for road construction in Tajikistan. Uzbekistan also has boosted tariffs twice this year on trucks crossing into Tajikistan. Uzbekistan has rejected Tajik assertions that shipping delays are political and has claimed that they are caused by increased ISAF rail traffic to Afghanistan, a backup of railcars

(...continued)

Robert Blake, October 14, 2009.

⁷ *CEDR*, January 29, 2010, Doc. No. CEP-4019.

⁸ U.S. Department of State. *Opening Statement of Assistant Secretary Schwartz*, June 29, 2010. See also "Tashkent's Response to Kyrgyz Crisis Boosts Karimov's Image," *Eurasianet*, July 15, 2010.

headed to Turkmenistan, and track repairs. There also are reported delays in rail traffic at Uzbekistan's border with Afghanistan that have impacted ISAF logistics.⁹

The Uzbek military is the most advanced among those of the Central Asian states. The armed forces consist of about 50,000 ground force troops and 17,000 air force troops. There are also up to 19,000 internal security (police) troops and 1,000 national guard troops.¹⁰ Uzbekistan's military doctrine proclaims that it makes no territorial claims on other states and adheres to nuclear non-proliferation. Military cooperation between Russia and Uzbekistan is ensured through a 1992 Friendship Treaty, a 1994 military treaty, a 1999 accord on combating terrorism and Islamic extremism, and a November 2005 Treaty of Alliance. The latter accord calls for mutual consultations in case of a security threat to either party. After withdrawing in 1999, Uzbekistan rejoined the Collective Security Treaty Organization in December 2006 (CSTO; members now include Russia, Belarus, Armenia, and the Central Asian states except Turkmenistan). Uzbekistan has appeared wary of Russian intentions regarding the CSTO, including by insisting that it will not participate in rapid reaction forces established in June 2009 unless they pledge to not become involved in disputes within the Commonwealth of Independent States. Following a Kyrgyzstan-Russia agreement in early August 2009 to enhance Russia's military presence in Kyrgyzstan—which was widely expected to include the creation of an airbase near the Kyrgyz-Uzbek border—the Uzbek Foreign Ministry protested that “the implementation of such projects ... where the borders of three Central Asian republics directly converge may give impetus to the strengthening of militarization processes and initiate all kinds of nationalistic confrontations,” as well as serve as a lightning rod for militant attacks.¹¹

On February 16, 1999, six bomb blasts in Tashkent's governmental area by various reports killed 16-28 and wounded 100-351. Karimov termed the bombing an assassination attempt. He alleged that exiled Erk Party leader Mohammad Solikh led the plot, assisted by Afghanistan's Taliban and IMU co-leader Tahir Yuldashev. Solikh denied any role in the bombings. In November 2000, Yuldashev and Namanganiy received death sentences and Solikh 15.5 years in prison. Another defendant, Najmiddin Jalolov (see below), received 18 years (all *in absentia*). Other security threats included the invasion of neighboring Kyrgyzstan in July-August 1999 by several hundred IMU and other guerrillas. They were rumored to be aiming to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan. By mid-October 1999, they had been forced out of Kyrgyzstan with Uzbek aid. In August 2000, dozens of IMU and other guerrillas again invaded Kyrgyzstan and Uzbekistan, but were expelled by late October. In September 2000, the State Department designated the IMU as a Foreign Terrorist Organization, and stressed that the “United States supports the right of Uzbekistan to defend [itself against] the violent actions of the IMU.”

A series of bombings and armed attacks took place in Uzbekistan in late March-early April 2004, reportedly killing 47 individuals. President Karimov asserted that the attacks were aimed to “cause panic among our people, [and] to make them lose their trust” in the government. The then-Combined Forces Commander for Afghanistan, Lt. Gen. David Barno, visited Uzbekistan in April

⁹ Konstantin Parshin, “Tajikistan: Repercussions of Tajik-Uzbek Feud May Be Felt All the Way to Afghanistan,” *Eurasianet*, April 1, 2010; Deirdre Tynan, “Afghan Resupply Route Entangled in Central Asian ‘Cold War,’” *Eurasianet*, June 15, 2010; Konrad Mathesius, “Boxcar Diplomacy Puts Tajik Businesses at Tashkent's Mercy,” *Eurasianet*, August 6, 2010.

¹⁰ International Institute of Strategic Studies. *The Military Balance*, February 3, 2010.

¹¹ *CEDR*, August 3, 2009, Doc. No. CEP-950224.

2004 and stressed that “we stand with Uzbekistan in facing down this terrorist menace.” The obscure Islamic Jihad Union of Uzbekistan (IJU; reportedly a breakaway faction of the IMU) claimed responsibility. Suspected terrorists testified at a trial in mid-2004 that Jalolov was the leader of IJU, that they were trained by Arabs and others at camps in Kazakhstan and Pakistan, and that the IJU was linked to Hizb ut-Tahrir, the Taliban, Uighur extremists, and Al Qaeda. During this trial, explosions occurred on July 30, 2004, at the U.S. and Israeli embassies and the Uzbek Prosecutor-General’s Office in Tashkent. The IMU and IJU claimed responsibility.

In May 2005, the State Department designated the IJG/IJU as a Foreign Terrorist Organization and Specially Designated Global Terrorist, and in June, the U.N. Security Council added the IJG/IJU to its terrorism list.¹² In June 2008, Jalolov and his associate Suhayl Fatilloevich Buranov were added to the U.N. 1267 Sanctions Committee’s Consolidated List of individuals and entities associated with bin Laden, al Qaeda, and the Taliban. Also, the U.S. Treasury Department ordered that any of their assets under U.S. jurisdiction be frozen and prohibited U.S. citizens from financial dealings with the terrorists.¹³

On May 12, 2005, an armed group stormed a prison in Andijon where those on trial were held and released hundreds of inmates. There is a great deal of controversy about whether this group contained foreign-trained terrorists or was composed mainly of the friends and families of 23 businessmen who were on trial on charges of belonging to an Islamic terrorist group. Many freed inmates then joined others in storming government buildings the next day. Karimov fled to the city to direct operations and reportedly had restored order by late on May 13. According to testimony at the first major trial in late 2005 of alleged Andijon terrorists, the governments of the United States and Kyrgyzstan had helped finance and support the terrorists’ attempt to establish an Islamic caliphate, and international media, local human rights groups, and NGOs had conspired in this attempt. The U.S. and Kyrgyz governments and several media organizations denied such involvement. The United States and others have called for an international investigation, which Karimov has rejected.

On May 25-26, 2009, a police checkpoint was attacked on the Kyrgyz-Uzbek border, attacks took place in the border town of Khanabad, and four bombings occurred in Andijon in the commercial district, including at least one by suicide bombers. Several deaths and injuries were alleged, although reporting was suppressed. Uzbek officials blamed the IMU, although the IJU allegedly claimed responsibility. President Karimov fled to Andijon on May 31. In late August 2009, shooting took place in Tashkent that resulted in the deaths of three alleged IMU members and the apprehension of other group members. The Uzbek government alleged that the group had been involved in the 1999 explosions and in recent assassinations in Tashkent.

¹² U.S. Department of State. Press Statement: U.S. Department of State Designates the Islamic Jihad Group Under Executive Order 13224, May 26, 2005; U.N. Security Council. The Al-Qaida and Taliban Sanctions Committee. Press Release: Security Council Committee Adds One Entity to Al-Qaida Section of Consolidated List, SC/8405, June 3, 2005.

¹³ U.S. Department of the Treasury. Press Release: Treasury Designates Leadership of the IJU Terrorist Group, June 18, 2008.

Political and Economic Developments

In January 2002, Karimov orchestrated a referendum on a new constitution that created a bicameral legislature. A constitutional provision extended the presidential term to seven years. The legislature (termed the Oliy Majlis or Supreme Assembly) consists of a 120-member, directly-elected lower chamber, the Legislative Chamber, and a 100-member upper chamber, the Senate. The Senate is composed of 16 members appointed by the president, with the rest selected by local legislatures. The Legislative Chamber has formal responsibility for drafting laws. Constitutional amendments approved in April 2003 established that—after the presidential election at the end of 2007—the prime minister would exercise greater power. In January 2005, Karimov explained that he aimed to create three powerful branches of government, to correct a situation where “everything now depends on me.”

Only government-controlled parties operate legally: the Popular Democratic Party (PDP), formerly the communist party headed by Karimov; the Adolat (Justice) Social Democratic Party; the Liberal-Democratic Party (LDP), consisting of government-connected businessmen; and the Milliy Tiklanish (National Revival) Party, consisting of state-supported intellectuals. Opposition parties such as Birdamlik, Birlik, Erk, Free Farmers, and the Sunshine Coalition are illegal. The former Fidokorlar (Self-Sacrifice) National Democracy Party, created by Karimov as a youth party, merged with the National Revival Party in June 2008, and the enlarged party joined the “Democratic Bloc” of Legislative Chamber factions (including Adolat and the Liberal Democratic Party) in August 2008. A constitutional law on parties and democratization came into effect in 2008 that permits “opposition” party deputies in the Legislative Chamber to offer alternative bills and take part in debates. The law also calls for the president to “consult” with Legislative Chamber factions before nominating a candidate for prime minister.

In December 2008, President Karimov signed legislation that eliminated the nomination of candidates for legislative and presidential elections by independent initiative groups, leaving only parties as eligible to nominate candidates.¹⁴ The law also expanded the size of the Legislative Chamber from 120 to 150. Fifteen of the members of the Chamber are to be elected by delegates to a conference of the Environmental Movement of Uzbekistan (EMU), an NGO. Founded in August 2008, the EMU proclaims that it is not like green parties in other countries, so that it can focus on environmental issues rather than grasping for political power.

The Uzbek CEC in mid-November 2007 approved four candidates to run in the prospective December 23, 2007, presidential election. Incumbent President Karimov was nominated by the LDP. The party which Karimov once headed, the PDP, nominated its current head, Asliddin Rustamov. The Adolat Social Democratic Party nominated its head, Dilorom Toshmuhammadova. A citizen’s initiative committee nominated Akmal Saidov. The CEC disqualified the candidates nominated by the Milliy Taklanish and Fidokorlar parties at their conventions (the latter party had sponsored Karimov during his 2000 election), saying they had not gathered enough signatures. Although the Uzbek constitution bars a president from more than

¹⁴ The chairman of the Legislative Chamber’s Committee on Legislation, Nurdinjon Ismoilov hailed the elimination of this nomination process as “primarily aimed at preventing various troublemakers from getting into parliament, including members of organized crime groups, and their acquiring deputy immunity. This measure also prevents a parliament post from being used to pursue clannishness and promote parochial and corporate interests.” *National Word*, 6 December, 2008, quoted in Sukhrobjon Ismoilov and Sanzhar Saidov, “On the Results of the Parliamentary Elections in Uzbekistan,” *Central Asia and the Caucasus*, Vol. 11, Issue 1, 2010.

two terms, the CEC argued that since the most recent constitution was approved in 1992, Karimov's "first term" following his election in January 2000, and that he was eligible to run for a "second term" in December 2007.

According to the report of a small election observation mission sponsored by the OSCE's Office of Democratic Institutions and Human Rights (ODIHR), the Uzbek CEC and local electoral commissions controlled public appearances and spending by the candidates. There were no campaign debates and media coverage was minimal, according to ODIHR. Each presidential candidate used similar language to laud economic development and democratization under the incumbent president. State-owned media urged the electorate to vote for Karimov. According to the CEC, Karimov received 88% of 14.8 million votes with a 90.6% Turnout. Each of the remaining three candidates received about 3% of the vote. The ODIHR election mission issued a press statement assessing the election as "generally fail[ing] to meet many OSCE commitments for democratic elections." Besides the problems noted above, others included lax rules regarding early voting, frequent voting by one member of a household for all members, and an observed low turnout. In his inaugural address in January 2008, Karimov thanked the citizenry "who gave me a massive vote of confidence by freely expressing their will [in an] election which was held in full compliance with ... universally recognized democratic standards."¹⁵

Elections to the Legislative Chamber were held on December 27, 2009. Over 500 candidates from the four approved parties ran for 135 seats, and an additional 15 seats were filled by voting at a conference of the Environmental Movement. Turnout reportedly was almost 88% of 17.2 million registered voters. The Central Electoral Commission reported that in 39 districts no candidate had received over 50% of the vote, so that run-offs would be held on January 10, 2010. Following these run-offs, the Liberal Democratic Party had won 53 seats, the People's Democratic Party had won 32 seats, the Milliy Tiklanish Democratic Party had won 31 seats, and the Adolat Social Democratic Party had won 19 seats. The OSCE declined to send observers, stating that the electoral environment did not permit a free and fair contest. Some U.S. embassy personnel observed some of the voting, and the embassy stated afterward that the election campaign failed to reflect diverse viewpoints, since candidates from only pro-Karimov parties were permitted to run.¹⁶ Indirect elections to the Senate were held on January 20-22, 2010. The president's sixteen appointees to the Senate included deputy prime ministers, the chairman of the Supreme Court, and the foreign minister, making the Senate an amalgam of the three branches of government.

Perhaps to create the appearance of diversity, the Liberal Democratic Party, the Milliy Tiklanish Democratic Party, and the Adolat Social Democratic Party have declared that they form a "majority democratic bloc" in the Legislative Chamber. The People's Democratic Party has declared that it is the "minority opposition" party. Opening a joint session of the newly elected legislature in late January 2010, President Karimov called for studying the activities of the U.S. Congress in order to boost the role of budgeting and oversight in the Uzbek legislature.¹⁷

¹⁵ CEDR, January 16, 2008, Doc. No. CEP-950404.

¹⁶ OSCE, ODIHR. *Republic of Uzbekistan Parliamentary Elections 27 December 2009: OSCE/ODIHR Needs Assessment Mission Report*, October 21-22, 2009; Deirdre Tynan, "Uzbekistan: Tashkent Holds Parliamentary Elections," *Eurasia Insight*, December 28, 2009. Uzbek analysts Sukhrobjon Ismoilov and Sanzhar Saidov claim that turnout was actually around 50% or less and that candidates were pre-designated to win seats. They argue that even though "the political parties of Uzbekistan are incapable of rallying people around them and governing the state," the parties are gaining experience and eventually may be permitted to freely and effectively aggregate interests. "On the Results of the Parliamentary Elections in Uzbekistan," *Central Asia and the Caucasus*, Vol. 11, Issue 1, 2010.

¹⁷ Open Source Center. *Central Eurasia: Daily Report*, January 28, 2010, Doc. No. CEP-950069.

According to the State Department's *Country Reports on Human Rights Practices for 2009*, the Uzbek government continued to commit serious human rights abuses. Human rights problems included arbitrary arrest and detention; denial of due process and fair trial; restrictions on freedom of speech, press, assembly, and association; governmental control of civil society activity; and forced labor in cotton harvesting. Torture and abuse were common in prisons and detention facilities. There were allegations that some persons had died from torture while detained or imprisoned. A positive development was the introduction of some human rights training by the Ministry of the Interior for its police officers. The government suppressed political opposition. Observers estimated that there were 13 to 25 political prisoners. A few political prisoners were released during the year, but other individuals were imprisoned on what appeared to be politically motivated charges. Police and security forces regularly threatened and intimidated human rights activists to prevent their activities and dissuade them from meeting with foreigners. The government generally did not respect freedom of speech and the press. Slander against the president is a crime punishable by as long as five years in prison. The government tightly controlled broadcast and print media. The Uzbek Agency for Press and Information monitored all media content. The government continued to refuse Radio Free Europe/Radio Liberty, Voice of America, and BBC World Service permission to broadcast from within the country. The government occasionally censored university lectures. University students reportedly were required to study the utterances of the president.¹⁸

Visiting Uzbekistan in June 2010, Assistant Secretary of State Michael Posner stated that “there are a number of [human rights] fields that the government here has made progress in, such as last autumn’s decision to allow the Red Cross to visit prisons, its submission to the UN of a human rights report under Universal Periodic Review, and President Karimov’s encouragement of strengthening the parliament here and parliamentary exchanges with the U.S. Congress. We also discussed a wide range of issues and specific cases where we continue to have differences. Those discussions were respectful, frank and detailed, and I think it’s an indication of the growing confidence of the relationship that we were able to have these discussions.”¹⁹

In November 2006, the State Department designated Uzbekistan a “country of particular concern” (CPC), for severe religious and other human rights violations that could lead to U.S. sanctions. In its most recent report in May 2010, the U.S. Commission on International Religious Freedom reported that Uzbekistan had made scant efforts to address religious freedom abuses and should retain its CPC designation.²⁰

In June 2010, the State Department reported that although Uzbekistan was making significant efforts to meet minimum standards for the elimination of human trafficking, it did not work to eliminate the use of forced child and forced adult labor in the annual cotton harvest, so would remain on the “Tier 2 Watch List.”²¹

In 2009, the U.S. Department of Labor listed all the Central Asian states as countries that use child labor to pick cotton. This list was meant to inform the choices made by the buying public. In

¹⁸ U.S. Department of State. *Country Reports on Human Rights Practices for 2009*, March 11, 2010.

¹⁹ U.S. Embassy in Tashkent, Uzbekistan. *Press Conference with Assistant Secretary of State for Democracy, Human Rights, and Labor Michael Posner*, June 18, 2010.

²⁰ U.S. Commission on International Religious Freedom. *Annual Report*, May 1, 2009 and *Annual Report*, May 1, 2010. USCIRF first urged that Uzbekistan be designated a CPC in its 2005 *Annual Report*.

²¹ U.S. Department of State. *Trafficking in Persons Report*, June 14, 2010.

addition, on July 20, 2010, cotton from Tajikistan and Uzbekistan was added to a list that requires U.S. government contractors to certify that they have made a good faith effort to determine whether forced or indentured child labor was used to produce the cotton.²²

After economic dislocations associated with the breakup of the Soviet Union, the Uzbek economy ceased to decline and began to turn around in 1996. In 2003, Uzbekistan announced that it would permit full currency convertibility, but vitiated the reform by reducing money in circulation, closing borders, and placing punitive tariffs on imports. These restrictions helped fuel organized crime, corruption, and consumer shortages. Uzbekistan is the world's fifth-largest cotton producer and second-largest exporter. About one-fourth of the country's economic activity is based on agriculture (which employs 44% of the workforce). The largest portion of foreign currency earnings are based on cotton exports, followed by exports of gold and natural gas. The government closely controls export earning sectors. One quarter or more of the population remains below the poverty level, and a large portion of the working age population has migrated abroad for work. Some commercial firms have boycotted purchases of Uzbek cotton and finished goods on the grounds that forced child labor is used to pick the cotton.

In response to the global economic downturn in 2008, the Uzbek government launched an anti-crisis program to increase budgetary expenditures on infrastructure modernization, extend credit to export industries, restructure bank debts, boost investment in small-sized businesses, and augment public-sector wages and social welfare. Transfers from the Fund for Reconstruction and Development, a pool of export and portfolio earnings launched in 2006, are being used for some of these expenditures, although foreign investment also is anticipated. President Karimov reported that the Fund held \$3.7 billion at the end of 2009.

Although the Uzbek government estimates that GDP growth will be around 8.5% in 2010, the Economist Intelligence Unit (EIU) suggests that growth may be somewhat less because of a falloff in gas and oil production and lower global prices for gas exports. Also, remittances from migrant workers are likely to remain lower than before the global financial crisis. On the other hand, Uzbekistan may gain from a boost in global cotton prices, and lowered rates on profit and personal income taxes in 2009-2010 may help sustain economic growth. The EIU also suggests that inflation may be greater than the 14-15% projected in 2010 by the Uzbek government, because of increases in wages and social welfare benefits. The government will continue to attempt to limit inflation, however, through price controls on food and energy. Although the government's budget may be strained by increases in wages, benefits, security expenditures, and infrastructure development, the shortfall may be met by drawing on the Fund for Reconstruction and Development.²³ An IMF mission to Uzbekistan in June 2010 praised the country's policies of tax reduction, increased bank capitalization, and caution in international borrowing, which the mission credited with helping Uzbekistan maintain positive GDP growth in 2009. To sustain GDP growth in 2010, the IMF called for maintaining interest rate controls, easing constraints on currency exchange; further reforming tax administration and the banking system, and "significantly" improving the accuracy of officially-reported economic data.²⁴

²² U.S. Department of Labor. Bureau of International Labor Affairs. Office of Child Labor, Forced Labor, and Human Trafficking. *The Department of Labor's List of Goods Produced by Child Labor or Forced Labor*, September 3, 2009; Executive Order 13126, *Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labor*, at <http://www.dol.gov/ILAB/regs/eo13126/main.htm>.

²³ Economist Intelligence Unit. *Uzbekistan: Country Report*, June 2010.

²⁴ International Monetary Fund. *Joint Statement by the Government and the Central Bank of the Republic of Uzbekistan* (continued...)

Russia is the largest importer of Uzbek gas, about 540.3 billion cubic feet in 2009. An agreement was signed with China in June 2010 to purchase up to 353 billion cubic feet of gas when Uzbekistan's domestic gas pipeline system is connected to a new section of the Central Asia-China gas pipeline. Uzbekistan periodically reduces amounts of gas it exports to Tajikistan to pressure the country to pay arrearages. Uzbekistan supplies some petroleum products and electricity to Afghanistan.

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and the International Monetary Fund, Press Release No. 10/272, June 30, 2010.