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**FIFTEEN YEARS
THAT CHANGED CENTRAL ASIA
(1991 – 2006)**

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PREFACE

Fifteen years of independent development of Central Asian states were a period both of formation and evolution of transformation strategies elaborated and offered by the outside players as well as by the local elites. Although the transformation processes are far from being completed, the problem of finding the best possible arrangement for its implementation and scientific substantiation of approaches are still on the agenda.

When analyzing the results of transformation in Central Asian countries, its pace and prospects it is necessary to provide answers to several fundamental questions. What are the assets and liabilities of transformation in Central Asia? What have they achieved in doing and what way are the states of Central Asia yet to cover? How do particular countries differ in their transformation rates? Which one stands a better chance to cover this path with least losses? Whether or not it is possible to match the liberal model with the local specificity? Can there be any sort of convergence between various approaches in the context of substantial cultural difference?

One can argue now that the transit period, which many scholars understand as, first and foremost, a total break-away from the Soviet model, is over. This does not imply, however, that transformation as a transition to market economy and democracy is nearing completion. It is evident that the local socium has its own specificity and that modernization of traditional societies is happening slowly while the pursuance of reforms in the situation of a very special stratification of society and the system of designated loyalties can, sometimes, yield unexpected results. On the one hand, transformations that seem democratic at first glance are merely turning into one more change of the ruling elites. On the other hand, there is no denying the fact that authoritarianism that is subject to sustained and justified criticism can carry out a mobilization of people and of resources in the absence of other mechanisms, conduct reforms from the top and in this way play its positive part at a definite historical stage.

The authors of this book¹ had no intention to provide an answer to the emerging questions. Obviously, it is necessary to go ahead with the study of the general and specific aspects of transformation as well as of its manifestations in different countries of the region. Judging by everything, it is important to draw attention to these problems, to try and contribute to the discussion that is conducted within the scientific community and by the public, and draw the interest of politicians who are all the time facing applied tasks that may fail to fit even the most unquestionable and non-controversial theories.

* Пятнадцать лет, которые изменили Центральную Азию (1991 – 2006). Международная общественная организация Центр стратегических и политических исследований. Издание подготовлено при поддержке и участии Фонда Розы Люксембург. Руководители проекта: Эрхард Кроме, В.В.Наумкин. Ответственный редактор А.Б.Каримова. М., 2006, 270 стр.

This book, as we hope, will be just the first work within a series of collective writings devoted to the problems of transformation. If it can interest the readers in Central Asia, in Russia and in the West, we shall assume we had fulfilled our task.

While preparing the publication we were not after becoming single-minded on every question, so we tried our best to treat the authors' positions with care.

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Transformation is Changing Central Asia

The main outcome of the fifteen-year-long period of transformation consists in the fact that the republics of Central Asia and Kazakhstan have turned into independent national states. It is for the first time in modern history that the peoples of Central Asia have achieved a point in their histories that opened before them the prospects of national self-determination and consolidation as well as the field for international cooperation.

1. Specificity of Transformations: Uneven Development and Regional Differentiation

A specifically important feature of transformation in Central Asia is the time coincidence of several complex processes: national consolidation and the formation of economic and political systems in these countries. Their mutual influence has determined the quality and content of transformation: making progress or lagging behind at least in one of these fields of activity equally affects the entire reforms' process. Another distinctive feature of the current changes is that during the past fifteen years these Central Asian countries covered a similar path. At the same time the local elites developed their own strategy and tactics of transformation under the influence of political culture, traditional links and loyalty hierarchies. This circumstance is instrumental in understanding the cause of the development process's irregularity whose observable shades are ranging from if at all tangible transformations in Turkmenistan to quite intensive and profound ones in Kazakhstan.

During the past fifteen years the parallel process of differentiation was also gaining ground in the region. For instance, Kazakhstan was quite fast in achieving its status of a market economy state and is now on its way toward becoming a regional power. Turkmenistan which is no worse in its hydrocarbons resources disposed of its wealth in a different way. On the other pole of the region's political and economic map are Kyrgyzstan and Tajikistan – the poorest states in Central Asia. Uzbekistan occupies an intermediate place.

Finally, specificity in the region is also due to the existence of a zone with a conflict-prone potential. This is the Ferghana Valley that joins together the frontiers of the three above-mentioned republics, thus binding them together in a single geopolitical group.

2. The Results of Transformation of Economic and Political Systems

In spite of the fact that the states of Central Asia have shown considerable disparity in the results of economic transformations one can say with certainty that they have carried out radical economic reforms, laid the groundwork for a market economy, implemented a large-scale privatization, and the private sector is now working. The

national currencies are indeed convertible in the majority of these countries. In Kazakhstan private property has become the main factor of economic development. Vast liberalization in the economy and in property relations as well as the rejection of state domination ensure the implementation of reforms in Kazakhstan. This strategy brought about a full liberalization of foreign trade and the creation of a banking system that proved to be the most stable and reliable in the entire post-Soviet territory. On the whole, the quality of transformations performed allows a conclusion that there will be no return to the planned economy. The nature of political transformation allows a forecast that it is impossible to restore the Soviet managerial and ideological system. The peoples of Central Asia shall never abandon their independent development.

All states adopted democratic constitutions and established main democratic institutions: the parliament, the judiciary power, the multi-party system, and non-governmental organizations. However, the emergent political regimes came about as authoritarian ones, sometimes even with “elements of enlightened authoritarianism” as, for example, is the case in Kazakhstan. The weakest sides of changes that are now underway are revealing themselves in the assessments that rely on criteria of representative democracy. Central Asian countries have not yet overcome the non-observance of the division of authority, there is no system of checks and balances that imposes restrictions on state power, there are facts of human rights and civil liberties violation, one can feel control on media, authority transfer mechanism has not been provided, and the newly-established party systems are still too weak.

The formation of the party systems was in many ways affected by the situation when societies in Central Asian countries proved unprepared to adopt the Western model of representative democracy. Therefore, the parties that were formed in these countries are in most cases the leader’s parties. Party identification of citizens is not yet keeping in with the emergent social stratification of the population. In spite of the fact that the democratic parties prevail in the party systems, their activities are oriented at the urban population. They fail to cover the entire spectrum of interests and, as a consequence, do not involve all social strata and ideological trends. Actually the very same drawbacks are typical of trade unions, right-wing, left-wing and nationalist movements as well as non-governmental organizations. Within the recent period political parties were unable to become full-fledged subjects of the parliamentary process or participants in the fundamental political decision-making. However, the level of education and political experience gained in those countries testify to the effect that the advantages of democratic institutions and of democracy are understood and accepted here. The dilemma is the difficulty in getting rid of the family-clan relations. This (desirable) emancipation demanded the strengthening of civil society. But its development as a counter-balance to power means tearing an individual away from his commitment to the structures in the social “pyramid” which, at the same time, are a “rescue net” for him when hit with misfortunes. At the same time, it is difficult to expect that the family-clan traditions may be jettisoned in a situation when the customary and century-old system is ruined after so many years of safeguarding social well-being of the majority of the population. In other words, during a phase of history

that requires and active involvement of society in the process of laying down the democratic foundation, Western strategy of economic transformation is virtually forcing the population as well as the emergent civil society into the closed system of family-clan relations. Therefore, the assessment of the transformation's objective results raises a number of questions:

- If democracy based on a Western model (for the time being?) does not correspond to the socio-political specificity and political culture of the majority of the population, then what should be the outlook of democracy "based on the Eastern (Central Asian) model"?
- What should a modern civilized state be like?
- By what criteria should one judge the essence, the character and the instruments of democracy?
- Should one recognize as well grounded the transition forms and methods of managing complex priorities of transformation?
- What are the criteria behind a "strong state" and where are the boundaries within which state power can act?
- What is it allowed to do and where is the limit beyond which there begins an impermissible anti-democratic high-handed rule?

3. The States of Central Asia Did Not Join the Ranks of "Failure" States

Unlike the Caucasus republics of the former Soviet Union, the countries of Central Asia demonstrated a high degree of stability. One exception is Tajikistan where the beginning of transformation took the form of a civil war. At the same time, transformations in this region have been uneven but they did not confirm premature, if not polar, conclusions that these countries would set an example of instability and will soon join the Islamic community or, on the contrary, will equip themselves with liberal models and dynamically embark upon the road of democratization following a European or a Turkish pattern. Special mention should also be made of the fact that Central Asian republics did not undergo disintegration under the influence of separatist ethnic movements. Although present relative internal stability was a product of authoritarian governance forms and methods, one should praise it because "a failure state" has been defined in Western politics as one of the main sources of international destabilization and terrorism.

At the same time one should not turn a blind eye at the fact that *non*-democratic and *anti*-democratic forms of governance ultimately result in social upheavals and the manifestations of a radical political feeling. This becomes particularly dangerous in the situation of transformation whose ambiguity has a politicizing effect on social consciousness. As is shown in the analysis of contemporary governance systems in Central Asia, the difference between non-democratic and anti-democratic governance methods opens up sufficiently broad vistas for political maneuvering. Its negative antipode is the spontaneous course of transformation's development as was the case in Tajikistan in the first half of the 1990s. Collisions between local political elites and

groups in the process of property and political power redistribution in that country first resulted in a complete anarchy within society and then quite soon they grew into a civil war. For this reason the situation in Tajikistan taught all countries in Central Asia a most serious lesson and served as the most conclusive evidence of the need to strengthen security as the chief condition for society's normal functioning and for the consolidation of the newly-formed states.

4. Socio-Political Orientation

It seems that the issue of socio-political orientation will keep open for some time. For the time being it is not fully clear which type of democracy will prevail within the region – the “Western” or the “Eastern” one because they differ in their socio-political specificity. We neither have a final solution to the issue of the state's character: whether or not it will continue as secular or become Muslim in certain countries. The ruling elites in the present situation are using traditional and patriotic slogans and rely on pragmatic doctrines of “national resurgence”, “the consolidation of national self-awareness”. This socio-political ambiguity is bringing three cultural forces into a collision course: 1) secularism of the secular elite and the regimes it has created; 2) criteria of the Western social model; 3) radical Islamists. The latter have two large strategic reserves: further deterioration of the socio-economic position of the masses at large and the pressure of the West that is threatening to impose an alien value system on Central Asian countries right after they got rid of the Soviet ideology.

Already now political practice illustrates that the prevalent conceptual difference between the West and the regional elites involves something more than just timeserving factors connected with the political line pursued by a particular state leader. Some of them come into being in the process of setting the objectives in the implementation of national consolidation and transformation. Other factors have emerged because there were various conceptual solutions to these problems. Just like in the neighboring Islamic regions, several generations of Central Asian elites – secular or Islamic – will continue as focused on the maintenance or acquisition of power, uphold national and state independence and civilizational and cultural identity.

5. State Power and Economic Power

Unlike advanced political and economic systems wherein state power is separated from the sphere of private business and has acquired a more or less “neutral” character, the empowered elite within Central Asian states that are undergoing transformation is still ruling by means of both levers of power. This is especially typical of the section of the elite that was the product of an early stage of transformation and has continued in power.

Within the initial stage of economic transformation international financial institutions and, first and foremost, the IMF and the World Bank, insisted on a fast privatization of state property (“a revolutionary establishment of the business class” according to

Offe). While regarding the divestment of national property as the first priority they have replaced privatization “from the bottom”, in which work collectives held shares, with the sale of enterprises following a “competitive process” (privatization from the top”). The fact that the formation of the state apparatus coincided with economic transformations brought about a situation when the government (the old and the new personnel) was able to distribute property in its favor and to the benefit of its immediate entourage. This is the way in which new financial and political clans were formed and got hold of unprecedented economic resources. The clan system became the winner in the undeclared competition over the distribution of government property. Secondly, there came about a peculiar system of “family-clan-bureaucratic capitalism”. There appeared clan oligarchs and with them – an oligarchy. Thirdly, since the clans – by their nature – are the opponents of representative democracy, the dominant form of private property (oligarchy property in this particular case) began to create a political system that was adequate of its nature. The closed (reactionary) character of the clan-sustained economic basis is matched by the “closed” character of the authoritarian political system. Thus, results achieved in the course of economic transformation came into contradiction with the aims of a democratic political system. Fourth, a symbiosis between power and property that came about in Central Asian countries, as is known, is mostly typical of the feudal stage of development. In fact, the process of a revolutionary establishment of the business class let the oligarch genie out of the bottle that is impossible to get rid of. This has questioned the entire strategy of political transformation in Central Asia. It is growing stronger, mindful of the fact that transformation has failed to resolve the problem of the formation of a mass middle class, the so-called capillaries of the “tree of bourgeois society”, instead of which there appeared an exceptionally weak stratum of small and middle-size businesses. Fifth, great many autonomous power and property centers started to develop parallel to the state organization. While competing between themselves, they were objectively oriented at ascertaining their independence and restricting state power. This process will persist during the whole period of formation of national political groups emancipated from the clan isolationism and undoing the influence of clan relations upon politics.

The contradiction that emerged in the new stratification situation between the oligarchy class wielding real power and the groups of bourgeoisie who have no political rights and are separated by their group interests can bring about a collision whose aim could be the restriction of the oligarch’s political power. This threat is quite real, and the present power is increasingly apprehensive because material resources are concentrated in the hands of people who are somewhat independent of the government. In other words, the desire of the new bourgeoisie to win itself access and participate in running economic and political processes and to set itself free from the surveillance exercised by the vertical presidential power as well as by financial and industrial groups that have rallied round the presidential governance quarters will determine the dynamism of the future domestic political development. Still, this does not preclude a second round of property redistribution. The change of power in Central Asia may entail a large-scale re-division of the spheres of influence instead of a

civilized resignation of the government. For instance, one of the results of the war in Tajikistan was the ruination of the machinery that had maintained a balance between the interests of regional elites. Even now they are not restored, and this indicates that the causes of the war have not been removed.

6. Economic Foundations of Sustainable Development

As was underscored before, the peculiarity of transformation in Central Asia lies in its coincidence with the formation of the state. Consequently, the transformation strategy must contribute in the durability of economic foundations underlying the state's sustainable development. From this viewpoint it is necessary to find out which foundations of the statehood were created within the framework of the chosen transformation strategy.

With the exception of Kazakhstan and Turkmenistan that had received a certain time lag thanks to the land tax, the strategy that was being put through brought other Central Asian countries to a situation that had been observed earlier in the majority of the developing countries. The economies of these countries have been primarily oriented at increasing raw materials extraction and export. In the long term it will cause many troubles because the countries with the raw materials orientation run a very high risk of political and economic crises. Reliance on natural wealth is justified if there are other conditions that ensure social prosperity. But these are missing in the countries in point, and this was the reason for a narrow specialization in the financial and intellectual spheres. Agriculture is falling apart. Other branches of the economy are also developing slowly. The environment is badly hurt, thus creating a breach in the economic system which no profits from raw materials trade can close. Besides, export revenues more often than not are appropriated by a small social group and invested in the economies of advanced countries. These assets are going beyond the state treasury. This does not exhaust the negative chain: internal demand is no longer the source for the growth of the GDP because low incomes of the population preclude the prospects of domestic market's development.

One has to admit that after the downfall of the Soviet system of the division of labor the basis for a sustainable economic growth that previously used to shape internal market has not been established in the new conditions. In this connection increasingly salient are the features typical of the world's outlying regions that are building an export-oriented model, which accounts for a minimum of social redistribution, a poor internal market and non-competitive raw materials sectors.

7. The Role Played by the West

During the last fifteen years the West was trying to determine the dynamism and the content of transformation processes, the formation of the state and the political choice by investing immense financial and political resources in uprooting the socialist setup in the post-socialist and post-Soviet territories, by preventing its restitution in any

modification as well as by introducing the Western model of democracy and market economy. Results achieved in Central Asia appear very different.

The strategy of destroying the Soviet system of management ended in full victory, so the reinstatement of the “Soviet Empire” seems to be out of the question. This should be obviously praised as a major historic victory. In spite of the fact that in some Central Asian countries market economy indicators are falling short of Western corporations’ requirements, their achievements in the field of building a market economy are sufficiently impressive. What was said before allows one to argue that the countries in question have built the foundation for market economy relations and rejected the way that would take them back to the socialist type of running the economy.

The program of introducing democracy and creating adequate political systems is a weak element in the adopted strategy. While recognizing that it is not expectable that countries may return to the former political setup, one should not overlook the fact that the implantation of democracy of the Western type is a very protracted and complex process. One cannot yet definitely say that this aim will be achieved even after several generations.

Seventy years of experience gained by the Soviet power (1921 – 1991) confirm this assumption because the Soviet government failed to fully implement its transformation version which, as a matter of fact, contained great many elements of Western culture: modernization, secularism, classical European philosophy, the system of education, etc. At the same time, all these elements prepared the groundwork for a tremendous shift in the region’s economic and cultural development. However, this did not prevent Central Asian countries from adapting, rejecting and getting over the alien model. A similar reaction, too, is typical of the current situation within the region. In reality an accelerated propagation of decorative political institutions undertaken within the framework of the doctrine of transformation’s support turned out to be an imitation of democratic changes while leaving intact the aboriginal socio-political structures with their typical authoritarianism, servility and clannish practices.

All this resulted from a simplistic vision of the situation by those who designed the transformation and analyzed the local conditions through the prism of their contacts with the most modernized and Western-oriented sections of the local elite. A huge population stratum was either ignored or seen as a background for the master-line. Still, one cannot but point out that democratization gave nothing to this majority, which was “forgotten” in the official reports. Some of these people are nostalgic about the Soviet time when all children went to school, old people received pensions and when every member of society could use the healthcare and education systems’ services. Shouldn’t one admit that in its essence the transformation brought about a phenomenon of a paternalist state wherein the social questions were excluded from the field of its functional attention?

The neo-liberal pattern of economic reforms inherent in the transformation strategy does not comply with the regional reality. Therefore, its criteria are inefficient while using them in order to forecast the security situation unfailingly leads to erroneous conclusions. An eloquent example: Kyrgyzstan and Turkmenistan. They followed totally different models of social setup that generated a polarity of viewpoints among Western analysts. During ten years the most influential analysts prophesied a collapse of the Turkmen system and used the transformation in Kyrgyzstan as an exemplary pattern of democratic and market economy reforms. Kyrgyzstan was also qualified as a stably developing state. But in reality it was Turkmenistan's political system that demonstrated stability. In reality Kyrgyz advancement to democracy and market economy proved an ephemeral design and it collapsed under the pressure of grave social problems generated by the transformation reforms. In this context foreign experts were stubbornly closing their eyes to the fact that the democratic institutions established in this country were used by the local authorities and the tribal groups mainly for the furtherance of their private interests.

In present-day Tajikistan, the country that suffered more than all other countries in the region during the period that we are talking about, 80 per cent of the population lives below the "poverty line". The levels and quality of education are declining: on the average per every five Tajik kids of school age there is one child who is deprived of an opportunity to study. Is there any limit for retreating back? Where is the line behind which the development of negative processes in Central Asia can become irreversible?

The majority of observers are inclined to assess the situation in Central Asia as a relatively stable one. However, there are many explosive problems behind this façade: the economy is still unable to bring the population's living standard to the level that had existed prior to the downfall of the USSR; it is increasingly dependent on one or two export items, - something that increases the level of corruption and civil conflicts; non-representative political structures stand a very limited chance of performing a smooth change of power. This list of negative factors must necessarily be complemented with the local elites' inability to arrange effective regional cooperation in the key areas on the international agenda: the guarding of borders and the strengthening of security, joint opposition to the extremist movements' influence, trade and an equitable allocation of water resources.

Fifteen years of transformation that was effected in the form of a "frontal attack" and "simultaneous changes" of all social systems have failed to confirm the forecast that had been built on this method when "both democracy and market economy can be perceived by the majority of the population as a desirable perspective". The masterminds of transformations have actually brought about the reality that they were trying to prevent.

II. European Transformation Strategy:

What Is Next?

The analysis that we submitted provides enough proof for a critical re-assessment of priorities for the further transformation in Central Asia. This is done in order to determine problem areas and to correct the European strategy. First and foremost, this was dictated by the fact that Central Asia is closer connected with Europe rather than with other centers of the Western world. An example of this connection is its joint participation in the CSCE whose political responsibility for security extends all the way to its borders with China and Afghanistan. However, there are other circumstances showing that Central Asia for Europe is no longer a distant and a foreign region. For this reason it is essential to define initial theses for the follow-up correction.

1.1 “A time horizon”. Transformation and states formation in Central Asia are long-lasting processes that are most likely to involve several generations of the local community, this being an objective indication that there exists a destabilization potential whose influence will be time protracted. In this connection the transformation strategy should pay serious attention to the issue of a “time horizon”. The process of transformations within the region will last longer and be more complex than was initially projected. It is not reducible to making clear the specificity of management. At the same time it should take into account the peculiarities of “oriental society”.

1.2 The market economy and the democratic system are not identical to one another. Western prediction as to an “automatic” consolidation of democracy and respect of civil rights based on the faith that the liberal market economy is omnipotent has not justified its validity in Central Asia. Having assumed the existence of a certain automatic connection between the introduction of a liberal model and democracy, one has to admit that this connection can only manifest itself as a result of a lengthy process whose framework transforms political culture and the character of social relations and overcomes the bureaucratic – clan capitalism. The realities that obtain in Central Asian countries prompt that development scenarios must take into account non-simultaneity of economic and political transformations and lack of coincidence in time between them. Besides, one should also be ready to face the situation when the economic systems of these countries are organized as modern capitalist ones, while the socialist design begins to differ from the Western model of democracy. “Deviations” of this kind compel us to project a lengthy and conflict-prone transformation that does not yield to any permanent outside influence.

1.3 Transformation increases risk factors. In the cases of a systemic transformation external conflicts create particular specificity. It consists in the fact that the conflict is expanding faster while matching the scale of a “shock therapy” whose effect at once mobilizes and politicizes the whole society. That is why a chain reaction is inherent in the conflicts generated by transformation. When this

character of developments is prevented, this means that peaceful conditions have been safeguarded. However, a strategy that is aimed to drastically and immediately change all spheres of life keeps society in the state of a permanent conflict stress.

1.4 A sharp decline in the quality of living. The region as whole is, for the time being, too far from development goals approved by the UN in its Millennium Declaration. One should admit that the transformation strategy has substantially reduced the quality of living for the overwhelming majority of population in Central Asia. In this respect transformation brought about a socio-political regress.

All countries in the region without exception bogged down in the fundamental problems of poverty, bad ecology and demonstrate inferior social development results. Certain regions in Central Asia, like the Ferghana Valley, are under the threat of social destabilization with all the ensuing political risks, including the strengthening of extremist groupings.

1.5 Compensation of the decline in living conditions is more than the CSCE can undertake. To be sure, large investments in the social sphere would have been an effective arrangement to correct the situation with. But the decline in the living standards within the countries of the region involves something bigger than just the quantitative parameters (low income). Really alarming are the qualitative indicators, which show high unemployment, deterioration of energy and drinking water supply and increasingly unaffordable healthcare services. The West does not possess the required resources to remove the imminent danger in its Eastern flank, but Europe can contribute toward making the bond between economic and political transformations less demanding.

2. Strategy Correction

Due to the fact that internal structural conditions for a large-scale democratization are poorly developed in Central Asia and because its political culture exists in its Oriental variety, the deficits in the field of political transformation are so substantial that their removal is unlikely in the foreseeable future. Another brake is the fact that the regional elites may for quite a time insist on the implementation of their national state building concepts, so they can see the policy of the OSCE and the EC as “compulsory democratization”. At the same time, economic and political cooperation with the neighboring Eastern and South-Eastern countries, free from the burden of transformation commitments, can turn into an appealing “counter-balance” to the European vector. Indeed, there is no stopping the transformation process. For this reason substantial corrections will have to be introduced into the Western strategy that will have to be grouped around the idea of political pragmatism aimed to preserve the transformation’s valuable results, to sustain the continued state building in peaceful conditions and to strengthen partnership with Europe. One could consider the following areas in this context:

2.1. Consolidation of the transformation’s valuable results. In terms of its content this mainly signifies the deepening of economic reforms and the improvement of the

population's socio-economic well-being. To achieve these aims, it is necessary to go over from the "frontal offensive" to the stage of the results' selective accumulation in areas, which already have favorable prerequisites that allow to deepen everything gained so far. The economic sphere where political conditionality and reforms should be given up seems to be the case in point. Incidentally, regional practice shows that economic growth and the strengthening of the social sector are not directly connected with the quality of democracy and the form of power. For instance, socio-economic changes in Uzbekistan were more successful than in Kyrgyzstan. Authoritarianism without a "shock therapy" facilitated a mitigation of the effects of economic recession as well as preserved, in a curtailed form, the system of social support for the unprotected social strata. Turkmenistan that is being accused of totalitarianism has implemented a most successful program of governmental support and has been recently showing the highest economic growth rates. Examples of this kind testify to the effect that sustainability and development advance primarily depend on the formulation of a correct socio-economic strategy to be pursued by the government, a clear-cut structural policy that identified sectoral priorities and the safest ways to become integrated in the world system.

China's experience in carrying out its transformation has shown that the priority of economic transformations when separated from political liberalization by an intervening period of time is quite acceptable for Europe. China's example is educational in one more respect: a political force (a state, a leader, a party) which steers complex political transformation processes needs the population's vast recognition and support in favor of its economic reforms. This is why the transformation needs to emphasize the improvement of the population's socio-economic well-being. Unless there is a substantial improvement of the living standards, there is no chance to expect that society will show a serious and sincere interest in the processes of democracy and nation formation. The latter is intimately linked with the second element of the Western policy correction within Central Asia.

2.2. Maintaining the continuity of state formation at the time of peace. The key role in this batch of questions belongs to the understanding of the need for a strong state and to the specificity of the part played by the leader. Both elements are significant in terms of fighting against the region's social destabilization and the management of complex transformation processes at an extremely contentious juncture. The organizing role here is vested in the state. Without a strong state it is impossible to sustain and to deepen positive effects of the transformation. The state lays down the social order and the economic regime. It creates the necessary legal framework and the managerial structures. This approach will be helpful in determining the character of political relations with the leaders of Central Asian countries. Hence, the fusion of business-like pragmatism with the reduced "ideological burden" and with the orientation at building relations with the state as well as with the abandonment of the subjective factor.

2.3. Stronger partnership with Europe. The maintenance of peace to facilitate the continued state building, the deepening of economic reforms, the slowing down and liquidation of the socio-economic recession on the basis of expanded economic relations – these are the fields wherein the interests of Central Asian governments coincide with those of Europe. It is more difficult to formulate a “minimum program” for cooperation on the issues of political transformation. European approaches in this area could be like this: pragmatic interest (safeguarding security in the Central Asian sphere of the OSCE) in lifting present tensions and distrust in political relations; recognition of the fact that Europe is faced with Central Asian states that are seen as “non-Christian Oriental islands” in the “value community” of the OSCE; the quest for a relevant relationship mode based on a cooperative co-existence with “governed democracies” that Europe recognizes in other developing regions.

This means a focus on areas where democratization enjoys priority significance, assistance to Central Asian societies and their leaders in addressing peacefully the challenges that the future is fraught with and the unavoidable re-division of the spheres of influence in politics and in the economy.

In this context it is necessary to develop democratic criteria that take local specificity into account because this specificity faces the state with the objective to fit together the aims and the interests of sub-national social groups (the regions, regional elites, clans, extended families). To this end the state will have to ensure:

- in political terms – the involvement of all groups, as is granted in the Constitution, in determining the character of the governance system and the restriction of opportunities of power monopolization just by one faction of the regional elite;
- in economic terms – an equal access to the resources and working together in determining the social and market character of the economic system;
- in ideological terms – a shared understanding of the newly formed state’s “national identity”, its constitutional foundations and its legitimacy. In this case particular significance goes to the definition of the role that Islam is playing as the religion of the majority of population.

One can argue quite with confidence that a breakthrough in this area would have opened the doors to political stabilization, continued democratization and the consolidation of the regulatory framework governing the basic principles of the state and of the region in general.

Europe is connected with Central Asia much closer than any other part of the Western world. These relations were filled with a new content within the framework of the Organization for Security and Cooperation in Europe. The OSCE assumed the commitment to preserve the main value – security in the Euro-Asian continent – and thereby supplied a convincing proof that Europe and Asia do not see one another as outlying regions. Joint efforts aimed to safeguard security make it possible to build a

common roof that can protect other important civilization values as well as cultural, religious and national values. It is understood both in Asia and in Europe that values should be treated carefully, and this approach makes them very close.

CONCLUSIONS

Changes in the post-Soviet territories are bringing to the fore the issue of transformation and bring out the general and particular features inherent in the transition of specific states from one qualitative state into another. Theoretically the question seems quite clear. The transformation process is founded on undoing substantial elements of the old setup, the formulation of new objectives and the formation of new, specific ways to attaining them. It is geared to a new quality of a phenomenon or a system.

However, a uniform technology to effect transformation changes does not exist, and every country has to work out this technology on its own, relying on the evaluation of historical development specificity, the population's mentality, availability of material and manpower resources needed to carry these transformations into effect.

The first conclusion that ensues from the experience of socio-economic and political transformation generally in the majority of countries in transition and in Central Asian states in particular consists in the fact that political liberalization must not outrun economic liberalization. Political reforms can be implemented only when political factors begin to act as a brake on economic transformations, their main purpose being the regulation of government involvement in the socio-economic sphere and the formation of common and universally accepted "rules of the game". Reformers failed everywhere when they tried to do the opposite, and nowadays there are countries that are obviously under the threat that the national sovereignty may vanish.

Consequently, during the transformation period the state is playing a primary role both in the organization of the economy and in the organization of society and of itself. The idea that "market economy" is a category that ensures society's self-organization or that the enhancement of the role of the state within society in transition necessarily leads to the strengthening of an authoritarian rule – is just a myth. But this myth turns into reality when the government's policy is ill-conceived or when its activities are dominated by bureaucratic principles.

The second feature results from the absence of established civil society, the state being an alternative thereto. This conditions the specificity of transformation of ownership over the means of production due to the fact that the state declares itself to be a legal owner of the means of production. This becomes the source for shaping the negative trends in the political and social spheres? Including the political practice of the so called "authoritarian rollback".

The specificity of transformation of ownership over the means of production determines particular features inherent in the formation process of the new social strata that runs in three directions. On one end there comes about bureaucratic (comprador) bourgeoisie – in correctly associates with big business – that employs economic and non-economic domination in its practice and is trying hard to perpetuate speculations

by means of numerous functions of the state by means of a “right – privilege” system. On the other end there are various social groups that were able to adapt themselves, to a definite degree, to the new relations of production: factory and office workers; farms that went over to the traditional forms of work organizations; people employed in the services sector (“shuttle” shopping dealers, petty and middle-size traders and craftsmen, certain categories of intellectuals employed in science and technology, etc.). The third field embraces a huge mass of declassed elements who were formally pushed out of society but who still are society’s indispensable and, if not badly dangerous, it steadily growing part.

In other words, the transformation of ownership over the means of production that is called upon to serve the purpose of forming free and personified owners and a free market, of real economic and legal relations as well as of forming the middle class masses at large has actually failed to achieve this. Moreover, in Central Asia society got split into a minority of owners and a majority of non-owners precisely in the spirit of privilege rights in the sphere of property and other relations. The state, having proclaimed itself to be the legal owner of the means of production, has actually created conditions for the emergence of a symbiosis between power and property that is very much typical of the feudal stage in the development of social relations.

In the third place, the presence of a set of democratic institutions is not tantamount to the existence of democracy. One should be mindful of what these institutions are: what they can do, how they discharge their activities and, most importantly, what these activities are aiming at. The problems of their functioning are also connected with the specificity of the process of privatization. After the beginning of the process of transformation of ownership over the means of production in its post-Soviet fashion, the vertical and horizontal tiers within the state launched the fighting for the right to be the subjects of the newly created property that has accounted for the specificity in the formation of the new political elites and determined the motivation behind their activities.

In the process of privatization of property transferred “to the state ownership” not all of those who wanted to become its owners were able or allowed to do this, while the selection of “definite” owners was not spontaneous. This selection was government-managed: the government as the wielder of power and as the initial owner designated persons and condition to receive property. For this reason all the rudiments of the former nomenklatura system remained intact. Whether we like it or not, but even the new generation of personnel was compelled to play according to nomenklatura’s rules as soon as they joined the system.

On the one hand, this has given rise to problems that were due to political system’s closed character of and the fact that the dominant principle in the manning system was personal choice rather than professionalism. This has entailed corruption in every echelon of the administrative management apparatus that was converted into some sort of a self-contained vertical systemic setup.

On the other hand, the division of property brought about prerequisites for the formation process of polycentrism, i.e. a simultaneous existence of a variety of autonomous property power centers that were essentially programmed and oriented so as to ensure (opportunities permitting) their independence, a rejection or, at least, a maximum restriction of sovereignty of the state entity that brought them together. These included regional elites, definite financial and industrial groupings whose interests in economy and in home and foreign policy sometimes failed to coincide with the interests of the state.

In this situation only the vertical presidential power can act as the system's stabilizer. So, for this reason, in the presence of the full institutional range of democracy in the post-Soviet territories there is an observable authoritarian rollback almost everywhere.

It is open to question whether this is good or bad. It seems that things couldn't have been different. The point is that the existence of an independent presidential power does not facilitate the formation of power checks and balances, and when the president's system stabilization function comes to its logical end, the political system gets into a deadlock. The problem is not the personality of the president. The problem lies in the fact that Central Asian states are not yet ready today to engage in the rivalry of elites, and so the issue of a full-fledged electoral democracy recedes into the background.

A.Y. Melvil is quite right when he says that the practice of democratic transits of the "third wave" has demonstrated that democracy's formal "inauguration", i.e. the proclamation of democratic institutions and "electoral democracy" procedures in no way predetermines the outcome of transformation processes. More often than not formal electoral procedures are not a key component of electoral democracy as an interim phase on the way to democratic consolidation, which the optimists of "global democratization" are so fond of talking about. Rather, this is a totally different political phenomenon, namely a transformation of one variety of a non-democratic regime into its different variety that ends in the consolidation of a "new autocracy".

One cannot help paying attention to the outside influence, which very strongly affects the flow of the transformation process nearly in all states in the post-Soviet territory. This influence has been canalized along three directions. First, along the lines of borrowing foreign capital. Second, along the lines of adopting Western theories and Western models of building democratic society. And, finally, third, by way of launching a new geopolitical game wherein all the states in the region have found themselves engaged in the capacity of stage extras.

There arises the following question: what is the maximum size of foreign investments, and whether or not they are used efficiently? The majority of states – and these are not only the states in transition but also quite well established states – have demonstrated that the use of foreign capital as such in the national economy does not carry a

potential threat. Problems begin when a state becomes badly dependent on foreign investments while the practice of domestic enterprises' transfer under foreign control (their actual sale to foreign owners) becomes disastrous. This process results in the increasing grip of comprador activities and comprador groups over the groups that are working (or are trying to do so) for the benefit of the domestic market and the development of the domestic production.

This phenomenon is known almost to all countries in transformation. This is easy to explain: the market immediately senses the fastest and the easiest way to earn money. However, experience gained by countries that have been most successful in living through the transformation process proves the fact that the state is playing the key part in pushing compradors to the sidelines. But in those countries where the state discarded this responsibility, it collapsed very soon.

In so doing one is always faced either with the question on the limits of the government's involvement in the social and economic spheres, or with the question regarding the degree of negative consequences that take place if the state has discarded this responsibility. As for the latter question, its consequences were already dealt with. But as for the first question, one has to be mindful not so much of the government's involvement/non-involvement in the social and especially in the economic sphere, but, instead, the "rules of the game" imposed by the government, the evaluation of efficiency of the reforms pursued and of the price paid for them. In the case when everything is done to serve the principle "the ends justify the means" and take no notice of the "eggs" broken to "make an omelet", the reformer leaves oceans of blood and tears behind his back. Society becomes polarized, and the prospect of social integration is gone. In order to avoid this result it is necessary to make a prior agreement about the acceptable limits of the price to be paid, and going beyond the limit is an absolute and unquestionable demand that the policy line be changed. In other words, it is necessary to achieve a consensus in society that would give a free hand to the political leader.

Another thing is obvious, too: a prior condition for the process of political modernization is the pursuance of transformations in favor of market economy whose stability, in their turn, is based *on the absolute observance of law and on social agreement*. More than that: *people must have confidence in the state power*. Equally obvious is the fact that *the continuation of economic reforms and political transformations requires a resolute subjective influence on this process on the part of the government* which, while ensuring conditions for society's transformation, can not only safeguard political stability within this society but also safeguard tangible results of economic reforms that is no less important.

The second problem is connected with the fact that theoretical and analytical studies are based on Western theories. And here one comes to the question of the adequacy of the Western theory of democracy to the situation that prevails in the post-Soviet space and, in particular, in Central Asia.

As a matter of fact, while describing and analyzing the trends of social and political development in the Central Asian region, many scholars have yielded to a temptation that is easy to explain and started to judge transformations so as to make them agree with the single linear vector – ranging from the collapse of particular varieties of authoritarianism to a gradual alignment of a consolidated liberal-type democracy. In fact, the processes that unfolding within the region testify to the effect that a number of states has already completed the transit process and developed quite consolidated political regimes of a new type that the established ideas regarding transit are not taking into account.

This point is directly connected with the question of the way to awaken the energy of self-organization at the level of the social system. In so doing, we may have no end of arguing about the expediency of state ideology, but, anyway, there must be something to fill ideological vacuum with. It can be filled with abstract ideas and myths whose price will become obvious before long, but we can also fill it with a holistic understanding of the development state that society is passing through by revealing the pivotal idea of self-organization and the committed social forces that are not only capable of doing their best in the new conditions but also to go ahead while maintaining the suggested “rules of the game”.

The key idea of reviving the state cements society and give, the national leader a free hand in his actions as well as facilitates the mobilization of the people’s political and economic efforts. There can be different foundations behind this idea while it must include many factors: economic, ethnic-social, cultural-linguistic, and confessional realities of society in transition, and distinguish the level of political culture of the masses from that of the political elite so as to be able to devise a mechanism for achieving a consensus within society.

The third problem is connected with the factor of counter-position of different geopolitical players within the region – Russia, the USA and China. This sets only one question: what should be the line of behavior on the part of the newly-formed states which have virtually no independence in foreign policy?

Due to their economic, military and political potentialities the states of this region cannot accept political tactic usually employed by more independent geopolitical players. They cannot and, indeed, should not by all means adopt the stand supported only by one side. It seems their policy should rely on the principle of keeping equidistance from supporting a particular side. The chief priority in their foreign policy is to avoid becoming directly involved in the confrontation and even more than that: in a certain sense to gain additional resources for their own development by means of this confrontation and safeguard their security while achieving a required level of self-sufficiency.

And, at last, the most important problem: where is the way out of the political transformation deadlock meaning the prospect of democratic modernization. There are no ready-made prescriptions here, and it seems that each state in Central Asia will have to discover its own model of further transformation.

True, there are general regularities that are not to be ignored, the chief regularity being the need to actively shape prerequisites for the formation of civil society and, first and foremost, a massive formation of a definite type of self-sufficient and inherently valuable personalities who are capable of have a constructive interaction with other personalities for the sake of shared objectives, interests and values and who can subordinate their private interests and ways of meeting these interests to the common boon expressed in the legal standards. It takes certain institutional prerequisites for this social type subjects to come about. First and foremost, there should be a basic minimum of democratic rights and freedoms which make it possible and legitimate to achieve both the autonomy of an individual and self-organization of citizens in order to champion common interests and aims. However, institutional prerequisites alone are insufficient. A no less important part is being played by cultural and socio-psychological prerequisites. In the first place, only those people can be subjects of civil society who know that their own actions are the best way to defend their interests and to solve economic, social and political problems that concern them. Secondly, a real or a potential subject of civil society is an individual who is confident that significant results can only be achieve by having joined his actions with the actions taken by other people.

Conditions that are created to bring into being a numerous middle class have substantial, if crucial significance for civil society's functioning. The chief condition among these is the existence of a mass of personified property owners. What are they necessary for?

First: full separation of the state and of the officials from the former socialist property as a condition for the formation of free property owners and a free market; genuine economic and law relations; civil society independent from political power and the formation of a law-based statehood on this basis. Second: a purposeful policy conducted by the state in order to push comprador activities into the background and its replacement with production activities. This will require an encouragement of some groups and a certain restriction on the activities of other groups. Third: a purposeful socio-economic policy designed to ensure a reproduction of those social resources where the state is drawing support and creates preconditions for and extended reproduction as well as for its activity and the maintenance of stability in the entire social system.

Of fundamental importance is demystification of power. It should no longer continue as a solemn performance but, instead, turn into a conventional highly skilled work. To achieve this it is necessary to ensure openness of power administration at every level and law regulation of all power functions. Power must not continue as a source of both

material and spiritual privileges. Every citizen must be granted the right to criticize power so that power stopped being seen as something awesome. It is necessary to ensure organizational support of career promotion that is not conditioned by the performance of power functions. Jobs on top of the social ladder must stop being associated with power.

It is exceptionally important to remove from the government control everything that is not connected with the maintenance of security. The establishment of new horizontal structures and systems of communication between people – clubs, guilds, associations, – all sorts of democratically governed organizations not connected with the state will facilitate shifts in the political consciousness better than the appeals to “speed up the pace of democratic transformations”.

The prevalence of highly centralized government institutions does not impede the development of strong and autonomous interest groups, associations and political parties. On the contrary, autonomous movements and organizations are instrumental in curbing the government’s tendency to centralize and extend its power and facilitate the introduction of civic accountability and control. They promote mass participation in the political process by way of complementing the formal arena with definite unofficial channels. They can strengthen formal institutions of democracy, like the courts. They also serve as the only guarantee of a gradual transformation of “parliamentary authoritarianism” into a “parliamentary democracy”.

The next problem is common to all countries that are performing a democratic change. This is the formation of parties and of party systems. There is a need to develop and strengthen those institutions, which express and generalize public interests and which oppose the government’s tendency to concentrate executive power. A strong legislative and judiciary power are just as important as the press, the groups that express public interests. A gradual strengthening of the legislators’ power organizational infrastructure must become the core of the development of democracy since this is the crucial feature of political institutionalization.