

# MIRZIYOYEV'S UZBEKISTAN: DEMOCRATIZATION OR AUTHORITARIAN UPGRADING?

Edward Lemon



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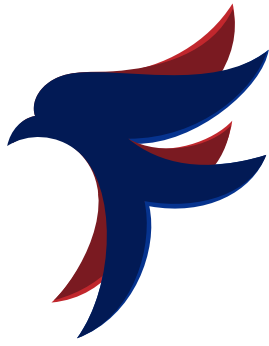
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## EXECUTIVE SUMMARY

Edward Lemon

Uzbekistan is undergoing a remarkable transformation. After decades of repression and isolation under President Islam Karimov, who died in 2016, the government of Shavkat Mirziyoyev has embarked on a series of reforms to soften repression, create a freer market to stimulate growth and attract foreign investment, replace Karimov-era leaders with young technocrats, and repair ties with neighboring Central Asian states. But what we are seeing in Uzbekistan is not democratization. Rather, it is “authoritarian upgrading.” Authoritarian upgrading entails selectively adopting economic and political reforms to placate the population’s demands for democratization, while existing elites capture most of the benefits of the country’s embrace of globalization and marketization. The result is a softer authoritarian regime which relies more on persuasion than coercion. So far the reforms have been welcomed by many citizens. But if the regime fails to deliver on its promises and demand for further change grows, Mirziyoyev’s new Uzbek path could meet with resistance from both those who desire a return to Karimov era repression and those wanting genuine democratization.

## UZBEKISTAN'S NEW PATH

When the first President of Uzbekistan Islam Karimov died in August 2016, he left behind a stagnant economy and a repressive political system. Karimov assumed power in 1989 when he was appointed First Secretary of the Uzbek Communist Party. Over the years, he cultivated a strong, paternalistic state, insisting that the “Uzbek Path”—isolationism plus widespread repression—was the only path to ensure stability and stave off outside interference. Upon Karimov’s death, Shavkat Mirziyoyev came to power. Mirziyoyev was very much part of the system that Karimov created during his long tenure. As governor of Jizzax province (1996–2001), he gained a reputation as someone “who gets the job done,” earning the nickname “Tyson,” after boxer Mike Tyson, for his aggressive methods used to enforce directives. Mirziyoyev’s aptitude led Karimov to appoint him Prime Minister in 2003, a position he held until Karimov’s death. Few observers expected such a regime insider to divert from the Uzbek Path, but Karimov’s death and Mirziyoyev’s rise have proven critical junctures that have set the country in a new direction.<sup>1</sup>

Since becoming president in September 2016, Mirziyoyev has relaxed repression; begun economic reforms intended to shift the economy from an isolationist, command economy to a privatized, outward-looking one; liberalized the currency; overhauled the bureaucracy; and strengthened ties with neighboring states. These moves have been



Shavkat Mirziyoyev, President of Uzbekistan (Source: kremlin.ru)

welcomed by observers. The International Finance Corporation and World Bank lauded Mirziyoyev’s government for creating an “open economy,”<sup>2</sup> the New York Times praised him for “going the other way,”<sup>3</sup> and U.S. Commerce Secretary Wilbur Ross applauded the “political and democratic reforms that are underway.”<sup>4</sup> But taking Uzbek officials at their word when they make vague promises of reform may be giving Tashkent a “free pass.”<sup>5</sup>

True, Mirziyoyev’s reforms are not merely a demagogical smokescreen for the preservation of authoritarian power. They are producing genuine benefits for the population, such as lower repression and the economic benefits of increased foreign investment. Yet, while real democratization

1 Andrew Cortell and Susan Peterson, “Altered States: Explaining Domestic Institutional Change,” *British Journal of Political Science*, Vol. 29, No. 1 (1999), pp. 177-203.

2 Lilia Burunciuc, Wolfgang Fengler, Wiebke Schloemer and Daria Taglioni, “How Uzbekistan is Transforming into an Open Economy,” *Brookings*, Dec. 20, 2018, at <https://www.brookings.edu/blog/future-development/2018/12/20/how-uzbekistan-is-transforming-in-to-an-open-economy/>.

3 Andrew Higgins, “As Authoritarianism Spreads, Uzbekistan Goes the Other Way,” *New York Times*, April 1, 2018, at <https://www.nytimes.com/2018/04/01/world/asia/uzbekistan-reform.html>.

4 “Remarks by Secretary of Commerce Wilbur Ross,” US Embassy in Tashkent, Oct. 23, 2018, at <https://uz.usembassy.gov/remarks-by-secretary-of-commerce-wilbur-ross/>.

5 Peter Leonard, “Tashkent Syndrome: Is Uzbekistan Getting a Free Pass?” *Eurasianet*, May 16, 2018, at <https://eurasianet.org/perspectives-tashkent-syndrome-is-uzbekistan-getting-a-free-pass>.

may be possible in the long term, in the short term, Mirziyoyev's reform agenda is better understood as "authoritarian modernization"<sup>6</sup> or "upgrading authoritarianism."<sup>7</sup> Authoritarian modernization involves the selective adoption of economic and political reforms to placate the population's demands for democratization. Change in Uzbekistan remains top-down and tightly controlled by Tashkent. The result is a transition towards more of a "soft authoritarian" regime, which "relies more centrally on the means of persuasion than on the means of coercion."<sup>8</sup>

*In its path to authoritarian modernization, Uzbekistan's government is looking for models in countries such as Singapore, China, and Kazakhstan, where elites found ways to modernize without democracy.*

In its path to authoritarian modernization, Uzbekistan's government is looking for models in countries such as Singapore, China, and Kazakhstan, where elites found ways to modernize without democracy. Since the end of the Cold War, the share of global gross domestic product (GDP) produced by autocratic states has risen from 12 to 33 percent, buoyed by China's rise.<sup>9</sup> Half of the ten countries with the highest average incomes are classified as "not free" or "partly free" by Freedom House.<sup>10</sup>

Uzbekistan's model of "authoritarian

upgrading" may produce benefits for citizens by relaxing the Karimov-era repression that included state-sanctioned child labor, widespread torture and the detention of over 10,000 political prisoners.<sup>11</sup> But it is ultimately the elite who will benefit most from the "upgraded" system. Authoritarian upgrading allows Mirziyoyev to manage changing political, economic, and social conditions, notably the triple threat of globalization, markets, and democratization. Cultivating an image as a reformer, Mirziyoyev can bolster his legitimacy and suppress demand for democratization by providing the population with material benefits. By opening the economy and increasing competitiveness, the government can harness markets and globalization for its own purposes.

Authoritarian upgrading in Uzbekistan features four strategies. First, Mirziyoyev has implemented market-oriented economic reforms, allowing the ruling elite to capture many of these benefits. Second, he has purged the old elite, bringing in new technocrats to improve efficiency. Third, he has moved from a system that views the population as a threat requiring constant discipline towards one that manages society through looser regulations and new incentives. Fourth, he has strengthened and diversified Uzbekistan's external ties.

6 Luca Anceschi, "Modernising Authoritarianism in Uzbekistan," OpenDemocracy, July 9, 2018, at <https://www.opendemocracy.net/od-russia/luca-anceschi/modernising-authoritarianism-in-uzbekistan>.

7 The term was coined by Stephen Heydemann in "Upgrading Authoritarianism in the Arab World," Brookings Analysis Paper, 13, October 2017. For an application of the concept to Uzbekistan see Sebastian Schiek, "Uzbekistan's Transformation from an "Old" to an "Upgraded" Autocracy," L'Europe en Formation, Vol. 385, No. 1 (2018), pp. 87-103.

8 Edward Schatz, "Transnational Image Making and Soft Authoritarian Kazakhstan," Slavic Review, Vol. 67, No. 1 (2008), p. 50.

9 Roberto Stefan Foa, "Modernization and Authoritarianism," Journal of Democracy, Vol. 29, No.3 (2018), pp. 129-140.

10 "World Economic Outlook Database," International Monetary Fund, April 2019, at <https://bit.ly/2X0pfUK>

11 Casey Michel, "Uzbekistan's Karimov Leaves Behind a Legacy of Repression, Slavery, and Kleptocracy," The Diplomat, Sept. 3, 2016, at <https://thediplomat.com/2016/09/uzbekistans-karimov-leaves-behind-a-legacy-of-repression-slavery-and-kleptocracy/>

## ECONOMIC REFORM: STRENGTHENING PATRONAGE

Uzbekistan's economy performed relatively well in the years following independence. Driven by a large domestic market, profitable cotton exports, and the development of natural gas resources, it became the first former Soviet republic to regain its pre-1991 real GDP level.<sup>12</sup> But the economy soon began to stagnate. From 1996, the Central Bank set the exchange rate of the Uzbek currency, the som, preventing investment and further bolstering corruption by creating a large black market for foreign exchange. Large, inefficiently managed state-owned enterprises continued to dominate the economy. Cotton prices fell to an all-time low in 2001, driven by high crop yields and flat consumption. While economic diversification efforts managed to reduce reliance on revenues from cotton exports, the economy continued to be driven by gold, cotton, and gas, which together made up 60 percent of export revenues in 2012.<sup>13</sup> Officials implemented measures to protect the economy from foreign competitors. By 2002, tariffs on imported consumer goods reached 90 percent. Borders with neighboring states were closed. Millions of citizens were forced to move abroad, primarily to Russia, in search of work.

Since 2016, Uzbekistan's government has undertaken a series of policies to liberalize the economy. The most significant economic reform to date came in September 2017 when the Central Bank introduced the convertibility of the som into foreign currencies, removing

the main obstacle to privatization and foreign investment. Two further reforms are particularly noteworthy. To further boost trade, Mirziyoyev signed a decree, "On Measures to Further Streamline the Foreign Economic Activity of the Republic of Uzbekistan," in 2017, reducing tariffs on over 8,000 categories of products to an average of 6.45 percent. Second, Mirziyoyev's government has further embarked on tax reform, with the goal of reducing corporate income tax from 14 to 12 percent.

*Since 2013, Uzbekistan has risen from 146<sup>th</sup> to 74<sup>th</sup> place in the World Bank's "Doing Business" ranking.*

Since 2013, Uzbekistan has risen from 146<sup>th</sup> to 74<sup>th</sup> place in the World Bank's "Doing Business" ranking. Foreign investment increased from \$1.9 billion in 2016 to \$4.2 billion in 2017.<sup>14</sup> Mirziyoyev returned from the inaugural Belt and Road Forum in Beijing in May 2017 with 100 investment deals worth over \$20 billion, although only \$1.3 billion of projects are listed on the Ministry of Investment and Foreign Trade's website.<sup>15</sup> According to the president, 456 projects involving foreign participation, worth \$23 billion, are currently being implemented in

12 Mamuka Tsereteli, "The Economic Modernization of Uzbekistan," Silk Road Paper, April 2018, at <http://isdpeu/publication/economic-modernization-uzbekistan/>.

13 Roberto Bendini. "Uzbekistan: Selected Trade and Economic Issues." European Parliament, Sept. 12, 2013, at [http://www.europarl.europa.eu/RegData/etudes/briefing\\_note/join/2013/491518/EXPO-INTA\\_SP\(2013\)491518\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/491518/EXPO-INTA_SP(2013)491518_EN.pdf).

14 "Uzbekistan's Foreign Investments Inflow at \$4.2 billion YTD - Investments Committee Chief," Tashkent Times, Nov. 9, 2017, at <http://tashkenttimes.uz/economy/1664-uzbekistan-s-foreign-investments-inflow-at-4-2-billion-ytd-investments-committee-chief>.

15 "Проекты с участием ПИИ" [Projects Involving FDI], Ministry of Investment and Foreign Trade, at <https://invest.gov.uz/en/invest-projects-taxonomy/perechen-realizuemyh-proektov-s-uchastiem-pii/>.

Uzbekistan.<sup>16</sup> Trade has also surged. Exports increased by more than 15 percent in 2017, with Uzbekistan signing export deals worth \$11 billion covering an undisclosed time period with representatives from 60 states, organizations, and companies.<sup>17</sup>

*Under Karimov, Uzbekistan was one of the most corrupt and kleptocratic countries in the world. Officials used links to the state to amass vast personal fortunes.*

As authoritarian upgrading seeks to increase economic opportunities for regime insiders while mitigating public pressure for political reforms, the regime's economic reforms primarily serve to strengthen the current patronage system. While the government relies on the private sector to boost economic performance and spur job creation, the state remains the prominent economic actor, directing investments and allocating rents. Eighty percent of Uzbekistan's 603 joint-stock companies are state-owned, as is 83 percent of capital in the banking sector.<sup>18</sup> Citizens may benefit from new jobs, lower corruption, and new opportunities for entrepreneurship, but ultimately, it is regime elites and their allies who are capturing the greatest share of the benefits generated by Uzbekistan's economic opening.



Gulnara Karimova in 2009. (Source: World Economic Forum)

Under Karimov, Uzbekistan was one of the most corrupt and kleptocratic countries in the world. Officials used links to the state to amass vast personal fortunes. Karimov's daughter, Gulnara Karimova, for instance, used her position to solicit over \$1 billion in bribes from investors in the telecommunications market.<sup>19</sup> Mirziyoyev's government has introduced a new law on combating corruption, initiating cases against 1,566 officials in the first half of 2017 alone.<sup>20</sup> But whether this is a genuine attempt to clean up or an excuse to purge bureaucrats—as is often the case in the former Soviet Union—remains unclear. What is clear is that grand corruption remains a problem in Uzbekistan. Officials appear to be siphoning off the benefits of increased investment. A recent investigation indicated that Tashkent City—a flagship \$1.3 billion megaproject of Mirziyoyev's presidency—is linked to entities close to Akfa Group, a conglomerate owned

16 "Address by the President of the Republic of Uzbekistan Shavkat Mirziyoyev to Oliy Majlis," Dec. 28, 2018, at <https://www.un.int/uzbekistan/news/address-president-republic-uzbekistan-shavkat-mirziyoyev-oliy-majlis>.

17 "Uzbekistan Plans to Increase Exports' volume to US\$30bn by 2022," UzDaily, December 28, 2017, at <https://www.uzdaily.uz/en/post/42156>.

18 "Address by the President of the Republic of Uzbekistan Shavkat Mirziyoyev to Oliy Majlis," Dec. 28, 2018, at <https://www.un.int/uzbekistan/news/address-president-republic-uzbekistan-shavkat-mirziyoyev-oliy-majlis>.

19 Miranda Patrucic, "How The President's Daughter Controlled the Telecom Industry," Organized Crime and Corruption Reporting Project, March 22, 2015, at <https://www.occrp.org/en/corruptistan/uzbekistan/gulnarakarimova/presidents-daughter-controlled-telecom-industry>.

20 "1,566 Corrupt Officials Reportedly Identified in Uzbekistan in H1 2017," Asia Plus, December 16, 2017, at <https://www.asiaplus.tj/en/news/centralasia/20171226/1566-corrupt-officials-reportedly-identified-in-uzbekistan-in-h1-2017>.



*Plans for Tashkent City (Source: tcibc.uz)*

by Jaxongir Artikxodjaev, the Mayor of Tashkent.<sup>21</sup> Artikxodjaev, despite his dubious financial interests, is thus directly responsible for overseeing the project's implementation.

Officials are not the only ones cashing in on the country's economic reforms. Sidelined under Karimov, Uzbekistan's oligarchs are staging a comeback. Alisher Usmanov, an Uzbek native who has become Russia's seventh-richest man, has invested over \$7 billion in projects since 2017. These include a tourism zone in Bukhara, a metallurgical plant, a football team, and an oil-supply contract.<sup>22</sup> Belgium-based Pattoh Chodiev opened a branch of his charitable foundation, International Chodiev Foundation, in Tashkent and invested \$300 million in a metallurgical plant in the city. His nephew Olim Chodiev plans to invest \$300 million "to develop seven tungsten deposits in Uzbekistan, aiming to account for 6 percent of global output."<sup>23</sup>

Economic reforms are making Uzbekistan a more attractive investment destination and improving the business climate. As the country becomes more integrated into global markets, spill-over benefits enhance the regime's standing among the population. But the main beneficiaries of the new opportunities created by selective processes of economic liberalization are the country's elite who continue to capture benefits through their patronage networks. As privatization moves forward, those with ties to the regime will benefit most from the sale of lucrative state-owned enterprises. The government is looking to improve economic performance without conceding political control or relinquishing elite dominance over the economy.

21 Kristian Lasslett. "Uzbekistan Ltd: Private-public Interests Clash in Flagship Project," OpenDemocracy, Jan. 29, 2019, at <https://www.opendemocracy.net/en/odr/uzbekistan-ltd/>.

22 "Узбекские миллиардеры в России хотят вложить капитал в экономику своей малой родины" [Uzbek Billionaires in Russia to Invest in the Economy of their Homeland], Radio Ozodlik, April 6, 2017, at <https://rus.ozodlik.org/a/28413517.html>.

23 "Luxembourg's IFG Capital Seeks to Tap Tungsten Deposits in Uzbekistan," Reuters, Oct. 1, 2018, at <https://in.reuters.com/article/ifg-capital-uzbekistan-tungsten/luxembourgs-ifg-capital-seeks-to-tap-tungsten-deposits-in-uzbekistan-idINKCN1MB1JT>.

# PURGING THE ELITE, PROMOTING THE TECHNOCRATS

Under Karimov, the government adhered to a concept borrowed from the Brezhnev-era of Soviet history: “stability of the cadres.” Officials often kept their positions for years, even decades, allowing them to amass power. In an effort to consolidate his position, Mirziyoyev has broken from the mold, quickly and quietly reshuffling the Uzbek leadership. Of 66 ministers, first deputy ministers, chairpersons of state committees, and CEOs of state companies, only Foreign Minister Abdulaziz Kamilov has retained his position from Karimov’s time. Mirziyoyev has purged all government institutions at the national and local levels, rotating cadres, removing powerful Karimov-era appointees, bringing in a new generation of young technocrats, and rehabilitating some who had fallen out of favor under the previous administration.<sup>24</sup> These moves are part of a strategy to bolster bureaucratic efficiency, but more importantly they are aimed at creating a new elite loyal to Mirziyoyev.

When Karimov died, three people emerged as potential successors: Prime Minister Shavkat Mirziyoyev, Finance Minister Rustam Azimov, and Security Chief Rustam Inoyatov, who was viewed more as a kingmaker than a potential king. Mirziyoyev was selected to organize Karimov’s funeral, a sign since Soviet times that he was the chosen successor. A day after his presidential inauguration in January 2017, Mirziyoyev removed Azimov from his post. He made the former finance minister a deputy prime minister, only to fire him five months later.<sup>25</sup> Inoyatov proved harder to dismiss.

He had run Uzbekistan’s security services for almost 23 years, growing rich and powerful in the process. Mirziyoyev managed to remove the security chief in January 2018 following criticism that his agency engaged in “systemic violations of ordinary people’s rights.”<sup>26</sup>

In addition to the State Security Service, Mirziyoyev restricted the authority of two other powerful institutions from Karimov’s day: the Prosecutor General’s Office and the Ministry of Justice. Mirziyoyev met with prosecutors in January 2017, announcing that he would establish public control over the office and prevent it from being used for repression. Later that year, he castigated Uzbekistan’s prosecutors, calling them “the biggest thieves” in the “old rotten system.”<sup>27</sup> Mirziyoyev similarly overhauled the Ministry of Justice, a so-called “hidden hand” that manipulated Uzbek institutions under Karimov. Western-educated technocrat Ruslanbek Davletov now heads the ministry.

Mirziyoyev’s appointees are not only well-educated, but they’re also individuals that the new president believes will be loyal. Head of the presidential administration Zainilobiddin Nizomiddinov worked with Mirziyoyev in the Cabinet of Ministers before 2016 and reportedly influences the president’s personnel decisions.<sup>28</sup> Following the authoritarian playbook, Mirziyoyev appointed his sons-in-law Otabek Shahanov and Oybek Tursonov as deputy head of the president’s security service and deputy head of the presidential administration,

24 Bruce Pannier, “How Shavkat Mirziyoev Became Uzbekistan’s Supreme Leader,” RFE/RL, February 3, 2018, at <https://www.rferl.org/a/uzbekistan-mirziyoev-consolidation-of-power/29016113.html>.

25 Bruce Pannier, “Rustam Azimov, Once Seen As Potential Uzbek President, Dismissed From Government,” RFE/RL, June 6, 2017, at <https://www.rferl.org/a/qishloq-ovozi-azimov-out-uzbekistan-government/28531755.html>.

26 “Powerful Uzbek Security Service Chief ‘Dismissed’,” RFE/RL, Jan. 31, 2018, at <https://www.rferl.org/a/uzbekistan-powerful-security-chief-inoyatov-ousted/29009224.html>.

27 “Шавкат Мирзияев назвал прокуроров «самыми большими ворами» (видео)” [Shavkat Mirziyoyev Called Prosecutors “the Biggest Thieves”], Radio Ozodlik, Aug. 4, 2017, at <https://rus.ozodlik.org/a/28658153.html>.

28 “Держать совет. Кто будет управлять Узбекистаном вместе с президентом” [Hold Advice. Who Will Rule Together with the President], Fergana News, Sept. 3, 2018, at <https://www.fergananews.com/articles/10156>.



Monument to Islam Karimov in Tashkent (Source: prezident.uz)

respectively.<sup>29</sup> His youngest daughter is now deputy head of the Department for Preschool Educational Institutions at the Ministry of Education. Former deputy prime minister Abdulla Aripov, who lost his job in 2012 after the General Prosecutor's Office filed criminal charges against him for colluding with Karimov's daughter to shake down the telecommunications companies, became prime minister in 2016. Former Tashkent Mayor Kozim Tulaganov, convicted of economic crimes and sentenced to 20 years in prison in 2006, became deputy chairman of the Committee for Architecture and Construction.

At the same time, Mirziyoyev know to keep power players from Karimov's regime close. Many members of Karimov's inner circle – mostly those with links to law enforcement – remain within the president's reach. Former security chief Inoyatov has retained his influence and is now an adviser on legal reforms, while Former Minister of Emergency Situations Tursinkhan Khudaibergenov is

an adviser on law enforcement. Influential “gray cardinal” Zilemkhan Khaidarov heads the Financial and Economic Department of the president's administration,<sup>30</sup> and Umar Ismailov, the president's adviser on the civil service, held the same position under Karimov and used to work for the secret services. Although he lost his position as State Councilor for Culture, Press and Creative Organizations in August 2018, Khayriddin Sultanov, who played a key role in censorship under Karimov, is still a speechwriter for Mirziyoyev.<sup>31</sup>

Moves to restrict the abuse of power by law enforcement and to bring young, educated, apolitical technocrats into the government will make the government more efficient and more transparent. But this shift from dominance of the security services to a reliance on specialists, family members, and rehabilitated officials is about creating an elite that is loyal to Mirziyoyev and that shares his vision of authoritarian upgrading.

<sup>29</sup> Rafael Sattarov, “Uzbekistan's New Balance of Forces,” Carnegie, Sept. 15, 2017, at <https://carnegie.ru/commentary/73122>.

<sup>30</sup> “Рустам Иноятлов и Зилемхан Хайдаров получили новые посты в администрации президента Узбекистана” [Rustam Inoyatov and Zilemkhan Khaidarov Received New Posts in the Presidential Administration of Uzbekistan], Fergana News, Aug. 28, 2018, at <https://www.fergananews.com/news/32314>.

<sup>31</sup> “Куранбаев и Султанов лишились постов госсекретарей президента Узбекистана” [Kurbanbayev and Sultanov Lost Their Posts as Advisers to the President of Uzbekistan], Fergana News, Aug. 27, 2018, at <https://www.fergananews.com/news/32292>.

## SOFTENING REPRESSION

Under Karimov, Uzbekistan appeared annually in Freedom House's "worst of the worst" list for its widespread human rights abuses. Torture was systematic in the criminal justice system. Thousands were jailed on politically motivated charges. Child labor, especially during each year's cotton harvest, was widespread and facilitated by the government. Freedom of expression was severely limited. After the government expelled many international non-governmental organizations (NGO) and media outlets following a state-sponsored massacre of hundreds of civilians in Andijon in 2005, Uzbekistan became virtually closed to independent scrutiny.

Repression came at a cost. Uzbekistan became isolated from the West, and the security services become the most powerful force in the country. To fend off scrutiny and signal that Uzbekistan is opening up, Mirziyoyev's path of authoritarian upgrading looks to soften repression. Regarding criminal justice, Mirziyoyev issued a decree prohibiting the use of torture to extract confessions and outlawing such confessions as evidence in court proceedings. The government has pardoned 2,700 political prisoners.<sup>32</sup> Among those released include the longest-held journalist in the world, Muhammad Bekjanov, who was detained since 1999, along with human rights defender Azamjon Farmonov, journalist Solijon Abdurahmonov, and civil society leader Agzam Turgunov. The Ministry of Internal Affairs further removed 18,000 people from its blacklist of suspected extremists in early 2018.

Censorship has also been relaxed to a degree.<sup>33</sup> In May 2019, the State Information and Mass Communication Agency restored access to a dozen foreign news websites, including the BBC and leading independent site Fergana.ru, some of which were blocked since 2004.<sup>34</sup> Citizens and the media have begun discussing genuine social problems, including corruption and child labor.

*Rather than constituting systematic change, these conciliations have been piecemeal, aimed at signaling to foreign observers and the domestic population that the country is slightly less repressive.*

Child labor has been "significantly reduced," but not eliminated, since Mirziyoyev issued a decree aimed at ending the practice in May 2018.<sup>35</sup> Officials have started to give more regular press conferences. While the Karimov regime viewed religion as a potentially dangerous force in need of tight regulation and suppression, Mirziyoyev's government has embraced a more permissive attitude. Emboldened by the new situation, imams in Tashkent have begun broadcasting the Adhan call to prayer over loudspeakers for the first time in a decade.<sup>36</sup> Yet, these changes also have limits. Under Uzbekistan's Religion Law, all religious activities need state permission.

32 "Uzbek President Mirziyoyev Pardons 2,700 Convicts With Decree." RFE/RL, 7 December 2017, <https://www.rferl.org/a/uzbekistan-mirziyoyev-amnesty-2700/28902611.html>.

33 "'You Can't See Them, but They're Always There:' Censorship and Freedom of the Media in Uzbekistan," Human Rights Watch, March 28, 2018, at [https://www.hrw.org/sites/default/files/report\\_pdf/uzbekistan0318\\_web\\_0.pdf](https://www.hrw.org/sites/default/files/report_pdf/uzbekistan0318_web_0.pdf).

34 "Uzbek Government Says It Has Unblocked Prominent Independent Websites," RFE/RL, May 11, 2019, at <https://www.rferl.org/a/uzbek-government-says-it-has-unblocked-prominent-independent-websites-/29935101.html>

35 "U.S. Lifts Uzbek Cotton Ban, Saying Forced Child Labor 'Significantly Reduced,'" RFE/RL, March 28, 2019, at <https://www.rferl.org/a/u-s-lifts-uzbek-cotton-ban-child-labor-educed-/29845439.html>

36 Mukhammadsharif Mamatkulov. "Emboldened by Change, Some Uzbek Imams Turn on Loudspeakers for Call to Prayer." Reuters, Dec. 11, 2017, at <https://www.reuters.com/article/us-uzbekistan-islam/emboldened-by-change-some-uzbek-imams-turn-on-loudspeakers-for-call-to-prayer-idUSKBN1E51KQ>.



*Uzbek activist Elena Urlaeva (Source: [civicsolidarity.org](http://civicsolidarity.org)) and Muhammad Bekjanov (Source: [uz.usembassy.gov](http://uz.usembassy.gov))*

While parliament adopted a road map to relax regulations on religious activities, the government introduced new guidelines banning religious clothing in schools and universities, including the newly-established Islamic Academy, in August 2018.<sup>37</sup>

Rather than constituting systematic change, these conciliations have been piecemeal, aimed at signaling to foreign observers and the domestic population that the country is slightly less repressive. Broader political liberalization remains elusive. Political contestation is still tightly controlled by the regime, which has a limited tolerance for independent criticism. In March 2017, for example, human rights defender Elena Urlaeva was beaten and forcibly admitted to a psychiatric facility in Tashkent for 23 days to prevent her from meeting with representatives of the World Bank to discuss the practice of forced labor in Uzbekistan.

In September 2018, police detained eight conservative religious bloggers who criticized the regime for its treatment of the faithful.<sup>38</sup> Other journalists and civil society activists have been harassed by law enforcement.<sup>39</sup>

Despite political reforms, Uzbekistan remains a de-facto one party state. Although the ruling Liberal Democratic Party shares seats in the country's Supreme Assembly with four other parties, all of them are pro-presidential. With parliamentary elections scheduled for the end of 2019, no opposition movement has emerged in the country.<sup>40</sup> The country's leading opposition party, Erk, remains unregistered, and its leader Muhammad Salih is still in exile. No new opposition party has managed to gain registration since Mirziyoyev came to power in 2016. It appears that the ruling Uzbek Liberal Democratic Party will continue to dominate the political scene.

<sup>37</sup> "Has Mirziyoyev Really Brought Religious Liberty to Uzbekistan?" Freedom House, Jan. 16, 2019, <https://freedomhouse.org/blog/has-mirziyoyev-really-brought-religious-liberty-uzbekistan>

<sup>38</sup> Catherine Putz, "Conservative Religious Bloggers Detained in Uzbekistan." The Diplomat, Sept. 6, 2018, at <https://thediplomat.com/2018/09/conservative-religious-bloggers-detained-in-uzbekistan/>

<sup>39</sup> "Uzbekistan: Some public criticism of security services surfaces but open public debate remains far-off," International Partnership for Human Rights, March 5, 2018, at <https://iphronline.org/public-criticism-security-services-surfaces-open-public-debate-remains-far-off.html>.

<sup>40</sup> "Uzbekistan Remains Desolate Place for Opposition Politics," Eurasianet, Aug. 13, 2018, at <https://eurasianet.org/uzbekistan-remains-desolate-place-for-opposition-politics>.

# THE PURSUIT OF REGIONAL HEGEMONY

Upon independence, Uzbekistan was well-positioned to become Central Asia's leading power. It is the only country to border every other state in the region, including Afghanistan. It had the largest population, the strongest army, and a tradition of operating as the region's administrative center since tsarist times. Yet, disputes over water and borders, plus personal animosity towards the other presidents of the region, led the Karimov regime to cut Uzbekistan off.

Tensions were highest with neighboring Tajikistan. Relations between the two countries typify Karimov's dispute-laden foreign policy.<sup>41</sup> When civil war broke out in Tajikistan in 1992, the Uzbek government sent troops to help Tajik President Emomali Rahmon restore order. But ties rapidly deteriorated when the Tajik government accused Uzbekistan of supporting Colonel Makhmud Khudoberdiyev, who invaded north Tajikistan in 1998. In turn, the Uzbek government accused Tajikistan of harboring the Islamic Movement of Uzbekistan, which attempted an armed incursion into Uzbekistan in 1999. Uzbekistan mined the border in 1999 and introduced a visa regime in 2001. The dispute deepened when Tajikistan resumed construction on the massive Rogun dam in 2008, which Karimov's government complained would restrict the amount of water available for irrigation. Customs officials from Uzbekistan began preventing rail freight from passing into Tajikistan in December 2009. After what Uzbekistan described as a "terrorist" attack in November 2011, all traffic was halted. Trade dwindled from \$230 million in 2008 to \$14.9 million in 2015.

Immediately after the collapse of the Soviet

Union, regional trade between the Central Asian states constituted 20 percent of their total turnover. By 2012, regional trade had fallen to under 5 percent.<sup>42</sup> Thanks to booming commodity prices, market-oriented reforms, and efforts to maintain relations with external partners, Kazakhstan's economy is now twice as large as Uzbekistan's.

*Since coming to power, the Uzbek president has prioritized relations with neighbors. Rather than Moscow or Beijing, he chose Turkmenistan for his first foreign trip.*

Consistent with authoritarian upgrading, Mirziyoyev looks to develop international linkages to capture the benefits of increased trade and investment. He also aims to reposition Uzbekistan as the region's hegemon. Success in these ventures will dampen calls for broader political liberalization. Since coming to power, the Uzbek president has prioritized relations with neighbors. Rather than Moscow or Beijing, he chose Turkmenistan for his first foreign trip. In his first year in office, Mirziyoyev made 11 visits, two working visits, and 15 phone calls with presidents of neighboring countries, including the first state visit from Uzbekistan to Tajikistan since 2000.<sup>43</sup> In 2018, Mirziyoyev continued these efforts, making seven visits to neighboring states. In September 2017, he announced at the UN General Assembly the dawn of a "new political atmosphere" in the region, based on

41 Edward Lemon, "The Transformation of the Uzbek-Tajik Relationship," Eurasia Daily Monitor, March 12, 2018, at <https://jamestown.org/program/transformation-uzbek-tajik-relationship/>

42 Johannes Linn, "Central Asian Regional Integration and Cooperation: Reality or Mirage?" The EDB Eurasian Integration Yearbook 2012, at <https://www.brookings.edu/wp-content/uploads/2016/06/10-regional-integration-and-cooperation-linn.pdf>.

43 Iskander Zakirov and Yuliya Nevskaya, "Uzbekistan's New Foreign Policy Doctrine," CACI-Analyst, Sept. 18, 2017, at <https://www.cacianalyst.org/publications/analytical-articles/item/13470-uzbekistans-new-foreign-policy-doctrine.html>



President Kassym-Jomart Tokayev and President of Uzbekistan Shavkat Mirziyoyev after signing the Joint Statement in Tashkent April, 2019. (Source: mfa.gov.kz)

“good-neighborliness.”<sup>44</sup>

Mirziyoyev’s comments are more than rhetoric. Uzbekistan has settled Soviet-era border disputes with Kyrgyzstan, Kazakhstan, and Tajikistan. It has also tried to position itself as a leader in addressing transnational issues in the region. In March 2018, an informal summit with the five Central Asian states took place in Astana after a 15-year hiatus.<sup>45</sup> Tashkent also hosted an international conference on Afghanistan in March 2018, signaling its desire to play a role in settling the region’s most significant crisis. Uzbekistan’s trade volume increased by 11.3 percent in 2017, with the largest gains coming from within Central Asia.<sup>46</sup> Since 2015, trade with Kazakhstan has risen by 25 percent to reach \$2.5 billion; trade with Kyrgyzstan has increased 68 percent to \$336 million; and trade with Tajikistan has increased a staggering nineteen-fold to \$281.5 million in 2018.

Under Karimov, relations with external powers

outside of Central Asia were also frosty. Karimov openly defied Moscow’s attempts to enhance its influence in the region, saying that he did not want a return of the Soviet Union. After the United States government criticized his handling of the Andijon massacre, Karimov evicted the U.S. military from its base in Karshi-Khanabad. Relations with China were the most consistent, as Karimov’s government viewed ties with China as a means to push back against Russia’s hegemonic aspirations in the region. China became Uzbekistan’s largest investor in 2013 and leading trade partner in 2015, positions it has since maintained.

Like other states in the region, Mirziyoyev now is pursuing a “multivector” foreign policy, trying to avoid dependence on any one outside power. China and Russia remain the country’s main external trade partners, representing 19 and 18 percent of total trade, respectively. Trade turnover between Russia and Uzbekistan

44 “Address by H.E. Mr. Shavkat Mirziyoyev, President of the Republic of Uzbekistan at the General Debate of the 72nd Session of the United Nations General Assembly,” United Nations, Sept. 19, 2017, at [https://gadebate.un.org/sites/default/files/gastatements/72/uz\\_en.pdf](https://gadebate.un.org/sites/default/files/gastatements/72/uz_en.pdf).

45 Georgi Gotev. “Astana Hosts Little-publicised Central Asia Summit,” Euractiv, March 16, 2018, at <https://www.euractiv.com/section/central-asia/news/fri-astana-hosts-little-publicised-central-asia-summit/>.

46 “Summary of 2017 in Foreign Trade Policy of the Republic of Uzbekistan,” Embassy of Uzbekistan in New Dehli, Jan. 26, 2018, at <http://www.uzbekembassy.in/summary-of-2017-in-foreign-trade-policy-of-the-republic-of-uzbekistan/>.

increased by 21 percent in 2018 to \$5.7 billion.<sup>47</sup> Moscow has simplified the customs regime for Uzbek agricultural exports and promised to invest in a \$13 billion nuclear power plant.<sup>48</sup> Between two and three million Uzbeks work in Russia, sending back \$3.9 billion in 2017 and creating a dependency that gives Russia lasting influence over Tashkent.<sup>49</sup> But Uzbekistan has still managed to resist Russia's attempts to re-integrate it into the Collective Security Treaty Organization—which Uzbekistan left in 2012—and to join the Eurasian Economic Union.

*The United States remains the distant great power in the region, lacking the regional influence of Russia and China, although economic reforms have paved the way for increased U.S. investment.*

China is the country's leading trade partner, with over \$6 billion in trade in 2018. It also has over \$7.8 billion in active investments in Uzbekistan, including Beijing's largest project in Central Asia, the \$500-million Angren-Pap tunnel.<sup>50</sup> Mirziyoyev is keen to secure investment projects and place Uzbekistan at the center of China's Belt and Road Initiative. The United States remains the distant great power in the region, lacking the regional influence of Russia and China, although economic reforms have paved the way for increased U.S. investment. Uzbekistan has signed investment deals worth \$2.6 billion

with U.S.-based companies.<sup>51</sup> Uzbekistan has also diversified international linkages by strengthening ties with the Gulf states, South Korea, Iran, and Turkey. Mirziyoyev's trip to Seoul in November 2017 brought \$9 billion in investment deals in the banking, energy, chemical, and mining sectors.<sup>52</sup>

Uzbekistan is emerging from decades of isolation. The transformation of its relations with neighboring Central Asian states has been the signature achievement of the new government and has been welcomed across the region. Thus far, Mirziyoyev's government has also managed to balance relations with external powers, thereby attracting greater investment and strengthening ties to the global system. As with economic reforms, the government's efforts to boost trade and investment are driven by a desire to modernize Uzbekistan's long-isolated authoritarian state. Following Kazakhstan and China's lead, Uzbekistan is opening up its economy to outside investment, aiming to raise living standards and bolster the regime's legitimacy without the need to decentralize political power.

47 Abdul Kerimkhanov, "Trade Between Uzbekistan, Russia Increases by 21 pct.," AzerNews, Jan. 18, 2019, at <https://www.azernews.az/region/144209.html>.

48 "Remittances to Central Asia Surge but Fall Short of Historic Highs," Eurasianet, May 22, 2018, at <https://eurasianet.org/remittances-to-central-asia-surge-but-fall-short-of-historic-highs>.

49 Ibid.

50 "China Becomes Largest Trade Partner of Uzbekistan Again," Xinhua, Nov. 16, 2018, at <http://en.silkroad.news.cn/2018/1116/120030.shtml>.

51 "Uzbekistan, US Firms Sign \$2.6 billion Worth of Deals at Uzbek-American Business Forum," Tashkent Times, Sept. 21, 2017, at <http://tashkenttimes.uz/business/1456-uzbekistan-us-firms-sign-2-6-billion-worth-of-deals-at-uzbek-american-business-forum>.


52 "South Korea and Uzbekistan Sign \$9bn Investment Package," Eurasian Business Briefing, Nov. 24, 2017, at <https://www.eurasian-businessbriefing.com/south-korea-uzbekistan-sign-9bn-investment-package/>.

## WHAT'S NEXT FOR UZBEKISTAN?

Speaking for the first time as president to the UN General Assembly in 2017, Mirziyoyev promised to “build a democratic state and a just society.”<sup>53</sup> Karimov’s death provided an opportunity to transform existing institutions and reset the state’s relationship with society. At present, despite some moves to liberalize the economy and relax repression, reforms within Uzbekistan remain limited. Mirziyoyev’s Uzbekistan is not undergoing a process of genuine democratization, at least not yet. What we are witnessing instead is authoritarian upgrading. Mirziyoyev’s ultimate goal is to stay in power. Opening the country to investment and reforming the economy allows elites to benefit disproportionately from the rents generated. Purging the elite, bringing in technocrats, family members, and rehabilitated officials create a political class that is loyal to the president. Meanwhile, relaxing repression and introducing economic reforms that increase welfare allows the new president to build popular legitimacy. And indeed, the benefits to the population are real. People are able to speak more freely, travel, open businesses, and hold officials accountable. But authoritarian upgrading also comes with risks.

Mirziyoyev’s government and his policies have not yet faced any real tests. Privatization and deregulation may create jobs, but the liberalization of currency regulations, devaluation of the som, and utility price adjustments are also leading to inflation. The International Monetary Fund predicts that inflation could reach 18 percent in 2019. Authoritarian upgrading is premised on continual economic growth, improved governance, job creation, and rising living standards. Should this falter, the legitimacy of modernization without democratization could be challenged.

Relaxing repression, although welcome, also comes with risks. As citizens are given greater freedoms while expecting the government to deliver on its promised reforms, the potential for opposition to the government will grow. If the government faces protests over foreign investments, as has occurred in Kyrgyzstan and Kazakhstan, or labor unrest similar to the kind seen in the Kazakh oil town of Zhanaozen in December 2011, its reaction will be a litmus test for the sincerity of Mirziyoyev’s reform agenda. Would law enforcement peacefully deal with protestors, and would the government respond to their demands? Or would law enforcement use violence as those in power seek to maintain the status quo?

Mirziyoyev has taken a number of steps to transform the country since coming to power in 2016. He has promised to “build a prosperous and democratic state, trusted and respected by its people and the international community.”<sup>54</sup> But meaningful political change remains merely rhetorical. While the system is being modernized, there is little evidence that this will result in political liberalization. Quite the opposite, it appears to be a ploy to ensure the country remains authoritarian. 

<sup>53</sup> “Address by H.E. Mr. Shavkat Mirziyoyev, President of the Republic of Uzbekistan at the General Debate of the 72nd Session of the United Nations General Assembly,” United Nations, Sept. 19, 2017, at [https://gadebate.un.org/sites/default/files/gastatements/72/uz\\_en.pdf](https://gadebate.un.org/sites/default/files/gastatements/72/uz_en.pdf).

<sup>54</sup> Navbahor Imamova, “Uzbek Leaders Insist Reforms Are Designed to Endure,” Voice of America, Nov. 25, 2018, at <https://www.voanews.com/a/uzbek-leaders-insist-reforms-are-designed-to-endure/4669094.html>.

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