

EASTERN REVIEW 2019, T. 8

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## Old and New Uzbekistan – A comparative essay on the last years of Islam Karimov’s reign and Shavkat Mirziyoyev’s presidency

**Abstract.** The article aims to present the positive and negative effects of the change in the position of the President of the Republic of Uzbekistan. The article focuses on economic issues, comparing the policy of President Islam Karimov and the policy of President Shavkat Mirziyoyev. The work also compares the foreign policy of both leaders towards Uzbekistan’s largest political partners: Russia and China. The above article tries to answer the question: are the changes in Uzbekistan significant after 2016 or only superficial?

**Keywords:** Republic of Uzbekistan, Islam Karimov, Shavkat Mirziyoyev, internal policy, foreign policy.

### Introduction

For many years, Uzbekistan was mainly associated with a dictatorial president. A number of wealthy states have wanted to expand their businesses in the excavation industry there, with varying results. There have been a lot of obstacles to this, as proved by the international indexes. In terms of economic freedom, Uzbekistan received 87<sup>th</sup> place in 2016 (Gazeta.uz., 2015). When we inspect further, the country was given 156<sup>th</sup> place in a corruption index as well as 166<sup>th</sup> place in an economic freedom index (Heritage.org., 2019). The situation

seemed to improve however when President Karimov died on September 2<sup>nd</sup> 2016. There occurred a lot of optimism in the country as his death was seen as an end to the era of corruption and secret police rule; as well as being a chance for economic improvement. A new leader arose, Shavkat Mirziyoyev, who was seen by the West as a great reformer and a stark contrast to a figure such as Karimov.

The author's methodological assumptions were to follow the model of the research process proposed by Norman Goodman. The research problem posed is: To what extent has there been any significant change in economic policy in Uzbekistan as a result of the change in the presidency? An attempt to get acquainted with professional literature was almost impossible because a limited amount of scientific texts on the reforms of the new president exist. The hypothesis adopted by the author was that in Uzbekistan there have been significant changes in economic policy. The text implementation itself was based on the use of the comparative analysis method: by comparing the figures of the two Presidents of the Republic of Uzbekistan, Islam Karimov and Shavkat Mirziyoyev. The collected data were analysed and became the source for drawing final conclusions. The criteria for assessing economic policy in the text are trade exchange rates (export and import), the foreign debt of the state, the level of support to domestic trade and industry. Raising political relations with neighbouring countries has become a necessity because in the post-Soviet area politics is directly linked to the economy.

## **Domestic policy**

### **A different view of the Soviet period**

Islam Karimov, despite his lush past associated with the communist movement: he was an activist of the Communist Party of Uzbekistan, a member of the Central Committee and finally the first secretary of the Communist Party of Uzbekistan and the president of the Uzbek SSR, he was critical of the Soviet period. In his statements, he emphasized that the Soviet period was a time of Russian occupation of Uzbek lands, and the decision of local political elites was limited by Moscow. Karimov openly hit the political system of Soviet Uzbekistan, without discrediting the modernization achievements nor compromising this period's rapid pace of modernizing in Uzbekistan. At the beginning of the presidency, Islam Karimov treated the figure of the first secretary, Sharof Rashidov, with respect, using his personality to unite society in the economic reconstruction of the country during the transformation. Failures in the recovery of prosperity and the increase in nostalgia for Soviet times in society prompted Karimov to change his rhetoric about his predecessor. In comparison with Karimov's

approach, President Mirziyoyev glorifies the period of the Uzbek Soviet Socialist Republic. The glorification of Rashidov himself results from their common place of origin. Sharaf Rashidov, similarly to Shavkat Mirziyoyev, was born in the Jizzakh Region. The behaviour of the new leader confirms the assumptions about the attempt to redefine Karimov's image as being motivated by the society of Uzbekistan. In 2017, President Mirziyoyev personally opened the Sharof Rashidov Museum and unveiled a memorial monument (President.uz., 2020).

The blow to the Soviet system was one of the tools for showing the international distance from Moscow's policy. The verbal criticism that followed after 2000 was replaced by a deed policy after 2006 when Tashkent began building an independent international position. The symbol of the deed's policy was the removal of the Shoahmed Shamahmudov monument from the Friendship Square of Nations in 2008, placing it on the edge of the capital (Fergana, 2020).

The perception of the Soviet period would shift when Shavkat Mirziyoyev came to power. Karimov, shirking the Soviet period, sought to distance himself from Moscow, while Mirziyoyev, with his positive statements, seeks to improve relations with the Russian authorities. The policy of the deed is also transforming – the destruction of Soviet symbols has ceased, on the contrary, money was allocated for their renovation. Upon Mirziyoyev's behest, many monuments from the Soviet times have been renovated, and the monument of Shoahmed Shamahmudov has been once again placed in the Friendship Square of Nations. It was unveiled solemnly on May 9, 2019 (IA REGNUM, 2017).

Another area of difference is the approach to the Russian language. The harsh policy pushed by President Karimov led to the complete elimination of the Russian language from public life, the change of the alphabet from Cyrillic to Latin, implemented from 1992–2003, was the most emphatic example of consistency in the policy of eliminating Russian from the public life of Uzbekistan. Such policies were completely non-sensical as Karimov himself predominantly spoke Russian and was much more fluent in it than in his native language. Inconsistency was also noticeable in higher education as all university graduates had to pass Russian language exams. President Mirziyoyev decided to improve the status of the Uzbek language, as it is still one of the most commonly used languages in Uzbekistan, however many people still choose to watch Russian TV networks and read Russian press over their native counterparts. Through the policy of abolishing restrictions on languages, Mirziyoyev aims to encourage young Russian people to remain in Uzbekistan. The introduction of the requirement of knowledge of the Uzbek language excluded many young Russians living in Uzbekistan from taking up senior management positions. Karimov was, therefore, wasting the potential contained in young Russians; whilst Mirziyoyev wants to use them to fill the hole in intellectual cadres arising after the mass emigration of Uzbek people for work to the Russian Federation. A liberal policy towards the Russian minority in Uzbekistan contributed to a downward trend in terms of the emigration statistics: in 2013, 908,000 thousand Russians were living

in Uzbekistan, yet by 2015 that number had dropped to about 650,000 thousand, many of them having either passed away or gone back to Russia (Cyrjapkina, 2015: 18–19).

The comparison of Karimov and Mirziyoyev in terms of their attitude to the Soviet period should be considered at the level of authorities. The policy of Islam Karimov in the nineties was an attempt to continue the ideas of Rashidov, with necessary modifications due to the economic and geopolitical situation. Despite being dependent on the authorities in the Kremlin, Rashidov was seen as an autonomous leader in his decisions. The difficulties of the 1990s made it impossible to immediately break the dependence on Russia, so attachment to the character of Rashidov was beneficial to the image of Islam Karimov himself. After 2000, Islam Karimov wanted to be like Vladimir Putin – he wanted to be seen, like the president of Russia, as a saviour in times of crisis. For Karimov, this state of affairs was impossible to achieve as when he first became president, Uzbekistan was just starting to experience a period of economic instability. An attempt to build a social compromise based on the principle of a good life in return for sacrificing political freedom could not be implemented in Uzbekistan. To Karimov's dismay, the process of economic improvement was lagging behind, making it impossible for him to reach a compromise with the Uzbek people. Instead, he abandoned the policy of consensus and turned towards a policy based on ruling with an iron fist, utilizing tactics based on fear, with assistance from the state's security service.

As for Mirziyoyev, it has been established that he follows a similar path to Sharof Rashidov, former First Secretary. The president is aware of the impossibility of quickly improving the economic situation of the country. He tries to prevent the division of Uzbekistan's society, which is why he bases his internal policy on building friendships between nations and peoples living in former-Soviet Uzbekistan. For all ethnic groups living in Uzbekistan, the Soviet period is associated with a period of mutual sympathy, unity and respect.

### **Approach to internal economic policy**

After the independence of Uzbekistan, President Karimov was forced by a difficult economic situation to start the privatization of state property. He openly declared his reluctance to this mechanism, but there was no other way – the state did not have capital that could be allocated to the process of modernizing the machinery park of state enterprises and holdings. Money obtained from the sale of licenses and subsequent plants were used to rescue failing state-owned enterprises. When the situation eventually improved after 2000, Karimov began to control the rate at which privatization was occurring. Between the years 2000 and 2010, the private sector of the economy increased its contribution by only 2.6% GDP (from 42.5% in

2000 to 45.1% in 2010) (Tsereteli, 2018: 18). Restrictions on selling off state assets to foreign capital and an increase in revenues from natural gas exports enabled the implementation of a recovery program for domestic producers and sellers. Karimov's actions led to the regulation of the situation in the internal market after 2010; this situation persisted until his death.

Table 1. Figures of domestic trade's growth in Uzbek regions in years 2015–2018 (%)

Region	2015	2016	2017	2018
Uzbekistan (generally)	+15.3	+14.4	+1.9	+6.5
Karakalpakstan	+14.1	+14.1	+1.8	+7.2
Andijan Region	+13.5	+12.6	+1.8	+6.5
Bukhara Region	+15.6	+11.5	+0.3	+8.2
Samarqand Region	+15.7	+15.0	+0.7	+5.0
Tashkent Region	+18.9	+10.9	+3.0	+6.6
Fergana Region	+16.8	+14.5	+1.0	+5.9
Tashkent	+16.2	+14.3	+4.4	+8.5

Sources: Super User, 2018b.

The decline in internal trade has been caused by the new trade policy of the state. The new president's vision is based on increasing the quantity of products imported to Uzbekistan. The late President Karimov did everything to prevent the necessity of importing products from abroad – he believed that if there is a possibility of producing a given consumer good in the territory of the country, it is necessary to take out loans and build a plant specializing in the production of the desired product. The presidents also differ in their approach to issuing currency. The situation prevailing in Uzbekistan in the last thirty years can be analogously compared with the period of the sixties and seventies in the People's Republic of Poland. Karimov noticed the dangers of buying expensive imported goods, which citizens could not afford anyway, so consumers had to be content with what domestic trade offered. In economic policy, President Mirziyoyev partly reminiscent of Polish First Secretary Edward Gierek, who bought consumer goods in the West for hard currencies and then sold them on the domestic market below market value. This phenomenon is now taking place in Uzbekistan, the main suppliers of products are Russia and China. Lowering prices for imported products caused an increase in demand for them due to their better quality. Mirziyoyev's privatization process deviates from the model adopted by Karimov however; Mirziyoyev relaunched the privatization process without introducing protective safeguards for domestic producers, which would be unthinkable for Karimov.

Table 2. Figures for individual expenses per capita in years 2015–2018  
(measured in millions of so'm)

<b>Region</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Uzbekistan (generally)	2.27	2.76	3.24	3.99
Karakalpakstan	1.34	1.63	1.92	2.39
Andijan Region	1.92	2.30	2.72	3.42
Bukhara Region	2.48	3.06	3.55	4.40
Samarqand Region	1.71	2.10	2.43	2.96
Tashkent Region	2.76	3.28	3.93	4.82
Fergana Region	1.77	2.16	2.50	3.07
Tashkent	6.54	7.99	9.59	11.85

Sources: Super User, 2018b.

The problem that Karimov could not solve was high inflation. The regulations adopted during his rule worked for a brief period of time, causing then recurrences of the inflation machine. Economists have rightly noted that it was of colossal importance in this process to maintain the artificial exchange rate, regulations hindering the free circulation of foreign currencies, and to continue price regulation.

When it comes to trying to solve these problems, Shavkat Mirziyoyev is considered to be both a rapid and effective reformer – in just a year, he introduced more changes to Uzbekistan than Karimov would if he had been given five years. The attempt to release the So'm (UZS) was perceived by the West as a milestone. These decisions have proven to be beneficial, especially for people working full-time in Russia. While the exchange rate for 1 US dollar is 10,000 UZS, the rate for the Russian ruble was 1 RUB for 75 UZS in the first half of 2019 – currently, the rate fluctuates between 65–67 UZS for 1 RUB (Rynekwschodni.pl, 2019a). In addition, restrictions on exchanging currency have been lifted, which resulted in Uzbeks massively exchanging so'ms for US dollars, Russian Rubles and Kazakh Tenge. This carries a positive impact as a sudden flow of foreign currency into domestic markets has culled the inflation. It's still too early to say anything for sure, as reforms were only introduced on August 21<sup>st</sup> 2019, but so far, it has been noted that many Uzbeks prefer to trade in dollars. An interesting piece of trivia – on the day when reforms were introduced, Uzbek banks traded 1.3 trillion so'ms for US dollars which reduced the exchange rate between UZS-US by 100 so'ms (Rynekwschodni.pl, 2019a). By introducing free currency trading, President Mirziyoyev declared war on the grey economy, which, according to unofficial data, can even reach 30% of the country's GDP. The main forces involved in illegal procedures under Karimov were mainly officials from the Ministry of Trade and the Ministry of

the Interior. Under the slogan of fighting smugglers and criminals, the president could get rid of corrupt officials from the state apparatus.

Changes in the price freezing policy have caused social discontent. The citizens of Uzbekistan were not prepared for such rapid price changes. Here, attention should be paid to the activities of Karimov, who emphasized that he would free the prices of basic products necessary for life only when the financial status of citizens reaches the appropriate level. President Mirziyoyev promptly ruined many households, but due to the difficult economic situation, he could not continue to subsidize them. Through January to July, prices for milk, alcohol, bread and meat increased by 9%. The impactful change was a cut of subsidiaries for bread production. In 2018, a loaf of bread cost about 600–650 so'ms. Now, it costs around 1,200–1,300 so'ms (0.14\$) (Rynekwschodni.pl, 2019b). This radical approach has been paying off though as price-fixing allowed for a slow transition into a market-based economy. Overtime prices should stabilize.

## Foreign policy

### Comparison of the approach of Islam Karimov and Shavkat Mirziyoyev to foreign trade with the countries of the Central Asian region

Table 3. Uzbek exports to Central Asia for years 2014–2016 (measured in bln US dollars)

Year	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan
2014	2.427	0.151	0.002	0.195
2015	1.791	0.897	0.006	0.066
2016	0.876	0.114	0.043	0.055
2017	0.991	0.169	0.075	0.053
2018	8.117	1.552	0.736	0.164
I–VI 2019	1.914	1.004	0.267	0.068

Source: Super User, 2018a.

Initial political disputes negatively affected economic relations with the countries of the region. Those same economic relations became very unpredictable after the year 2000. In some cases, exports would increase exponentially in one year, only to decrease dramatically a few months later. As a leader with economic education, Karimov realized that maintaining this state of affairs only generates losses for the economy of Uzbekistan. In 2010, he began the process of rebuilding economic relations with Kyrgyzstan and Tajikistan, before his death in 2016 he managed to implement part of the plan – economic exchange with Kyrgyzstan



increased. The most successful year for Uzbek's economy, in terms of exports to other countries, was 2014 when sales to Kazakhstan reached a figure of 2.42 billion US Dollars; sales to Kyrgyzstan reached 151 thousand US Dollars and sales to Turkmenistan reached a figure of 195 thousand US Dollars (The Observatory of Economic Complexity, 2014).

The corrective actions taken by Mirziyoyev have stimulated economic relations with neighbouring countries. Between the years 2016 to 2018, the revenue from Kyrgyzstan experienced a 17-fold increase while the revenue from Tajikistan experienced a 13-fold increase. The revenue from Turkmenistan was understandably much less impressive as the country is lacking in foreign currency to engage in wide-range trade. At the time, the revenue from Kazakhstan reached a record-high sum of 8.11 billion US Dollars.

Table 4. Uzbek's imports from Central Asia for years 2014–2016 (measured in bln US dollars)

Year	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan
2014	0.971	0.058	0.003	0.178
2015	0.831	0.034	0.005	0.211
2016	0.935	0.044	0.029	0.127
2017	0.975	0.072	0.049	0.105
2018	19.196	0.801	0.877	1.152
I–VI 2019	3.458	0.195	0.173	0.721

Source: Super User, 2018a.

The changes in the volume of trade with neighbouring countries are significant, but trends from the time of Islam Karimov's rule are still visible. As much as those figures are impressive, a certain trend is noticeable – Mirziyoyev is making an effort to carefully balance out the revenue of imports and exports with Turkmenistan and Kazakhstan – countries with which he's on speaking terms. The smaller revenue from trading with Kyrgyzstan and Tajikistan is indicative of a lower trust with these states. Reasons for why Uzbekistan has kept its distance are as follow: Kyrgyzstan and Tajikistan are mainly buying machinery and fertilizers, while in return, Uzbekistan gets construction materials and agricultural products – paying with food for advanced tech and machinery seems like a worse deal for Uzbekistan, so that's why Mirziyoyev makes sure that imports do not excel the exports. The year 2018 was exceptional due to the high level of exports and imports from neighbouring countries, however, it showed Uzbekistan's economic weakness and the inability to maintain trade at this level. Data for the first half of 2019 in the case of exports and imports show that there will be a decrease in the nominal value of the trade exchange.



### **A comparison of the approach of Islam Karimov and Shavkat Mirziyoyev to trade with the Russian Federation and the People's Republic of China**

Table 5. Uzbek's exports to Russia in years 2014–2019 (measured in bln US dollars)

2014	1.898	2017	1.527
2015	1.236	2018	10.449
2016	1.237	2019	3.326

Source: Super User, 2018a.

Table 6. Figures for exports to China in years 2014–2019 (measured in bln US dollars)

2014	1.553	2017	1.590
2015	1.992	2018	12.489
2016	1.401	2019	4.542

Source: Super User, 2018a.

President Karimov was afraid of being overly dependent on Russia and China, which is why he limited cooperation with these countries in exchange for cooperation with European countries and smaller partners from Asia. Mirziyoyev has been much more daring and confident by establishing economic relations with anyone who was willing to cooperate with Uzbekistan, no matter what their intentions were.

Karimov changed the rhetoric after 2005, China ceased to be a hostile power that wanted to colonize Uzbekistan and became a power that wants to help Uzbekistan develop. Over time, it became Uzbekistan's number one economic partner. In fact, Chinese companies have become a prevalent symbol of China's presence and the impact it is having on the Uzbek economy. The president, however, for the rest of his life feared the intentions of Chinese capital; the new ruling team, due to the need for huge economic investment, is trying to pretend that it does not see such a threat. Manifesting total confidence in their Chinese partners.

The steadily increasing export of goods during Karimov's last years was starting to negatively impact the economy. That trend continues with Mirziyoyev's strategy of tightening relations with China. If China were to become Uzbekistan's sole importer, it could start to manipulate the prices of fossil fuels such as oil and gas. The reasoning behind this worst-case scenario is as follows: originally, when Turkmenistan engaged in trade with China, they were selling gas to it at favourable prices. Thinking that it would be less profitable to export gas to anyone else, Turkmenistan cut ties with Gazprom and continued to send gas to China. The latter then demanded that the

prices are renegotiated and soon Turkmenistan found itself selling gas to China at a much lower rate than it originally was. It is probable that China could do the same to Mirziyoyev.

Table 7. Figures of imports from Russia in years 2014–2019 (measured in bln US dollars)

2014	3.104	2017	2.564
2015	2.487	2018	22.192
2016	2.274	2019	6.188

Source: Super User, 2018a.

Table 8. Figures of imports from China in years 2014–2019 (measured in bln US dollars)

2014	2.357	2017	2.700
2015	2.227	2018	21.087
2016	2.234	2019	7.502

Source: Super User, 2018a.

The increase in imports seems to be problematic, whilst towards the end of Karimov's term of office it increased gradually, after Mirziyoyev took power, it increased at a geometric rate. The ability to trade with Russia grants Uzbekistan a chance to import the necessary goods in order to revitalize the Uzbek economy, mainly its gas and oil industries. However, when further studied, while export income has gone up, the same has to be said about the cost of imports. Having to rely solely on Russia as a source for industrial goods, Putin utilizes this fact to his advantage by arbitrarily manipulating prices for said products. Mirziyoyev is unknowingly leading his country into the scenario in which Uzbekistan might become dependent on Putin's decisions – something that Karimov had been trying to avoid. Karimov was convinced that Russia would never abandon its claims to the region of Central Asia, claiming that it lies within its historical sphere of influence.

Comparing the periods of 2014–2016 to 2017–2019, one can notice a significant trend, in the form of increasing imports. This is due to the fact that Uzbekistan's local industry gets a large majority of its materials and equipment from China. Second, there are several Chinese-owned factories who get their supply and machinery from mainland China as well. The reasoning behind this is that the more goods these factories produce, the more materials will have to be imported from China by Uzbekistan, effectively stimulating the Chinese economy (Nechaeva, Li, 2017). There are some who speculate that it is more viable for Uzbekistan to be reliant on China, rather than Russia. China, in opposition to Russia, doesn't integrate the economy into its foreign policy strategies – they do not resort to using economic pressure as a way to gain political concessions. Though of course, that could always change.

## Approach to state debt

The two presidents had a differing approach as to how state debt should be regulated. Having studied economics, Karimov was aware of the potential consequences of taking loans from foreign countries. That's why, for the majority of his rule, the total debt had been fairly stable. Only after 2000, having established relations with foreign investors and wanting to develop domestic industry, Uzbekistan's debt increased. In 2015, the total debt reached an equivalent of 11.6% of GDP, when in 2014 it was only equivalent to 8.6%. The debt thus reached a value of 11 billion US dollars (UzDaily, 2015).

Meanwhile Shavkat Mirziyoyev, in a spirit of modernizing the country, decided to speed up the rate at which debt was accumulating. The International Monetary Fund had previously estimated that in 2019, the total debt would have reached a value of 14.63 billion US dollars and in 2020, it would have been around 15.65 billion US dollars. Those were the estimates for the scenario in which Karimov was expected to still be in power.

The unexpected change in the style of leadership has bewildered the economists. According to Uzbekistan's Ministry of Finance, the total debt for July 2019 reached a value of 20.70 billion US dollars. It surprised the experts how during the first three quarters of 2019, the debt has managed to increase by 3.4 billion dollars.

The after-effects of the global financial crisis in 2009 have also contributed to the issue. Between the years 2009 to 2019, the debt rose by 17 billion US dollars, of which 13 billion dollars was government debt, while 7 billion dollars was consumer debt (Simplex Service Group 2019). This accumulation is a result of a policy which aims at aiding domestic industry, especially in the area of excavating resources such as natural gas, oil, or even gold. However, so far these investments only bring in more debt.

## Foreign policy

### **Islam Karimov – an unaware guarantor of Moscow's position in Central Asia. Shavkat Mirziyoyev – Politics of dialogue in Central Asia**

At first, the concept of foreign policy under Karimov had a positive outlook, aiming to maintain stable relations between the former Soviet republics. There was a number of factors supporting this vision. Karimov had formed steady cooperation with Turkmenistan, as both countries sought to excavate the bordering

lands which are rich in natural gas. Karimov also sent military aid to President Emomali Rahmon, the ruling leader of Tajikistan, whose country was embroiled in civil war; as well as supported the president of Kyrgyzstan, Askar Akayev during the Batken Conflict (Kuryłowicz, 2014).

At the end of the 1990s, Islam Karimov's problem was too much credulity with regards to the Russian authorities. He believed that Moscow was always guided by good intentions for Uzbekistan – in the situation when Karimov's policy on Russia was tightened, the Kremlin authorities did everything to prevent the relations from cooling down too much. Moreover, Moscow has never undermined the legitimacy of Islam Karimov's rule compared to European countries, which deepened confidence. Following the 2000 change of regime, the new Kremlin ruler noticed Uzbekistan's pretentious policy towards its neighbours, which was a great tool for maintaining control in the region. The Russian authorities were aware that Karimov didn't have enough authority, nor military prowess in order to dictate rules to his neighbours. To get himself out of this predicament, the president turned for help to the Russian Federation. Moscow realized that with Karimov's help, it could gain influence in the Central Asian region, just as it had gained influence over Southern Caucasus. Vladimir Putin, president of the Russian Federation, utilized the tactics of supporting several separatist groups, each one opposing each different country. Uzbekistan was chosen as a base of operations for the organizations. With support granted, Karimov could continue his policy of gaining leverage over the neighbouring countries. This, in turn, caused the dialogue between the states to freeze almost completely; poignantly, it wasn't that long ago when all used to coexist as one republic.

Comparing Islam Karimov with Shavkat Mirziyoyev one can see the difference in the approach to the position of the Russian Federation itself. Both presidents strongly emphasized in their statements the importance of the Russian partner, however, Mirziyoyev effectively tries to limit Russian influence in the region. Karimov also took such actions, but his ill-considered decisions only led to increasing Russia's presence in the region.

The threat over a possible water conflict between both countries granted Russia an opportunity to strengthen its military position in Tajikistan. The Tajik government sent a plea for help to Moscow to bolster the defence forces on the Tajik-Uzbek border. The desire for armed pacification of the Tulip Revolution in Kyrgyzstan led to the perception of Karimov's actions as a manifestation of his imperialist aspirations. Demanding the entry of troops in 2010 to protect the defenceless civilian population of Uzbek origin, led to an increase in the military presence of Russians in bases on the territory of Kyrgyzstan (Klenke, 2019).

Relations on the Astana-Tashkent line were cooled by the aspirations of both Nazarbayev and Karimov (Kazakh and Uzbek leaders respectively) to turn their state into a regional power. This conflict of interests antagonized both presidents. It didn't help that both of these countries were supported by Russia.

Uzbekistan's newest president, Shavkat Mirziyoyev, is considered to be a leader capable of executing goals in the area of foreign policy. This notion can even be supported by the actions of the Moscow authorities as Mirziyoyev has been deemed a threat to Russia's position in Central Asia. Mirziyoyev's first step in reconciling with the neighbouring countries was paying a visit to each neighbour's capital city, last of which was Moscow. This was to signal a new step in Uzbekistan's foreign policy – Mirziyoyev was more keen on mending the old wounds with the former republics rather than to win favour with a superpower laying to the north. Another justification for actions may be the desire to focus first on repairing relations with conflicting countries, and only then cooperation with regular partners. The new president adopted the thesis that it was the Uzbekistan authorities that shattered regional cooperation, and now Uzbekistan must rebuild what it destroyed indirectly by engaging in games between the central-power (Russia) and the peripheral states (Kyrgyzstan, Tajikistan).

The construction of a new image for Uzbekistan in the regional arena was carried out using the recognizable Foreign Minister of Uzbekistan – Abdulaziz Kamilov (Mfa. uz., 2020). The declaration of the President of Tajikistan, Emomali Rahmon, during the funeral of Karimov, about the possibility of repairing the relationship on the Tashkent-Dushanbe line met with a quick reaction from the Uzbek side. As soon as September 29, Abdulaziz Kamilov arrived in Dushanbe (Ozodlik, 2016). The minister was ordered to work out the preliminary points of the agreement, which surprised Tajik diplomacy. They expected a courtesy visit as was the case under Karimov and a further freezing of the relationship. This declaration yielded impressive results – Tajikistan allowed for water from the Vakhsh river to flow to Uzbekistan, granting it a higher supply of drinking water. A year later, an air traffic route from Tashkent to Dushanbe was opened (K-News, 2018). The next step was Mirziyoyev's visit to Tajikistan in March 2018, which contributed to the restoration of the railway connection and the opening of border crossings. Furthermore, Mirziyoyev managed to resume the agreement on the supply of Uzbek gas to Tajikistan, which was suspended in 2012, in exchange for Tajikistan's commitment to providing more water during the summer. Gestures which are nothing special from the point of view of European politics have met with the dissatisfaction of the authorities in the Kremlin.

Kamilov's initial talks with Erlan Abdyldayev led to the possibility of meetings at the highest level. The first, unofficial meeting between Mirziyoyev and Almazbek Atambayev, the Kyrgyz president, took place on at Central Asian Forum which was taking place in Tashkent. Later on, Mirziyoyev paid a visit to Kyrgyzstan in September 2017 (Sputnik Uzbekistan, 2020). The visit resulted in the signing of a document setting the border at 80% of the length (Gov.kg, 2020). In one meeting, a problem was solved that had lasted over 25 years (Gov. kg, 2020). That same year however, a change in leadership occurred and a new President, Sooronbay Jeenbekov was chosen. This time, the Uzbek authorities didn't denounce the new leader like they had in 2005 and once again, Mirziyoyev

expressed his enthusiasm to pursue a policy of friendship with Kyrgyzstan. The Uzbek president invited the newest president-elect to Tashkent to discuss how they could further strengthen the bond that Uzbekistan and Kyrgyzstan had started to form. Both countries could not be divided on the ethnic problems of Uzbeks living in Kyrgyzstan. Mirziyoyev understood that only good relations with the authorities in Bishkek can improve their situation, not a policy of threats.

Karimov, as well as the first presidents of Kyrgyzstan, Askar Akayev and Kurmanbek Bakiyev, did not see the potential of the Central Asian region, they thought that without the help of a stronger economic partner they would not have a chance to develop. The change occurred along with the change of leaders. Both countries (Kyrgyzstan, Uzbekistan) have seen tangible economic benefits from rapprochement. They believe that the Central Asian region has the economic potential to become more independent of Moscow and Beijing.

Mirziyoyev's next goal was to improve his standing with the Kazakhstan authorities. As a show of respect, the Uzbek leader declared that if any country was to have the mantle of a sub-regional superpower, that mantle ought to belong to Kazakhstan, given how its economic output had outgrown that of Uzbekistan. This declaration allowed for both leaders to reconcile, cultivating by Mirziyoyev's visits to Kazakhstan during the years 2017 and 2018 (inbusiness.kz, 2018).

Mirziyoyev went so far as to declare the year 2019 as "The Year of Kazakhstan", bringing countries closer than ever before. When the rapprochement president, Nursultan Nazarbayev, stepped down in March 2019 and was succeeded by Kasym Tokayev, friendly interactions continued to be strong, evidenced when the new Kazakh president paid a visit to Tashkent a month after being elected into office. This fraternization on the line of Nursultan-Tashkent has placed Russia in an uncomfortable position. Knowing that if this were to continue, Moscow could lose Uzbekistan as an essential scapegoat for riling up the Central-Asian republics against each other. Moscow perceives Mirziyoyev as a political amateur, someone who can be easily influenced and controlled – just like they had done with Karimov.

Not wanting to fall behind in Central-Asian affairs, president Putin sent an invitation to Mirziyoyev to come and visit him in Moscow. The visit took place in April 2017 (Prezydent Rosji, 2017). However, it didn't seem to have an impact on Mirziyoyev as no significant agreements in terms of political cooperation were made. Putin decided to invite him to visit again in 2019, only to receive a request to postpone the visit until 2020. This tactic of underplaying Russia's impact in Central Asia is a step in creating a unified block of countries – Uzbekistan, Tajikistan, Kazakhstan, and Turkmenistan – who are economically and politically independent from other states.



## Conclusion

Judging by the analysis and investigation of history, domestic and foreign policies carried out, it can be stated that Uzbekistan is a country in the process of transformation. There is a clear attempt to reform the banking system (freeing up the so'm exchange rate, the possibility of the legal purchase of foreign currency by citizens), as well as to increase the number of special economic zones, accelerating the pace of investment.

It is also important to mention Uzbekistan's place on the international arena. When the country gained independence in 1991, Karimov looked at a world in a unipolar way. The collapse of the Soviet Union, created a political void in the region, leaving no one to fill it. Aside from failed attempts to establish contact with the European Union, Uzbekistan has always remained in the Russian sphere of economic influence (Fiszer, 2018: 213–217).

Only just before his death did Karimov realize that he was living in a multipolar world. Noticing Moscow's declining position as a superpower and recognizing China as a sleeping giant of the world, Karimov began a process of positioning Uzbekistan right in a place where it could play a pivotal part in both Russia's and China's politics, leaning slightly more towards China.

In Uzbekistan, evolutionary and radical changes are taking place simultaneously. The evolutionary changes in the economic policy of institutions are visible through slow personnel and legal changes – whilst the very structure of the state itself is not significantly transformed, in the case of the ossified Uzbek political system, these slow changes also deserve to be considered revolutionary although they do not meet most of the criteria to be classified as such.

The lack of alternatives pushed Mirziyoyev into having to open the country to others. The president is aware that large scale privatization and integration, brought by world economies, can have damaging effects on the Uzbek economy. The thought of another global financial crisis occurring brings Mirziyoyev nothing but fear. In 2008, Uzbekistan wasn't integrated into the structures of the global market and because of that, it avoided a recession; in fact, during 2008–2009 period the economy actually grew by +8.5% (Worldbank.org, 2010).

A new strategy had to be set in motion – it was decided that a triumvirate of economic partners would suffice. One would be the European Union and its investors, the second would be China and the third one would be Russia.

One way to attract European investors would be to show them that a political restructuring is taking place – various ties with Uzbekistan were cut due to high levels of corruption, as well as unclear economic policies. Mirziyoyev has begun a process of clarifying and giving structure to economic law. Measures have also been taken to quell corruption. All of this is done in an effort to attract European investors and to improve Uzbekistan's image. This strategy seems very



reminiscent of what Karimov would do – showing that he's ready to cooperate, even with his adversaries.

A new phenomenon is a growing dependence on having to trade with Russia and China. For the past three years, imports and exports to them have drastically increased. Mirziyoyev has been much more careful than his predecessor but he's not looking into the future. Fearing a total integration into the world economy, Mirziyoyev chooses to select his economic partners. Having to mainly trade with Russia and China, Uzbekistan, in turn, doesn't need to worry about potential risks of diversifying commerce – if a few select partners can provide you with anything necessary, why bother trying to reach everyone? In contrast, Karimov would often try to maintain as many contacts as possible, particularly with Western countries, even if the total value of traded goods didn't exceed the sum of 20 thousand dollars. The current establishment doesn't see a need to branch out and only pursues a select few suppliers.

In addition, Mirziyoyev's policies changed the Uzbek economic model (Halizak, 2018: 233). He has allowed for greater economic freedom; invited foreign competition to invest in Uzbekistan, eliminated a concept of trade surplus etc. – leaning more towards a European economic model. All these activities are part of the economic reforms planned for 2017–2021, but their effectiveness has turned out to be low. The increase in the level of foreign investment is very slow, the state still remains the main investor, which generates losses for the budget. Funds taken from international loans do not lead to economic growth only to maintain previous indicators. The phenomenon of economic growth caused by the increase in internal consumption has been observed in Uzbekistan since 2016, this solution is short-lived. The authorities in Tashkent, most likely, assuming a timeframe of until the year 2021, expect that this solution will be exhausted within the next two years.

To conclude, Uzbekistan has gone through a number of changes but its core structure remains very much the same. The influence of Islam Karimov is still there. In the future, more changes will surely be introduced but that is yet to be seen. The current ruling style of Mirziyoyev has a thaw-like trait to it – it's improving on what Karimov had already built in the 1990s. The new president hasn't gone through an internal power struggle yet – we don't know what could happen to him in the near future.

The system of duality, concerning Russia and China, has already gone through a change. It is clear that for Mirziyoyev, China is to be an important economic partner, while Russia is to be a vital political ally. But this level of political clarity could be detrimental to Mirziyoyev.

The hybrid created by Mirziyoyev in 2016 is coming to an end. The president is faced with the need to make a bold decision whether he wants to make further changes in the economy, modelled on Eastern European countries that undertook the program of reconstruction in the 1990s; or hang between what was and what could be. Observing the actions of the new president, one can notice an attempt

to imitate the reform efforts of neighbouring Kazakhstan. It should be noted, however, that extending economic changes in the Kazakh model will lead to a decrease in the economic attractiveness of the state for potential investors who expect rapid changes. Following this path and the uninterrupted continuation of reforms may lead to catching up with neighbouring Kazakhstan, but there is a second possibility. Reforms will be started but not completed. Such a scenario will lead Uzbekistan to an economic disaster. In this situation, President Mirziyoyev, when deciding to start reforms, gave a clear signal to rebuild the economic structure of the entire country.

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