

Situation analysis for ACT Forum September 2011-09-15

Presentation for ACT-Alliance Forum

- Introduction
- Situation a year ago; Forum was on eve of the Osh and Jbad events.
- What happened next? June events – Referendum and election of new president – Parliamentary elections – formation of coalition government – International commission report on the June events – Setting of date for new presidential elections and local elections
- The situation now
- Future prospects for development

Democratic reform

Long term process which began in Akayev's time and to some extent continued in Bakiev's time. Is fundamentally to the benefit of all.

Economic reform

Steady removal of economic rights of majority of the population (right to employment, free or low cost goods and services).

Steadily worsening position of the majority of the population.

At the same time a smaller layer has got very rich.

This is the main contradiction in development terms in Kyrgyzstan today. It is also the main cause of the two "revolutions" in 2005, 2010.

Summary of risks and opportunities in September 2011

	Dangers	Opportunities
Political	<ul style="list-style-type: none"> • Destruction of government structures after April / June 2010 event. Change in key staff, loss of professionals • New division of responsibilities between prime minister, parliament and president still not clear. Unclear if it will last. • Risk of conflict during or after elections in autumn 2011 • Legal system appears to be in chaos due to abolition of courts, sacking of judges • The regime has lost the confidence of the international donor community 	<ul style="list-style-type: none"> • New constitution declares commitment to political pluralism within a new parliamentary system – first in Central Asia • State TV opened up as public service channel • President commitment to Civil Society's watchdog role (consultative committees initiated on various levels of govt) • Local self government still gives opportunities for collaboration and solving local problems
Social	<ul style="list-style-type: none"> • Anger and disillusion felt by the majority of the population in relation to political leaders and processes • Very serious inter-ethnic and regional N-S conflict is only just below the surface • Reactionary nationalist views have gained influence in many political parties and social movements, including among youth • Low morale of law enforcement bodies 	<ul style="list-style-type: none"> • Widespread social mobilisation gives opportunities to influence young people • CSOs has played a key role in defending human rights (especially in the South) and the secular state • International aid has provide substantial funds for CSOs to work on conflict prevention • The president has presented ideas for a new inter-ethnic relations policy
Economic	<ul style="list-style-type: none"> • Political elite and criminal grabbing 	<ul style="list-style-type: none"> • Substantial humanitarian and reconstruction

	for properties during summer 2010 <ul style="list-style-type: none"> • Continuing lack of investment by CIS/ Western companies because of political risks, corruption etc • Limited reconstruction in Osh and compensation to business • Serious drop in GDP in 2010 • Poverty forcing many young and able people to migrate for work • Risks created by occupation of land outside Bishkek and Osh 	aid was delivered by the donors in 2010-11 <ul style="list-style-type: none"> • Development programmes are continuing, many focus on local economic development as a priority
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Kyrgyzstan's economic performance compared to its neighbours in FSU

Real growth rate after inflation is taken into account (source Wikipedia/IMF)

Country	Increase / decrease in GDP in 2010
Kazakhstan	7%
Kyrgyzstan	-1.4%
Russia	4%
Tajikistan	6.5%
Turkmenistan	9.2%
Uzbekistan	8.5%

Kyrgyzstan economic indicators 2009-10 (Source Central Asia Times)

	2009	2010
Poverty	31.7%	33.7%
Extreme poverty	3.1%	5.3%

The main causes of poverty are unemployment and social injustice / inequality.

Current situation in two areas where INTRAC has been active this year

1. Local Self Government / Decentralisation (INTRAC study on decentralisation and donor programmes in this sphere 2000-2010, for Soros Foundation Kyrgyzstan / SDC).

Key points

- National strategy on decentralisation adopted in 2002
- Huge investment by donors – UNDP, USAID, EU and others
- A variety of bodies representing local government and civil society have lobbied the reforms. NAMSU is the responsible agency today.
- LSG has many problems – the main one being lack of financial resources to carry out the responsibilities that the state sets them, or that citizens demand
- BUT ideas for a 2-level budget were dropped in 2007-08, and the new Tax Code adopted in 2009 significantly reduces the financial powers of LSG
- Parliament will soon begin discussing a new Decentralisation Strategy
- In the current situation there is doubt whether this is a top priority for government. National problems– eg making the parliamentary system work properly, or reforming the judiciary - may demand their attention.
- However many donors are still committed to supporting LSG and decentralisation.

2. Accountability of Local Government (ASTP project in the South, funded by British Embassy)

Key points

- Aim of the project: To reduce the potential for conflict in Osh and Jalalabad by improving the accountability and responsiveness of government in ensuring basic rights and services for marginalised and vulnerable sections of the community
- Despite the conflict in the South, it is still possible to bring together a mixed group (ethnic and gender) and representatives from CS and local government – and to work productively together
- Almost all the participants report that their life has changed completely “since the war” in June 2010
- The research studies chosen by participants (they will work in groups on these studies) show that they are ready to tackle complex and very sensitive issues. For the training team, the challenge is how to ensure that the research themes are realistic and a professional approach is used
- The government representatives are under particular pressure this autumn with the elections coming up
- The project aims to lobby the results and recommendations of the research through new consultative mechanisms set up recently. But it seems that some of these committees are working better than others.

Conclusion

- A difficult situation on all fronts
- Very deep psychological damage to people, especially in the South; breakdown of relationships between organisations at all levels
- Key role of civil society in tackling conflict, preserving peace, representing citizens, especially poor, vulnerable and marginalised groups
- Major decisions need to be made at national level – stabilisation of the situation depends on this