

MIRZIYOYEV'S UZBEKISTAN: TOWARDS OPENNESS AND REAL DEMOCRACY?

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Introduction

The coming to power of the new team in Uzbekistan in 2016 headed by Shavkat Mirziyoyev, has—if not drastically but significantly—influenced the political, social and economic development of the country. Promises made during the pre-election campaign, even though with some difficulties, are gradually redeemed, and authorities are accelerating reforms.

Thus, in the first instance, Uzbekistan has begun to radically transform the national economy which recently was in a stable inert state. The diversification of industry, for which Uzbekistan has significant potential, is finally started and the currency and financial reform has become a powerful catalyst for this process. This, in turn, has opened new opportunities for attracting large foreign investors who were kept aloof for a long time from the Uzbek market due to many artificially created barriers. Serious changes also concern the entire political system of Uzbekistan. Virtually there was no single institution of political power that was not affected by personnel and conceptual reforms. It should be noted that the previous system from the face of it may have looked reputable but its effectiveness was very limited. International activities are also important for Shavkat Mirziyoyev. As it turned out, he had his own visions of developing relations at the regional level—in particular with those countries with which they were frozen for certain reasons—, as well as of bringing the cooperation with international financial organizations to a new level.

There is much questioning these days how Uzbekistan has changed so much in a short time. How successful are political reforms progressing? What problems and challenges have arisen? The aim of this paper is to contribute to understanding and evaluating the orientation, nature and prospects of the current development of Uzbekistan. The article analyses the two-year activities of the new government of Uzbekistan from September 2016 until June 2018¹ that aimed at opening and modernizing politics, strengthening

human rights and fostering economic progress. On the regional and international level, new dynamics of bilateral and multilateral relations of Uzbekistan are reviewed. It should be noted that—caused by the intensification of political life in Uzbekistan—the country is going through a very difficult transition period. Insofar, the paper also draws attention to problems and challenges and attempts to provide some recommendations.

1. Political and economic renewal

Attempts on modernizing of the political system

After coming to power of the new government there was a certain conceptual rethinking of the existing system in political circles and in society that contributed to the beginning of large-scale transformations in all spheres of life. The main legal instrument for the implementation of the tasks was the “Strategy of actions for the five priority areas of development of the Republic of Uzbekistan in 2017-2021”, approved in February 2017, which defined priority areas for reform in five spheres:

1. Priority areas for improving the system of state and public construction;
2. Priority areas for ensuring the rule of law and further reforming the judicial system;
3. Priority areas of economic development and liberalization;
4. Priority areas of development of the social sphere;
5. Priority areas in the field of security, inter-ethnic harmony and religious tolerance, and implementation of balanced, mutually beneficial and constructive foreign policy.

The renewal of the political system was the top priority of the strategy. During the period of being an Acting President from September-December 2016, Shavkat Mirziyoyev repeatedly said that the inactivity of senior executives of ministries and regional administrations is the main reason for the unresolved socio-economic problems of the country. Later, at a meeting of the Cabinet of Ministers in January 2017 he declared that the public authorities both centrally and locally do not work for

1 Research for this paper was done in summer 2018 and includes events and reforms up to and including June 2018.

people. In this regard, he demanded the civil servants not to sit in the offices but to meet with people and listen to them. Although extraordinary, this was a serious demand aiming at obtaining a real picture of the existing problems in the country.

According to custom, each year has its own name in Uzbekistan, and 2017 was no exception. In 2017, President Mirziyoyev had strayed from the old traditions when the years were declared 'in the Soviet way'² and announced 2017 as the "Year of Dialogue with the people and Human Interest". As a result, "virtual receptions" were launched where people could openly voice their problems and put forward proposals on various issues directly to the President. This dialogue has gained such wide popularity that in just ten months more than a million letters have been received.³ By creating such new format of contact with the population, President Mirziyoyev set a good example of the dialogue with the people. The point is that he allowed addressing him directly, removing all barriers between the President and the common people.

On 8 September 2017, the Decree of the President of the Republic of Uzbekistan Shavkat Mirziyoyev "On approval of the Concept of administrative reform in the Republic of Uzbekistan" was issued. The concept was aimed at introducing an effective and transparent government, ensuring reliable protection of the rights and freedoms of citizens, and enhancing the country's competitiveness in the international arena.⁴ It identifies six key areas for radical reform of the government of Uzbekistan:

1. Improvement of the institutional, organizational, and legal framework of the executive authorities' activities;

2 In Uzbekistan, the tradition to widely disseminate various slogans or quotes from the president, as it was typical for the Soviet period, was continued. Moreover, since 1997 each year was given a certain name, usually a general and abstract issue as "family", "child", "woman", "youth", and the like.

3 Petra Stykov, "Uzbekistan – Mirziyoyev's First Year as President: reforms without Regime Change", Presidential Power, September 5, 2017, <http://presidential-power.com/?p=6834>.

4 For the remarks on the presidential decree see Anthony C. Bowyer, "Political Reform in Mirziyoyev's Uzbekistan: Elections, Political Parties and Civil Society", Silk Road Paper, March 2018: 27-28, <https://silkroadstudies.org/resources/pdf/SilkRoadPapers/1803-Bowyer-Uzbekistan.pdf>.

2. Specification of tasks (functions, powers), mechanisms for their implementation and responsibilities of executive bodies, improvement of coordination and interaction processes;
3. Further reduction of administrative influence on economic sectors and expansion of market management mechanisms;
4. Improving the mechanisms of the vertical management system and interaction of executive authorities;
5. Introduction of modern forms of strategic planning, innovative ideas, developments and technologies in the system of public administration;
6. The formation of an effective system of professional civil service, the introduction of effective mechanisms to combat corruption in the system of executive authorities.⁵

Part of the concept was a review of the activities of more than 100 state and economic bodies. The decree established a commission for the concept's implementation, as well as working groups for conducting a critical study and preparing proposals for a fundamental reform of the public administration system. In general, the adoption of this document was a kind of recognition that the governmental apparatus didn't meet necessary institutional requirements and demanded a radically new approach.

Another important area which is undergoing a stage of reforms is the parliament. The awkward issue with that reform was the lack of real competition in the promotion of draft legislations by political parties. Moreover, members of parliament practically act without any initiatives, mainly working on proposed drafts of laws by the President's administration or other agencies. The executive character of the legislative

5 "The Concept of Administrative Reform in the Republic of Uzbekistan is approved", Official website of the Authorized Person of the Oliy Majlis of the Republic of Uzbekistan for Human Rights (Ombudsman), September 9, 2017, http://ombudsman.uz/en/press_center/news/uzbekistan/the-concept-of-administrative-reform-in-the-republic-of-uzbekistan-is-approved/.

may threaten the democratic nature of the entire political system. Anthony Bowyer perfectly outlined the scope of this reform project: “A rebirth of political competition is a key objective of the Action Strategy envisioned by President Mirziyoyev. Once the officially-registered parties take the opportunity of greater political openness to pursue bolder strategies of inclusion and address challenging issues, including human rights and development, and if the political spectrum continues to diversify with the registration of new parties on the scene, then it can be said that the Strategy is having a demonstrable effect in increasing public policy dialogue. For any party, be it oppositional or pro-government, its success in a competitive system depends greatly on its ability to organize, develop coherent and well-researched platform initiatives, conduct effective communication and outreach to recruit and retain active party members. Success will depend perhaps most importantly of all on the overall political liberalization of the country.”⁶

Changes in the Human Rights sphere

It is no secret that in previous years, Uzbekistan had unsatisfactory ratings in the field of human rights and freedoms, and cooperation with International human rights organizations has been suspended. Positive achievements in the policy on ensuring human rights since the change of power in Uzbekistan have seriously affected both the functioning of political institutions and the political image of the country around the world. To date, state authorities conduct extensive negotiations with representatives of international organizations on relevant issues, and in the past two years delegations of reputable human rights organizations have visited Uzbekistan. Special attention from the international community is paid to such issues as child labour, forced labour, women’s rights, and political prisoners. In particular, in May 2017, UN High Commissioner for Human Rights Zeid Ra’ad Al Hussein met with the President, with government officials and

representatives of nongovernmental groups in Tashkent and Samarkand. He emphasized that the “successful implementation” of human rights reforms could have a “transformational impact” on Uzbekistan’s future.⁷ Basically, this visit marked a step of the government towards transparency and willingness in cooperating on human rights issues, as this was the first high-level visit of a UN human rights delegation in past ten years. Furthermore, an Amnesty International delegation including the director for Eastern Europe and Central Asia Marie Strasers and her deputy Denis Krivosheev visited Uzbekistan from 22 until 25 May 2017 for the first time since 2004 and met with a number of officials. Marie Strasers noted the positive steps taken by the Uzbek authorities on such problematic issues as freedom of expression, freedom of movement, forced labour and slavery over the past year and a half. Amnesty International prepared a list of recommendations, in particular on the termination of criminal cases and the rehabilitation of all “political prisoners”, as well as unbiased re-investigation of crimes against human rights committed in the past.

Attempts to lift the economic and social development

Economic liberalization was one of the top priorities of the head of state. The aim was to liberalize the national economy through an incremental implementation of advanced market mechanisms of currency regulation in order to reach free currency conversion and a retreat of the state from the economy.

Consequently, reforms were launched that focused on the liberalization of the Uzbek market: a free currency conversion was permitted, exporting was eased, and efforts were made to strengthen the protection of the rights of entrepreneurs and to improve the business climate. Moreover, with regards to an improvement of relations with partner countries and international financial institutions, all artificial barriers to foreign trade were incrementally removed.⁸

6 Anthony C. Bowyer, “Political Reform in Mirziyoyev’s Uzbekistan: Elections, Political Parties and Civil Society”, Silk Road Paper, March 2018: 49, <https://silkroadstudies.org/resources/pdf/SilkRoadPapers/1803-Bowyer-Uzbekistan.pdf>.

7 Human Rights Watch, “Uzbekistan: UN Official Calls for Rights Reforms”, May 13, 2017, <https://www.hrw.org/news/2017/05/13/uzbekistan-un-official-calls-rights-reforms>.

8 Mamuka Tsereteli, “The Economic Modernization of Uzbekistan”, Silk Road Paper, April 2018: 24, <https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2018-04-Tsereteli-Uzbekistan.pdf>.

Along with this it should be noted that a number of existing problems hinder the economic breakthrough. For the past 20 years, Uzbekistan has dealt in black market currency that was a crucial obstacle in cooperating with foreign investors. After Mirziyoyev assumed power, he embarked on the liberalization of currency, signing the decree on "Priority directions of currency policy."⁹ The mission of the International Monetary Fund (IMF), who visited Tashkent from 27 February until 12 March 2018, approved the plan for the reform of the monetary system. Fund experts mentioned that significant foreign exchange reserves of Uzbekistan will allow confidently implement currency reform.

According to the rating of "Doing Business 2016", Uzbekistan took only the 141st place which confirmed the absence of appropriate conditions for attracting foreign investments.¹⁰ Taking into account the current situation, Shavkat Mirziyoyev started to issue decrees aiming at the improvement of the business climate of Uzbekistan. In November 2016, the creation of four new free economic zones with special privileges was announced. In addition, in August 2017, important steps towards investments in modern IT infrastructure and a national "Silicon Valley" were taken.¹¹

Furthermore, the number of bureaucratic documents required to start a new business was reduced from 6 to 1, and since 1 April 2018 people can register an own business in 30 minutes online. In the Uzbek regions, a network of centers to promote entrepreneurship will be established in the near future. The centers are designed to provide comprehensive support to business entities by creating the necessary conditions and providing opportunities to receive the full range of services of public authorities in one place. It is envisaged to arrange a close

interaction with banks, leasing, insurance, audit, valuation, and real estate companies.

Another important step towards a better business climate is the fight against corruption. Being aware of the current situation, President Mirziyoyev approved a "State Anti-Corruption Program" on 2 February 2017. On the basis of that program, the respective agencies are waging a relentless fight against corrupt high-level officials.

Along with corruption, the existing tax system was a serious obstacle to investments, being characterized by a high number of tax treatments and taxes, non-uniform rules for paying taxes for different categories of taxpayers, and a refuse to provide individual tax incentives. These and many other drawbacks of the current system significantly reduced the investment attractiveness of the country, since in the eyes of most investors, Uzbekistan did not provide an understandable tax legislation, fair competition, transparency of tax administration, an acceptable level of tax burden or guarantees of protection of investors rights.¹² Given these challenges, the government has decided to carry out a large-scale tax reform envisaging a simplification and harmonization with international standards. Thus, recently the "Concept of tax reform for 2018-2020" was submitted for public discussion.

Finally, in order to stabilize the national economy, the government attempted to actively involve international loans, a step that the former government was extremely cautious about. Indeed, the revival of economic life can also be judged by the resumption of cooperation with the leading foreign financial institutions. Thus, on 8 November 2017, a representative office of the European Bank for Reconstruction and Development (EBRD) in Tashkent was inaugurated. During the visit of the first Vice-President of the EBRD Bennett to Tashkent,

9 Otabek Akromov, "Mirziyoyev model break from the past in Uzbekistan", International Policy Digest, October 3, 2017, <https://intpolicydigest.org/2017/10/03/mirziyoyev-model-break-from-the-past-in-uzbekistan/>.

10 "Doing Business 2015 Going Beyond Efficiency. 12th edition. A World Bank Group Flagship Report": 4.

11 Petra Stykov, "Uzbekistan – Mirziyoyev's First Year as President: reforms without Regime Change", Presidential Power, September 5, 2017, <http://presidential-power.com/?p=6834>.

12 „The concept of tax reform for 2018-2020 submitted for public discussion" (Russian original: "Концепция налоговой реформы на 2018-2020 гг. выносится на общественное обсуждение"), Norma.uz, March 27, 2018, https://www.norma.uz/nashi_obzori/konceptciya_nalоговой_reformy_na_2018-2020_gg_vynositsya_na_obshchestvennoe_obsujdenie.

the Bank signed three loan agreements for a total amount of \$120 million. Mr Bennett stated that the reforms to be carried out by the leadership of Uzbekistan are “bold and ambitious”.¹³ The Asian Development Bank (ADB) and the World Bank, too, “positively evaluated Uzbekistan’s reform agenda and translated that approval into concrete agreements. In March 2017, ADB’s President Takehiko Nakao paid an official visit to Uzbekistan on March 3, 2017, at the conclusion of which he signed loan agreements in the fields of water supply, road construction, small business development, and agriculture. The value of these loans is \$573 million. Meanwhile, for the year 2017 alone the World Bank approved investment projects in Uzbekistan valued at more than \$1 billion”.¹⁴

2. Rethinking the international and regional cooperation

Contrary to many experts’ expectations, Shavkat Mirziyoyev changed the course of relations with neighbouring countries and visibly intensified the dialogue with key countries of the world. As the President noted in his “Address to the Parliament” in December 2017, in 2017 alone 21 high-level visits took place, and meetings with leaders and representatives of more than 60 states and international organizations were held.¹⁵ As a result, more than 400 agreements have been negotiated, trade and investment contracts have been signed with a total volume of almost \$60 billion. For the period of December 2016 until July 2018, 130 visits

of economic delegations of Uzbekistan to foreign countries and 267 visits of foreign business delegations to Uzbekistan were made. For the timely implementation of the adopted documents, more than 40 roadmaps were worked out, which were implemented jointly with foreign partners. This eloquently demonstrates the sincerity of the country’s foreign policy renewal.

At the regional level, President Mirziyoyev tried to normalize and intensify relations with Uzbekistan’s neighbours as they departed from a rather unsatisfactory situation, caused by the lack of a common interest in the development of bilateral relations which led to an aggravation on urgent problems. The biggest challenges were issues of demarcation and delimitation of state borders, and the use of waters of transboundary rivers including the construction of large hydropower plants. For some objective and subjective reasons, these issues were not resolved since the Central Asian states’ independence which primarily affected ordinary citizens who lived on both sides of the borders.

At the international level, the new government is trying to foster dynamics of Uzbekistan’s relations with the EU, and to intensify bilateral cooperation with such countries as Turkey, the United States, and Germany. Regarding relations with Russia, China, and South Korea, no new tendencies can be noted. All these countries are strategic partners of Uzbekistan since the country’s independence, and the relationship has always been characterized by its stability and fruitfulness.

Central Asia and Afghanistan

Hardly anyone expected that the transition processes in Central Asia would last only a short time. Since 2016, the country’s new leader took unprecedented steps to normalize relations with its neighbours. In particular, he managed to find a common language with the leaders of Kyrgyzstan and Tajikistan. The stumbling block in relations between Tashkent and Bishkek was the issue of demarcation and delimitation of state borders. President Mirziyoyev urged

13 Anton Usov, “EBRD enters new stage of engagement with Uzbekistan”, European Bank of Reconstruction and Development, November 8, 2017, <http://www.ebrd.com/news/2017/ebrd-enters-new-stage-of-engagement-with-uzbekistan.html>.

14 Mamuka Tsereteli, “The Economic Modernization of Uzbekistan”, Silk Road Paper, April 2018: 29, <https://www.silkroads-studies.org/resources/pdf/SilkRoadPapers/2018-04-Tsereteli-Uzbekistan.pdf>.

15 This and the following data is retrieved from “Message from the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis” (Russian original: “Послание Президента Республики Узбекистан Шавката Мирзиёева Олий Мажлису”), December 23, 2017, Uzbekistan National News Agency, <http://uza.uz/ru/politics/poslanie-prezidenta-respubliki-uzbekistan-shavkata-mirziyeev-23-12-2017>.

to resolve this issue and to turn the Kyrgyz-Uzbek border into a “border of friendship”. As a result, the “State Border Treaty” with Kyrgyzstan was signed on 2 October 2017 which laid the foundation for the solution of the border issue. With Tajikistan, it became possible to agree on the resumption of regular flights in April 2017. A high estimate on the part of the inhabitants of Tajikistan received humanitarian aid with a total weight of 60 tons from Uzbekistan to the Tajik regions affected by natural disasters.

Another noteworthy point is that in 2017 alone, the volume of trade between Uzbekistan and Kyrgyzstan increased by 70%, with Tajikistan by 85%, and with Kazakhstan by 30%.¹⁶ Restoring and developing trade links between the Central Asian neighbours is crucial on the path to a regionalization. During the meetings with his colleagues from the neighbouring states, President Mirziyoyev pointed out several times that it would be extremely difficult to become a part of the world trade system without regional integrity.

In general, the reset of relations between the Central Asian states is needed not only for Uzbekistan itself, but also for the entire region, and all its countries will benefit from it. Uzbekistan’s intention is to contribute to promote a steady development of Central Asia, in particular with regard to the realization of the full economic potential of the region. Moreover, a full-scale cooperation between the Central Asian countries might lead to the transformation of the region into a relatively independent union and to some extent limit the influence of foreign players on the region.

A serious concern for Uzbekistan is the Afghan problem. Along with traditional threats such as drug trafficking, illicit weapon trafficking, and the dissemination of radical Islamist ideas, Uzbekistan is concerned about the revitalizing ISIS activity in the south and western parts of Afghanistan. In this regard, the President several times argued

that it would be a mistake if the countries of the region continue to view Afghanistan as disconnected from Central Asia. Only by involving Afghanistan in the regional dialogue and cooperation, a mitigation or even a settlement of the situation in the country can be reached. Thus, from 25 until 27 March 2018, Uzbekistan initiated the international conference on Afghanistan titled “Peace process, security cooperation and regional collaboration”. President Shavkat Mirziyoyev organised the so-called Tashkent conference, attended by the President of Afghanistan Ashraf Ghani, UN Special Representative for Afghanistan Tadamichi Yamamoto, US Undersecretary of State for Political Affairs Thomas Shannon and High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini.¹⁷ Before, from 4 until 6 December 2017, important and mutually beneficial agreements had been concluded with Afghanistan on launching new economic, infrastructure and social projects.

USA

One of the most surprising events was President Mirziyoyev’s visit to the United States in May 2018. This state visit at the invitation of President Donald Trump was recognized as historical by both sides. Before that, the first President of Uzbekistan, Islam Karimov, visited the United States twice on an official visit. The first visit was made on 23-28 June 1996 at the invitation of President Bill Clinton and prepared the political ground for a dialogue between the two countries. On 11-14 March 2002, a state delegation led by President Karimov visited the USA at the invitation of President George W. Bush. Basically, both visits were only of diplomatic nature without practical results, whereas the scale and agenda of Mirziyoyev’s visit was on a completely different level. During his visit a package of documents aimed at further strengthening mutually beneficial ties in various fields was signed. In particular, the

16 “Uzbekistan-2017: What has been changed in a year?”, Institute for Strategic and regional studies under the President of the Republic of Uzbekistan, January 5, 2018, <http://www.isrs.uz/en/maqolalar/ozbekiston-2017-bir-yil-ichida-qanday-ozgarishlar-roy-berdi>.

17 Farkhod Tolipov, “The Tashkent Conference on Afghanistan: Too Much Diplomacy, Too Little Solution”, The CACI Analyst, May 29, 2018, <http://www.cacianalyst.org/publications/analytical-articles/item/13521-the-tashkent-conference-on-afghanistan-too-much-diplomacy-too-little-solution.html>.

protocols on intentions to expand bilateral trade ties, cooperation in higher education and scientific research, agriculture and energy were adopted. A memorandum of understanding and cooperation with USAID to support Uzbekistan's accession to the World Trade Organization (WTO) and the holding of a Central Asian Trade Forum in Tashkent in 2018 were signed.

During the visit, a number of important statements were made that should be emphasized. In particular, President Trump reaffirmed the unshakable US commitment to independence, territorial integrity and sovereignty of Uzbekistan, which is important for a young country such as Uzbekistan, given the increasing importance of hard power in international relations and the neglect of single countries of international law, agreements and commitments. The Presidents agreed to strengthen bilateral relations in order to update the 2002 Declaration on Strategic Partnership, based on a wide range of mutual priorities. In addition, President Trump appreciated the long-standing partnership with Uzbekistan in the fight against terrorism. At the same time, he stressed the importance of a strong and independent Central Asian region, and also welcomed the efforts of President Mirziyoyev to convene the leaders of the Central Asian countries for a joint dialogue, assuring US support for regional cooperation and development through the C5 + 1 regional format.¹⁸

President Trump appreciated President Mirziyoyev's ambitious reform program to improve the human rights situation in Uzbekistan, in particular the release of political prisoners, elimination of systematic child labour, and significant progress in reducing forced labour. These

accomplishments have created the conditions for increased economic, political, and security cooperation.¹⁹ In general, the visit of the Uzbek President to the USA and the signing of a sizeable package of documents might be perceived as a willingness of Uzbekistan to expand relationships with world leaders without being limited to such as Russia and China. Many observers noted that this visit will play a positive role in building the image of Uzbekistan in the international arena.

European Union

Over the past ten years, relations between Uzbekistan and the European Union have weakened noticeably. The main reason for this was the EU's assessment of the state of human rights and political freedoms in Uzbekistan since the 2000s. However, the change of power in Uzbekistan fundamentally changed the situation in a positive direction. The activities of the new Uzbek leadership on the liberalization of foreign policies have greatly facilitated contacts with the European Union. The intensity of diplomatic interaction between the European Union and the Republic of Uzbekistan increased significantly.

Thus, in October 2016, the Uzbek Minister of Foreign Affairs A. Kamilov visited Brussels within the framework of the 12th interregional meeting of foreign ministers in the format of the "European Union - Central Asia" where he participated in the discussions on prospects of economic cooperation of the region. On 10 November 2017, the 13th meeting of EU and Central Asian foreign ministers was held in Samarkand where the Joint Communiqué "EU and Central Asia: Working for a Safer and More Prosperous Future Together" was signed.²⁰ As part of the EU - Central Asia cooperation program, an international conference entitled "Central Asia: One Past and Common Future, Cooperation for Sustainable Development and Mutual

18 The C5 + 1 format emerged in 2015 as a reaction of US both to the creation of the Russia initiated Eurasian Economic Union which included two countries of the Central Asian region, and to the Chinese "One Belt - One Road" initiative. In the official view, C5 + 1 aims to address common security and environmental issues and to improve US trade and investment prospects in the region. In fact, in comparison with Russian and Chinese initiatives, the C5 + 1 format is a relatively inert form of dialogue without mutual benefits and remains as a instrument of political pressure of the US against other major players in the region like China, Russia, Iran etc.

19 "Uzbekistan and the United States: launching a new era of strategic partnership", Ministry of Foreign Affairs of the Republic of Uzbekistan, May 17, 2018, <https://mfa.uz/en/press/news/2018/05/14851/>.

20 "EU-Uzbekistan relations", European Union External Action Service, November 12, 2018, https://eeas.europa.eu/headquarters/headquarters-homepage_en/11047/EU-Uzbekistan%20relations.

Prosperity” was held in November 2017 during which the Uzbek President launched some initiatives on expanding contacts in this format. In addition, the EU Special Representative for Central Asia, Ambassador Peter Burian, regularly visits Uzbekistan. In general, the EU representatives appreciate the increased openness of Uzbekistan, in particular the appeal of President Mirziyoyev to the development of active cooperation on the international level which is shown, for instance, by the introduction of quarterly meetings of ambassadors of foreign countries with members of the Uzbek government to consult on joint projects and problematic issues.

Uzbekistan insists on creating new mechanisms for the initiation and implementation of EU projects in the region. These projects should cover all Central Asian states, which, according to Tashkent, would significantly increase their effectiveness. It should be noted that Uzbekistan’s desire is to increase the number of projects directly financing specific activities which goes beyond the traditionally provided EU training and support programs. The Uzbek government underlines the importance of the following fields for a cooperation with the EU: security issues, border security, countering drug trafficking, supporting stability in Afghanistan and reducing the consequences of the drying up of the Aral Sea.

Germany

Germany, as the locomotive of the European economy, is capable of giving new dynamics to the cooperation between Uzbekistan and the EU. It is no coincidence that Germany is the largest trade and economic partner of Uzbekistan in Europe. Raising the cooperation with Germany to a new level of is also on the agenda of the Uzbek government. It should be noted that Germany was one of the countries of EU that maintained relations with Uzbekistan during the period of stagnation of the dialogue with the EU in 2000s. However, the full potential of Uzbek-German relations has not been exploited, and relations were mostly limited to cultural and humanitarian issues. The developments in Uzbekistan since 2016

opened a window of opportunity for full-scale cooperation with Germany.

In particular, a number of significant business meetings with members of the German government were held since autumn 2016 which led to a boost of economic relations: “During the visit of an Uzbekistan governmental delegation led by Prime Minister Aripov to Germany on November 14-17, 2017, Uzbekistan’s National Bank for Foreign Economic Activity reached loan agreements with leading German banks in the amount of €950 million, the largest, at €500 million, being with Deutsche Bank to support large-scale investment projects in Uzbekistan.”²¹ In addition to that, agreements with Commerzbank worth €350 million and with AKA Bank worth €100 million were signed.²² On 15 May 2018, the 4th meeting of the German-Uzbek Business Council (GUBC) was held in Tashkent. A delegation of German businessmen representing more than 70 of the largest German companies arrived in Tashkent to attend the meeting, among them representatives of the TUI Group, Siemens, MAN, BASF, SAP, Deutsche Bank and Commerzbank. During the event, the German side was informed about the planned creation of a small industrial zone called “Algorithm” and the possible transfer of its management to one of the German companies. The Uzbek side also proposed the creation of an Uzbek-German Chamber of Commerce.²³

In general, to date, economic relations is the core of German-Uzbek relations. Uzbekistan ranks second among all the post-Soviet countries with which Germany’s bilateral trade grew most rapidly last year. According to preliminary estimates, the volume of trade increased by approximately 16-20 per cent compared with 2017. Moreover, exports from Germany and imports

21 Mamuka Tsereteli, “The Economic Modernization of Uzbekistan,” Silk Road Paper, April 2018: 29, <https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2018-04-Tsereteli-Uzbekistan.pdf>.

22 Mamuka Tsereteli, “The Economic Modernization of Uzbekistan,” Silk Road Paper, April 2018: 29, <https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2018-04-Tsereteli-Uzbekistan.pdf>.

23 “The largest German business delegation to visit Uzbekistan,” Uzbekistan National News Agency, May 12, 2018, <http://uza.uz/en/business/the-largest-german-business-delegation-to-visit-uzbekistan-12-05-2018>.

from Uzbekistan grew and the volume of trade totalled €542 million.²⁴

Turkey

After the death of former President Islam Karimov, Tashkent launched a diplomatic campaign to restore relations with its immediate neighbours which meanwhile also spreads to Turkey. Bilateral relations between Uzbekistan and Turkey are distinguished by their volatility. In the early years of independence, there was a very enviable trend in both political and humanitarian cooperation. However, after 1999, difficult times in the relations between the countries came up: Turkish business was practically expelled from Uzbekistan and trade turnover sharply decreased due to Turkey's refusal to extradite two Uzbek political oppositionists Muhammad Salih and Abdurrahman Polat to Uzbekistan. In September 2000, all schools in Uzbekistan that were under the aegis of the organization of the Turkish religious figure Fethulla Gulen were closed because of their preaching activities which were prohibited by law. As a consequence of this conflictual issue, Uzbekistan refused to enter the International Organization of Turkic Culture (TURKSOY), the main purpose of which is the development of comprehensive cooperation between the Turkic nations. From that moment on and until autumn 2016, Uzbek-Turkish relations were stagnating.

The new Uzbek leadership broke the ice and expressed readiness to reanimate the previous state of cooperation with Turkey. Since autumn 2016, Turkish investors started again to invest in the Uzbek market. The political dialogue was resumed, with the apogee of the state visit of Turkish President Rejep Tayyip Erdogan to Uzbekistan from 29 April until 1 May 2018. The two Presidents signed 25 documents on cooperation in many spheres—from industry and defence to culture and tourism, and agreed to increase

mutual trade turnover. In 2017, Turkish-Uzbek trade turnover grew by 30% in annual terms to \$1.5 billion. Since the beginning of 2018, the positive dynamics of trade has again been fixed—the volumes have increased by 20%. However, the parties intend to increase the trade turnover to \$5 billion in the near future.²⁵

Furthermore, Uzbekistan and Turkey agreed to establish a Council for Strategic Cooperation which will meet annually. Undoubtedly, this collegial body brings relations to the level of an exclusive partnership. Moreover, President Mirziyoyev decided to join the Council of Cooperation of Turkic-speaking countries. Thus, Uzbekistan became the fifth member of the international organization in 2018 which was established in 2009 at the initiative of Turkey, Azerbaijan, Kyrgyzstan and Kazakhstan.

In general, Uzbekistan is interesting to Turkey as the key partner state in Central Asia which is related with its geopolitical orientation: Whereas Kazakhstan and Kyrgyzstan are more involved in the Russian integration project, Turkmenistan still believes in the success of its policy of isolation, and Tajikistan cannot yet be regarded as a reliable and long-term partner. In turn, Turkey as one of the biggest economies of the world has a good investment potential for the Uzbek economy.

3. Challenges and recommendations

Despite an obvious leap in development, Uzbekistan is still going through a difficult period, complicated by economic restructuring and political uncertainty. Everyone understands that the country is at the beginning of a difficult and long way and has to experience the renewal of the entire economy and political system. Multibillion investments so far do not affect the welfare

24 "Uzbekistan - Germany: experience, cooperation and development prospects" (Russian original: Узбекистан – Германия: опыт, сотрудничество и перспективы развития") Uzbekistan National News Agency, January 21, 2018, <http://uza.uz/ru/world/uzbekistan-germaniya-opyt-sotrudnichestvo-i-perspektivy-razv-21-01-2019>.

25 „Turkic world of Erdogan and Mirziyoyev: how did the Turkish president's visit to Uzbekistan end" (Russian original: „Тюркский мир Эрдогана и Мирзиёева: чем завершился визит президента Турции в Узбекистан"), Asia-Plus, May 3, 2018, <https://news.tj/ru/news/centralasia/20180503/tyurkskii-mir-erdogana-i-mirziyeva-chem-zavershilsya-vizit-prezidenta-turtsii-v-uzbekistan>.

of the people, since the resources, first of all, are directed to the construction of large production capacities which will begin to function only in a couple of years.

The greatest challenge is the renewal of the political and bureaucratic elites. Unfortunately, in recent years, political circles have developed a very negative mentality based on entrenched bureaucracy, corruption and a lack of administrative and management skills. Therefore, as already mentioned, practically all political institutions underwent personnel and structural changes. In most cases, the government appointed very young officials for leadership positions, which already has a positive influence on the effectiveness of the respective institution's output.

It seems that the country is struggling with itself. For the second year, high-ranking officials have been arrested and removed from their posts, being confronted with accusations of having created a corrupt system in their departments. It is also important that the media actively and openly informs the public about events of this kind. The General Prosecutor's Office, led by a completely new head, was seriously engaged in purging among the authorities, who had at least the slightest relation to corruption. No doubt, these measures ultimately lead to a change towards a more effective and transparent functioning of government agencies.

A tremendous problem is that almost all initiatives for renewal come from one person—the President. All the efforts of Shavkat Mirziyoyev to revive the political institutions are still in vain. All his meetings grow into some kind of lecture. The inertia and lack of initiative is still very present in mentality of the heads of many institutions. In this connection, it seems that it is necessary to continue the practice of giving young people a chance to work in leading positions, especially those who are far from the Soviet past and mentality and who received education after independence in Uzbekistan.

The processes of regional rapprochement in Central Asia are carefully monitored by world leaders, and it is noteworthy that each of them has its own interests and benefits from this region. Practice shows that there are countries that are not entirely interested in the integrity of the region, as in this case they see their political influence on the region fade away. In particular, Russia's policy towards the post-Soviet countries is clearly not aimed at creating conditions for the formation of independent associations in the region. In this regard, it will be interesting to observe the behaviour of Russia on the attempt of Uzbekistan to unite Central Asia. Moreover, the restoration of Uzbekistan's relations with the European Union, the visit of the President of Uzbekistan to the United States, and the strengthening of ties with India and China will in some way irritate Russia, and this will probably not remain without a Russian reaction. Therefore, President Mirziyoyev will have to continue an equidistant policy with different world powers—as it was the case during Islam Karimov's period—in order to have stable relations with them.

4. Conclusion

In recent years, Uzbekistan has become a kind of newsmaker—if not at the international, then at least at the regional level. The country is going through a complex and lengthy process of renewal with a positive dynamic. Economic reforms have a far-sighted character, however, there are still many problems to solve that have accumulated over the previous years. The good news is that the country's leadership has not turned away from addressing these problems, but pragmatically built a program of practical measures for the speedy stabilization of the national economy. Regarding domestic reforms, it can be said that the Uzbek people live in a state of easy euphoria, and the orientation of the current policies gives hope that, in the medium term, Uzbekistan can climb the category of countries with a stable socio-political shape.

It will not be an exaggeration if we say that to date, international and regional initiatives of the country have been much more productive than domestic reforms. The relaunch of relations with neighbouring countries once again demonstrated the key role of Uzbekistan in the region. It was the political will of the new Uzbek government that managed to eliminate many disagreements which was positively accepted by the international community. Of course, the country did not openly express its intention to become a regional leader—this goal has not yet been set, however, the preservation and adherence to the planned policy will undoubtedly lead to economic and political stability of Uzbekistan and bring the claim for becoming a leading player in post-Soviet Central Asia to an entirely new level.

In general, Mirziyoyev's foreign and domestic policies are characterized by a strong focus on humanity and on improving the living conditions of the people which might be the greatest achievement of the past years.