ECONSTOR
Make Your Publications Visible.

A Service of
ZBW
Leibniz-Informationszentrum Wirtschaft
Leibniz Information Centre for Economics

Grävingholt, Jörn

Research Report

Statehood and governance: challenges in Central Asia and the Southern Caucasus

Briefing Paper, No. 2/2007

Provided in Cooperation with:
German Institute of Development and Sustainability (IDOS), Bonn

Suggested Citation: Grävingholt, Jörn (2007) : Statehood and governance: challenges in Central Asia and the Southern Caucasus, Briefing Paper, No. 2/2007, Deutsches Institut für Entwicklungspolitik (DIE), Bonn

This Version is available at:
https://hdl.handle.net/10419/199609

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

WWW.ECONSTOR.EU

Mitglied der Leibniz-Gemeinschaft

Deutsches Institut
für Entwicklungspolitik

German Development
Institute

d·i·e

Briefing Paper 2/2007

Statehood and Governance: Challenges in Central Asia and the Southern Caucasus

Authoritarian rule, poorly functioning legal systems and dilapidated education and health infrastructure dominate the scene in the former Soviet republics of Central Asia and the Southern Caucasus. The region has not, however, developed uniformly since independence. In the Southern Caucasus two reasonably well functioning democracies have been able to emerge, while in Central Asia some of the authoritarian regimes are more repressive, some more liberal. Authoritarian rule is supported by traditional patterns of societal relations, corrupt government practices and, in some cases, highly repressive power apparatuses, against which existing elements of democratic power control are unable to assert themselves. The engagement of external actors in the region focuses on the areas of security, energy and the promotion of democracy. Between the interests of the three powers Russia, the USA and China in the region Europe might play an important role in the future as a moderating force with an agenda that places the emphasis on cooperation, integration and multilateralism and views democratization as a long-term project.

1. Stability and political transformation

Fifteen years after the break-up of the Soviet Union, the former Soviet republics east and west of the Caspian Sea form the economically most backward and politically most fragile region of the former Soviet sphere of influence. In six of the eight countries (the whole of Central Asia plus Azerbaijan) autocratic rule has been reconsolidated to varying degrees since the early 1990s. Only Armenia and Georgia have established themselves as reasonably well functioning, though defective democracies (see Figure 1 for the average democracy value according to Polity IV). Even in Kyrgyzstan, regarded as the most liberal Central Asian state since even before the "Tulip Revolution" of spring 2005, political freedoms and basic civil rights have been introduced to only a very limited degree. In Tajikistan the power-sharing arrangement which showed the opposing factions the way out of the 1992–1997 civil war has meanwhile given way to authoritarian "normalization". Turkmenistan and Uzbekistan form the region's autocratic extremes, the Turkmen regime assuming almost totalitarian traits until Niyazov's death in late 2006. Although Uzbekistan is ruled in a less monolithic manner, the high level of repression there has considerable potential to destabilize the region. In the Southern Caucasus a generally more liberal political situation is eclipsed by as yet unresolved secession conflicts (Nagorno-Karabakh, South Ossetia, Abkhazia and, temporarily, Adzharia), which can always be used for the purpose of political mobilization in all the countries concerned and recently have again caused tensions between Georgia and Russia.

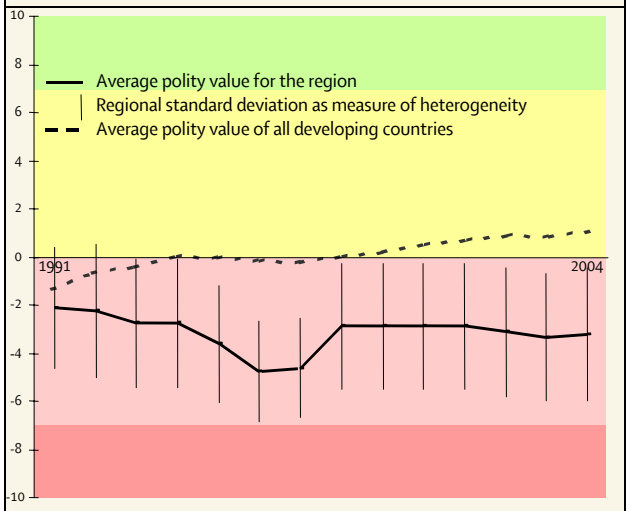
2. Dimensions of governance and statehood

Legitimacy: predominantly authoritarian consolidation

For a brief period in the early 1990s it seemed as if democratic procedures were taking root throughout the Soviet Union – or, soon after, its successor republics – as the only legitimate way of transferring political power. Parliamentary elections were freed from the fetters of the communist party monopoly, and presidential regimes providing for the direct election of the head of state by the people were introduced in the republics. However, disillusionment soon followed where Central Asia and the Southern Caucasus were concerned. There elections were subsequently used (and rigged accordingly) by the powers-that-be primarily to give an increasingly authoritarian style of government a plebiscitary mandate. Power changed hands, if at all, after political unrest, not normal elections. Even the overthrow of the governments in Georgia in 2003 and Kyrgyzstan in 2005 followed this pattern. In 2003 Azerbaijan set a post-Soviet precedent with a quasi-dynastic succession: after a carefully orchestrated election Ilham Aliyev took over the presidency from his seriously ill father, Heydar.

Among the most remarkable aspects of the regime changes in Georgia and Kyrgyzstan was that it was two of the most liberal regimes in the region that proved to be susceptible to "revolution". In contrast, the particularly authoritarian regimes have so far been able to avert threats to their own claim to power by effective, repressive means. The authoritarian rulers of the region drew the obvious conclusion from the events in Georgia and Kyrgyzstan (as well as Ukraine) that the more pro-

Figure 1: Average democracy value in Central Asia and the Southern Caucasus (1991–2004) (8 countries)



Source: Polity IV (www.cidcm.umd.edu/polity). The scale stretches from –10 to +10. The higher the value, the more democratic the features of a country's polity.

nounced civil society structures and the greater freedom of the press and of expression to be found in the more liberal countries might prove fatal for the stability of authoritarian rule and, in the period following those events, greatly increased the pressure on both domestic and foreign independent organizations. The bloody suppression of the revolt in the Uzbek city of Andijan in May 2005 was therefore a pointed reminder of the uncompromising attitude that would be taken towards opponents of the regime.

Political power is highly personalized in the Central Asia / Southern Caucasus region. Relationships based on personal obligations rather than formal rules define what is the appropriate behaviour to be expected in social interactions, especially within the power elites. Political parties play a marginal role for the most part. Important for socialization, on the other hand, are regional "clans", within which the individual can expect protection and help, but must also pledge loyalty to the clan chief and assist other clan members. This is true not only of private and societal relations but also of the political sphere. In many parts of the region action regarded as legitimate thus results less from recognized democratic procedures than from the personal and traditional authority of the leading figure, to whom, in principle, allegiance is owed as long he for his part fulfils his obligations to provide protection.

Consequently, political legitimacy in Central Asia and the Southern Caucasus stems essentially from two sources: the traditional attribution of authority and the ability and willingness of those in power (at all levels and in all areas of activity) to defend, visibly and successfully, the interests of their clients. Formal democratic procedures may increase or decrease legitimacy in this context, but they are rarely the decisive criterion. In this respect, the political change in 1990/91 did not signify a break in continuity since, rather than change the traditional clan system of Central Asia and the Southern Caucasus during its seven decades in power, the Soviet system used and, in some ways, strengthened it. The regular holding of "elections" to confirm the rulers in office by acclamation was similarly a feature of the Soviet system which the power elites of the region, who experienced their political socialization very largely in the Soviet Union, were able to adopt. However, with its successes in the areas of education, health and job security, the Soviet Union also aroused in the people relatively high expectations of government services.

Monopoly of power: state between omnipotence and impotence

Establishing or maintaining a state monopoly of power is a matter of some considerable political explosiveness in the majority of the countries of Central Asia and the Southern Caucasus. Only Armenia, Kazakhstan and Turkmenistan can be said to have a state monopoly of power that functions in principle. In the other countries strong regional power structures in particular, combined to some extent with organized crime (drug trafficking), or a militant political opposition (Islamic Movement of Uzbekistan) challenge the state's claim to a monopoly of the physical means of applying force. In the Southern Caucasus there is the added problem of secession conflicts, which impose clear territorial limits on state authority in Azerbaijan and Georgia.

Experience of the state monopoly of power has been characterized by clear ambivalence since the various countries gained their independence. A legacy of the Soviet Union was an unlimited state claim to power which placed any reason of state unquestioningly above the individual citizen's interest in protection. After 1991, however, the new states lacked, temporarily at least, the power effectively to uphold this claim against the general decline of state authority caused by the massive deterioration of government services that followed the collapse of the Soviet Union. This was felt most clearly by countries engaged in war or civil war in the 1990s.

The containment of state power by means of constitutional checks and balances and an independent judiciary is very largely inadequate, although the situation in the region varies in this respect. While, as member states, all the countries have recognized the human rights principles of the Organization for Security and Cooperation in Europe (OSCE) and the countries of the Southern Caucasus joined the Council of Europe in 1999 or 2001 and have signed the European Convention on Human Rights, the protection actually enjoyed by the citizen against government incursions falls well short of these commitments. The new international security debate launched since September 11, 2001 has exacerbated this problem. In Central Asia especially, political repression occurs routinely in the guise of measures to combat terrorism.

State institutions: penetrated by informal rules

The legacies of the Soviet system in Central Asia and the Southern Caucasus also include a horizontally and vertically differentiated government apparatus. This apparatus, however, is penetrated by informal rules of behaviour, with corruption being particularly widespread. In the Corruption Perceptions Index published by Transparency International all the countries of the region are to be found in the bottom third and most in the bottom quarter of the evaluation scale. The average regional level is lower than in sub-Saharan Africa, since there are no positive exceptions. The countries in the region which have become politically or economically the most open – Armenia, Kazakhstan and Georgia – fare best in relative terms.

A weak judiciary that is underfunded and does not have enough qualified personnel imposes strict limits on the equal and impartial administration of formal law. Overregulation and contradictory laws stand in the way of predictable jurisdiction that conveys legal certainty. When combined with informal power structures, this results in the outcome of legal proceedings essentially being determined by power and wealth, which is why most citizens usually attach little hope to an appeal to the courts.

In all the countries of Central Asia and the Southern Caucasus the early 1990s saw the launch of a policy of decentralization that harked back to the reforms of the Soviet Union's final years. The efforts to achieve rapid government consolidation after independence soon led, however, to the renewed strengthening of central power, but now transferred from Moscow to the capitals of the republics. Despite this, decentralization remained on the agenda as a political project. To the extent that the debate did not owe its existence to merely symbolic rhetoric of democratization, however, the actual implementation of arrangements for the sharing of power between the capital and the regions or municipalities was usually halted by the unresolved inconsistency between the hoped-for effectiveness and legitimacy gains of decentralized government and concern about the disintegration of the country along ethnoregional lines. It has so far proved impossible to install workable subsidiary structures in any country of the region, although individual countries, such as Kyrgyzstan, have at least launched formal structural reforms aimed at effective decentralization.

Policies and service delivery: ambivalent legacy, heterogeneous strategies

The Soviet Union bequeathed to the countries of Central Asia and the Southern Caucasus health and education systems that had been very successfully modernized. Literacy rates of almost 100 % and the long-term effects of good health care infrastructure still ensure that the region occupies a central position on the Human Development Index. However, the economic decline of the 1990s resulted not only in a sharp fall in per capita income but also in a massive decrease in investment in the education and health sectors, which has not by any means been made good in the majority of the region's countries. The decay of the health care infrastructure and the poor state of the education system are often seen by the people as the clearest indicators of weak state capacity. Although all the countries in the region have experienced stable economic growth (some in the two-digit percentage range) in recent years, only about half of them have made up for the decline in the 1990s. Moreover, in a comparison of all former socialist transforming countries, the Central Asia / Southern Caucasus region has for years recorded the lowest ratios of public spending to GNP.

The most difficult legacies of the Soviet Union include environmental damage on a huge scale, the best known examples being the drying up of the Aral Sea and the radioactively contaminated nuclear test site at Semipalatinsk in Kazakhstan. Progress in implementing government policies to curb the associated negative consequences is sluggish.

The countries of Central Asia and the Southern Caucasus differ most in their performance under the social, economic and employment policies they pursue. The spectrum ranges from the generation of new economic dynamism by means of privatization and liberalization in Armenia through measures to enable natural-resource-induced growth in oil-producing Kazakhstan and Azerbaijan to the deliberate prevention of broad private-sector initiative to the benefit of the enrichment of the ruling power elite in such countries as Uzbekistan and Turkmenistan. In the majority of the countries attempts at neopatrimonial regime stabilization can be observed, but it cannot yet be predicted whether these patterns will eventually prevail everywhere. The authoritarian regimes of Central Asia do, however, provide "favourable" conditions for this.

3. Role of external actors

Central Asia and the Southern Caucasus have attracted increasing international attention in recent years. The European Union (EU) belatedly included the countries of the Southern Caucasus in its European Neighbourhood Policy in 2004, thus giving a clear signal of a growing interest in the region. Central Asia's status in security policy terms has risen sharply, especially since the 2001 Afghanistan war, and on occasion it has even been declared an arena for renewed geostrategic rivalry between Russia and the USA, or NATO. Essentially, however, Russia and the West should be equally interested in a degree of political stability in the region that helps to prevent the outbreak of serious armed conflicts, forced migration and an increase in the influence wielded by Islamic extremists and enables existing threats (drug and human trafficking) to be combated.

This does not, however, deter Russia from promoting political instability rather than stability in the Southern Caucasus by supporting separatist movements. This may also be partly due to the fact that, besides security aspects, it is primarily the energy resources in the Caspian

area that have aroused the interest of Europe and the USA. Like China, Europe and the USA see in Caspian natural resources a chance to diversify their sources of supply and to improve their long-term energy security. Russia, on the other hand, is interested in seeing Caspian oil and gas transported across its territory and so maintaining its market-dominant position in the Eurasian region.

Apart from security and energy, the promotion of democracy is the third major theme of external engagement in the Central Asia / Southern Caucasus region. It has been adopted by Europe and the USA in particular as one of their main causes and as a means of achieving their other goals. In contrast, Russia and China are primarily interested in protecting politically like-minded regimes – an interest that is associated with their concern that western-style democratization, as in Georgia in 2003 (and Ukraine in 2004), may have an unwelcome domino effect. However, western policy, too, has so far failed to send an unambiguous message in the triangle of security, energy and democratization interests in the region. Such "partnerships" as the military alliance with Uzbekistan convey an unfavourable image, and their outspoken critics are not confined to human rights groups.

Europe – and, within Europe, Germany in particular – is a welcome partner in the region, one that is expected to pursue its objectives more cooperatively and less aggressively than the USA. China, on the other hand, is often seen primarily as a threat and Russia still, though with greater ambivalence, as an imperial power. Indeed, if the EU agrees on a common Central Asia strategy in 2007 and continues to develop its relations with the Southern Caucasus, it could play an important role as a moderate force between the interests of other powers – and so perform an important function recognizable in the countries themselves. A role of this nature should include the following elements:

- Reinforcement of such multilateral organizations as the OSCE and the Council of Europe as fora for a comprehensive political dialogue.
- Redoubling of efforts to settle territorial conflicts in the Southern Caucasus, in which the EU can use its good contacts with Russia.
- Support for the efforts to achieve closer economic integration, with Russia included, since this would make a major contribution to the region's socio-economic development. Europe's active involvement could help to dispel concerns about a loss of political independence.
- Promotion of democracy as a long-term project consisting of three closely linked components: first, a political dialogue in which – at bi- and multilateral level – security and human rights issues are discussed not as competing, but as complementary topics; second, governmental development cooperation essentially designed to address governance deficits in the areas of public administration and justice, its scale and form, however, largely depending on the willingness of the various governments to discuss matters of political standards; third, extensive support for civil society's own initiatives through non-governmental organizations, associated with the promotion of intensive mutual exchanges by means of scholarships, visiting grants, volunteer services and other activities which can act as building blocks for dovetailing the region with the economy and culture of Europe and so for bringing about long-term political change.

Dr Jörn Grävingholt
DIE research fellow

Further reading

Cornell, S. / S. F. Starr (2006): The Caucasus: A Challenge for Europe, Uppsala: Central Asia-Caucasus Institute & Silk Road Studies Program

Grävingholt, J. (2004): Crisis Potentials and Crisis Prevention in Central Asia: Entry Points for German Development Cooperation, Bonn: Deutsches Institut für Entwicklungspolitik (Studies 1)

Olcott, M. B. (2005): Central Asia's Second Chance, Washington, DC: Carnegie Endowment for International Peace

DEUTSCHES INSTITUT FÜR ENTWICKLUNGSPOLITIK · GERMAN DEVELOPMENT INSTITUTE gGmbH©
Tulpenfeld 6, 53113 Bonn ☏ +49 (0)228 94927-0 🖷 +49 (0)228 94927-130
E-Mail: die@die-gdi.de http://www.die-gdi.de
ISSN 1434-8934 (deutsch) ISSN 1615-5483 (englisch)