Kyrgyzstan-Russia Relations

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After getting independence status Kyrgyzstan became politically dependent, economically weak and strategically alone country. It needed new friends, new big friends. Alongside there were Russia, China, USA and EU countries, but questions were new relations and what country could be first for Kyrgyzstan? As an answer for that question ex-president Askar Akaev (1991-2005) began Kyrgyzstan-Russian relations.

Kyrgyzstan's foreign policy has been controlled by two considerations first, that the country is too small and too poor to be economically viable without considerable outside assistance and second, that it lies in a volatile corner of the globe, vulnerable to a number of unpleasant possibilities. These two considerations have influenced substantially the international position taken by Kyrgyzstan, especially toward the developed nations and its immediate neighbors. Akaev and his ministers have traveled the globe tirelessly since independence, seeking relations and partners. In the first four years of independence, Akaev visited the United States, Turkey, Switzerland, Japan, Singapore, and Israel. His emissaries have also been to Iran, Lebanon, and South Africa, and his prime minister made a trip through most of Europe. One consequence of these travels is that Kyrgyzstan is recognized by 120 nations and has diplomatic relations with sixty-one of them. Akaev has stressed repeatedly that the principle behind his search for contacts is strict neutrality; Kyrgyzstan is a small, relatively resource-poor, remote nation more likely to seek help from the world community than to contribute to it. Especially in the first months of independence, Akaev stressed Kyrgyzstan's intellectual and political potential, hoping to attract the world community to take risks in an isolated experiment in democracy. Akaev referred to making his nation an Asian Switzerland, transformed by a combination of international finance and the light, clean industry, mostly electronic, that he expected to spring up from conversion of the Soviet-era defense industries. Largely because of Akaev's reputation and personality, Kyrgyzstan has become the largest per capita recipient of foreign aid in the CIS.

In fact, whereas the other Central Asian republics have sometimes complained of Russian interference, Kyrgyzstan has more often wished for more attention and support from Moscow than it has been able to obtain. For all the financial support that the world community has offered, Kyrgyzstan remains economically dependent on Russia, both directly and through Kazakhstan. In early 1995, Akaev attempted to sell Russian companies controlling shares in the republic's twenty-nine largest industrial plants, an offer that Russia refused.

Akaev has been equally enthusiastic about more direct forms of reintegration, such as the Euro-Asian Union that Nazarbayev proposed in June 1994. Because Kyrgyzstan presumably would receive much more from such a union than it would contribute, Akaev's enthusiasm has met with little response from Russia and the other, larger states that would be involved in such an arrangement. Akaev's invitation for Russian border guards to take charge of Kyrgyzstan's Chinese border, a major revision of his policy of neutrality, was another move toward reintegration.

The Kyrgyzstani government also has felt compelled to request Russia's economic protection. The harsh reality of Kyrgyzstan's economic situation means that the nation is an inevitable international client state, at least for the foreseeable future. Despite concerted efforts to seek international "sponsors," Akaev has not received much more than a great deal of international good will. Even if the president had not lived seventeen years in Russia himself and even if his advisers, family, and friends were not all Soviet-era intellectuals with a high degree of familiarity with Russia, economic necessity probably would push Kyrgyzstan further toward Russia. On his February 1994 visit to Moscow, Akaev signed several economic agreements. Having promised the republic a 75-billion-ruble line of credit and some US$65 million in trade agreements, Russia also promised to extend to Kyrgyzstan most-favored-nation status for the
purchase of oil and other fuels. For its part, Kyrgyzstan agreed to the creation of a Kyrgyzstani-Russian investment company, which would purchase idle defense-related factories in the republic to provide employment for the increasingly dissatisfied Russian population of Kyrgyzstan. In early 1995, prime ministers Jumagulov of Kyrgyzstan and Viktor Chernomyrdin of Russia signed a series of agreements establishing bilateral coordination of economic reform in the two states, further binding Kyrgyzstan to Russia. After lobbying hard for inclusion, Kyrgyzstan became a member of the customs union that Russia, Belarus, and Kazakhstan established in February 1996.

For its part, Russia sees aid to Kyrgyzstan as a successful precedent in its new policy of gaining influence in its "near abroad," the states that once were Soviet republics. Russia does not want a massive in-migration of Russians from the new republics; some 2 million ethnic Russians moved back to Russia between 1992 and 1995, with at least that many again expected by the end of the century. Akayev, on the other hand, must find a way to stem the loss of his Russian population, which already has caused an enormous deficit of doctors, teachers, and engineers. For these reasons, despite opposition from Kyrgyz nationalists and other independence-minded politicians, in 1995 Akayev granted the request of Russian president Boris N. Yeltsin to review the constitutional provision making Kyrgyz the sole official language. Early in 1996, Kyrgyzstan took legal steps toward making Russian the republic's second official language, subject to amendment of the constitution. That initiative coincided with the customs union signed with Russia, Kazakhstan, and Belarus in February 1996. The long-term success of Akayev's search for reintegration is questionable because of Kyrgyzstan's minimal strategic importance and the potential cost to an outside country supporting the republic's shaky economy.

As the new century dawned, Kyrgyzstan began to flirt with a movement away from the earlier emphasis on strategic balance and toward a closer political and economic integration with Moscow. Several factors appear to explain this reassessment. The first relates to domestic conditions in Kyrgyzstan, where each electoral cycle brought reduced political competition and increased state dominance of society, a trend that prompted criticism from the West. The more authoritarian Kyrgyzstan became, the more comfortable its leadership felt in the company of countries like Russia and China, which understood the values of order and stability to be in conflict with those of contestation and openness. But Russia's attractiveness for Kyrgyzstan had an economic as well as an ideological dimension in the new century. Rising energy prices gave Russia the means and the confidence to re-engage what it termed its "Near Abroad," and Russia began to use its newfound wealth to expand its economic, diplomatic, and cultural influence in post-communist countries like Kyrgyzstan.

**Kyrgyz Economic Benefits from Russian Engagement.** Kyrgyzstan has maintained strong economic ties with Russia since gaining its independence. Their common history, similar infrastructure, and similar transitional challenges allowed the two countries to build strong economic relations the first ten years after the fall of the Soviet Union. These historical ties give Russia a comparative advantage over markets such as the United States, Europe, and even China. Much of the world had not gained the confidence and the depth of knowledge necessary to conduct business in Central Asia. The Central Asian states, for their part, have made investment and business challenging due to the nature of their transitional economies as well as other systemic factors like corruption and clan patronage. Central Asia’s leadership is a product of the Soviet educational and class system, with many leaders part of the nomenklatura, helping engrain world views on central authority and state control of economic matters. Finally, the transportation and communication link in Central Asia, including Kyrgyzstan’s, conveniently travel north toward Russia. It will take a long-term investment to build an infrastructure able to overcome this historical advantage. Given these links, several protocols frame Kyrgyzstan’s economic relationship with Russia. They were both original signatories of the 1996 Commonwealth of Independent States (CIS) Customs Union. In turn, the Customs Union evolved into the existing Eurasian Economic Community in October 2000. Finally, President
Putin and President Akayev signed a Treaty on Economic Cooperation for 2000-2009, aligning when possible the economic goals between the two countries.

**Kyrgyz Trade with Russia.**

Given the strong historical ties between the two countries, it is no surprise that Russia was Kyrgyzstan’s principal trading partner in the second half of the 1990s. In this timeframe, however, Kyrgyzstan’s exports to Russia had fallen from U.S. $104.8 million to U.S. $65 million, as Kyrgyzstan attempted to diversify its export recipients after its 1998 accession into the WTO. By 2000, Russia held approximately 13% of Kyrgyzstan’s export market, third behind Germany and Uzbekistan. Russian imports to Kyrgyzstan have carried the weight of the trade turnover between the two countries. Kyrgyz imports from Russia have consistently been between 18%-26% of total Kyrgyz imports. As will be discussed, 1999’s 18% total is a direct result of the 1998 Russian economic crisis. Kyrgyzstan primarily imports its petroleum from Russia since it has very little of its own reserves. In 1999, 22% of imports were petroleum or petroleum-related products, highlighting Kyrgyzstan’s acute need for fossil fuels.

Russia continued to be Kyrgyzstan’s principal trading partner in 2005. In the post-9/11 push toward greater cooperation by Presidents Akayev and Putin, both leaders highlighted the growing trade bonds between the two countries. President Putin, in an address during a Kyrgyz-Russian summit, highlighted the 49% increase in trade between 2001 and 2002, emphasizing agriculture, power, waste management, and defense as sectors of growing importance between the two nations. By 2003, Kyrgyz exports to Russia were at U.S. $97.02 million, representing 16.7% of all exports and third among all of Kyrgyzstan’s trading partners. The Kyrgyz still predominantly focused on exporting agricultural products and value added goods to Russia. Kyrgyzstan continued to import more from Russia than any other nation in 2003, with U.S. $176.13 million of goods brought in, including critical energy imports.

**Kyrgyz Security Benefits from Russian Engagement, Security Guarantees.**

Like many of the former Soviet republics, Kyrgyzstan realized that independence brought with it several challenges, including territorial security and national defense. After becoming an independent nation, President Akayev advocated not forming a military, desiring instead to become the “Switzerland” of Asia. “We are for a neutral Kyrgyzstan and do not intend to enter into any military blocks…we do not want an army” Akayev boldly stated. Akayev had three primary motives for not forming a military. First, he felt that in the new post-Soviet world of Central Asia no specific threats existed which warranted having a military. This low threat assessment helps Akayev justify the second and more realistic argument against creating an independent military - money. Akayev was concerned that his new state would be financially burdened upon independence and during market reform. A military would be an unnecessary toll given the world’s perceived peace. Finally, the first two concerns led to Akayev justifying collective security arrangements as substitution for a national army. Akayev was immediately drawn to the Commonwealth of Independence States (CIS) and willingly threw his support to the Russian security umbrella as the answer to his armed forces dilemma. Thus, Kyrgyzstan was an enthusiastic supporter of the establishment of the Collective Security Treaty (CST) under the CIS in 1992, believing that any security treaty is better than none at all.

Although the Collective Security Treaty included solidarity language such that aggression on one state would constitute aggression on all members, the truth is that the CST was a structure designed against threats the Central Asian states were not expecting to face. Nonetheless, the CST was Kyrgyzstan’s principal mechanism for security in 2001. Kyrgyzstan was also Central Asia’s most enthusiastic member of the CIS regional air defense agreement. Since Kyrgyzstan’s Air Force was practically nonexistent, this agreement allowed it to fall under the protection of Russian-sponsored air defense system. The Russians funded most of the equipment and provided training for Kyrgyz troops in the process. Most importantly, though, the Kyrgyz could now rely
on a larger source for air power support instead of having to rely on Uzbekistan like they did in the 1999 and 2000 incursions.

The IMU incursions in 1999 and 2000 demonstrated clearly to the Kyrgyz that they were in no position to adequately address the extremist and terrorist threat. What Kyrgyzstan needed was clear moral and physical support in its fight against these forces. Russia was able to provide these benefits to Kyrgyzstan like no other country or organization could. Kyrgyzstan solicited Russian assistance in the anti-extremist fight through both bilateral and multilateral avenues. To help its campaign of securing Russian aid, Kyrgyzstan pledged its support of Russia’s war in Chechnya. More importantly for Kyrgyzstan, they were able to secure a stronger commitment from the Russians to aid Kyrgyz anti-terror and extremist efforts. Kyrgyzstan's's was disappointed by Russia’s unwillingness to providetroops during the 1999 and 2000 incursions. The consecutive attacks, however, convinced Russia that the threat was serious enough to be considered “international terrorism.” In October 2000, Kyrgyz Prime Minister Amangeldy Muraliev was able to draw a pledge from President Putin of Russian assistance in countering future terrorist attacks. Although it was not a formal guarantee, it was better than any other bilateral arrangement Kyrgyzstan could secure. Kyrgyzstan and Russia were both also members of the Shanghai Five Organization. Although initially conceived by China as a forum for reducing tensions on border-related issues in Central Asia, the Shanghai Five was evolving into a regional security structure by the turn of the century. This included an emphasis on addressing terrorism and extremism. A series of summits and meetings showed the evolution of this organization. In late fall 1999, Bishkek hosted a meeting of the representatives of the security service and law enforcement bodies from Shanghai Five members, where they signed a memorandum agreeing to cooperate in anti-terror, anti-narcotic, and illegal migration programs. By the second of two summits in the spring of 2000, all five members of the Shanghai Five were advocating the creation of a legal foundation for their shared fight against terrorism and extremism. The result was the Dushanbe Declaration, which committed the members to changing the Shanghai Five into a stronger regional organization. This agreement also upheld the members’ commitment to build their own anti-terrorist center in the region. In sum, Kyrgyzstan was able to secure Russia's help in addressing its critical vulnerability against terrorism by engaging Russia bilaterally on the issue as well as joining Russia in regional for a designed to address their mutual concern.

Military Benefits.

The Kyrgyz military benefited broadly from both the equipment it received from Russia as well as the training opportunities available either through bilateral agreements or via multilateral military maneuvers. Kyrgyzstan’s military equipment is predominantly Russian. Since it lacks its own defense industry it must continually seek support and replacement equipment from the Russians. The Russian military industrial complex, however, often supplies Kyrgyzstan with equipment at preferential rates due to its membership in the CST. Russia will often unilaterally agree to modernize certain aspects of the Kyrgyz military when it is in its best interest. For example, Russia signed an agreement to modernize Kyrgyzstan’s border defenses in hopes of improving the Kyrgyz capacity to address insurgent crossings and illicit trafficking in October 2000. Russia entered into a bilateral agreement with Kyrgyzstan to provide technical equipment to strengthen the Kyrgyz border defenses on the Kyrgyz-Sino border, as well as modernizing and repairing communication equipment for Kyrgyz border troops. Russia also agreed at a CIS summit to provide attack helicopters and armored vehicles tailored for employment in mountainous terrain. Russia is an indispensable source of education and training for the Kyrgyz military. Kyrgyzstan does not have the capability to educate its officer corps, and thus most of them receive their primary training in Russia. In the first decade of independence, it is estimated that 700 Kyrgyz soldiers received training in Russia. The Russians provide critical technical assistance in Kyrgyzstan as well. When Russia transferred the responsibility for Kyrgyz border security back to Kyrgyzstan, a cadre stayed in country to provide assistance and advice to
Kyrgyzstan’s new National Border Service. Finally, Kyrgyz soldiers exercised and trained alongside their Russian counterparts, often in Kyrgyzstan. Exercises like Southern Shield 2000 allowed Kyrgyz troops to maneuver with Russian forces in small-unit tactics against insurgent-style operations. Together, the military equipment and training Kyrgyzstan receives is necessary to sustain the neglected Kyrgyz military. Without that assistance, Kyrgyzstan’s security situation would be grave.

But Russian Defense Minister Anatoliy Serdyukov said that the landing of such aircraft won’t necessarily be carried out, however. This statement follows the signing of an agreement to extend the Russian military presence for another fifteen years, starting in 2017. Russia is presently reconstructing the air base, the engineering part of which will be finished in spring of 2013. It was reported in 2005 that the Russian Ministry of Defense planned to use the base in Kant as a forward staging post for Tu-95MS and Tu-160 bombers. The aerodrome in Kant has two air-strips. The basic one is used for launch and landing of An-22, Il-76, Tu-154, An-12 aircrafts, Su-27 fighters, and Su-25 attack planes, as well as for all types of helicopters. Aside from the Kant base, Kyrgyzstan has the Russian base of underwater testing of weapons in Karakol, military communications center in Kara-Balta and radio-seismic laboratory in Mailuu-Suu. The Russian Defense Ministry intends to combine all the subjects into one base in Kyrgyzstan under an overall command.

Assessment of the Kyrgyz-Russian Relationship.

Kyrgyzstan’s relationship with Russia in 2001 is determined to be “sensitive,” strongly weighted by both the economic and security dimensions of this relationship. Despite WTO membership, Kyrgyzstan’s economy is excessively tied to Russia. Intentional and unintentional actions within Russian markets would severely impact Kyrgyzstan’s economy. Kyrgyz debt to Russia has become unmanageable, while trade patterns are still tied to regional dynamics. From a security perspective, Kyrgyzstan has no other option than to seek Russia’s security umbrella. Russia was the one entity most likely to offer assistance should another extremist incursion occur like the ones the two previous summers. Additionally, Kyrgyzstan is subject to variations in Russia’s commitment to Kyrgyzstan. If Russia chose to favor another party while pursuing its own interests, Kyrgyzstan would be left to its own devices. Unfortunately, Kyrgyzstan’s devices are not strong. Without Russia, Kyrgyzstan would struggle for its own survival.

Russian Interest in Kyrgyzstan.

Russia’s interest in Central Asia and Kyrgyzstan at the beginning of 2001 is significant because it departs from its previous outlook. In his first year in office, President Putin brought Central Asia back into mainstream Russian foreign policy thinking after a decade of neglect under President Yeltsin. The Russian government issued a new National Security Concept in February 2000 and a Russian Military Doctrine in April 2000 articulating this vision, including some clear guidelines where Central Asia stood in Russia’s larger foreign policy concept. Recent NATO decisions such as expansion, agreement on out-of-area operations, and its air campaign against Serbia disturbed the Russian leadership. Furthermore, U.S. and NATO programs like International Military Education and Training (IMET), Foreign Military Financing (FMF) and Partnership for Peace indicated a Western willingness to encroach on areas clearly within the strategic interest of the Russian Federation. On top of this, new economic challenges emerged from U.S. and European companies, specifically in the energy sector. The Russian government was determined to reassert Russian primacy in the region. The National Security Concept emphasized the re-emergence of a multi-polar world and Russia’s place in it, specifically opposing the “growing trend towards the establishment of a unipolar structure of the world with the economic and power domination of the United States.” Russia clearly wanted to counter the growing Western influence in Central Asia, suggesting it would use both bilateral and multilateral arenas to stem the influence of the United States and Europe and in turn create “a
good-neighbor belt along the perimeter of Russia’s borders.” But Russia also perceived a
genuine security threat from its southern flank.

Russia was coming to terms with the depth of its threat from Islamic groups. Thesecond
war in Chechnya and Islamic offensives in Dagestan indicated to the Russians the expanding
threat from extremism. The Islamic Movement of Uzbekistan’s (IMU) incursions into Kyrgyzstan
further embedded this mindset, convincing Putin that Russia needed to become more involved in
the security of Central Asia. Putin perceived the events in Kyrgyzstan as a window of
opportunity to increase Russia’s own security in the south through regional cooperation with the
Central Asian states. Russia’s concern with Central Asia was not the borders specifically, but the
lack of barriers protecting Russia from all sources of instability originating from the south. The
Russians believed the flow of extremism, narcotics, and refugees could travel unhindered from
Afghanistan and the former Soviet republics to Russia’s border, and it was in their best security
interest to prevent this from happening as close to the source as possible. Russia’s commitment
to Kyrgyzstan thus revolved around a mutual desire to address the aforementioned transnational
threats. Kyrgyzstan had always been receptive to Moscow’s engagement, and an increased
rapprochement in the late 1990s and early 2000 was welcomed by Bishkek. This was
advantageous for Russia, since its relations with neighboring Uzbekistan could sometimes be
acrimonious. With good relations with Kyrgyzstan and its southern neighbor Tajikistan, Russia
could guarantee access into the region to address threats at the source.

Russia’s interest in Kyrgyzstan in 2005 is framed by both security concerns
and geopolitical considerations. The U.S.-led post-9/11 military campaigns against the Taliban in
Afghanistan benefited Russia, directly addressing the source of Russia’s threats stemming from
its vulnerable south. President Putin realized the potential advantages of the U.S.-led operations,
and his willingness to support and encourage the campaigns against the Taliban indicates his
recognition of shared responsibility to oppose terrorism in Central Asia. But there is enough
evidence to suggest that by 2002 Putin desired to regain the initiative of state-supported security
on its southern flank, seeking avenues to counter U.S. efforts in the region.

To help justify Russia’s reinvigorated security concerns in Central Asia, President
Putin reminded the Central Asian leaders of not only Russia’s historical ties to the region, but also its
geographic position, permanently entwining Russia in security concerns of these states. The
message was that although the United States is active in Central Asia now, Russia will always be
there forever. If Russia were to act as a permanent force in Central Asia, it needed to boost its
self-image to play the part. Putin proclaimed in a speech in July 2002 that Russia was a great
power alongside the United States, and would position itself to play the part in the region. This
posturing is less about addressing specific threats in Central Asia and more about regaining in
the region the initiative from the United States. As Russian Foreign minister Igor Ivanov relates,
I want to tell you that most will depend not on how much hot air we talk but how we act in
real terms in these regions. If we actively develop relations with Central Asian countries,
build long-term economic ties, give credits to serious projects, train cadres (including
military cadres) costfree, and develop military-technical cooperation, our positions will not
weaken. If we only talk but do little substantial in Central Asia, then, of course, the vacuum
will be filled by others.

The actual manifestation of Russia’s renewed interest is both through bilateral agreements
and multilateral structures, using both security and economic strategies to attempt to bind the
Central Asian Republics to Russia’s assistance. Russia is promoting a forward security zone
mindset to help address regional threats, significantly increasing its regional presence to thwart
potential threats. Russia’s decision to open an airbase in Kant, Kyrgyzstan with a fifteen-year
lease shows Russia’s commitment to a visible long-term presence in the region.

Economically, Russia seeks agreements, which also tie the Central Asian states to the
Russian Federation. Previous attempts at economic hegemony have been largely unsuccessful,
with little progress achieved through efforts such as the Customs Union, Free Trade Zone, and
Eurasian Economic Community. Thus, Russia has focused on bilateral strategies, often through
energy agreements and favorable trade arrangements. One analyst notes that Russia’s principle economic strategy is using subsidies and lower prices to maintain an ability to keep Central Asia within its strategic sphere and to preserve access. As will be seen, Kyrgyzstan was targeted with all these strategies by 2005.

**Kyrgyzstan’s energy crisis and waiting for aids from Russia.**

The Kyrgyz Republic is facing a dramatic energy crisis. Residents and factories are coping with power cuts as the result of low reservoir levels that deprived the impoverished country of the ability to produce energy from hydropower stations for significant parts of 2008. As the lamps and refrigerators died out, so did lifts and water pumps, leaving many households without hot and cold running water. Thousands of businesses suffered huge losses and had to close. Some entrepreneurs decided to leave for Kazakhstan and Russia. The current low reservoir levels can be ascribed to several factors, including recent summer droughts, but also widespread political corruption and mismanagement. For example, some critics argue that the release of an extra two billion cubic meters of water in 2004 for electricity exports to Russia is responsible for the current critical situation. According to some MPs, in October 2005 the water level in the Toktogul reservoir was roughly 19 billion cubic meters, while by October 2008 it had dropped as low as 9.5 billion cubic meters.1 These data reveal that large volumes of hydroelectricity were either stolen or lost in the production process. As a result, the Kyrgyz Republic is only becoming more dependent on foreign energy supplies. At the end of 2008, the government announced a preliminary agreement to import 250 million kilowatt-hours of electricity from Kazakhstan. Negotiations are underway with Uzbekistan on gas and electricity supply. Relations with Russia are also evolving. During his 9 October 2008 visit, Russian President Dmitry Medvedev and Kyrgyz President Kurmanbek Bakiev signed an intergovernmental agreement on developing cooperation for electricity supplies, as well as a memorandum of understanding between the Kyrgyz Republic and Russia’s energy giant Gazprom.

This current state of affairs has clearly shown that Kyrgyzstan’s developing economy simply cannot afford a high degree of energy dependency, especially on imported energies like oil and gas. On the contrary, the country would benefit greatly from developing its renewable energy sources and introducing new alternative sources of energy supply.

**Russian Investment in Kyrgyzstan.**

Like the United States, Russian foreign direct investment in Kyrgyzstan was sporadic and, ultimately, marginal by 2000. Between 1995 and 2000, Russian investment in Kyrgyzstan never peaked above U.S. $1.2 million annually. Russian FDI in 2000 was only U.S. $1.0 million, while Kyrgyzstan held a net outflow of investment for the year. Two explanations are possible for such low levels of FDI. First, the Russian business sector was in no position in 2000 to invest substantially outside the Federation, in light of the 1998 economic crisis. Additionally, conditions in Kyrgyzstan did not promote deep investment. Kyrgyzstan held few attractive privately-owned sectors available for investment. Privatization of Kyrgyz telecommunication and energy sectors would help reverse this trend. Additionally, tax benefits are random in Kyrgyzstan and not structured in a manner conducive to attracting foreign companies. Kyrgyzstan successfully increased its marketability to Russian investors since 2001, although some analysts note that Russian benevolence in investment is as much politically motivated as economic. During President Putin’s December 2002 visit to Bishkek, the Kremlin’s trade advocate Anatoly Chubais was brought along to help spark Russian interest in Kyrgyzstan. Additionally, a Russian-Kyrgyz economic forum was held in October 2003, with several Russian businessmen brought to Bishkek in order to expand trade and investment opportunities by Russian entrepreneurs. The Russians became very interested in several projects in Kyrgyzstan. The Kyrgyz government had been seeking foreign assistance to finish necessary repairs and improvements to multiple hydro-electric plants on the Naryn River, in addition to starting new construction projects. By October 2002, the Russian state-controlled Unified Energy Systems
(headed by Chubais) signed an agreement to upgrade five power stations over a ten-year period. The following April during the Eurasian Economic Summit, contracts were signed to complete the entire construction project with Russia and Kazakhstan as the principal investors. In addition, Kyrgyzstan’s aforementioned agreement with Gazprom involved the Russian company’s commitment to also modernize the few gas fields in Kyrgyzstan in order to help increase annual domestic gas extraction to 300 million cubic meters, which would potentially serve half of Kyrgyzstan’s annual needs.

**Russian Assistance to Kyrgyzstan.**

Just as Kyrgyzstan was unable to reap benefits from the Russian private sector in 2000, it also struggled to obtain bilateral assistance from the Russian government. A major barrier to Russian assistance was the rapidly-expanding debt Kyrgyzstan owed to Russia. Kyrgyzstan’s debt to Russia constitutes only a part of a larger and burgeoning debt problem facing the struggling nation. The severity of the debt prevents Kyrgyzstan from reaping any assistance benefits at this timeframe. As of 31 December 2000, Kyrgyzstan’s total government and government guaranteed liabilities stood at U.S. $1.5 billion. Of this, Kyrgyzstan owed U.S. $186 million (12%) to Russia, making the Russian Federation its largest bilateral creditor. Given the extent of the debt, Kyrgyzstan finds Russia reluctant to provide any further monetary assistance.

**Conclusion**

To sum up, Kyrgyzstan faces tough competition for its support. China is using its economic power to gain influence, the USA is already present with the Manas base and wants to keep it this way, while Russia is working on the opposite, to get the Americans out of the country and the region. This competition is a heavy burden, but in good hands, it can be beneficial for the country. The best option – and the most supported by the public, as well – would be Russia, however the progress towards Moscow needs to be slow and without seriously damaging the interests of the other two. On regional level, Kazakhstan seems to be a serious investor, while with Tajikistan, after it solves its own internal issues, the high number of similarities can help the future cooperation. Uzbekistan’s high importance is unquestionable, first of all due to its gas supply, however the various historical differences and events, also the issue of the Uzbek minority in Kyrgyzstan, makes collaboration difficult. A Central Asian Union could help on both balancing the increased influence of Russia and solving the regional problems, however it is still a very long-term project. But the region and Kyrgyzstan have time and as it is not so likely that the major powers’ interest drop soon, they have various opportunities as well. It is only up on them, to determine how they will use it.
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