Keynote Speech Conference by Max Spoor:

25 years of rural development in post-Soviet Central Asia: Challenges and obstacles

Conference: Agricultural Transitions along the Silk Road, Restructuring, Resources and Trade in the Central Asia Region, 4-6 April 2016, Almaty, Kazakhstan

Introduction

In a seminal piece, Andre Gunther Frank (1992) underlined the Centrality of Central Asia in Eurasian history, as the bridge between Europe and China. He emphasized the “mutual dependence of extractive nomads and exporting agriculturalists...” in the Central Asian region, with a form of symbiosis between the nomadic people of Central Asia and the more urbanized societies based on sedentary agriculture. It was written about 25 years ago, and seems a good starting point to address the main topic of this conference, namely: ‘Agricultural Transitions along the Silk Road, Restructuring, Resources and Trade in the Central Asian Region’. The region of ‘Central’ (центральная), ‘Inner’ (внутренней) or ‘Middle’ (Средняя) Asia played a crucial role in the movements of agricultural commodities, precious metals, horses, religions, and knowledge, which moved along a complex set of silk routes (see Figure 1), and is still central to the linkage between west and east, although times have changed.

Figure 1: Silk and other trading routes in history

Source: UNECE (2008); partial reproduction of the original map by the author.
I was always fascinated by this region of the world, and having the opportunity to visit it during the Brezhnev era it brought me to the cities of Alma Ata and Tashkent as early as 1980 (see Figure 2), as part of various trips to the former Soviet Union (to the European part, Siberia, Central Asia and the Caucasus, starting in 1970, being an undergraduate student of mathematics and physics at Leiden University).

Figure 2: Urban market in Tashkent (1980)

Source: Photos by the author

Soon after the Soviet Union had collapsed as a state in late 1991, and 15 newly independent ones had appeared, of which five were in former Soviet Central Asia, my institute (ISS, The Hague) received a request from a Tajik University to come and visit them, but for some reason it did not work out. In 1993 ISS provided me with some funds to go the Uzbekistan, to explore possibilities for cooperation, which we did with the Tashkent State Agrarian University (before the transition known, like this University in Almaty, as the Selkhoz Institut). Cooperation in that era was, however, complicated, with language barriers, cultural differences, varying expectations, and limited means of communication, which often made fruitful joint work difficult.
Nevertheless, it gave me the opportunity for a whole series of visits, to all the five countries, but in particular to Kazakhstan, Kyrgyzstan and Uzbekistan during the 1990s, until the mid-2000s.

Having worked on agrarian change in Asia as well as in Latin America, this interest also drew me to study former Soviet Central Asia, as the countries involved were primarily rural societies (with the exception of Kazakhstan). I looked particularly at the post-1991 land reforms, but also at the issue of water access and relative (and/or absolute) water scarcity in the Aral Sea Basin (see Spoor, 1993; 1995; 1998). This is a region, which in some places is densely populated, and has limited land available for agriculture, as it needs irrigation in the absence of sufficient rainfall (see Figure 3).

Figure 3: Agricultural and other areas in Central Eurasia

![Figure 3](image)


What became very clear during these trips were a number of crucial issues (challenges and obstacles) in particular in the area of rural development, which are still relevant today. In the following these issues will be discussed using academic sources, but also by sharing some personal anecdotal evidence accumulated during the visits that were made in the 1990s, in the early years of transition. Firstly, the countries were moving into a direction of what we could call ‘economic nationalism’, possibly in response to the fact that before all important economic decisions were made in Moscow, and with
independence there was a move towards nationalism in opposite direction from the cooperation the Soviet republics had (or were forced to have) during the era of the USSR. The formation of new nation states and the emerging nationalist tendencies was quite contrary to the traditional role of Central Asia, which was a region of exchange, trade, transport and multi-cultural development.

Secondly, and partly related to the previous issue, quite serious resource-based conflicts emerged, often expressed in ethnic terms. Some of them already took place in the late 1980s, particularly in the densely populated Ferghana valley (between Uzbeks and Meshketian Turks in 1988 for example), while in June 1990 violent conflicts broke out between Uzbek and Kyrgyz communities—in particular over land access in Osh and Jalalabad, an area I visited soon after that in the early 1990s. In the same region unfortunately this conflict emerged again in 2010, as the underlying factors to the tensions had not been resolved. Resource conflicts should also be seen in the context of processes of deregulation, of land and tenure reforms (see Dudwick et al., 2007; FAO, 2011; Kimhi and Lerman, 2013), of de-collectivization (Trevisani, 2007), and of the contestation of water rights (Spoor and Krutov, 2003), where the stark contradictions between upstream countries (the “water suppliers”) and downstream ones (the “water users”), but also at more micro-level along water basins (of which there are many in Central Asia) became even more apparent (Figure 4).

Figure 4: Potential Water Conflict in Central Asia

Source: SDC (2002)
Water is not the only resource in the center of conflicts and tensions, but water (and land use) mismanagement (which we will also discuss in detail in this conference) has also given rise to the rapid shrinking of the Aral Sea, contributing to local climate change and worsening of various environmental indicators, such as air pollution, salinization, increase of temperature, and changing cultivation patterns.

Thirdly, nearly all of the newly independent Central Asian states, after an initial deep economic crisis, recovered and developed economically with what we could consider as ‘capital city-centric’ growth models, in which the rural areas (which except for Kazakhstan house the largest share of the population) lagged behind. These growth models were also partly based on the development of natural resource wealth (and the resource rents generated), such as cotton, gold, natural gas and oil (see Pomfret, 2012). Visiting Ashgabat in the mid-1990s, or Almaty in the early 2000s, or even going to Astana (a completely new city) and subsequently contrasting these visits by going to the far-away countryside (whether Kashkadarya in Uzbekistan, Charzhou in Turkmenistan, Kyzylorda in Kazakhstan, or rural areas and small cities in the poorest zones of Kyrgyzstan and Tajikistan, can provide a clear view of the unequal character of growth (UNDP, 2014). Poverty, although having diminished substantially since the initial crisis years of the early to mid-1990s, is still substantial. There is a wide rural-urban divide, shown by the much higher rural poverty figures (often comparable with smaller cities, as unemployment is high there), in comparison with the capital city of the country involved. Even more, if we look at access to social services, and look at ‘multidimensional social exclusion’ (see UNDP, 2011; Spoor, 2013; Spoor, Tasciotti and Peleah, 2014), it is clear that the rural-urban divide is possibly deeper than would already be indicated by spatially differentiated poverty rates.

In this introduction of the conference “Agricultural Transitions along the Silk Road”, these are three main issues to be discussed, under the title “25 years of rural development in post-Soviet Central Asia: Challenges and obstacles”, although it is quite clear that this only does justice to some aspects of the complex puzzle of rural transformation that we have seen over this past period, which represents indeed a major ‘upheaval along the Silk route’ (Spoor, 1997) in multiple forms. Surely many of the other aspects will be discussed in detail in other keynote addresses, as well as in the many papers that will be presented in the next few days.
1 Building new nation states and emerging nationalism

Travelling in the early 1990s along the borders between Uzbekistan and Kyrgyzstan, Kazakhstan and Kyrgyzstan, Uzbekistan and Tajikistan, and lastly Uzbekistan and Turkmenistan, provided me with a vivid picture of how borders between Soviet republics, which could hardly be seen as borders, became borders between emerging nation states, with border guards, custom officers, and clear delineations of the borders (which in some cases had been rather undefined during the USSR era). While taking a trip from Almaty to Bishkek was relatively easy, as hardly any border controls existed, a trip by car from Bishkek to Osh, passing along the Toktogul artificial lake and hydropower dam, was not only lengthy, but also complicated. Particularly the last stretch from Jalalabad to Osh actually takes you straight through the eastern tail of the Ferghana valley, and in the early days there were pieces of the road which were claimed by Kyrgyzstan and Uzbekistan, meaning that border controls (whether legal or illegal, as sometimes “environmental tax” or экологический налог had to be paid) were manifold. Continuing later the trip from Osh into the Uzbek part of the Ferghana valley made me aware of the fact that it would have been better not to travel with Kyrgyz number plates, as the Uzbek traffic police stopped us quite a number of times, even in Tashkent. Furthermore, passing the city of Andizhan, taking the main road to Tashkent, the driver, a Kyrgyz engineer turned into taxi driver, asked me several times the way, as the road signs had been changed (in 1995) from Cyrillic to Latin, and he could not read the word Tashkent, only knowing the sign Ташкент (see also Megoran, 2012: 480). Newly created nation-state borders complicated inter-regional trade and transport, as the custom offices became very lucrative places for rent seeking. Although in the early days of transition, borders were still rather permeable, and controls could easily be avoided, after a series of conflicts between particularly Uzbekistan and Kyrgyzstan (on water and gas supplies) the situation became more tense, and for example the Osh-Andizhan bus service was suspended temporarily in 1998 (Ibid.), to the detriment of particular local Kyrgyz citizens (of by the way mostly Uzbek descent).

A recent detailed study (UNECE, 2008) showed this very clearly. The silk road or silk routes, that have always been known for their linkages, and transport of commodities,
people and animals, have now been fragmented and complicated because of the costs involved to pass a border and the waiting time involved (UNECE, 2008). Travelling from Uzbekistan to Turkmenistan by road was even more interesting and challenging. For the Economic Development Institute (EDI) of the World Bank we did some training courses in the field of agricultural project and investment analysis in the early 1990s, and candidates had to be selected through visits to the respective countries. Being in Uzbekistan, and still having to visit Turkmenistan, the question was how to go there? Used to travel in not always the easiest conditions, and having good personnel connections in the two countries, I went by car (an old Niva 1600) to Bukhara and then crossed the border into Turkmenistan, towards Chardzhou (now Turkmenabad). The only problem was that I did not have a visa, which used to be not necessary, but a visa regime had recently been established. Luckily my companions had a friend with what they called the KGB in the border town. This – according to them at least – meant that there should not be a problem. We indeed crossed the border without problems, drove to the airport of Chardzhou and they bought a ticket for me. After some hassle I did indeed arrive in Ashgabat, but in the domestic part of the airport (of course…). When I called my contact (a former Turkmen student who had been in a course on Diplomacy and International Relations in The Hague where I had been teaching for several years already), he was very surprised. He drove to the airport, involved somebody from the consular department over there (also a former student) and arranged a visa for me, in which my (imaginary) arrival with Turkish Airlines that day was mentioned. After some days of work, when standing in line to depart, I did get nervous about the whole matter, but when the officer shouted to me to show my белая бумага (‘white paper’, which contained the visa stamp), I was all too happy to give it to him and passed the passport control without any problem. These anecdotes possible show something of the complexities related to establishing new borders, and institutions of border control, customs and international agreements about these borders, visas, migration rules etc.

They also describe a situation in which new countries emerged as nation-states, while they had been Soviet republics within the rather centralized command economy of the USSR. In the coming days we will discuss agricultural production potential and the future of intra-regional and international trade, but here I would like to give some examples of the difficulties that have been created to trade, in establishing borders
between countries, with all the procedures involved, official and informal ones. UNECE (2008) presents, amongst others, two cases, namely firstly a cargo trip from Bishkek (Kyrgyzstan) to Novosibirsk (Russia), passing through Kazakhstan. The whole trip did cost 8.7 days, of which respectively 2.7 and 2.4 were spent at the Akzhol/Kordai and ShAMBakhty/Kuluna border crossings. The second case was a trip from Tashkent to Istanbul, passing from Uzbekistan into Turkmenistan, Iran, and finally Turkey, in which the border crossings cost 4 days in total (in a overall trip of 15 days). Waiting time was translated into costs, although other costs, such as bribes and ‘informal taxes’ were not included in the report, but were a real problem in much of the transport. A few years earlier, the International Crisis Group (2002) had already indicated the severe problems of new borders, the emergence of regular territorial conflicts, and the difficulties created for local people in border regions, as well as the blocking of international transport and trade. It particularly focused on the densely populated and earlier mentioned Ferghana valley:

The most complicated border negotiations involve the Ferghana Valley where a myriad of enclaves exist, and all three countries which share it — Uzbekistan, Tajikistan and Kyrgyzstan — have both historical claims to each other’s territory and economic interests in the transport routes, rivers, reservoirs, and industries. Negotiations over border demarcation in the valley have been charged with tension and have stalled over scores of disputed points. While talks continue with a broad understanding that border issues must be settled, there is little likelihood of a final breakthrough any time soon.

The issue of border problems remains a great challenge for Central Asia, negatively affecting its economic potentials, including that of its agricultural sector. Where ‘nationalism’ also appeared more strongly was in economic development strategies. As centrally planned distribution of goods and services, which took place in the Soviet era, disappeared, and international trade took its place, decisions were taken in the agricultural sector on what to produce, on whom to be dependent. In some cases this was in the direction of national food self-sufficiency. While food security and even better food sovereignty are important goals, if strategies towards national food self-sufficiency have negative effects on particularly environmental indicators, rather than following agro-ecological determinants, the strategy becomes problematic. Indeed, one can argue that a country such as Uzbekistan became largely grain self-sufficient (see UNDP, 2010), and taking into account high levels of food and income poverty that was a success. However, as argued elsewhere (Spoor, 2009, 2010) this
change in land use (more grain, less cotton) has also led to expansion of grain into marginal land areas where more water was needed, leading to an overall larger use of water (rather than less, which could be expected in the move from a water intensive crop towards a much less water intensive one).

2 Resource conflicts in Central Asia with a focus on Land and Water

Land reform has swept through the countries of post-Soviet Central Asia in different ways, sequencing and with varying outcomes (see Spoor, 1995; Dudwick et al. 2007; Swinnen and Rozelle, 2006; Kimhi and Lerman, 2013; Djanibekov et al. 2012, and many others), within the overall transition to more (or less) market-led economies. De-collectivization, liquidation of state farms, redistribution of land in usufruct, privatization of individual plots, and the buying/selling (and leasing) of land by financial capital, led to winners and losers, in which ‘land grabs’ (obtaining land through illicit ways, paying too little or no compensation, etc.) have often occurred (see also Visser and Spoor, 2011, on land grabs in Russian, Ukraine and Kazakhstan,).

Figure 5: Ferghana Valley: The Heart of Central Asia

Source: Available at www.cawater-info.net; accessed 26 February 2016

Who finally got the land in individual use or ownership after de-collectivization, has also been a major cause of violent conflicts fought under ethnic banners, in particular in cases where population density is high and land and water resources are scarce, such as in the earlier mentioned Osh-Jalalabad region, and in other areas of the
Ferghana valley (see further the fascinating history of what is called the ‘heart of Central Asia’, Starr, 2011; Figure 5).

In such an important agricultural region, these resource conflicts need to be resolved through negotiations, at inter-state level, but also regional and local levels, which is one of the challenges of today, and not resolving them means a clear obstacle for further development. Another resource conflict originates in the topological differences within Central Asia, which contains mountainous areas (in particular Kyrgyzstan and Tajikistan, but also parts of Kazakhstan) where the main river systems of the region originate, and the lowland areas (in particular southern Kazakhstan, Turkmenistan and Uzbekistan). Hydropower is of crucial importance for the former countries, which also do not have oil or natural gas resources, and are confronted with harsh cold winters in which energy is crucial for heating. Already during the Soviet era many hydropower installations, dams and artificial lakes have been constructed to resolve these problems, based on centralized planning from Moscow. When energy is needed in the winter, the upstream country will open the gates of the dam, in order to have the turbines producing electricity, while the lowland or downstream country does not need to water for irrigation. When the latter does need water, such as in spring or summer, the upstream country will often close the dam, or reduce the water flow, as it wants to build reserves for the winter in the artificial lakes.

Since inter-republican coordination broke up with the collapse of the USSR, water has been a main point of contention between the newly independent states of Central Asia (see Spoor and Krutov, 2003). I remember speaking to policy makers and academics at both sides, for example in Kyrgyzstan and Uzbekistan, and encountered sometimes quite extreme opinions, such as “we will stop delivering gas to our neighbors”, and “if they do not pay for our water, we will close the dam”. In the past 25 years, on and off this upstream-downstream conflict of interests over water has led to wars of words, and increasing tensions between countries, over water flows in various river basins. Of course this can lead to violent conflicts, but it might alternatively lead to more cooperation, as all are dependent on this most precious resource, namely water (see Arsel and Spoor, 2010).
To finalize this part, it seems that the shrinking of the Aral Sea, which was very much on the agenda in the early 1990s, has largely disappeared from the public eye, while intensified (or at least continued) over-use of water for agriculture (in particular cotton production) has remained the main cause of this environmental disaster. And it is indeed. When writing about this huge problem in the mid-1990s (see Spoor, 1998), the expectation of most experts (such as Micklin, 1992) was that the mere existence of the Aral Sea was greatly under threat at that moment, and urgent measures to reduce water use (and make it much more efficient) were needed. Nevertheless, it seems that (looking at the most recent pictures of Aral), the disaster has really took place. While in the mid-1990s the volume of water was around 30% of its original size of the 1950s, recent estimates state that currently it is less than 10%.

Figure 6: The Shrinking of the Aral Sea

The northern (small Sea) has been ‘saved’, by building the Kok-Aral dam that blocks the Syr Darya streaming into the southern (large Sea). The southern part, which split into the shallow eastern part and the deeper western part, while receiving insufficient flow from the Amu Darya, has now largely dried out, except for a small piece at the western side (Figure 6). The consequences (salt and nutrient remnant distribution on lands by desert winds, temperature rise, air pollution, further salinization of ground water and top soils) are profound with many negative consequences for particularly agricultural production and rural livelihoods (see Spoor and Krutov, 2003; Spoor, 2009; 2010). In spite of the many conferences, newly created institutions, and policy
statements of newly independent governments, this problem has hardly been really tackled, and remains the ‘elephant in the room’, central to the further development of particularly rural Central Asia. However, for many politicians and policy planners in the Central Asian capital cities the Aral Sea is a distant place, even when predictions on regional climate change for 2050 indicate that the future problems for Central Asian agriculture will be worse (World Bank, 2009; 2010; Lerman, 2013). Hence, while discussing agricultural transitions in Central Asia, we have to take into account that climate change will affect the region quite severely, in particular river flows on which agriculture is so dependent, and that the crucial local climate ‘stabilizer’ in the region loses its function as it is turning into a salt lake.

The Aral Sea will not return, even with improved water management, and strongly reduced water use by investing in much more efficient irrigation systems (possibly learning from traditional underground water distribution tunnels that were destroyed in the 1920s and 1930s, and new ones such as drip irrigation etc.). However, by doing this and producing crops depending on the agro-ecological environment rather than policy directives, will certainly improve the remaining parts of the Sea, and in particular protect the two large river deltas that represent a wealth of biodiversity. Nevertheless, this will require political will, regional cooperation and river-basin water management, rather than focusing on national interests and those stretches of rivers that flow through the individual countries (see also Abdullaev et al. 2010).

3 The rural-urban divide and the capital-city centric growth models

Already in the first comprehensive study on poverty and inequality in transition economies, World Bank (2005) showed that there were large differences in poverty rates between rural areas, urban centers and the capital city in all the countries included in the study. With data from 2003, it was shown that poverty rates below the international poverty line (2.15 USD PPP/Capita at that moment) were very low in the capital cities of Kazakhstan and Uzbekistan (respectively 2 and 4 percent). In rural areas the percentages were much, much higher, namely respectively 31 and 55 percent. In the smaller, poorer and more rural countries Kyrgyzstan and Tajikistan the capital cities showed respectively 42 and 54 percent poverty incidence, while in rural areas it was 57 and 76 percent. Interestingly, and also understandably, in smaller towns (entitled ‘other urban’ in the table) poverty rates were even higher than in rural
areas of Kyrgyzstan (namely 68 percent), mainly because of the deeper impact of the economic crisis, for the population lacking income from land resources, which rural dwellers have. The poverty rates in Tajikistan were only slightly lower, with 73 percent, also representing disturbingly high shares of the population living in poverty (see Figure 7).

**Figure 7: Spatial differences in poverty rates (2003)**

![Spatial differences in poverty rates (2003)](source: World Bank (2005); Author’s elaboration.)

Macours and Swinnen (2008), possibly using the same database, also show substantial differences between rural and urban poverty rates (see Figure 8)

**Figure 8: Rural and Urban Poverty (2003)**

![Rural and Urban Poverty (2003)](source: Macours and Swinnen (2008)).

It seems that overall poverty rates have decreased, as we can see in the POVCALNET dataset, which was used in UNDP (2014), taking the same 2.15 USD PPP international poverty line (expressing ‘extreme poverty’) as threshold. At the 4.30 USD PPP poverty line, the headcount is much higher in for example Tajikistan and
Kyrgyzstan, also when comparing these with some other transition countries (see Figure 9).

**Figure 9: Headcount poverty in selected transition economies (2011)**

![Graph showing headcount poverty in selected transition economies (2011)](image)

*Source: UNDP (2014)*

However, in order to measure more than ‘only’ income poverty, UNDP (2011) developed a multidimensional index of social exclusion (or inclusion), using the same methodology as developed by Alkire and Foster (2007), which apart from the economic dimension (represented by income levels and poverty rates, also looked at access to social services and civic participation). I was one of the lead authors of that report. The dimension of (lack of) access to social services was shown to be the most important amongst the three dimensions in 5 out of 6 countries, which clearly indicated that focusing on income poverty is not enough. On the basis of this study and the data sets available for 6 transition countries (Macedonia, Serbia, Moldova, Ukraine, Kazakhstan and Tajikistan), Spoor (2013) also calculated that social exclusion was higher in rural areas than in urban ones, while Spoor, Tasciotti and Peleah (2014) used the same detailed survey data to look at basic services such as access to running water, having a toilet, etc. Those data also show clear gaps in access between rural and urban areas, in particular in the poorer transition countries, such as Moldova and Tajikistan, but also in Kazakhstan (see Figure 10, which looks at spatial differences in access to running water).

**Figure 10: Access to Running Water (2009)**
These large inequalities between rural areas (villages) and the capital cities of the countries in Central Asia (with small towns and regional economic centers sometimes closer to the socio-economic indicators of the country’s capital) also form an obstacle for agricultural and rural development.

**Conclusion**

It is clear for all five Central Asian countries that the agricultural (and rural) sector needs more investments, more education and skills, and finally better (social and productive) infrastructure and provision of services (see amongst others FAO, 2011). The severe rural-urban inequalities that have been indicated need to be tackled, while at all levels substantial efforts need to be undertaken to overcome disagreements about territories, resources, resource use, borders (and their regimes) in a region that has a long tradition of tolerance, multiculturalism and development based on cooperation and exchange. Of course, easier said than done, but only such strategy might lead to giving more ‘centrality’ to the region, and regaining its importance as the bridge between West and East, as it was in the pre-Soviet past. The Chinese initiative ‘One belt, one road’ is also clearly pushing in that direction.

**References**


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