COPING DURING TRANSITION IN RURAL AREAS
THE CASE OF POST-SOVIET SOUTHERN KYRGYZSTAN


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Abstract

This paper focuses on the transition process in the agricultural sector in post-Soviet Kyrgyzstan. Kyrgyzstan is a republic in Central Asia which embarked on a reform program after independence in 1991 and has been struggling with structural impoverishment since.

This paper is to look into the following questions: how do households organise their survival in this radically changed environment; how did they come to their new coping mechanisms; and where do the latter come from?

Besides analysing existing literature, this paper is based on field research among farmers conducted in the province of Džalal-Abad in Southern Kyrgyzstan between February and April 2005.

The paper aims to show that even if most households now have an income from farming, this income is too small to support all household members. Therefore, additional incomes are needed but mostly lacking. The country now has a dual economy: a formal sector, which can be seen as the successor of the Soviet state economy but is too small to provide all inhabitants with jobs; and a large informal, self-employment sector which is essentially a continuation of the ‘shadow economy’ that already existed in the Soviet era.
Introduction

The dissolution of the Soviet Union has brought economic difficulties for all successive republics. Everywhere standards of living have declined and households were forced to design new coping mechanisms. Kyrgyzstan, a small mountainous republic at the outskirts of the former Soviet Union, is one of the new states that was hit hardest by transition. Its Southern part experienced the most difficulties. Contrary to neighbouring Uzbekistan or Belarus, for example, Kyrgyzstan embarked on an ambitious reform program under a leadership that appeared keen to embrace market liberalisation. The Central Asian republic is particularly known for its extensive livestock raising. However, the country is also home to many crop-producing farmers, especially in the Ferghana Valley in the South. In Soviet times, Central Asia was the main cotton producing region of the Union. Cotton remains important, although food crops now more or less predominate. Employment in agriculture has increased from one third to about half of the country’s working population.1

This working paper focuses on the way crop-producing farmers have managed to survive in a dramatically changed environment. Three main questions lie at the basis of this working paper: what strategies have households adopted since the Soviet economy has ceased to exist, how did the population come to adopt such strategies and where do they come from? The idealised aim of economic reform was, among other things, to create a group of commercially-oriented ‘agrarian entrepreneurs’. In reality, only few were able to seize, or even understand, market opportunities. Many farming households today have few other options than to combine multiple income sources. Agriculture is now only one of several sources of income, incapable of further expansion. In this working paper, I will show that this was the result of market reforms. I will also show how Kyrgyzstan’s current rural economy is in fact nothing new, but has its roots in Soviet Central Asia’s economy itself.

Next to other research that is already published on the subject, this working paper is partly based on a field research conducted between February and April 2005 in Southern Kyrgyzstan, in the Džalal-Abad oblast (province). Around fifty interviews, mainly with local farmers, were conducted, mostly in the rural villages around the oblast capital, Džalal-Abad (Jalal-Abad), but with some additional interviews in the neighbourhood of Bazar-Kurgan and Kök-Art. Family heads or their wives were asked for the composition of their family, what kind of agricultural activities they are engaged in, which assets they have access to for this, how they market their produce, and how they experience their income situation. With some 75,000 inhabitants, the oblast centre of Džalal-Abad is the largest city in the south after Osh and has its own market or bazaar. Bazar-Kurgan is a much smaller town with a population of about 29,000, with its own bazaar and good road connections with Džalal-Abad. Kök-Art, on the other hand, is more remotely located and does not have a bazaar. In spite of the additional interviews, there is still an overrepresentation of more accessible villages around Džalal-Abad. Moreover, all these villages were still accessible by car. These limitations in terms of geography and accessibility should be kept in mind.

This paper is organised as follows. In the next section, the socio-economic characteristics of Soviet Central Asia are described. The region’s socio-economic peculiarities go far in explaining where Kyrgyzstan’s current rural economy comes from. In the third section, the agricultural reforms of Kyrgyzstan are described. This makes clear why most households have an income from agriculture, which is insufficient however, forcing them to seek other employments. Their livelihoods are elaborated in detail in the fourth and fifth section. In the conclusion, the research results are summarised and a general picture is given of the place of agriculture in household incomes and in Kyrgyzstan’s economy as a whole.

1. Soviet Central Asia: rapid population growth, unemployment and informality

Three important socio-economic features characterise Soviet Central Asia: a rapidly growing population, resulting in large-scale unemployment and a sizeable informal economy. These three interrelated peculiarities of the region go far in explaining how Kyrgyzstan’s current situation came to be.

Rapidly growing population

First of all, the region’s population has undergone a fast growth in the past century. Population increase in Central Asia has been at high rates of 3 to 4% per year since the 1950’s. Fertility rates were very high, with the average woman in the 1980’s giving birth to between four to six children. Consequently, Central Asia’s population grew much faster than the Soviet population as a whole, and the region had a ‘broad based demographic pyramid’. Therefore, large families in Central Asia were very common, with an average family size of about six members. From these demographic characteristics – fast population growth and large families – Rumer makes two observations: on the one hand, there was a large number of youngsters with only limited employment opportunities, leading to deteriorating standards of living; on the other hand, large families with a ‘common household economy’ mitigate the effects of declining incomes per head.4

Unemployment

Secondly, mostly because investments could not keep up with the regional population growth, unemployment became an increasingly important problem. Although the
Soviet economy guaranteed work for all, which kept wages low.\(^4\) Unemployment in Central Asia was estimated at about 4%. Especially underemployment was widespread, with a high labour turnover rate, resulting in frequent frictional unemployment, and especially for women, seasonal unemployment.\(^6\) Most of the surplus labour was retained within the agricultural sector, reducing agricultural labour productivity.\(^7\) Rumer mainly sees Moscow’s investment policy as the cause for the region’s lack of employment opportunities: Central Asia needed labour-intensive industries, and the setting up of new production units, whereas Moscow, certainly under Gorbachev, wanted higher efficiency and expansion of existing production units.\(^8\) Patnaik, on the other hand, mainly points to cultural factors to explain rural unemployment.\(^9\) According to him, the local urban industry actually faced a labour shortage, due to diminishing in-migration from the European regions of the Soviet Union and cultural factors that impeded the local population from moving to the cities, where the Russian culture was dominant. Though rural standards of living were low and urban industrial wages higher, rural out-migration and labour shift towards industrial activities was slow among the local population as traditional values did not weaken.\(^10\) While Patnaik sees education as a means to overcome traditional attitudes and thus bring about more willingness to migrate, what was needed for the region according to Rumer, was more investment: creation of new production units and expansion of existing ones, not only in cities, but also in densely populated rural areas or recently settled territories.\(^11\) Moscow’s unwillingness to do so goes a long way in explaining why Kandiyoti notes that informal incomes for Soviet households increased not only as one moved from North to South, but also from cities to rural areas.\(^12\)

**Self-employment, or the informal economy**

This brings us to the third characteristic, the importance of the ‘second’ or ‘informal’ economy, which can be defined as all activities outside the plan for the Soviet era, and all forms of self-employment for the transition period.\(^13\) These informal activities were present all over the Soviet economic spectrum, in agriculture, industry, and trade. They existed within and alongside the formal, centrally planned economy, in a symbiotic rather than a parasitic relationship with the official economy, and can be seen as the result of and a form of solution to the malfunctions inherent in the official economic system.\(^14\) Alexeev and Pyle found that of all Soviet regions, the informal economy was largest in ‘the South’, i.e. Central Asia, and Azerbaijan and Georgia.\(^15\) In spite of Khrushchev’s campaign against ‘private activities’, such activities continued to flourish in Central Asia. According to Rumer, numerous firms existed here that were state
enterprises on paper but small private workshops in reality. Only part of their production was made to (over)fulfil the plan, while the rest supported a network of underground businesses, trade and services. This second economy also existed in agriculture and trade. An important point I want to stress in this working paper is the importance of private plots and kolkhoz (collective farm) markets or bazaars. This part of the second economy in Soviet times is the historical basis of Kyrgyzstan’s current rural economy.

In the first years after collectivisation, the members of collective and state farms were allowed to cultivate small, private plots - the basis of the ‘private’ or ‘personal’ agricultural sector - because they were necessary for the rural population to survive, as almost all of the state and collective farm’s production was ceased. When after 1953 agriculture no longer needed to provide capital for the country’s rapid industrialisation, rural wages could be raised and hence the importance of the private plot production in the households’ income began to decline, though its importance remained considerable.

An opposite evolution occurred in Central Asia. Here, to stimulate cotton production, rural wages were relatively high, until the country reached cotton self-sufficiency in the 1950’s. Since then, rural incomes grew slower compared to other regions. In response to this, private agriculture, whose importance had been limited until then, began to grow since the 1970’s. In Kyrgyzstan, the collective farm sector grew by 11%, whereas the private sector grew by 67%. The private sector played an important role in feeding the local population, providing them mainly with meat, milk, vegetables, potatoes and eggs. In Kyrgyzstan in 1982, 57% of all potatoes, 50% of the vegetables, 28% of the meat, 32% of the milk and 42% of the eggs were produced in the private sector.

Rumr gives three reasons to explain this importance in Central Asia: firstly, the more liberal stand of Moscow towards the region, careful to prevent dissatisfaction among its Muslim population, secondly, the widespread availability of labour, and finally, the limited disruptiveness of collectivisation compared to other regions, which did not eliminate the most productive part of the population. Nevertheless, the sector in Central Asia also had serious constraints, as it was faced with limited land availability and a rapidly growing population. Obviously, according to Patnaik, the private sector subsidised the family income, but it could not provide a substitute for the income received from the collective sector.

A significant part of the private plot production was sold on so-called ‘kolkhoz markets’, which existed as bazaars in Central Asia. Kolkhoz markets were the legal form in which private selling by peasants, on kerbs, railroad stations, or wherever state supplies were limited, was tolerated since 1932. These were essentially free markets, where farmers could bring their food products and sell them to individual consumers, at prices formed freely as a result of local supply and demand conditions. Kolkhoz markets were responsible for between 10 and 20% of the total sale of foodstuffs. In Central Asia their importance was much greater. Here the bazaars had traditionally played a greater role in food distribution, which was also reflected in the smaller size of Central Asia’s trade sector compared to other Soviet republics. Perestroika shifted the balance even more, allowing the (official) number of bazaars in Kyrgyzstan to increase from 84 in 1980 to 117 in 1989.

2. Farm reorganisation: perestroika and capitalism

Structural reform of the unproductive Soviet agricultural sector didn’t really occur until perestroika. To increase not only gross production but most of all productivity, Gorbachev wanted to give greater incentives to the individual farmer, and limit the power of the bureaucracy in agriculture that had countered all local initiative since collectivisation. Until 1994, Kyrgyzstan’s agricultural reforms were largely a continuation of this perestroika policy.

Perestroika and ‘voluntary reforms’ (until 1994)

One of the solutions of perestroika was the ‘family contract’: farm management signed a contract, voluntarily, with a group of kolkhoz or sovkhoz (state farm) workers to perform certain production tasks. For this, they could use land and equipment of the farm. Such a family contractual production system was also introduced in some areas in Kyrgyzstan after independence. Another way de facto separate farms could be established was by leasing land, or even private property of land, made possible by the laws of 1989 and 1990. This remained so in Kyrgyzstan until 1994: all farm members were legally entitled to a share in the farm’s assets, but these shares weren’t actually divided or demarcated: as long as one did not actually ask to be separated, the shares existed only on paper.

These voluntary programs were not very successful. Contrary to expectations, farm members mostly did not break away from the collective or state farms. The early individual farms were typically established by specialists, like accountants, agronomists, veterinarians, who had been administrators for the old farms. Why were many farm workers so slow to establish their own farms in the first stage of reforms? Van Atta gives four obstacles to the spread of individual farms in Russia, three of which can also be considered for Kyrgyzstan. First of all, there were legal obstacles. According to Van Atta the existing laws on farm reorganisation were more declarative than operational, and the population was wary of the government’s tradition of ignoring or arbitrarily changing legislation. Also, the Russian as well as the Kyrgyzstani constitution prohibited the selling, purchasing and mortgaging of land, thus preventing a land and credit market from arising which could permit farmers to assemble rationally sized farms. Secondly, there was the existing environment of the command economy that gave local bureaucracy a framework for opposition. Thirdly, establishing a single farm presented a lot of practical difficulties. Most
Farmers lacked the management and even farming skills necessary to run or establish an independent farm. Few farmers had the necessary capital to start a farm. The physical environment was designed to support large-scale farming. The roads, power supplies, communication systems, even the fields and farm buildings and especially for Kyrgyzstan the irrigation network, were made for very large farms. This infrastructure couldn’t be easily divided. Therefore, the early voluntary reforms took place in an environment that made it difficult for most people to establish their own farms. The designers of the share system expected the farmers who did not wish to set up their own independent farms to lease or sell their shares to their neighbours who did want to farm. This way, farms large enough for market production would come about. Many however faced difficulties in amalgamating enough land and equipment to farm profitably, because they had no access to credit and because of the constitutional prohibition of purchasing and selling land.

Also, in an environment of extreme price inflation, people preferred to retain their land, which gave them some security in access to food.

‘Forced de-collectivisation’ (after 1994)

Thus it is obvious why only a few people followed the ‘entrepreneurial strategy’: keeping the large farms was utterly rational. However, in 1994 the so-called ‘forced de-collectivisation’ started, the most important aspect of which was dividing the land. All state and collective farms had to start distributing land shares in 1994, which de facto resulted in the prevalence of very small farms, mainly because of the region’s high population density and limited land availability. It was legally possible for the individual farmers to join the area they were given into a new collective farm, and many did so. In reality, these new collective farms are merely a legal entity. All members cultivate their own little plot independently.

Van Atta defended agricultural reorganisation against warnings by opponents that impoverishment would occur as a result of tilling ‘uneconomically small plots’. According to Van Atta, this would only be the case ‘where there is rural overpopulation and there are no attractive urban alternatives to farming.’ Kyrgyzstan was such an area, and impoverishment has now indeed occurred. Rural inhabitants have lost their formal employment on the state and collective farms, but have been able to engage in self-employment with the land they were attributed. However, the income they can get from these lands is limited, mainly, because they could only get small plots due to high population density, but also because due to various factors - lack of inputs, farm machinery, etc. - yields remain below world levels, and because the relative prices for their products declined as prices were set free; in essence, because of the limited amount of exchange value a rural household can bring forth from its own agricultural assets. Self-employment in agriculture alone is, because of the small amount of available
land, an insufficient source of income, forcing households to seek additional incomes.

3. Coping strategies of rural households

Most households in Kyrgyzstan today have a small income from farming activities, which provides the households with little more than the basic necessities. For other expenses, they need additional sources of income. Their behaviour is nothing new. In many developing rural areas of the world, in stead of specialising in agriculture, households engage in a variety of activities and combine several sources of incomes.

Designing new, sustainable livelihoods

These findings are in line with the ‘sustainable livelihoods approach’ in development studies, which emphasises the diversity and combination of activities deployed by households to ensure their survival. This approach provides a sort of synthesis for two other strands in development thinking, that of the dual economy and that of ‘small farms first’. The dual economy paradigm maintains that developing economies consist of a modern and a traditional part, with development taking place by shifting the labour force from the traditional part, which is seen as stagnant and unproductive, towards the modern economy, seen as growing and efficient. The ‘small farms first’ thesis came in response to the dual economy-paradigm by showing that subsistence farms were not as backward as is usually assumed. It also showed that these small farmers were often more productive than large, mechanised modern farms. The sustainable livelihoods approach provides a synthesis for both by acknowledging that small farms can indeed be very productive, while at the same time emphasising how additional sources of incomes in the formal sector can help households maintain themselves.

That households in Southern Kyrgyzstan diversify was confirmed by Howell’s research as well. She investigated household coping mechanisms in Southern Kyrgyzstan in the 1990’s, in the first years of transition. She distinguished four strategies: maintaining response sets, reductive response sets, depleting response sets and regenerative response sets. These are essentially temporary and sequential. They are deployed in extraordinary circumstances like famines or, in the case of Kyrgyzstan, the early years of transition.

The last strategy, ‘regenerative response sets’ is the only one that is sustainable. The first three sets of responses all have the initial standard of living and mode of existence in mind. Whereas the first three sets are directed towards the past, the final set is the only one that accepts the changed environment. With the final set, households have redirected both the way and aim of their coping behaviour. They have reached a new sustainable livelihood.

In their research into the way households deal with the changed environment in Russia, Burawoy e.a. have distinguished two strategies: entrepreneurial and defensive strategies. The main difference between the two is the risk involved. An entrepreneurial household seizes the opportunities offered by the market reforms and invests in one specific activity, be it trade or petty commodity production. Such behaviour was what the designers of reform hoped for. Defensive households, on the other hand, in stead of focusing on one activity, diversify their sources of income. Usually they try to combine formal employment with cultivating a plot, and government support when possible. ‘Entrepreneurs put their eggs in a single basket’, which is too risky for many families, who play it safe with a defensive strategy.

Whereas Howell’s strategies are temporary, those of Burawoy appear when a state of perceived ‘normalcy’ returns. For this reason Burawoy e.a.’s framework is more apt to look at the current situation in Kyrgyzstan, although the difference between both is only superficial. Howell’s ‘regenerative response sets’ are actually defined in the same way as Burawoy e.a.’s defensive strategy. Both are in line with the diversity within coping mechanisms that the ‘sustainable livelihoods’ paradigm stresses. It must be noted however that Burawoy e.a.’s framework is quite dualistic: households are either seize the new opportunities or don’t. There is no room for a ‘grey area’. This reduces reality’s complexity, but the strength of this framework lies in its conceptual clarity: the prevalence of one strategy either shows the success or failure of reform. Two examples will clarify the difference between both strategies.

Šakiržan’s entrepreneurial strategy

Our first example is that of Šakiržan. Šakiržan, an older man who graduated from Tashkent University and lectured there himself as an economist, has clearly engaged in an entrepreneurial strategy, and now farming is the only income base of him and his six other family members. With his son he has engaged in commercial crop growing and cattle raising. Already in 1992 he tried to obtain land from the state. Lack of legal clarity in this early stage made it very difficult for him to continue to have access to his land and to keep the same plot. Nonetheless, his legal problems in regard to land access are now gone and he now owns 10 ha of farmland. Since 2002 he also started to rent an additional 30 ha, on a more remote place in the hills, used for hay and grazing their animals in summertime. On his 10 ha, he grows mainly cotton and rice, and also vegetables according to the local demand at the bazaar in Dažal-Abad.

His son Pozližon is responsible for their animals. He started in 1990 but has known several setbacks since then. He soon bankrupted after he started, and again in 1995. Pozližon now takes care of 15 cows, 30 bulls, 15 sheep and about 100 poultry animals. Before his bankruptcy however, he had up to a hundred cows and more than a hundred sheep, all of which were sold. In summer their animals can graze on the rented 30 ha or they are leased to shepherds who graze them;
wintertime the animals stay in the stable and are fed with fodder mostly taken from their own production. Father and son have been able to invest using credit, from the state as well as a local commercial organisation. Though most people cannot take up credit out of lack of information or mistrust. Şakirzan said it was fairly easy to get credit. Now he has done so for the fourth time. His only complaint is the high interest rate, which according to him, should go down for farmers. Most of the money was used to buy young cows and bulls. Part of it went to improve the quality of 3 ha of land, which was too wet. Their debts are paid off with the income they have from their production. Selling takes place partly on the bazaar in Dżalal-Abad, but they also have a contract with the hospital of nearby Suzak. There are also contacts with an organisation from Switzerland or Germany that buys cotton slightly above market prices. Şakirzan doesn’t sell to the state; he doesn’t trust it after delivering 20 ton of milk in 1992 or 1993 without ever receiving payment. Apart from Şakirzan’s pension, the family has no other sources of income besides their agricultural activities. Pozilzon’s wife stopped working when she gave birth. Pozilzon is only mildly optimistic. He says he earns more today than in Soviet times, but what they earn is not always enough for family expenses. They work harder than before. According to his father Şakirzan, on the other hand, now it is better on all sides. Now they have freedom and it is possible to earn more. They can help other families who live poorly. Şakirzan’s wife looks after five or six families, and when these need help, they provide it.

Izzatilla’s defensive strategy

Our second example is that of Izzatilla. Contrary to Şakirzan, he has not been able to live from farming alone, and some of his eleven other family members had to take up other activities to supplement their income. Izzatilla used to work as a tractor driver before the kolkhoz dissolved. After that, in 1994, he joined with other farmers into a new collective farm. This collective farm still exists today as a legal entity, but all members have long been working on their own plots independently. He was entitled to somewhat below 1 ha of land when the distribution began. 0.32 ha of that now actually belong to his two married sons. On his land he grows wheat, maize, rice, pepper or vegetables like carrot and cabbage. He would of course like to have more land, but he realises that most grounds are used by other people. All family members work on the field. Sometimes, to do the weeding, they hire additional labour. They also have a small livestock. They have one cow and a bull, with a calf, 2 sheep and 6 or 7 hens. The animals are sometimes brought to graze around their field, near the canals. They have no other special place to graze them. The animals support them with products such as milk, eggs and meat. Their number of animals is decreasing because they need the money, for example to build a house for their son. Next year, another son will marry. Most of the production is consumed by the family. They only sell vegetables, at the bazaar in Dżalal-Abad, and also provide a relative who runs a café with cabbage, pepper and milk. He would like his own booth at the bazaar, so that he wouldn’t have to deal with middlemen. Still, he thinks that the system of marketing is better as it is now. They have a better income than before, partly because now they can produce what they need themselves, whereas before independence everything they needed came from shops. Still, farming alone does not earn them enough. None of the women receive a wage but do housework. Izzatilla’s wife receives a pension and they also get state support for their children. Two sons work as a cook in the café most of the time, but sometimes they can also, like another son, work with carpenters and build houses. Two of his sons also go to Russia from time to time to work in the construction sector.

4. Southern Kyrgyzstan’s countryside today

Izzatilla’s family doesn’t seem to suffer too much from poverty. In their own words, “they have enough to eat and have good health”. Still, there is an obvious difference between this family’s survival strategy and that of Şakirzan’s. The one has found it necessary to engage in various activities next to farming, to supplement the family’s income, which, in Burawoy e.a.’s vocabulary, can be seen as a defensive survival strategy. The other, in contrast, can cope with only one source of income, what thus classifies as an entrepreneurial strategy. Today in Kyrgyzstan, most people follow a defensive strategy. From my interviews, the following general picture of Southern Kyrgyzstan’s countryside emerged.

Small revenues from farming activities are supplemented with various other engagements. Some have been able to continue to work as teachers, nurses, etc. Some work with the assets they were given at the time of the dissolution of the collective farm: cars, tractors, or processing machines. Others can put the skills they inherited from the past to use, and work as carpenters or electricians. Formal unemployment evidently only increased after independence, to between 15% and 20% in the middle of the 1990’s. Employment in industry declined, while labour participation in agriculture has increased from one third to more than half of the working population. In spite of the great need for work, local employment remains low, and therefore there is a sizeable amount of migration labour, predominantly to Russia, a phenomenon important for all former Soviet republics. Migrant labourers usually work in construction.

The agricultural sector now basically consists of the many small farms that resulted from land reform. Many cultivate only a small plot, usually not much larger then 2 ha. The size greatly depends on the area they live in: the closer to the city, the denser the population and the smaller the plots.
In all villages, the total amount of arable land, if available, pasture land, was divided by the number of inhabitants, which resulted in a share for every villager. After that, each head of household was attributed an amount of land corresponding to the number of household members. Evidently, this resulted in very small shares in densely populated areas, especially around the two main cities of the South, Qo and Džalal-Abad. Farms everywhere in the research area are usually below 5 ha. Close to Džalal-Abad, most farms aren’t larger than 2 ha, with a significant number not even obtaining 1 ha. Near Bazar-Kurgan, slightly bigger farms can be found, but mostly averaging between 1 and 2 ha. Near Kók-Art, on the other hand, though there are still small farms, bigger farms of up to 10 ha are more widespread. Farmers have tried to obtain more ground, but encounter a lot of difficulties. Due to legal impediments, a land market is only slowly developing.46 These small plots are cultivated intensively, since labour is now abundant. There is no obvious gender- or age-based division of labour now. Most people say ‘all family members work together’. Still, it seems that men generally do the harder work, but women do additional work whenever their housework allows them to. Children help if they can. Old people look after children that are too young to work. When there is need, they hire additional labour, depending on the amount of labour they can deliver themselves – the number of family members and their age – and the amount of labour that is required – the size of their land and the crop that is grown. Getting others to help usually occurs when there is ‘too much work’, e.g. trimming the weeds or harvesting. Sometimes they can get assistance from neighbours or relatives, who help them out free of charge, provided they return the favour when they could use a hand. Otherwise, they can hire labourers, found among the local unemployed or from neighbouring Uzbekistan. These labourers can be paid both in cash or in kind, in some cases up to half of the harvest. In general, most people – though not all – state that they now have to work harder than before. On the state or collective farms, their working day was limited to eight hours per day. Yet, though they have to work harder, as they are working for themselves on their own plot, they seem to be content with this.

In spite of these hard efforts, agricultural yields, which have surpassed pre-independence levels, nevertheless remain below world levels, due to lack of inputs, mainly fertiliser, which is too expensive or unavailable, and a lack of access to water, due to deterioration of the irrigation system.46 Maintenance of the irrigation system has by now largely been delegated to small Water Users’ Associations. Machinery couldn’t be divided sensibly and has been deteriorating.47 People hire machines from others who own them, which is rather expensive, mostly due to the increasing price of fuel.

Commercial credit has been made available,48 but hasn’t reached many farmers yet as a result of risk-adversity and lack of information. Finally, another requisite for farming is knowledge. On the large Soviet farms, the members where treated like employees. One interviewed farmers’ enthusiasm about the Farmers’ Fields School shows that the activities of the FFS are greatly appreciated, but also that though most people in Southern Kyrgyzstan have been farmers most of their life, their practical experience doesn’t go much further than what they have learned on their own in the past ten years.

Farmers still have several options to sell their produce, but by large the most important marketing mechanism is the bazaar. These bazaars grew out of the kolkhoz markets of the Soviet era, and after the state retail sector in Kyrgyzstan was ‘swept away’ with the turmoil in the Soviet consumer market of 1990–91,49 the bazaars were almost all that was left. Considering the importance of this marketing mechanism, to what extend can Kyrgyzstan’s agriculture be called commercial rather than subsistence? Kostov and Lingard, in this respect, refer to ‘the inclusion of non-economic considerations in decision making processes’, irrespective of whether part of the production is sold or not. Rural households may sell on the market but may not respond to market signals. This depends on what the aim of households is: if their first concern is food security, then they will grow food irrespective of the price for it. Even if they are able to sell a considerable surplus, this is still subsistence agriculture. If food security is less important for the household, then prices will have a greater influence on production decisions, and their agricultural activities are thus more commercially oriented. Also, they have shown how subsistence and commercial agriculture cannot be seen apart from each other: both coexist together, and both types of decisions can even be found within the same household.50 This pattern can be seen in Kyrgyzstan as well. Selling at the bazaar is an individual activity, taking place without any contracts or agreements with potential buyers, and without organisation with neighbouring producers. Selling at the bazaar usually merely serves household needs for cash. Production decisions within the same family can be both market-oriented as what I call ‘household-oriented’, provided their farms are large enough. For farmers, vegetables (when they are grown in the house garden) and animals are only grown and kept to fulfil the family’s need for food or cash. In their decision what to grow on the fields, the market situation plays a more significant role. If large enough, these fields produce more than the family needs. If part of the production will need to be sold anyway, then the prevailing prices might play a greater role in deciding what to grow. A more commercially oriented agriculture is also promoted by macro-economic stability. The predominance of subsistence agriculture in the early years of transition was mainly due to the economic chaos of that time.

5. Conclusions

Agricultural productivity has, after an initial decline, by now surpassed Soviet levels. Food consumption in rural areas has even increased compared to Soviet times.51 This is one result of the agricultural reforms. On the other hand, farming alone appears not to be enough, forcing households to engage in a defensive survival strategy.
Households and Kyrgyzstan’s rural economy of today

Rather than the result of the dissolution of the large state and collective farms, private agriculture in Kyrgyzstan today is an expanded form of the private plot activities in the Soviet Union. Private agricultural activities in different parts of the former Communist world are now seen as a continuation of these private plot activities by several authors. The origin of the current agricultural sector in Kyrgyzstan is thus not the collective agriculture, that sector has been destroyed; it is rather an extended form of the private agriculture that already was in place. This had severe consequences for the households concerned. The result of the dissolution of the state and collective farms, which was mainly a distribution of their grounds, is that households have been able to expand their secondary income, from private agriculture, although only in a moderate way, as land availability is limited, productivity low and relative prices in decline; in essence, as said before, because of the limited amount of exchange value a rural household can bring forth from its own agricultural assets. This moderate increase in their secondary income came together with the elimination of their primary income, the wage they received as workers on the collective and state farms. In other words, people have lost their formal employment on the state and collective farms, and have been able to expand their self-employment in agriculture. What was previously only an additional income has now become the main income, and for many this is insufficient. Therefore extra sources need to be found, and households deploy a defensive strategy. The lack however of such alternative incomes has led to impoverishment, and now around 60% of the population lives below the poverty line. In a lot of cases, people go as far as Russia or even Europe in search for jobs, as local opportunities for formal employment are scarce.

Still, most people seem to have accepted the economic and land reforms. This is confirmed by both my own research and by Jones, among others. Most farmers are content with the economic freedom they now have: according to Jones, they would rather work on their own plot and be poor, than work on the collectives. Even though this has resulted in very small farms, they see the process as equitable. Jones saw this as the source of Kyrgyzstan’s stability, in spite of the region’s potential for conflict.

Jones’ explanation for stability in Kyrgyzstan shows many similarities with Wegren’s theory of the transformed ‘rural social contract’ in Russia. According to Wegren, Russia’s countryside remained quiet during transition although impoverishment was great, because of a changed ‘rural social contract’ between state and countryside. Rural dwellers have been given economic freedom in return for their acquiescence, which made households less dependent on the state. They have diversified their sources of income. Though the result of economic necessity, this would have led to attitudinal change: firstly, this shows that more and more people realise that hard work is beneficial; and secondly, this shows that contrary to popular beliefs the rural population is not opposed to market reforms. And yet, in March 2005 the Tulip Revolution took place. Askar Akaev, who had been president of Kyrgyzstan since 1990, was forced to resign. According to me, in the light of Jones’ and Wegren’s findings, this was not because of dissatisfaction with the market reforms. People realised and accepted they now have to make their living on their own small plots. But they also realised that this income alone is not enough to keep their families alive. They know that without more formal employment opportunities it will be difficult for them to devise adequate livelihoods. As the Akaev family became increasingly associated with the monopolisation of the most lucrative sectors of the economy, their staying in power was seen as an impediment to formal job creation. This clearly shows us the place of agriculture in households’ income: it can provide only part of what is needed; other jobs are a necessary supplement.

The place of Kyrgyzstan’s rural economy in the national economy

Everywhere transition economies are characterised by job destruction on the one hand, mainly because state enterprises become non-viable when prices are liberalised and markets let free, and by job creation at the other. However, in the first years of transition job destruction predominates and only at a later stage the number of jobs destroyed is more or less compensated by the creation of new jobs. Most job destruction takes place in the state owned firms, whereas most new jobs are created in the small and new private firms. From the above account it should be clear that what is happening in Kyrgyzstan is on the one hand destruction of formal employment – both as a result of deindustrialisation but more importantly because of the dissolution of the state and collective farms, on which the farmers were actually employees – with only limited creation of new formal employment, and on the other hand an increase in self-employment, in line with the historical importance of the informal economy in the region. That is why World Bank researchers have found that most self-employment is agricultural and why unemployment is larger in the cities: almost everyone in the countryside now has an income from farming.

From this, it follows that Kyrgyzstani agriculture is not only a continuation of Soviet private agriculture in relation to household incomes, but also in relation to Kyrgyzstani economy as a whole. It is the largest part of the self-employment sector, which came about as a result of a lack of formal employment. It is the popularly organised and officially tolerated answer and solution to the shortcomings of the formal economy. In this way, Central Asia’s economy has been, and currently Kyrgyzstani’s economy still is, a dual economy; however, this is not the usual ‘modern’ vs. ‘traditional’ dualism. Rather, it is a dualism of two interconnected economies, one top-down, the other bottom-up.
The top-down part consisted of the collective economy of the Soviet Union and the market economy of today. This market economy is, in the view of some, not less imposed on the population as the collectivisation was before. Burawoy e.a. mention Kagarlitsky's characterisation of 'the new order' as 'market Stalinism', and consider this 'altogether apt not only because shock therapy was programmatically imposed from above like Bolshevik planning and collectivisation, but also because the cost to human lives has been so enormous.'58

The results of this policy of exposing the centrally planned economy of Kyrgyzstan to the world market almost overnight are known. This resulted in a massive decline of formal employment and rise in poverty. Foreign investments were expected to replace what was lost, but these have come only slowly and have more or less neglected the industrial sector.59

Destructive though this top-down policy may have been, it also allowed for the bottom-up part of the economy to gain in importance significantly. Ellis and Biggs show how advocates of grassroots approaches to development actually have much in common with World Bank market liberalisers: the environment within which bottom-up development could take place was created by neoliberal policies of governmental non-interference.60 In Kyrgyzstan, this bottom-up development was a necessary complement to that other effect of neoliberal policies, the quasi destruction of the formal economy. Like the second economy before, and largely in continuation of this, the informal economy of today steps in where the formal sector lacks. And since it lacks in a lot of places, the informal economy is now present almost everywhere and vital for survival. What has emerged is for most people largely the result of their own initiative, and following their own solutions to the problems they face. These problems are largely the result of the policy of rapid liberalisation of the planned economy, responsible for the poverty the population currently faces, but on the other hand, the fairly liberal policy has, contrary to Uzbekistan for example, also to a great extent allowed the population to pursue its own solutions. These solutions consist mainly of self-employment in agriculture. The reason for this is that everybody working in agriculture could easily be given their own means own production by the distribution of grounds. The industrial enterprises that were privatised could not easily be distributed to their workers; it was impossible to leave every worker with his own workshop, whereas every farmer could be left with his own little field.
Endnotes


4 Rumer, op cit, p 114


6 Patnaik, op cit, p 149, 166-167

7 Rumer, op cit, p 112

8 Rumer, op cit, p 107-110

9 Patnaik, op cit, p 149, 157-158

10 Traditional values did not weaken because of region’s demographic particularities and problems with education (Patnaik, 1995: 149, 157-158). Rumer (1989: 107-110) also points to low occupational mobility, the result of low investments in professional education and training, which prevented the population of labour-abundant areas to seek employment in labour scarce regions

11 Patnaik, op cit, p 159-160; Rumer, op cit, p 115


17 Rumer, op cit, p 154-155

18 Hedlund (Stefan), Private Agriculture in the Soviet Union (London/New York: Routledge, 1989), p 25

19 Merl, op cit, p 13-15; Hedlund, op cit, p 26-28

20 Patnaik, op cit, p 152-153, 155-156

21 Rumer, op cit, p 125-126; Patnaik, op cit, p 156

22 Ibid., p 127-128

23 Patnaik, op cit, p 157

25 Hedlund, op cit, p 100

26 Rumer, op cit, p 127, 131

27 Abazov, op cit, p 205


30 Howell, op cit, p 62


33 Bloch, op cit, p 54

34 Van Atta, op cit, p 54

35 Van Atta, 1993, op cit, p 80

36 Van Atta, 1993, op cit, p 80

37 Ibid., p 74

38 See also Ellis (Frank) and Biggs (Stephen), ‘Evolving Themes in Rural Development 1950s-2000s’, in: Development Policy Review, Vol. 19, No. 4, 2000, pp 437-448


40 Burawoy (Michael), Krotov (Pavel) and Lytkina (Tatyana), ‘Involutions and destitution in capitalistic Russia’, in: Ethnography, Vol. 1, No. 1, 2000, pp 43-65. Their framework is unrelated to the unfortunate neoliberal ideological connotations of distinguishing ‘entrepreneurial’ people from non-entrepreneurial people.

41 Ibid, p 52

42 Official unemployment figures were much lower, rising from 0.2% in 1990 to 3.6% in 1995. Abazov, op cit, p 215

43 Rozelle and Swinnen, op cit, p. 412; ADB, op cit p 14

44 Korobkov (Andrei V.) and Zaionchkovskaia (Zhanna A.), ‘The changes in the migration patterns in the post-Soviet states: the first decade’, in: Communist and Post-Communist Studies, Vol. 37, No. 4, 2004, p 497-499. I have no clear information on the scale of this phenomenon, but it was
confirmed several times that it would be fair to say that about 70% of the working population of urban Dâ€ alâ€ al-Aabad, i.e. all males between 17 and 45 years old, temporarily works in Russia. Such a figure, however, is likely to be exaggerated. For comparison, Kreutzmann (2003: 224) found in 2001 that in Gorno-Badakhshan in Tajikistan on average 75-90% of all households had a migrant in Russia. In Almaty, former capital of Kazakhstan, one out of ten households has a migrant in Russia (Korobkov and Zaionchkovskaiia, 2004: 499). The region is also associated with drug trafficking. Although I found no traces of this during my research (taboo), it no doubt plays an important role in migration labour.

45 See also RDI, 1998a, op cit, Bloch, op cit, Jones (Kevin D.), ‘Land Privatization and Conflict in Central Asia: Is Kyrgyzstan a Model?’, in: Burghart (Daniel L.) and Sabonis-Helf (Theresa) (eds.), In the Tracks of Tamerlane: Central Asia’s Path to the 21st Century (s.l., National Defence University Press, 2004), pp 25-42


47 RDI, 1998a, op cit, p 37-39


49 Abazov, op cit, p 204


51 WB, 1998, op cit, 21, 36

52 For example, Kostov and Lingard (2002: 89), speaking for Bulgaria, state that after privatisation of grounds began, ‘people extended their previous “plot” practice onto the new land they received.’ A similar observation was made by Macours and Swinnen (2002: 382) in regard to China: differences in ‘[…] production decisions of farmers between their “private plots” and their “responsibility plots” declined significantly […]’

53 Jones, op cit


55 Wegren, 2003a, op cit, p 19-20

56 Haltiwanger (John), Lehmann (Hartmut) and Terrell (Katherine), ‘Symposium on Job Creation and Job Destruction in Transition Countries’, in: Economics of Transition, Vol. 11, No. 2, 2003, p 205-210

57 WB, 2001, op cit, p 11-14

58 Burawoy e.a., op cit, p 44


60 Ellis and Biggs, op cit, p 443-444
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