# The Curse and Blessing Effects of Natural Resources in Central Asia: Turkmenistan and Tajikistan

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# Abstract

This research is dedicated to analyzing the curse or blessing effects of two forms of external rents, natural resources and foreign aid. Previous studies mainly focus on negative macroeconomic effects of external rents. This research expands the scope by analyzing the application of natural resources and foreign aid in Central Asia in course of development since independence from Soviet Union. The initial socioeconomic conditions after the collapse of the Soviet Empire and the strong political elite with control over the distribution of resource rents developed some curse symptoms. Nevertheless, hydrocarbon wealth had more positive contributions than that of foreign aid. To understand the degree of curse and blessing effects of resources, this research is based on comparative case studies. The study compares resource-rich and resource-poor Central Asian states managed the resource revenues better and had more positive effects than resource-poor states with foreign aid.

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# Introduction.

There are five states in the Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. All five nations share similar history. Before the Tsarist take-over, none of the nations had a nation-state experience. The territorial borders of the states were only set under Soviet ruling. Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan gained their independence from Soviet Union in the year of 1991(Anderson, 1997; Gretsky, 2003; Najman et al., 2008; R. W. T. Pomfret, 2006). Thus, all five states share a common starting point in establishing nation-states (R. W. T. Pomfret, 2006). After the collapse of the Soviet Union, all five states adopted similar political regimes and institutions.

#### Figure 1: Map of Central Asia with international borders

(Nations Online Project, http://www.nationsonline.org/oneworld/map/central-asia-map.htm)



According to Mahdavy (1970) resource revenues and foreign aid are considered as external rents. All five states in Central Asia are dependent on some form of external rent. Three of five states, Kazakhstan, Turkmenistan and Uzbekistan are labeled as resource-cursed states due to their heavily dependence on oil and gas exports. Remaining two, Kyrgyzstan and Tajikistan do not possess wealth in hydrocarbon minerals. Therefore, these two republics remained dependent on foreign aid and external debt. Thus, the development of economic policies and economic performances in all five states deviated throughout the time.

All Central Asian states have ethnic and clannish divisions within the population. According to Karl (1997) and Ross (2006), existence of external rents intensifies ethnic cleavages and could even spur civil war within the state (Ross 2006). Yet, resource-rich states in the region did not experience civil war or revolution. Tajikistan and Kyrgyzstan are the only states that experienced massive civil unrest. Kyrgyzstan has civil war that continued on and off throughout the most of 1990's. Kyrgyzstan underwent two revolutions, Tulip revolution in 2005 and Second Kyrgyz Revolution in 2010. Therefore, there derives a question: *Which form of external rents, resource revenues or foreign aid have had more curse effects in Central Asia?* 

#### Relevance of the study, hypotheses and methods

In the last two decades, many studies have been conducted in the phenomenon of "resource curse". Classic scholars of resource curse phenomenon, such as Mahdavy (1970), Karl (1997) and Ross (1999) claim that dependence on any kind of external rents, including revenues from hydrocarbon reserves and foreign aid, hinders socioeconomic development. Scholars such as Karl (1997) provide resource boom in 16<sup>th</sup> century Spain and 19<sup>th</sup> century Venezuela and Nigeria as classic examples of resource curse phenomenon. In addition, Ross (2006) theorizes that conflict over the

distribution of resource rents can intensify already existing ethnic or clannish cleavages and even result a civil war. The concentration of resources in a single region creates the threat for secession

The assumption of the study is that resource rich Central Asian states managed external rents better than Kyrgyzstan and Tajikistan with foreign aid and what the aforementioned classic scholars theorized on the hydrocarbon curse phenomenon. Therefore, the research question above reveals several separate sub-questions: *Who controls the distribution of resources? How did Central Asian states use their external rents?* And *in what aspects do the resource-abundant Central Asian states deviate from the findings of traditional external rent studies?* 

The hypotheses regarding the curse degree of foreign aid and hydrocarbon wealth are following:

H0: More dependent on foreign aid the state is, less control it has over its distribution.

H1: More hydrocarbon wealth the state possesses, more people and interest groups it can satisfy and more power it has.

The deviation of resource-rich Central Asian states from the classic examples of Venezuela and Nigeria during the resource boom period is hypothesized as following:

H3: Resource rich Central Asian states directed investments in savings fund and other production sectors to avoid the stagnation of the economy.

The study applies the method of congruence and process tracing (van Evera, 1997) by reading the history forward (Cappocia and Ziblat, 2008). In the method of congruence the researcher intends to discover deviation in similar independent and dependent variables. In the method of process tracing, the study investigates the chain of events that led to the deviation of the study variables.

#### Principal findings and contribution

Tajikistan did and does not have hydrocarbon wealth. Thus, the elite did neither have resources to control nor distribute. Moreover, due to the clannish divisions the government did not control the military power of the state. Consequently, the elite had weak control over the de facto political

powers. Due to the disoriented socioeconomic conditions after the collapse of the Soviet Empire, unsatisfied demands, rising clannish tensions, and mismanagement of rents, Tajikistan experienced the civil war.

Considering resource-rich states of the region, the elites of Kazakhstan, Turkmenistan and Uzbekistan came into power controlling the ownership over the natural resources. The presence of hydrocarbon wealth attracted investments from other national governments and international financial institutions. Thus, not only resource rich Central Asian governments, but also external actors invested in development of hydrocarbon production sector. Consequently, the elite had more revenues to distribute. In addition, resource rents allowed the elite to secure its power by strengthening the security sectors and adopting its own desired political and economic institutions. Unlike Venezuela, Nigeria and Spain during the resource boom, Central Asian states did not stagnate agriculture. Therefore, Kazakhstan, Turkmenistan and Uzbekistan did not rely on imports of foods and staples. The states could feed their own population. Moreover, resource-abundant governments of the region direct cash flows into savings fund and kept up with payments of external liabilities. Thus, the degree of resource curse in Central Asia is less than what Mahdavy (1970), Karl (1997) and Ross (1999, 2006) claimed in their studies as common resource cursed states.

The contribution of the research is expansion of *rentier* state theory and resource curse phenomenon studies. In addition, the study, for the first time, presents the degree of *rentier* state by comparing two forms of external rents, resource rents and foreign aid in Central Asian states. The research compares two cases, resource-rent dependent Turkmenistan and foreign aid dependent Tajikistan from 1991 till present. Similarities in pre-Soviet, Soviet and post-Soviet

history, political structure, and ethnic/clannish composition of all five states make the findings applicable to the whole region.

#### Structure

The structure of the paper is following. First chapter of the study provides brief historical development background of Central Asian states. This information draws out the similarities and differences of nations in adopting political and economic institutions and development policies. Second chapter defines necessary concepts. The chapter also provides literature review on resource curse and *rentier* state studies. Based on literature, I also design systematic table of curse symptoms. This table assists in evaluating the curse degree of hydrocarbon rents and foreign aid in Central Asia. The third chapter covers the theoretical framework. This study makes use of Acemoglu, Johnson and Robinson's (2005) theory on the role of institutions in long term growth. The theory is applied to establish the actor controlling the de jure and de facto political powers, and explain the choices in political and economic institutions applied since 1991. Moreover, the chapter provides the theory on the distribution and usage of hydrocarbon rents and foreign aid in Central Asian republics. This theory assists in mapping how the resources were used in Central Asia after the collapse of the Soviet Union. In addition, the theory will allow to compare the blessing and curse effects of external rents. The chapter concludes with description of research methodology, the scope of the study and the data. Fourth chapter proceeds with findings and results based on Turkmenistan and Tajikistan. The chapter provides the evaluation of resource curse degree in Turkmenistan. The paper draws out conclusions with brief summary of aims, findings and achievements of the research. The conclusions also presents weaknesses and further research venues in the future.

# **1** Chapter 1: Development of Central Asian states

This Chapter provides historical background of Central Asian states. The chapter presents how the new independent republics developed in political and economic dimensions since 1991. The intention of this chapter is to present what political and economic issues Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan faced and face in their course of establishing nation-state since independence.

#### 1.1 History before 1991

Prior to the Tsarist take-over, Kazakh, Kyrgyz, Tajik, Turkmen, and Uzbek nations lived in tribes and clans under the ruling of different kingdoms and empires (Najman et al., 2008). This is one of the reasons why all five Central Asian states have different ethnic groups from their neighbor states (especially Kazakhstan and Kyrgyzstan have more percentage of ethnic diversity than other three states). In early 19<sup>th</sup> century Russia began its expansion to Central Asia. Lack of unity among nations as well as tribal and clannish divisions within the five nations made the take-over less resistible for the Russian Army (Gretsky, 2003). Later, once Russia turned into Soviet Union, after the Great October Socialist Revolution, all five Central Asian nations were constructed as republics.

There were fifteen republics under Soviet ruling. Thus, the population of the empire was heterogeneous. In order to avoid the threats of secession the central government suppressed the population to maintain peace and stability. The Soviet government used secret police to monitor and control the people. The elites banned the exercises of national and religious holidays, traditions and customs (Najman et al., 2008). Therefore, due to such regulations and fear of punishment, the notion of national identity, during the Soviet era, was absent in all five Central Asian nations.

In political and economic plans, The Soviet government did not incorporate the republics as separate economies but rather as part of the single unit (DiFranceisco and Gitelman, 1984; Jones Luong and Weinthal, n.d.; Najman et al., 2008; White et al., n.d.). Each member state specialized in producing and supplying certain products and services (Najman et al., 2008; R. Pomfret, 2006). Central Asian region specialized in supplying agricultural goods. Yet, Kazakhstan, Turkmenistan and Uzbekistan, in addition, exported gas and oil resources. Approximately ninety percent of the total production was being sent to Moscow for redistribution purposes among fifteen Soviet republics.

#### 1.2 Initial Conditions in 1991.

In 1989, the Soviet Empire started to collapse. In 1991, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan claimed to become independent states. The sudden collapse of the Soviet Union left the Central Asian states in politically and economically disoriented conditions (Akiner, 2004; Gill, 2000; Najman et al., 2008; R. Pomfret, 2006; R. W. T. Pomfret, 2006; Rosser, 2006; White et al., n.d.). According to Pomfret (2006) the five nations faced three major economic shocks.

First was 'transition from central planning' (Najman et al., 2008; R. Pomfret, 2006). Due to the specialization in producing and supplying certain type of goods, each of the new independent states had several underdeveloped economic sectors. Thus, none of the new independent Central Asian republics could fully sustain its population. Second major economic shock was the disruption of supply of goods and services (Ibid). Due the fact that there were some underdeveloped economic sectors, Central Asian republics were dependent on the other member states from the former Soviet Empire for the supply of certain goods, such as machinery, medical supplies and etc. The end of the Soviet ruling disrupted the supply of such products (Gill, 2002; Jones Luong and Weinthal,

n.d.; Najman et al., 2008). Third major shock was hyperinflation (Pomfret, 2006). Kazakh, Kyrgyz, Tajik, Turkmen and Uzbek governments tried to keep the ruble as a common currency (Pomfret, 2006; and 1996). As a result, hyperinflation developed immediately after the collapse of the Empire.

These three economic shocks increased the unemployment and poverty rates drastically in Central Asia. The new independent republics needed to structure their own independent nation-states urgently (*Civil Society and Political Change in Asia: Expanding and Contracting Democratic Space*, 2004; Gill, 2002; Grzymala-Busse, n.d.; Møller, n.d.; Najman et al., 2008). Taking into consideration the lack of experience as an independent state, all five Central Asian nations had to construct entire political arena, foreign policies and public administration from the scratch (R. Pomfret, 2006). Nevertheless, the new independent republics had to develop their foreign, fiscal, economic and international trade policies immediately to secure foreign aid and investments. Kazakhstan, Turkmenistan and Uzbekistan especially were in need of foreign services in order to extract and export gas and oil resources.

#### 1.3 Development and economic performances since 1990s

#### **1.3.1** Overview of political development in 1990s

Thus, the year of 1991 was a common starting point in course of political, social and economic development for all five Central Asian states. Four of the republics, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan had peaceful transition. Tajikistan is the only case to experience two civil wars, in 1992-93 and in 1996-97. Kyrgyzstan, however, underwent two revolutions, Tulip revolution in 2005 and Second Kyrgyz Revolution in 2010.

All five states adopted the same political regimes. The first national leaders of the republics were former first secretaries during the Soviet Union. The executive branches in all three countries have been dominant over the other two, judicial and legislative, branches since independence. The heads of the states have full power to appoint and dismiss the ministers. The presidents are also in control of the national army and all other security forces. In addition to aforementioned powers, the leaders of the Central Asian states have been in control of designing and implementing political and economic policies and institutions.

#### 1.3.2 Economic development policies in 1990s

The first major economic shock that Central Asian republics were faced to solve was hyperinflation, which developed immediately in1991 (Pomfret, 2006 and Pomfret, 1996). By 1993 four of the states, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan introduced their own national currency (Anderson, 2003; Gill, 2002; Grzymala-Busse, n.d.; Møller, n.d.; Najman et al., 2008; R. W. T. Pomfret, 2006). Tajikistan adopted its national currency only by 1995; because it was still dealing with the aftereffects of the civil war from 1992-93. However, adoption of currency was not enough to stabilize the inflation. Neither was it sufficient to stabilize the overall economic conditions in any of the states.

Kazakhstan, Turkmenistan and Uzbekistan are resource-rich states in the Central Asia. Although, these three republics made use of their hydrocarbon wealth in building their own nation-states, they led rather slow economic transition than did their resource-poor neighbor, Kyrgyzstan. All the resource-rich governments adopted *rentier* economy instead of market economy. Thus, the resource rents were mostly spent internally for consumption purposes (Curtis, 1997; Heritage foundation, 2015 (http://www.heritage.org)). All three republics had wide range of social benefits, such as flat income tax rates, free healthcare, education, free/cheap utilities and others. In addition,

due to their resource abundance, GDP decline, in early 1990s, in resource-rich economies of the region was not as severe as in the other two non-resource-rich republics. Yet, interestingly enough none of the resource-rich states could manage to stabilize the inflation rate until 1996-1998 (Table 6, 7, 8). Kyrgyzstan was the only republic in the region to decrease inflation to 42.03% by 1995 (Table 10).

In Turkmenistan, adoption of national currency and first wave of privatization period altered the GDP growth rate from -4.60% to 1.50% in 1993 (Table 6). Yet, decline in oil prices in the world market decreased the GDP to -17.30% in 1994 from 1.50 in 1993(Table 6 and Table 11: Oil historical prices). Consequently, the fell of oil prices worsened the GDP growth rates of the other two resource-rich republics, Kazakhstan and Uzbekistan (Table 7; 8; & 11). In addition, Turkmenistan's dependence on Russian pipelines for the exports of gas and oil hindered the economic growth of the state. Moreover, the supply of natural gas to the other CIS members for credit resulted low economic performance until the end of 1990s. In 1997, President Niyazov disrupted the exports of gas to the CIS members based on conclusions that the earnings would never be paid off (R. Pomfret, 2006).

Nevertheless, the drastic price increase of oil from 18.40 \$/bbl to 22.10 in 1996 (Table 11) and tight monetary policies of the Central Bank stabilized the economy of Turkmenistan by the end of 1990s. In 1999 Niyazov regained the full control over the Central Bank and increased the government budget for expenditure according to his own discretion (Gill, 2002; Jones Luong and Weinthal, n.d.; Møller, n.d.; Najman et al., 2008; R. W. T. Pomfret, 2006). Nevertheless, the president managed to decrease the dependence on Russian pipelines. Niyazov, initiated the construction of new gas and oil pipeline routes directly to the targeted states. In addition, despite high or low economic performances, Turkmen leader adopted and enforced populist policies.

Niyazov provided wide range of social benefits to all the regions of the state, such as free utilities, health care, education, low housing costs, low credit interest rates and others

Similarly to Turkmenistan, Kazakhstan also had slow economic reforms. Yet, the state achieved price liberalization and enterprise reforms faster than others (R. W. T. Pomfret, 2006). However, Russian Crises in 1998 hampered the economic growth of Kazakh economy (Jones Luong and Weinthal, n.d.; Najman et al., 2008; R. W. T. Pomfret, 2006). Moreover, commodity price shifts and delayed construction of new pipeline routes for exports of gas and oil resources slowed the long term development of the state (Ibid). Nevertheless, like Turkmenistan, Kazakhstan also enjoyed higher resource revenues from the increase of oil prices in the year of 1999. In addition, discovery of Kashagan, new oil reserve in the same year increased the economic performance of the state from -1.89% to 2.69% in 1999 and 10% in 2000 (Table 7). Kazakhstan was experiencing oil boom. In 1999, the Kazakh economy was outperforming all other Central Asian neighbors (Table 7).

Uzbekistan was the only state with least economic downturn in the region in 1990s (GDP growth rate -0.49%, Table 8). This is explained due to the maintained public revenues and expenditures as well as relatively high cotton and gold prices that the state still exported (Crivelli and Gupta, 2014; Jones Luong and Weinthal, n.d.; Najman et al., 2008; R. W. T. Pomfret, 2006). Nevertheless, the prices for cotton and gold fell in 1995. However, by 1996 Uzbekistan already managed to adopt open economic reforms. The government liberalized the prices and allowed privatization of housing and small businesses. This reforms increased the GDP growth rate to 1.70% in 1996 from -0.90% in 1995 (Table 8). Yet, Uzbek government attempted to further decrease the government intervention. Thus, the attempt created problems with the accounts payable. The economy of Uzbekistan started to fall. The Uzbek government once more regained the full state control over

the economy and adopted tight exchange rate regulations. Strict constraints of exchange rates widened the gap between the official and black market rates. Thus, the state developed major capital misallocations. The GDP growth rate of the state slowed down to 4.3% in 1998 from 5.19% in 1997. The negative effects of exchange rate was managed by 2003. Although, the GDP growth rate increased to 7.3% in 2004 from 4.19% in 2003 (Table 8), Uzbek economy, as government officials claim, remained slow due to the Andijan massacre in 2005 (Gill, 2002; Grzymala-Busse, n.d.; R. W. T. Pomfret, 2006).

Tajikistan and Kyrgyzstan, unlike their three resource-rich neighbors, had to depend on foreign aid and external debts to build their nation-states. However, unlike Kyrgyz Republic, Tajikistan started to experience civil war in 1992. The war between Islamist/democratic coalition and the ruling Communist elites in the beginning of 1990s not only disrupted implementation of any new economic policies but also worsened the initial conditions from the collapse of the Soviet Union (Anderson, 2003; Gretsky, 2003; R. W. T. Pomfret, 2006; Heritage foundation report, 2015). Outbreak of the war further decreased the GDP growth rate to -29% in 1992 from -7% in 1991 (Table 9). By 1997, there were 100,000 casualties and 1.2 million refugees.

The official development assistance and aid started to inflow immediately. The net inflow of foreign assistance and aid reached \$85,940,000 in 1997 from \$11,840,000 in 1992. Tajik government could not borrow long term debt due to its low credit worthiness. Nevertheless, Tajik elites kept borrowing short term debts from Russia and Uzbekistan. The short term debt eventually accumulated large external debt that was 128% of the GDP (debt/GDP ratio) by 1999. Although the Peace Accord was signed and the war ended in 1997, foreign investors still remained hesitant to finance any development projects in Tajikistan (Najman et al., 2008). Tajik government and

economy only survived due to the foreign aid from international financial institutions, such as IMF, World Bank, EBRD, OSCE and others.

Unlike Tajikistan, Kyrgyzstan had several sources of revenues during the 1990s. Due to the high rate of unemployment, more people migrated back to their villages. Thus urban-rural migration increased the labor force in agriculture sector. Consequently, the value added of the farming increased drastically from -7.7% to 15% of GDP (Table 10). Although, Kyrgyzstan was the first to adopt market economic institutions, their practicality was and still is debated among scholars (R. Pomfret, 2006). For example, from 1995 to 1997 the Kyrgyz economy experienced 15% growth rate (Table 10) ("Kyrgyz Republic Economy: Population, GDP, Inflation, Business, Trade, FDI, Corruption," n.d.). However, this success is also attributed to Kumtor gold mine project (Gill, 2002; Jones Luong and Weinthal, n.d.; Najman et al., 2008; White et al., n.d.). In addition, when the Kyrgyz republic experienced earthquake in 2002, the gold mine was disrupted. The economic growth rate leveled to 0 (Table 10). Yet, acceptance to the World Trade Organization, in 1998, had positive contribution to the GDP growth rate. The value added of international trade grew to 99% in 1999 from 84% in 1997 (Table 10).

#### 1.3.3 Conclusion

Independence in 1991 was the same starting point for all five Central Asian states in building their own statecrafts. At the beginning of 1990s all the states adopted similar economic development policies as they faced the same economic problems, such as hyperinflation, high rate of unemployment, poverty, disruption of supply of goods and services, lack of personnel, disoriented bureaucracy and many more (Gill, 2002; Grzymala-Busse, n.d.; Jones Luong and Weinthal, n.d.; Møller, n.d.; Najman et al., 2008). Yet, at the turn of the century the economic policies and performance started to differentiate from state to state in the region.

Three states of the region, Kazakhstan, Turkmenistan and Uzbekistan are resource-rich, specifically in gas and oil. Revenues from natural resources allowed rather rapid pace of growth for these states. In addition, because of oil and gas abundance leaders did not have to burden the citizens with high tax rates. Revenues from hydrocarbon reserves allowed the elite to spend excessively on building and strengthening political and economic institutions and provide wide range of social benefits for free, such as free healthcare, free education, free utilities, low housing costs and many more (Najman et al., 2008; R. W. T. Pomfret, 2006). With such patronage, government strengthened its presence and controlled all economic sectors.

Kyrgyzstan and Tajikistan, mostly had to rely on foreign aid and external credit to build their own nation-states. Kyrgyzstan had successful Kumtor gold mining project which promoted economic growth from the year of 1995 (Table 10). Yet, the earthquake in 2002 disrupted the gold mine and leveled the growth rate to 0 (Table 10). Kyrgyz and Tajik governments accrued large amount of external debts. In addition, these two states are only cases that experienced civil wars (Tajikistan most of 1990s) and revolutions (Kyrgyzstan in 2005 and 2010) in Central Asia. However, all five republics have adopted similar political regimes - presidential systems with dominant power over legislative and judicial branches.

Therefore, there derives a question: *Which form of external rents, resource revenues or foreign aid have had more curse effects in Central Asia?* The assumption of the study is that resource rich Central Asian states managed external rents better than Kyrgyzstan and Tajikistan with foreign aid and what the aforementioned classic scholars theorized on the hydrocarbon curse phenomenon. Therefore, the research question above reveals several separate sub-questions: *Who controls the distribution of resources? How did Central Asian states use their external rents?* And *in what* 

aspects do the resource-abundant Central Asian states deviate from the findings of traditional external rent studies?

# 2 Chapter 2 -Literature review

Before attempting to answer the aforementioned questions, it is important to review the past studies on *rentier* state, external rents and the resource curse phenomenon. Thus, the following chapter provides the literature review, definitions of important concepts and causal theories on the topic. The chapter concludes with applied theoretical framework of this study.

There is a large body of studies, with empirics from both positivist and case study approaches, focusing in *rentier* state and "resource curse" phenomenon. The traditional theory implies that external rents have negative impact on three dimensions: economic, social and political institutions of the state (Mahdavy, 1970; Karl, 1997; Ross, 1999; Ross, 2001; Sachs and Warner, 2001; Smith, 2004; Goldberg, Wibbels, and Myukiyehe, 2008; Norman, 2008; Ross, 2009; Aslaksen, 2010; Bruckner, 2010; and Ramsay, 2011). One of the scholars who based the foundations of resource curse phenomenon is Terry Lynn Karl (1997). Karl (Ibid) provides Latin American and African hydrocarbon-rich states as empirical evidence of states that failed in all three dimensions. Karl's main argument is that growth dependent on commodity revenues inhibits changes in property rights, power of interest groups, and the role of the state (Karl, 1997).

Yet, there are also scholars who claim that under different conditions the effects of natural resources vary in different countries (Stevens and Dietsche, 2007; Anshasy and Karsaiti, 2013; Holden 2013; Jafari, 2013; Elbadawi and Soto, 2014; Gillespie and Henry, 1995; Bayulgen, 2005; Dunning, 2008; Oskarsson and Ottosen, 2010; and Costa and dos Santos, 2013). Rulers from oil-rich Arabian Peninsula, for instance, had a success in preserving authoritarian regime. States such as Iraq did not, but neither had they success in establishing consolidated democracy. Wacziarg (2012), in his empirical study over wide range of resource-rich countries in 25 year time period analysis, succeeded in rejecting Friedman's (2000) "The First Law of Petropolitics". Wacziarg

(Ibid) claims that there is no correlation between the rise of oil price and fall of freedom. Thus, in order to understand how the resources can be a blessing or curse for the state, it is necessary to review the causal mechanisms covered in the resource curse literature.

The following sections reviews the literature and at the same time present several important resource curse concepts such as *rentier* state, petrolization of the state and others. The sections also describe necessary conditions, causal mechanisms and curse symptoms of resources. The literature is categorized according to the causal mechanisms and curse symptoms from Terry Lynn Karl's "The Paradox of Plenty: Oil Booms and Petrostates". Because, Karl (1997) manages to provide all the necessary concepts and causal mechanisms that influence political and economic institutions. In addition, this study develops a systematic table to evaluate resource curse degree based on Karl's description of curse symptoms and the indicators where curse effects can be observed. Thus, Karl's work makes it easier and more comprehensible to categorize and link past studies according to their study variables on resource curse phenomenon.

## 2.1 Concept definition and natural resource characteristics and conditions 2.1.1 *Rentier* State

Yet, before proceeding to the literature, it is important to define the most important concept of this study – *rentier state*. In addition, it is necessary to present some characteristics of natural resources and the necessary conditions to have *rentier* state.

Hossein Mahdavy introduced the concept of *rentier* state in the "The Patterns and Problems of Economic Development in *Rentier* States: the Case of Iran" in 1970. Author (Mahdavy, 1970) defines the *rentier* states as: "[...] those countries that receive on a regular basis substantial amounts of external rent." Mahdavy (Ibid) defines the external rents: "[...] as the rentals paid by foreign individuals, concerns or governments to individuals, concerns or governments of a given

country. Author (Ibid) gives an example of fees paid on transiting ships and oil exports through the transit canal and pipelines in Middle Eastern countries. Mahdavy (Ibid) labels the oil revenues as form of external rents. Author argues that even though some scholars consider oil revenues as compensation for the extraction of non-renewable wealth, the resource rich states enjoy revenues from "differential and monopolistic rents" of hydrocarbon wealth (Ibid). Author provides an illustration of Iran, Kuwait and others that benefited from the oil extraction and exports.

Mahdavy (Ibid) also adds that external rents allow the governments to avoid accruals of debts payable and inflation. Moreover, author adds that the oil revenues lead to the faster expansion of public sector. Because, the resource-rich government's expenditure depends more on oil extraction and export and less on the revenues from taxes and loans. Thus, the government presence in the economy of the state increases. Yet, with more dependence on oil exports leads to the stagnation of other production sectors and export goods. Hence, the resource rich state commences to depend more on imports. However, one of the characteristics of hydrocarbon abundance is its nonrenewability. Thus, oil rents are not constant source of revenues and do not promote long term growth.

#### 2.1.2 Natural resource characteristics

There are several other resource characteristics that are necessary to mention. One such characteristic is that resource revenues are subject to a situation change (Karl, 1997.; Rosser, 2006). For example, windfall gain situation will result more hydrocarbon revenues. Resource sectors are not labor intensive. Thus, they are not produced but extracted. In addition, there is no high variable cost in extraction. Hence, the amount of resources sold minus the marginal costs equals to the amount of resource revenue (Ross, 2009, 2000, 1999). Another characteristic, which was mentioned before, is that hydrocarbon reserves are non-renewable wealth (Ibid). Thus,

resource rents are limited to the amount of reserves in the land (Alexeev and Conrad, 2011; Karl,

1997; Ross, 2009, 2000, 1999). In other words, resource revenues are not permanent.

Similar to natural resources, foreign aid is aid is also limited in terms of its amount. In addition, foreign aid is also subject to the situation change. For example, if corruption is widespread in the state, international actors can limit the flow of foreign aid.

## 2.1.3 Necessary conditions of resource curse

There are certain conditions that must be present for the state to be *rentier* state. Luciani and Beblawi (1990) provide four such conditions:

- 1) Rent situations predominant
- 2) The *rentier* economy is an economy which relies on a substantial external rent.
- 3) Only few are engaged in the generation of this rent, the majority being involved in the distribution or the utilization of it.
- 4) The government is the principal recipient of the external rent in the economy.

Thus, according to Luciani and Beblawi (1990), Turkmenistan and Tajikistan are rentier states.

Both economies are dependent on external rents. Turkmenistan is dependent on oil and gas exports

while Tajikistan is dependent on foreign aid and external debt.

Now, the research turns to discuss the literature linked to Terry Lynn Karl's (1997) causal mechanisms of resource curse and their symptoms.

# 2.2 Causal Mechanisms and symptoms of Resource curse in the past studies2.2.1 "Petrolization of the Policy Environment"

Terry Lynn Karl (1997) in his book of "The Paradox of Plenty: Oil Booms and Petrostates" emphasizes on studying the interaction of structure and the agency. Karl (Ibid) argues that in a given period of time the analysis of structure and agency relationship can reveal the range of policy

<sup>(</sup>Luciani & Beeblawi, 1990)

choices that elites faced at time (t). Author proposes "*Petrolization* of the Policy Environment" (Ibid) as one of the policy choices of resource rich states.

Karl (Ibid) argues that all oil rich states that are dependent on *petrodollars* hinder the implementation of in property rights. Author describes the gold-boom in the 16<sup>th</sup> century Spain and oil-boom in 19th century Venezuela for illustrations (Ibid). Karl (Ibid) argues that these states stagnated other producing sectors because, the elite invested in oil producing sector and decreased the competitiveness of other exported goods and economic sectors. Thus, all producing enterprises, small or big, became discouraged to produce. Following, general consumption expenses increased and became dependent on petrodollars. Petrolization in both states, Spain and Venezuela, stagnated the development of agricultural sector and imported food and staples to supply the population. Authors describes that Venezuela spent excessively in order to catch up to the US standards of living. Karl (Ibid) states that Spain and Venezuela used the resource revenues to expand the military forces as a symbol of powerful state in the region. In practice, elites bought the military loyalty in order to secure their power and repress the population (Ibid). In case of lack of capital the resource rich government borrowed foreign money and services with a promise to pay from future resource rents. Therefore, Spain and Venezuela did not have any savings funds to pay neither external nor domestic debts. As the result, the government accumulated large monetary and service debts. Once the gold sources were depleted in Spain and prices for oil fell, both countries experienced economic crises (Ibid). Consequently, Karl (Ibid) claims "petrolization of the policy environment" hinders the enforcement of property rights which inhibits the economic growth in the long term.

In line with enforcement of property rights and stagnation of other economic sectors, Corden (1984), Gylfason et al (1999), Herbertsson et al (1999) and Frankel and Romer (1999) add that

resource revenues leads to overvaluation of exchange rate. Consequently, it leads to inability to compete in other production sectors. In other words, the volume and the variety of products in exports decrease. Consequently, resource rich states switch to developing resource driven sectors and exporting resource based products. We have already seen such example above. Venezuela switched from agriculture driven exports to oil driven exports once it discovered oil reserves. At the end, the state completely stagnated other production sectors. When the oil prices fell, Venezuela could neither supply its nation with food nor bail the economy out of the crises. Because agriculture remained underdeveloped and there was no reserve funds.

Crivellu and Gupta (2013), Bhattacharyya and Collier (2014), based on empirical study, also concluded that GDP increase from resource revenues have negative impact on domestic revenues and public capital stock. Najman, Pomfret and Raballand (2010) found that developing states with resource abundance rarely improve citizens' lives equally and for long term. Citizens are limited in freedom of property rights. Authors claim that the elite of resource rich states, instead, chooses to use the resource rents to provide patronage and invest in "showy projects".

However, institutionalist scholars such as Mehlum, Moene and Torvik, (2006) and Sambit Bhattacharyya and Roland Hodler (2013) claim that such *petrolization* of the state depend on the quality of political institutions. Scholars argue that if political institutions are weak then natural resource revenues deteriorate rule of law and contract enforcement. Thus, it leads to high expenditure and low financial development. Rational choice theory proponents also Wantchekon (2002) and Caselli arrive to similar conclusion. Authors argue that rent seeking behavior of the elites hinders the development in human capital, and investments in long term growth projects. In addition to the counterargument of overvaluation of exchange rates, Egert and Leonard's (2007) empirical study concluded that resource revenues do not affect the exchange rates. Nevertheless, based on the literature covered above it can be concluded that external rents hinder the exercise of property rights which leads to the misallocation of resources. Thus, the following systematic table will look as following.

Heavy investment in	Yes	
development of resource		
sector		
High number of Exits of	Yes	
private businesses		
Dominating percentage of oil	Yes	
and gas rents		
High imports of goods	Yes	
Stagnation of agricultural	Yes	
sector		
High food imports	Yes	
High expenditure on military	Yes	
	¥7	
High total external debt	Yes	
	V	
Low or no gross domestic	Yes	
savings	V	
Low investment in public	Yes	
Capital Stock	V	
Overvaluation of exchange	res	
rates	V	
Low or no diversity of export	Yes	
sector		

## Table 1: Curse symptoms 1

# 2.2.2 "Private interest as barriers to change"

Second mechanism of resource curse effect is "Private Interest as Barriers to Change" (Karl, 1997).

Author (Ibid) argues that oil driven states create certain social classes whose interests and gains are linked to the oil and dominant over the interests of general public. These classes support the

*"Petrolization* of policy environment" (Ibid). In other words, these interest groups are in favor of expanding the hydrocarbon producing sector.

Karl (Ibid) also gives an example of rent seeking warlords and settlements near the oil fields in Venezuela and Nigeria. Author claims that concentration of resources in specific region divides the society. Resource-rich region of the state desires to use the hydrocarbon wealth in its own development without sharing it with poor region. In Nigeria, regional war lords engaged in physical violence over the distribution of resource rents. Thus, if the state does not control the distribution of resources, resource rents can be reason for cleavages between rich and poor regions and among regional warlords (Sachs and Warner, 1995; Sachs and Warner, 2001; Gylfason, 2001; Papyrakis and Gerlagh, 2004; Gylfason and Zoega, 2006; Papyrakis and Gerlagh, 2007; Zhang et al, 2008; Mehrara, 2009; Shao and Qi, 2009; Shao and Yang, 2010 and James and Aadland, 2011; and Elbadawi and Soto, 2014).

In line with regional cleavages over the distribution of resources, Dunning (2008), Elbadawi and Soto (2014) claim that resource abundance can even promote civil war among resource rich and resource poor regions within the state. Elbadawi and Soto (2014) provide robust and positive empirical evidence between "resource rents per capita and the occurrence of an armed civil conflict." Palley presents Sudan and Indonesia as two cases where natural resources create tensions between different tribes and regions. Authors (Ibid) argue that disagreement in distribution of resource revenues can also intensify existing ethnic divisions and even lead to the demand of secessionism.

Foreign aid also can intensify the ethnic cleavages. Foreign aid is form of external rent which is limited in amount. In addition, rent seeking behavior of elites will influence its distribution not only in the population but also within the government. The leader will have to keep his supporters loyal in order to secure his power.

Concerning the oil rents, Obeng-Odoom (2012), based on study of Skondi-Takoradi in West Africa, argues that oil in ethnically diverse society can also be a blessing depending on how society shapes and defines the power relations and institutions. Elbadawi and Soto (2014) state:" [...], good economic and political institutions reduce the hazard of conflict."

Hence, from the literature above the following table of symptoms of external rents can be drawn:

Concentration of natural	Yes
resource in one region	
Creates rich – poor regional	Yes
cleavages over the	
distribution of resources	
Creates/intensifies violent	Yes
form of political unrest/ civil	
war	
Threat for Secessionism	Yes
Petrolization of the state	Yes

Table 2: Curse symptoms 2

## 2.2.3 "The Rentier State as a Barrier to Change"

Third, Karl (Ibid) causal mechanism is "The *Rentier* State as a Barrier to Change". Author claims that resource rich government implements high cost distribution policies based on oil revenues, which "[...] expands state jurisdiction and weakens authority" (Ibid). Karl describes Venezuela as a *rentier* state. The Venezuelan elites lowered the tax rates and provided wide range of social benefits to decrease the pressure of accountability. However, once the price for oil fell and rents decreased, the government tightened the budgets of the welfare programs and directed it toward government spending. The supply of social benefits decreased substantially. As the result, it led to further decrease of the government capacity (Ibid). In other words, government could not enforce

the policies and regulations in all the territorial areas of the state. Hence, we can draw the table for

curse symptoms as following:

High general government	Yes	
final consumption		
expenditure		
High central government	Yes	
debt		
High budget for supply of	Yes	
social benefits for free. Ex:		
Free health care, free		
education, low housing		
costs, cheap utilities and etc		
If price for oil falls, high	Yes	
general government final		
consumption expenditure		
If price for oil falls, High		No or decreases substantially
budget for supply of social		
benefits for free. Ex: Free		
health care, free education,		
low housing costs, cheap		
utilities and etc		

#### Table 3: Curse symptoms 3

#### 2.2.4 The "Boom Effect"

The last causal mechanism that Karl (1997) presents is "Boom Effect". The oil rich states which are heavily dependent on oil revenues develop illusions of self-development. Karl (Ibid) states that once the leaders of oil rich states start gaining revenues they start spending on luxurious infrastructure projects. Author argues that the elite takes total control over political and economic institution designs and implementations. In addition, the incumbents shape political institutions to their own favor leaving no room for competition for a challenger in elections. Such behavior encourages the challenger to compete through politically violent means. As the result, the state experiences political instability

Caselli (2009) also claims that challengers in resource rich states are more motivated to change the leadership by force. Therefore, incumbents limit the rights and freedoms of citizens in establishing political in order to secure their power. Michael Ross (1999), by applying statistical tools for over 200 states, establishes that resource rich governments implement low tax rates and patronage in order to decrease the level of accountability. Thus, it is most likely to be observed that there are low number of protests in resource rich states. In addition, Karl (1997) states that due to the rent seeking behavior and path dependence of institutions, some states do not adopt more constraining institutions. Author supports his claim describing autocratic institutions in Spain, Venezuela and Nigeria during resource boom period.

Considering the symptoms and indicators of resource curse, the table for systematic analysis can be presented in the following manner.

High GDP growth rate	Yes	
Construction of luxurious infrastructure	Yes	
Executive branch dominance/ cult of personality of the leader	Yes	
Autocratic regime	Yes	
Incumbent and challenger conflict	Yes	
Low freedom for citizens	Yes	
Dominant single party	Yes	
No or repressed opposition	Yes	

Table 4: Boom effect

Analysis of the past studies reveal that the resource rents are directed toward internal consumption purposes than to the development of other production sectors. Moreover, resource rich states develop unbalanced input and output economy with heavy reliance on resource rents. Yet, these negative outcomes are due to mismanagement of resource rents. In addition, Boschini, Pettersson and Roine (2013) find, through empirical study, that the resource curse and its reversal depends on the type of resources. Authors find that ores and metals as primary export goods have more negative impact on growth than hydrocarbon wealth. Moreover, Haber and Menaldo (2011); Boschini, Pettersson and Roine (2013); and Bhattacharyya and Hodler (2013) argue that the proponents of resource curse tend to apply weak resource measures or overlook time-series analysis as well as counterfactual paths of political development. This distorts the final findings and concluding interpretations of results.

#### 2.2.5 Conclusion

Concluding, past studies focus on the macroeconomic effects of the resource abundance. As Rosser (2006) argues, the existing studies on resource curse do not take into consideration the role of social forces or external political and economic environments in development outcomes of resource abundant countries. For example, states like Nigeria which were colonized retained the colonial institutions. Thus, these institutions were one of the reasons of economic downfall. Moreover, all the aforementioned authors do not mention the cases where resource rich countries have developing agricultural sector, established reserve funds, low foreign debt and low imports. The contribution of the research is expansion of *rentier* state theory and resource curse phenomenon studies. In addition, the study, for the first time, presents the degree of *rentier* state by comparing two forms of external rents, resource rents and foreign aid in Central Asian states. The research compares two cases, resource-rent dependent Turkmenistan and foreign aid dependent Tajikistan from 1991 till present. Similarities in pre-Soviet, Soviet and post-Soviet history, political structure, and ethnic/clannish composition of all five states make the findings applicable to the whole region.

The research attempts to show not only the positive contribution of natural wealth in terms by comparing the processes of building nation, redistribution and welfare policies of resource rich state, Turkmenistan, with non-resource rich country, Tajikistan. In addition, the research will evaluate the degree of resource curse in Turkmenistan. The illustration of the symptoms in a table format (Appendix: Table 5) will allow to pin point the contributions of hydrocarbon wealth.

The next section of the chapter will describe the causal theory of contribution of natural resources in Central Asia after the break-up of Soviet Union.

#### 2.3 Theory

The research question of the study is: *Which form of external rents, resource revenues or foreign aid have had more curse effects in Central Asia?* The assumption of the study is that resource rich Central Asian states managed external rents better than Kyrgyzstan and Tajikistan with foreign aid and what the aforementioned classic scholars theorized on the hydrocarbon curse phenomenon. Therefore, the research question above reveals several separate sub-questions: *Who controls the distribution of resources? How did Central Asian states use their external rents?* And *in what aspects do the resource-abundant Central Asian states deviate from the findings of traditional external rent studies?* 

The hypotheses regarding the curse degree of foreign aid and hydrocarbon wealth are following:

H0: More dependent on foreign aid the state is, less control it has over its distribution.

H1: More hydrocarbon wealth the state possesses, more people and interest groups it can satisfy and more power it has.

The deviation of resource-rich Central Asian states from the classic examples of Venezuela and Nigeria during the resource boom period is hypothesized as following:

H3: Resource rich Central Asian states directed investments in savings fund and other production sectors to avoid the stagnation of the economy.

The theory of this research is based on several existing theories. The first applied theory is Acemoglu, Johnson and Robinson's (2005) research "Institutions as a Fundamental Cause of Long-Run Growth" (Figure 2).

Figure 2: Scheme of Long-Run growth (Acemoglu, Johnson, & Robinson, 2005)



In the diagram, de jure political power is an *institutional* power described in the supreme law of the state (Acemoglu, Johnosn & Robinson, 2005). Thus, it can be understood as a decision making body with legitimate authority given by constitution. In Turkmenistan and Tajikistan it will be the heads of the states; because, constitution provides the most of policy making powers to the presidents. In addition, parliament will also be considered as body with de jure political power. According to the constitution of Turkmenistan and Tajikistan, parliament can refute or pass president's policies and laws and select candidates for the seats.

Acemoglu, Johnson & Robinson (2005) define de facto political power:

## "De Facto power is power that is not allocated by institutions (such as elections), but rather is possessed by groups as a result of their wealth, weapons or ability to solve the collective action problem."

Thus, according to the authors, de facto political power will be the power in practice. In other words, it will be the actor(s) who in practice controls the decision making beside given institutional powers. The power of de facto political power is dependent on two aspects: 1) overcoming collective action problems and 2) the distribution of resources at time (t). Hence, in Turkmenistan and Tajikistan, the presidents are dominating both de jure and de facto political powers. Because,

they control the military, distribution of resources and policy making environment. In addition, the elite has influence in the decision making in all the levels of government.

Distribution of resources, in addition to political institutions, influences whose choices of economic institutions at time (t) will be implemented. It also determines the trajectory of the political institutions at time (t+1). Therefore, economic performance at (t) and distribution of resources at (t+1) are dependent on choice of economic institutions at (t) which are determined by political institutions and distribution of resources. In change of next government the chain repeats itself with application of institutions at (t+1) as a time (t) base.

Acemoglu, Johnson and Robinson (2005) do not explain how institutions are created or how far the researcher should investigate in the history. However, authors claim that economic and political institutions at time (t) are endogenous. Therefore, the assumption is that state inherits political institutions and economic distribution from prior governing regime whether it was monarchy or colony.

Acemoglu, Johnson and Robinson (2005) also claim that political institutions are durable and hard to alter. Especially, if the group controls has the de jure and de facto political powers, it will attempt to fulfill its own incentives and push forward own economic and political institutions. Yet, authors also argue that exogenous shocks such as changes in international arena, can influence the political institutions and the power of de jure political power. Yet, Acemoglu, Johnson and Robinson (2005) do not mention the examples in controlled regimes.

This theory will assist the research to explain who and how the of most de jure and de facto political powers were controlled. It will also help to understand the choice of political and economic

institutions adopted since 1991. Hence, the theory will also explain the economic performances in Turkmenistan and Tajikistan.

However, Acemoglu, Johnson and Robinson's (2005) theory does not explain how the resources were used since 1991. In order to understand how the external rents were implemented, it is important to map the flow of resource rents. Therefore, the figure 3 below theorizes the how the revenues were spent in Turkmenistan and Tajikistan.


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The scheme is divided into three stages. In the first stage it is theorized that resource-rich Central Asian states used the revenues to monopolize the means of violence. The elites established and strengthened national security forces. This would symbolize as being an independent state with means of defending itself from external enemies. It is also assumed that military and other forms of security forces were expanded to maintain the peace within the state. Considering the initial socioeconomic conditions the elites had to provide to improve standards of livings. Thus, the resource rich states delivered patronage to satisfy the demands of the population. In case of resource-poor states, the government used the foreign aid to satisfy the demands of the population. In addition with this patronage, the elite further secured its own power by cleansing the state from opposition groups and hiring trusted personnel. In this stage we observe curse effects of external rents.

After establishing its own power and decreasing the level of accountability in front of public, in the second stage, the elite invested in infrastructure. Although, this is one of the characteristics of resource curse, this research attempts to show the positive effect of such investment. Because, building infrastructure can also promote economic development and growth. The study attempts present that except for new palaces and luxurious government buildings, resource-rich Central Asian states initiated the construction of new roads, pipelines, factories, textiles and *etc.*, to avoid the full stagnation of other producing sectors. Thus, investment in infrastructure does not only stand for curse symptom but also for blessing effect of external rents.

Another blessing effect of resource rents in Central Asia is constraining borrowing and paying off debts. Unlike, Karl's description of Venezuela and Nigeria's investment in showy projects and accumulation of external debts, the study assumes that Central Asian states managed to keep low

debts with constant payments. This assisted in avoiding the economic crises that Nigeria and Venezuela (Karl, 1997) experienced after their first fall of the oil prices in the world market.

Third stage is also another argument against Karl's (1997) theory. This stage involves establishing the savings fund and investment in agriculture. In the "Paradox of Plenty: Oil booms and *Petrostates*" Terry Lynn Karl describes that *petrostates* did not have savings funds that could be used to bail out the states in case of oil price declines and economic crises. In case of Central Asia, the research assumes that the resource rich Kazakhstan, Turkmenistan and Uzbekistan established official savings funds with regular cash in-flows from resource rents. Investment in agriculture ensured the Central Asian states with capability to provide food and staples to their own population. Therefore, the nations were not greatly depended on the imports of agricultural and food products.

The last sub-question, regarding the deviation of resource-rich Central Asian states from classical resource-cursed Venezuela and Nigeria in 19<sup>th</sup> century (Karl, 1997) will be evaluated using the systematic table constructed in chapter 2, literature review section. Table 5 (Appendices) will assist to evaluate the degree of external rent curses.

### 3 Chapter 3

#### 3.1 Methodology

Methodologically, literature on resource curse is heterogeneous. As it has been mentioned before, most of the literature on "resource curse" concentrate on macroeconomic effects of resource abundance. Large-N studies allow constructing theories with wider range of coverage. Henceforth, scholars analyzing large-N data overlook difference in processes and mechanisms where resources are curse and blessing. In addition, some positivist studies apply weak measurements of resources and do not account for changes in time series. The positivist studies conducted in region of Central Asia ran regressions on the data they collected from surveys and panel data. They generate both primary (surveys collected from 26 post-communist states) and secondary data such as reports from the US Department of State and World Bank (Gill, 2002; Dawisha, 1997, Dawisha and Parrot, 1997; and Wanye, 2004). Hybrid qualitative and quantitative studies concentrate on the exploitation of political tools and mechanisms for the expansion of state administration, are rely upon primary data (Alina-Pisano, 2010; Gryzymala-Busse, 2008; Dunning, 2008; Oskarsson and Ottosen, 2010; Gillespie and Henry 1995; and Bayulgen 2005).

Institutionalist scholars rely mainly on case studies and primary data, legal institutions (White, Gill and Slider, 1993; Møller and Skaaning, 2009; Møller 2009; Ishiyama and Velten, 1998; and Dosmukhamedov, 2002; Costa and dos Santos 2013; Holden 2013; Jones, 2002; Grzymała-Busse 2007; and Galasińska and Galasiński. 2010, Obeng-Odoom, 2012). These scholars mainly focus the effects of bad governance and low institutional quality. Therefore, there is scarcely any case study that describes the utilization of natural resources in building politics and promoting social and economic development in Central Asia. Moreover, there is hardly any study that compares how resource rich and non-resource rich state managed to build nation state in Central Asia after the end of Soviet ruling. Thus, this study will apply case study and congruence procedures and process tracing methods on cases selected using Mill's method of difference.

Mill's method of difference serves as inductive method of theory-making. This method analyzes cases with similar background characteristics but different values on the variables studied or presence of different antecedent conditions (van Evera, 1997). The main objective is to discover the differences in cases. One particular advantage of applying Mill's method of difference in case selection is that it aids in reducing and spotting the number of possible causes for different values in variables (Ibid). There are only five countries in Central Asia. Out of five states, Tajikistan and Turkmenistan are most compatible due to their ethnic composition and existing clannish divisions (Table 11). Moreover, Turkmenistan is resource-rich and mainly dependent on oil and gas exports. Tajikistan, on the contrary, is resource-poor and mainly relies on the foreign aid. Therefore, analysis of Turkmenistan and Tajikistan are most compatible for the research.

There are five main purposes of case studies: 1) testing theories; 2) creating theories; 3) finding antecedent conditions; 4) testing the importance of the antecedent conditions; and 5) explaining cases of intrinsic importance (van Evera, 1997). This study concentrates on testing the importance of antecedent condition which is testing the contribution of resource wealth in building nation state in Central Asia.

The format of testing the importance of resource curse in building politics and promoting social and economic development will follow the steps as described in Van Evera's book "Guide to Methods for Students of Political Science" (1997). Author describes these three steps as following: "1) state the theory; 2) state expectations about what we should observe in the case if the theory is valid, and what we should observe if it is false; and 3) explore the case (or cases) looking for congruence and incongruity between expectation and observation."

In the method of congruence procedures, the researcher looks for the similarities and differences in or between values on independent and dependent variables. The depdent variables were already collected in the process of literature review. They are also described below in independent and dependent variables section.

In the method of process tracing, the study attempts to analyze the chain of events, specifically how the elites in Turkmenistan and Tajikistan gained control over de jure and de facto political powers. In addition, the research attempts to analyze how the resource rents and foreign aids were distributed and applied in the economies. However, in the process tracing method, the study applies the method of "reading the history forward" proposed by Capoccia and Ziblatt (2010). This means that the study analyzes the chain of events starting from 1991 and onward instead of investigating the events backward toward the year of 1991.

#### 3.2 Data

The study mainly analyzes secondary data and, if available, some primary data such as public budgets, fiscal policies and archives (depends on the access). This study will examine the time period since 1991. This is the year when all Central Asian countries gained their independence from Soviet Union. The research also investigates the ethnic and demographic compositions of both countries. Post-soviet history presented by country webpages and outside historians should assist in spotting previous ethnic and clannish conflicts, or active opposition between masses and the government. This will allow to analyze for what reasons there were uprising in one country and not in the other. Official webpages of organizations such as World Bank.org, OSCE, and others will provide numerical observations on economic sectors and past development projects that these two countries overtook. The economic indicators of Turkmenistan and Tajikistan will also assist in analyzing the curse or blessing degree of external rents. The study makes use of the books

concentrating on the historical events of and developments of Central Asia. This data will allow to discover how the states developed and what political and economic policy choices were adopted since 1991.

#### 3.3 Independent and dependent variables

Turkmenistan and Tajikistan have similar ethnic composition and clannish culture. Both republics have similar political regimes. In both states, president is a dominant figure in all the levels of government. Moreover, Turkmenistan and Tajikistan are both *rentier* states. Turkmen and Tajiki economies depend on external rents. Turkmenistan depends on oil and gas exports and Tajikistan relies on foreign aid for development. Both states have tribal cleavages within the state. This research attempts to discover the curse and blessing effect of resource revenues and foreign aid only. Therefore, political regime, existence of clannish cleavages, *rentier* state are controlled variables. The independent variables are two forms of external rents and presidents controlling de jure and de facto political powers. The dependent variables have already been established in the literature review section (Table 5).

The justification for the choice of these years is the data availability. In addition, in 2006 Niyazov, the first leader of Turkmenistan passed away. Thus, Turkmenistan had new elected president. The data series in the table below are extracted from the external rents and resource curse studies that was covered in Chapter 2 of the thesis. However, in this section the study includes numerical information of the indicators. Nevertheless, information is not perfect. Thus, some of the indicators have "Yes/No" 'degree'. Yet, this is the next best possible indicator that can be given based on the case study discussion above and available data on other economic indicators. The data for evaluation are extracted from the data obtained from World Bank. These tables are also presented in appendices. (Table 6a; 6b; 6c: Turkmenistan economic indicators and Table 9a; 9b; 9c:

Tajikistan economic indicators). Therefore, the effect of resource rents and foreign aid should be

observed in following indicators:

Series:	2006	2012
Heavy investment in		
development of resource		
sector		
High number of exists of		
private businesses		
Percentage of oil and gas		
rents		
Percentage of Imports of		
goods vs exports of goods		
Stagnation of agricultural		
sector (value added		
agriculture % GDP)		
Value added of Industry and		
Services (% of GDP)		
Military personnel (% of		
labor force)		
Total external debt		
Gross domestic savings (% of		
GDP)		
Overvaluation of exchange		
rates		
Low or no diversity of export		
sector		
Concentration of natural		
resource in one region		
Rich – poor regional		
cleavages over the		
distribution of resources		
Creates/intensifies violent		
form of political unrest/ civil		
war		
Threat for Secessionism		
Petrolization of the state		
General government final		
consumption expenditure (%		
OF GDP)		
Use budget for such a f		
High budget for supply of		
Social benefits for free. EX:		
Free health care, free		

education, low housing	
costs, cheap utilities and etc	
GDP growth rate	
Construction of luxurious	
infrastructure	
Executive branch dominance/	
cult of personality of the	
leader	
Autocratic regime	
Incumbent and challenger	
conflict	
Low freedom for citizens	
Dominant single party	
No or repressed opposition	

#### **3.3.1 Expected findings**

The major expectations of the research is to find deviations in the series given in the table above. According to the H0 "*More dependent is the state on foreign aid, less power it has over its distribution*", the research expects to find more observations in clannish disputes, protests, and power struggles in the government. Because, foreign aid in resource-poor state is the only form of resource that different powerful interest groups would demand some share. In addition, the state would have to adopt certain policies and reforms to show compliance to the terms and conditions of international donors. Moreover, the study expects to discover accumulation of external debts, higher import expenditure than income from export of outputs.

Regarding the state depending on resource rents, the study expects to discover less imports expenditure and higher export of outputs, investment toward development of agriculture, and domestic savings fund. The research also expects to find curse effects of external rents such as some external debt, high percentage resource rents in GDP, and fast GDP growth rate. The study anticipates finding similarities in persistence of autocratic ruling, suppression of opposition and the population, low level of freedom and violation of property rights in both case studies.

### 4 Chapter 4

It is important to understand who controls the distribution of resources in order to find which form of external rents, resource revenues or foreign aid, has more curse effects in Central Asia. According to Acemoglu Johnson and Robinson (2005) the actor possessing more resources, economic, military power and *etc*. have greater influence in shaping the political institutions and realizing his own economic goals. Thus, the section below tries to discover the actors with de jure and de facto political powers in Turkmenistan and Tajikistan who controls the distribution of resources and determine the trajectories of political institutions.

#### 4.1 Securing de jure political powers

All five Central Asian states adopted their constitutions in the period of 1992-1994. After three months of debates Turkmenistan was the first state in the region to declare the adoption of its first constitution. Before becoming an independent state, in Soviet era Turkmenistan was ruled by Turkmen leaders who were disciplined and trained under Russian system who were also called "Euroturkmens" (Kadyrov,1990 and 1993). After the collapse of the Soviet Union, Saparmurat Niyazov inherited this form of ruling in the new independent state. In other words, Niyazov selected his own subordinates who would be loyal to him. The supreme law constituted presidential system type government. Most of the policy making powers were given to the head of the state. Thus, Niyazov used his institutional power to combine the office of the prime minister and the president into one and secured the most of the de jure political powers. Therefore, according to Acemoglu, Johnson and Robinson (2005), Niyazov was the actor with the most share of institutional powers.

In Tajikistan, Qahhor Mahkamov became the first President of the new independent state. However, Mahkamov was forced to step down from the office; because, he supported failed Communist *coup d'etat*, August Coup, in Moscow. In addition, former first secretary of Communist party was incapable to deal with tribal conflicts and bad economic conditions. Regular protest turned into violent form of civil unrest.

After Mahkamov, Rahmon Nabiyev from Leninabada clan and another former communist leader took over the office. Rahmon Nabiyev's victory aggravated the tension between the clans as the latter blamed the former of mischiefs in elections. Thus the newly established government could not alleviate the clannish conflicts and set up its political foundations. Although, Nabiyev adopted policies to retain Islamic traditions, he rejected to recognize the opposition groups and adopt their reforms. Consequently, Tajikistan experienced second round of pro-government and antigovernment violence along with conflicts among Tajik clans. The second president also resigned from office. Akbarsho Iskandarov acted as the new head of state. Yet, Iskanadarov could not end the civil war and stepped down from office.

Finally, former *apparatchik* of Soviet *nomenklatura* and the speaker of the Parliament, Emamoli Rahmon succeeded into power. Sayed Abdullo Nuri from Untied Tajik Opposition and Rahmon were engaged in equal military deadlock until 1997. Althogh, Rahmon received strong support from Russia and Uzbekistan, neither Rahmon nor Nuri could end the war. Neither side had popular support from the citizens Yet, Rahmon was the first president to have successful adoption of the constitution, in 1994. The leader limited the public debate of the supreme law by placing censorship and excluding opposition groups (*Civil Society and Political Change in Asia: Expanding and Contracting Democratic Space*, 2004; Gill, 2002; Grzymala-Busse, n.d.; Møller, n.d.; Najman et al., 2008; R. W. T. Pomfret, 2006). Therefore, the proposal of presidential system resulted further division among the clans as well as between the government and the population. Nevertheless, in 1997 with involvement of external actors, such as UN, Russia and Iran, the Peace

Accord was signed. Although, the peace agreement was signed under the condition of sharing political powers with United Tajik Opposition, Rahmon managed to maintain the most of de jure political powers in his own hands by limiting opposition's access to decision making processes. Thus, according to Acemoglu, Johnson and Robinson's theory, Tajikistan's leader Rahmon, similar to Niyazov, controlled most of the de jure political powers. However, unlike Niyazov, Tajik leader did not have full control of de facto political powers. United Tajik Opposition was the main threat for Imamoli Rahmon.

#### 4.2 Control of de facto political powers

Elites of Turkmenistan and Tajikistan used para-constitutional methods in extending the terms in office. The leaders reargued that disoriented conditions after the collapse of the Soviet Union and transition of the economy required strong leadership and quick decision making (McGlinchey, 2009). In addition, they claimed that the priority of maintaining internal peace and stability as well as awareness of external threats were the reason for the presidents to expand their control.

In Turkmenistan, Niyazov established "Halk Maslahaty", People's Council. People's Council is not a legislative power. Yet, it can overrule President's and the parliament's decision. Thus, Halk Maslahaty is a de facto form of political power. However, in practice, this organization was closely linked to the head of state. In 1999, Halk Maslahaty promoted the president to the lifetime term. With this promotion, Niyazov fully established his influence in all the branches of the government. Although, institutionally natural resources remained under state control, Niyazov was the sole figure who controlled the distribution of hydrocarbon wealth. Because, the leader constantly altered the ministers. The president either re-appointed them to another sector or appointed new staff. In addition, in the period of establishing nation-state the president used his far-reaching authority to clear the state from Islamic activists and organized criminal organizations and other groups who could have protested for share of resources or oppose the against the extensive de facto powers of the president (Anderson, 2003; Gretsky, 2003; Najman et al., 2008; R. W. T. Pomfret, 2006). Nevertheless, Niyazov as a symbol of compliance to the constitution and international norms, lowered the threshold for the minimum number of members from 1000 to 500. The head of state adopted multiparty system. However, there has been only one dominant party until 2012, Democratic Party of Turkmenistan.

Tajikistan had similar symbolic acts which in practice functioned differently. After the presidential elections in 1999, Rahmon appointed many candidates from the opposition parties to the parliamentary election in order to show the foreign actors the intent of balance of powers. Another example, after the 9/11 in the US, Rahmon announced that it would join the international campaign against terrorism. Using this opportunity, Rahmon in practice was able to use and used militia to fight the opposition groups (Gretsky, 2003).Moreover, like Niyazon, the Tajik president limited the United Tajik Opposition from participating in public debates for adoption of policies and institutions.

Nevertheless, the number of present NGOs and international organizations in Tajikistan and Turkmenistan indicate that the elites should be to some degree constrained from using such paraconstitutional methods (The International Center for Not-for-Profit Law (ICNL)). Yet, ICNL reports that the number of active organizations is low in both Turkmenistan and Tajikistan. Some of the active organizations are funded by the national government or affiliated to it only because of the requirement of fulfilling the terms and conditions of foreign aid providers (ICNL), especially Tajikistan (Gretsky, 2003). Foreign aid donors warned that if Rahmon did not adopt policies to fight corruption, they were going to discontinue the flow of foreign aid. Nevertheless, there are certain organizations, such as women's rights watch that has been active and successful. However, such NGO's are limited from accessing and influencing to economic or political issues. Thus, the leaders of Turkmenistan and Tajikistan even restrained the access of NGOs to secure the de facto political powers.

Another reason for weak civil society and de facto powers in hands of the elite is division of regional clans/tribes (Ibid). This was especially more evident in Tajikistan which experienced civil war throughout the most of 1990s. The clans and Islamic activists in Leninabad, Kurgan-Tepe, Kulob and Gorno-Badakshan still remain fragmented to this day. Neither the civil society nor the NGOs could not reach unity in action concerning the clan/tribe divisions. In Tajikistan Leninabad, Kurgantepe, and Garma regions have tribal grudges against each other. In Turkmenistan, there are clannish divisions among capital and other five *welayats* (regions). There are eight main distinguished clans which also divide into smaller branches of tribes within the clans. These main tribes in the nation are: Geoklen, Bayandyr, Garadashly, Salyr, Chowdur, Arsari, Iomud and Tekke (Gretsky, 2003). All tribes both in Turkmenistan and Tajikistan speak the state national languages and capable of communicating and understanding each other but with the dialect which is associated to the particular region. However the struggle among the clans is not due to the dialects but rather because of certain pre-Soviet events (Ibid).

The Soviet Empire prioritized the internal peace and stability. Therefore, the communist government had been controlling over all the social activities and attempting to eliminate self-identity of the nations by all the methods including the terrorizing methods of secret police (Gretsky, 2003). Therefore, after gaining independence Turkmen and Tajik leaders promoted their own nationality to identify themselves as separate, independent nations in the world. This redeveloped the old clannish cleavages from pre-Soviet history.

In 19<sup>th</sup> century, for example, Turkmen clans were not in peace with each other. Khiva iomud wanted to weaken Tekke Turkmens. Therefore, they were in supported Russia when the Tsarist Army arrived to take over the lands of Tekke Turkmens in 1881. The Akhal Tekke Turkmens did not have military support in the Gokdepe battle from the Mary region Turkmens. This deepened the tension between the two clans. Iomud Turkmens also had similar story as Akhal Tekke Turkmens. Northern Iomud tribes did not provide any back-up to the southern Iomuds against the Russian army. In addition, after the submission of Tekke Turkmens, Russian Tsar rewarded the leaders of the Tekkes to please them and suppress the notion of secession. Tekke Turkmens were granted to wear sword in public area and be able to fight in front lines in wars (First World War). Promotion of Tekke Turkmens aggravated the tribal division among Turkmens. However, after emergence of Communist Soviet Union, the Soviet government forced the Turkmens to unite as a nation under one territory.

#### 4.3 Political institutions at (t) 1991

The central question of the constitutional debate in Tajikistan and Turkmenistan was the power of executive branch and the type of political system (R. W. T. Pomfret, 2006). The evolution of political systems outside, international recognition and independence from Soviet Empire, placed the elite in front of the dilemma of choosing democratic ruling or maintaining pluralist politics. Yet, both states chose the pluralist politics in order to attract more foreign aid for Tajikistan, and foreign direct investment for oil and gas sectors for Turkmenistan (R. Pomfret, 2006). In addition to the fact that neither of the Central Asian nations experienced democratic governance, the leaders of the states were skeptical and hesitant in committing to democratic form of ruling (Anderson, 2003; Najman et al., 2008). The heads of states feared the disruption of political stability within the state (R. Pomfret, 2006). Part of the skepticism was due to Gorbachev's attempt to adopt democratic elements of governance. Moreover, civil war in Tajikistan only increased these fears

and hesitations toward democracy. Therefore, both states adopted presidential systems with controlled form of regime. Most of the political institutions were inherited from Soviet era ruling, because, those were the only institutions that the former Communist Party elites of Turkmenistan and Tajikistan knew the best. Hence, Acemoglu, Johnson, and Robinson's (2005) theory on inheriting political institutions from previous existing government holds true in this research.

#### 4.4 Distribution of resources

Tajikistan commenced to reform its economy after 1997 signing the Peace Accord with other clans and Islamic groups. Tajik government decreased the government final consumption expenditure from 16.50% of GDP in 1997 to 9.52% in 1998 in order to stabilize its hyperinflation. Foreign trade, privatization and tax regulations were loosened and simplified. Both, big and small enterprises were allowed to be privatized. Tajik government adopted private farming. In 1999, the state started to see some positive growth from industrial and agricultural sectors (Table 9 b). In agriculture cotton and in industry aluminum were and still are the main exported goods. Even though economy was improving Tajik ruble was losings its power to the US dollar. Thus, Tajik government introduced .new currency Sommoni in year of 2000. Within five months the state changed to using Sommoni. Inflation increased to 30.21% from 23% but, declined in 2002 to 18.82%. Despite its positive growth, Tajikistan remains one of the poorest countries in the world. The state has the lowest average salary in Central Asian region, \$12-\$15 (Abazov, 2010).

Tajikistan is heavily dependent on foreign aid. During the civil war Russia provided necessary goods in addition to the credit. After the war, Tajikistan received foreign aid international organizations such as IMF, World Bank, and USAID. In 1998, World Bank provided \$50 million, IMF \$123 million and USAID \$20 million to reconstruct the city, buy food supply and promote

growth in Tajikistan. However, the high rates of corruption was undermining the flow of foreign aid. Rahmon used the advice of the NGO and fired several ministers and high ranked officials under the claims of fighting corruption. The president even agreed to aid the US, after 9/11, in providing land as a transit point for the US troops to fight war in Afghanistan. Later, the Tajik government announced that it would participate in international terrorist fighting campaign along with other western states. With such compliance and adjustments to the international terms and circumstances Tajik government also anticipated that the foreign actors would delay the debt payments (Cummings et.al, 2010). Nevertheless, the agreement to fight terrorism allowed Rahmon to use forces against opposition groups and further secure his powers.

Thus, applying the theory on the distribution of resources, it can be observed that Tajikistan did not have any resources to share. Even in 2006, according to the latest data available on cash deficit /surplus of the state, Tajikistan had deficit of -6.61% of GDP (Table 9c). Net official foreign aid and assistance, in 2006, increased to \$253,420,000 from \$148,110,000 in 2005 (Table 9c). GDP for the 2006 was \$2,076,148,710 (Table 9c). Yet, the gross national expenditure for the same year equaled to \$2,630,833,981.

Therefore, according to Acemoglu, Johnson and Robinson (2005) theory, there were scarce economic resources to distribute. The only distributable resource was cash from foreign aid. However, the elite did not have full control over the distribution of foreign aid. First, there were exiting clannish tensions. Second, the Tajik government did not control all the militia in the state. Third, foreign aid donors could discontinue the flow of foreign aid. It has been mentioned that Tajikistan experienced the threat on discontinuity of foreign aid if the elites did not manage the corruption in the state. Thus, the government had to act in attractive manner in order to maintain the flow of external financial assistance Unlike other central Asian states, Turkmenistan did not seek economic liberalization but rater economic independence. Therefore, the transition, from communism to nationalism, was rapid. The economic development of the state was dependent on the development of foreign policy and the decisions of the Turkmen leader, Saparmyrat Niyazov (R. Pomfret, 2006).

In 1993, Argentine company Bridas received a permission to develop onshore field for the extraction of gas. Later Lamarg Enry Group signed an agreement with Ceheleken, Turkmen state owned company to explore two offshore fields. In 1996, Malaysian company, Petronas, was granted an opportunity two develop three large offshore fields both in gas and oil extraction. In 1998, Monument Oil and Gas from UK in partnership with the US Mobil joined to exploration of hydrocarbon wealth in western part of Turkmenistan. Although, Turkmenistan invited foreign companies for the extraction of resources, the state managed the terms and conditions of the agreement.

Turkmenistan achieved price liberalization from Russian influence and aligned it to the world prices. This realized 50% more profit from the export of natural resources. Yet, Niyazov still retained price control to some extent. The President adopted a program "10 yil Abadanchylyk" or "10 years of Stability" which supplied the nation with free electricity, water, gas and low housing costs. The main export sectors of the state were and still are oil, gas and cotton. In the period of 1994-96, privatization procedures were taken place. This was the first privatization held in the state thus most of the companies were small size businesses. Approximately 1698 enterprises were privatized through auction and sales to the state institution employees.

The main objective of the Turkmen government was to establish independent economy. Thus, one of the main objectives was to diversify the economy, especially to have an ability to generate self-sufficient agricultural and food supplies. Therefore, Turkmen government allowed privatization of

a land. During Soviet Union the land was owned by the state and distributed to the individual and collective farmers with specific quota to fill. In 1997, by Niyazov's decree all the state lands were divided and allowed to be bought or leased by individual farmers. This increased the value added of the agriculture in GDP from 13.3% in 1996 to 21.6% in 1997 and 26.1% in 1998 (Table 6a & 6b). Considering the economic situation of farmers, state allowed to obtain ownership of the land based on farmer's performance, harvest. Moreover, the state established farmers' bank, "Dayhan Bank", which provided financial assistance to the agriculture sector.

Central Bank, in 1996-99, was granted some independence. The bank adopted tight monetary policy in order to bring the ongoing hyperinflation. As the result, in 1998 inflation decreased to 17.63% from 61.7% in 1997 (Table 6a). In 1999, however, Niyazov regained the control over the Central Bank. The fiscal and monetary policies were controlled by the executive branch. The public budget data was made unavailable either for public or for NGOs. Thus, Turkmenistan still inherited some elements of planned economy. Yet, the government did not regulate the prices of small businesses. Nevertheless, since the privatization of small and medium enterprises, none of the companies went bankrupt. Therefore, state assisted in building and maintaining small and medium size businesses.

Similar to Tajikistan, Turkmenistan also used external debt. However, unlike Tajikistan, Turkmenistan received long term debts. Fitch-Ibca or currently Fitch ratings, London credit rating agency, rated Turkmen economy with score B for currency stability and credit payment ability. The rating provided Turkmenistan with loans and investments from foreign governments, and organizations such as EBRD, Japan Overseas Economic Co-operation Fund and others. The investments and credits were directed toward developing oil and gas sector and other forms of infrastructure, such as improving the transportation routes in order to improve the access to and from Turkmenistan (R. Pomfret, 2006).

As the revenues from resources and foreign aid started pouring in, appearances of major cities in the state started to change with rapid pace. Palaces and buildings from white marbles with high ceilings, golden national ornaments and elements from Islamic traditional architecture started to appear all around the country. The social benefits increased; for example, with the birth of the third child in the family the state provides lump-sum (single large payment) in addition to the free health care; and with the birth of the fifth child, the family receives a new apartment in addition to monetary aid and free health care. In addition to the investment in infrastructure and development of social programs, Saparmurat Niyazov established savings fund in 2000. The gross domestic savings in the year of 2000 went to 49% of the GDP from 12.3% in 1999 (Table 6b).

Analyzing the given information on distribution of the resources in Turkmenistan, it can be observed that resources rents developed some of the resource curse symptoms such as patronage, investment in luxurious projects. Yet, unlike classic examples of resource curse phenomenon such as Venezule and Nigeria (Karl, 1997) Turkmenistan also invested in agriculture and direct flow of cash to savings fund. These two reforms assisted avoiding complete stagnation of the Turkmen economy and accumulating the risk of economic crises if prices for oil and gas were to fall in the world market. The study also attempted to analyze the military expenditure and advancement of Turkmen military in order to test further the application of resource curse. Unfortunately, there is no data on the military expenditure. Yet, military personnel (Table 6a; 6b & 6c) present that the personnel of the security forces did not significantly increase since independence. In fact it has been 1% of the labor force since 2005 (Table 6b & 6c).

In the process of research another finding has been discovered. The natural reserves in Turkmenistan are not concentrated in one region only.



Figure 4: Map of natural resources in Turkmenistan

Thus, all the "welayats", regions, benefited from the development of oil and gas fields. This could be another factor that assisted in avoiding civil war that Ross (2006) theorized in the subject of ethnic divisions and resource rents. In addition, in support of other past studies on the quality of institutions and ethnic divisions, Turkmenistan had and has strong resource management institutions. Although, these institutions are not in form of democratic ruling, they are strong political institutions which contribute to the stability and persistence of political regime

#### 4.5 Evaluation the curse/blessing degree of resource rents and foreign aid

This section concludes with systematic evaluation of curse/blessing degree of resource rents and foreign in Turkmenistan and Tajikistan for 2006 and 2012. The justification for the choice of these years is the data availability. In addition, in 2006 Niyazov, the first leader of Turkmenistan passed away. Thus, Turkmenistan had new elected president. The data series in the table below are extracted from the external rents and resource curse studies that was covered in Chapter 2 of the thesis. However, in this section the study includes numerical information of the indicators. Nevertheless, information is not perfect. Thus, some of the indicators have "Yes/No" 'degree'. Yet, this is the next best possible indicator that can be given based on the case study discussion above and available data on other economic indicators. The data for evaluation are extracted from the data obtained from World Bank. These tables are also presented in appendices. (Table 6a; 6b; 6c: Turkmenistan economic indicators and Table 9a; 9b; 9c: Tajikistan economic indicators). Hence, according to this data the evaluation of curse degree in Turkmenistan is presented in the following table:

i igure 5. i ur kinemstun resource curse degree								
Series:	2006	2012						
Heavy investment in	Yes							
development of resource								
sector								
High number of exists of	No	No						
private businesses								
Percentage of oil and gas	0% of GDP	31% of GDP						
rents								
Percentage of Imports of	35% vs 73% of GDP	44% vs 73% of GDP						
goods vs exports of goods								
Stagnation of agricultural	No (17% of GDP)	No (15% of GDP)						
sector (value added								
agriculture % GDP)								
Value added of Industry and	Industry: 36%	Industry: 48%						
Services (% of GDP)	Services: 46%	Services: 37%						
Military personnel (% of	1%	1%						
labor force)								

**Figure 5: Turkmenistan resource curse degree** 

Total external debt	Multilateral debt 3%	Multilateral debt: 9%
	Short term debt 15%	Short term: 18%
Gross domestic savings (% of GDP)	58%	76%
Overvaluation of exchange	No	No
rates		
Low or no diversity of export	No	No
sector		
Concentration of natural	No	No
resource in one region		
Rich – poor regional	No	No
cleavages over the		
distribution of resources		
Creates/intensifies violent	Non-existent	Non-existent
form of political unrest/ civil		
war		
Threat for Secessionism	No	No
<i>Petrolization</i> of the state	Yes	Yes
General government final	10%	9%
consumption expenditure (%		
of GDP)		
Central government debt	Not available	Not avialable
High budget for supply of	Yes	Yes
social benefits for free. Ex:		
Free health care, free		
education, low housing		
costs, cheap utilities and etc		
GDP growth rate	11%	11%
Construction of luxurious	Yes	Yes
infrastructure		
Executive branch dominance/	Yes	Yes
cult of personality of the		
leader		
Autocratic regime	Yes	Yes
Incumbent and challenger conflict	No incumbent	No incumbent
Low freedom for citizens	Yes	Yes
Dominant single party	Yes	Yes
No or repressed opposition	Yes	Yes

Thus, from the Table above, it can be concluded that the resource curse degree of Turkmenistan is less than what Mahdavy (1970), Karl (1997) and Ross (1999, 2001, and 2009) theorized in their

studies of hydrocarbon curse phenomenon. Turkmenistan managed its resource rents better than

Venezuela and Nigeria in 19th century (gross domestic savings, imports vs exports, agriculture

value added).

Evaluating curse effect of Tajikistan, the table shows the following results:

Series:	2006	2012
Heavy investment in	Non-existent	Non-existent
development of resource		
sector		
Number of registered private	849	1251
businesses		
Percentage of oil and gas	0%	0%
rents		
Percentage of Imports of	57% vs 23% of GDP	69% vs 22% of GDP
goods vs exports of goods		
Stagnation of agricultural	No (24% of GDP)	No (27% of GDP)
sector (value added		
agriculture % GDP)		
Value added of Industry and	Industry: 31%	Industry: 23%
Services (% of GDP)	Services: 45%	Services: 51%
Military personnel (% of	Not available	1%
labor force)		
Total external debt	Multilateral debt 56%	Multilateral debt: 27%
	Short term debt 3%	Short term: 0%
Gross domestic savings (% of	-20%	-28%
GDP)		
Overvaluation of exchange	Not available	Not available
rates		
Low or no diversity of export	No	No
sector		
Concentration of foreign aid	Not-available	Not-available
in one region		
Rich – poor regional	Yes	Yes
cleavages over the		
distribution of resources		
Creates/intensifies violent	Yes	Yes
form of political unrest/ civil		
war		
Threat for Secessionism	No	No
Foreign aid dependence	No	No

Figure 6: Evaluation of curse effects of foreign aid in Tajikistan

General government final	11%	9%
consumption expenditure (%		
of GDP)		
Central government debt	Not available	Not avialable
High budget for supply of	No	No
social benefits for free. Ex:		
Free health care, free		
education, low housing		
costs, cheap utilities and etc		
GDP growth rate	7%	8%
Construction of luxurious	No	No
infrastructure		
Executive branch dominance/	Yes	Yes
cult of personality of the		
leader		
Autocratic regime	Yes	Yes
Incumbent and challenger	Yes	Yes
conflict		
Low freedom for citizens	Yes	Yes
Dominant single party	Yes	Yes
No or repressed opposition	Yes	Yes

From the table above, it can be observed that Tajikistan has more curse symptoms from the dependence on foreign aid. The Tajik government does not have any flow of cash into savings fund. In addition, the state has more imports than exports. One of the curse attributes of external rents was the state increasing the expenditure on imports. Tajikistan spends has higher % of imports of its GDP. In addition, Tajik republic has bigger percentage of multilateral debt than Turkmenistan. Nevertheless, none of the states has stagnated agriculture sector. Yet, comparing the tables above, it can be observed that Turkmenistan has better development position and less curse effects than Tajikistan. Thus, it can be implied that the curse effects of resources in Central Asia is less than those of the foreign aid in resource-poor republics in the region.

#### **Conclusions.**

Most of the literature on *rentier* state argue that dependence on external rents hinder the socioeconomic development of the state (Mahdavy, 1970; Karl, 1997; Jones Luong and Weinthal, n.d.; Najman et al., 2008; Ramsay, 2011; Rosser, 2006; Ross, 1999).pdf," n.d.) Yet, most of the literature focus on macroeconomic effects of the hydrocarbon wealth. Thus, there is scarcely any study conducted on the contribution of resources, specifically in Central Asian region. Even more, there is hardly any study that compares the curse effects of two kinds of external rents, resource revenues and foreign aid in Central Asia since 1991. This research attempted to fill this gap.

In the first chapter, the study provided brief background on pre-Soviet, Soviet and post-Soviet history. The research presented how all five new independent states, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan developed since 1991. The second chapter defined the important concepts, such as *rentier* state, necessary preconditions and others. This section also covered literature review on *rentier* state, external rents and resource curse phenomenon. The section on past studies assisted to collect indicators to evaluate the curse effects of external rents in discussed republics. The second chapter concluded with theoretical framework of the research.

The research applied Acemoglu, Johnson, and Robinson's (2005) theory on the role of institutions in long term economic growth. This theory assisted in discovering the actors with the de jure and de facto political powers who also controlled the distribution of resources. The theory assisted to explain the choice in political and economic institutions in resource-rich Turkmenistan and resource-poor Tajikistan. The research also designed additional theory to explain the distribution of resources in Turkmenistan and Tajikistan. This theory assisted to map the flow of resources and discover curse attributes of resource revenues and foreign aid.

The chapter three provided methodology of the research. The research used the method of congruence and process tracing by reading the history forward. Method of congruence was applied to establish and find deviations in the same study variables. Process tracing allowed to investigate the deviations in the indicators. Reading the history forward was proposed by Capoccia and Ziblatt (2010). This method helped to compare and contrast how two states developed and evolved throughout the time. Thus, the description of events follows in ascending chronological order, from past to the present, instead of moving backward from present to past. The section concluded discussing the extracted and applied data in this research and description of independent and dependent variables.

The last chapter, fourth chapter of the research provided the empirical analysis of the research. In this section, the study attempted to answer the research question *Which form of external rents, resource revenues or foreign aid have had more curse effects in Central Asia?* The assumption of the study was that resource rich Central Asian states managed external rents better than Kyrgyzstan and Tajikistan with foreign aid and what the aforementioned classic scholars theorized on the hydrocarbon curse phenomenon. Therefore, the research question above had several separate sub-questions: *Who controls the distribution of resources? How did Central Asian states use their external rents?* And *in what aspects do the resource-abundant Central Asian states deviate from the findings of traditional external rent studies?* 

According to the theory, the research established that the president of Turkmenistan controlled the most of the de jure and de facto political powers. In addition, Niyazov controlled the distribution of the resources before the independence of Turkmenistan. The leader surround himself with his own selected subordinates and inherited Soviet era political institutions. Niyazov controlled the exports of gas and oil. Nevertheless, the president provided patronage and spent on building luxurious homes and palaces. Although, these are the examples of resource curse symptoms, the Turkmen elite did not stagnate all the producing sectors of the economy.

Turkmenistan did not hinder the development of agriculture and did not accumulate external debt. Instead, the President established savings fund with annual cash inflow of petrodollars. Turkmenistan paid off the long term external liabilities. In addition, Turkmenistan has maintained higher exports and lower expenditure on imports. Agriculture sector was promoted through land privatization and credit opportunities. The land ownership could also be obtained depending on the harvest of the farmer. In other words, farmers could pay the land ownership with harvest instead of cash. The indicators from Figure 5 imply that Turkmenistan did not lead the same resource boom path as did Venezuela and Nigeria in 19<sup>th</sup> century.

Comparing with Turkmenistan, Tajikistan mainly heavily relied on foreign aid. Although Tajikistan and Turkmenistan both had clannish divisions within the population, Tajik state was the one to experience civil war in 1990s. The tensions between clans and conflicts over the presidential office present that the elite did neither have full control over the da facto political powersnor over the distribution of resources.

Foreign aid is form of external rent. Like natural resources, it is not form of constant income and subject to the changing environment. In other words, the state or international arena could change the flow of the foreign aid. In addition, the depending state had to fulfill certain terms and conditions as well as comply international norms in order secure the flow of foreign aid. Tajikistan adopted 'fake' reforms to secure the foreign aid. For example, Rahmon adopted corruption fighting campaign and fired ministers from opposition groups. Another example, when Rahmon announced Tajikistan's joining international antiterrorist campaign. In practice, the Tajik leader mobilized his militia to further suppress the opposition groups. Thus, the foreign aid also developed *rentier* state and created rent seeking behavior of the elite. According to the figure 6, dependence on foreign aid had more curse effects than resource revenues in Turkmenistan. Although, Tajikistan had percentage of value added into GDP, Tajik government had negative savings and high percentage of multilateral debt (Figure 6). Moreover Tajikistan had more expenditure than production of goods. The state spent more on imports of goods than to the exports of outputs. Therefore, in comparison with Turkmenistan, it can be established that resource revenues had less curse effects than that of foreign aid.

This research has its own weaknesses. The first weakness is non-availability of the data. Central Asian states limit the access of the data. In addition, all the official international organizations such as World Bank state that the data could have wrong indicator. In addition, this research provides episodes of events. The curse effects of external rents are also presented in snapshot. In other, words, the study does not provide year to year curse degree of natural resource rents and foreign aid. Moreover, the degree of curses is not in measured in numerical degrees. Thus, the study could be further researched using positivist approach.

Nevertheless, this case study has its own advantages. This research, for the first time, provides comparison of curse effects of resource rents and foreign aid in Central Asia since 1991. Moreover, the study tests Turkmenistan and Tajikistan according to the classical external rent studies. Last, but not the least, the research expands rentier state, external rents and resource curse studies.

# **Appendices:**

**NOTE**: This appendices provides tables mentioned in the text. Table of country economic indicators show the data from 1991 to 2013. Although, the research does not refer to all the years, the data is shown to present updated information. The data in this appendices are extracted from World Bank with selected series, time. The time period of the data is from 1991 to 2013. The remaining two years are unavailable in all, including IMF, OSCE, and CIA databanks. Information of Turkmenistan and Tajikistan are presented with extended series for systematic comparison purposes. The data on the other three economies are provided with basic economic indicators.

Series:	2006	2009
Heavy investment in		
development of resource		
sector		
Dominating percentage of oil		
and gas exports		
High imports of goods		
Stagnation of agricultural sector		
High expenditure on military		
High total external debt		
Low or no gross domestic savings		
Low investment in public capital stock		
Overvaluation of exchange rates		
Low or no diversity of export sector		
Concentration of natural resource in one region		
Creates rich – poor regional cleavages over the distribution of resources		
Creates/intensifies violent		
form of political unrest/ civil		
war		
Threat for Secessionism		
Petrolization of the state		
High general government final consumption expenditure		
Central government debt		

Table 5: The sample for systematic table of resource curse symptoms

High budget for supply of	
social benefits for free. Ex:	
Free health care, free	
education, low housing	
costs, cheap utilities and etc	
If price for oil falls, high	
general government final	
consumption expenditure	
High GDP growth rate	
Construction of luxurious	
infrastructure	
Executive branch	
dominance/ cult of	
personality of the leader	
Autocratic regime	
Incumbent and challenger	
conflict	
Low freedom for citizens	
Dominant single party	
No or repressed opposition	

## Table 6a: Turkmenistan Economic indicators (World Bank)

· · · · · · · · · · · · · · · · · · ·	1990 💌	1991 🔻	1992 💌	1993 💌	1994 💌	1995 💌	1996 💌	1997 💌
Population, total	3,668,000	3,772,350.0	3,881,973.0	3,991,917.0	4,095,512.0	4,188,010.0	4,267,690.0	4,335,991.0
Population growth (annual %)	3	2.8	2.9	2.8	2.6	2.2	1.9	1.6
GNI, PPP (current international \$)				17,782,518,341.2	15,445,198,173.1	14,232,938,855.3	15,457,912,909.9	14,312,505,228.0
GNI per capita, PPP (current international \$)				4,450.0	3,770.0	3,400.0	3,620.0	3,300.0
GDP (current US\$)	3,232,066,837	3,197,224,007.4	3,200,539,816.1	3,179,225,948.6	2,561,118,608.4	2,482,228,439.7	2,379,281,768.0	2,450,084,970.2
GDP growth (annual %)	35	(4.6)	(15.0)	1.5	(17.3)	(7.2)	6.7	(11.4)
Inflation, GDP deflator (annual %)	-21	102.8	3,100.0	1,134.0	952.3	705.7	1,014.3	61.7
Agriculture, value added (% of GDP)	32	32.3	10.6	19.4	34.0	17.2	13.3	21.6
Industry, value added (% of GDP)	30	31.0	11.9	64.0	46.7	62.6	68.8	48.0
Services, etc., value added (% of GDP)	38	36.7	77.5	16.6	19.3	20.2	17.8	30.4
Exports of goods and services (% of GDP)		38.7	67.1	84.7	85.0	84.0	74.6	42.7
Imports of goods and services (% of GDP)		26.8	38.2	61.4	85.3	84.2	75.4	68.5
Domestic credit provided by financial sector (% of GDP)				24.9	(16.7)	1.1	(19.1)	8.4
Military expenditure (% of GDP)					1.8	2.3	2.0	4.0
Merchandise trade (% of GDP)					141.1	130.7	126.5	91.0
Total debt service (% of exports of goods, services and primary income)							10.2	22.1
Foreign direct investment, net inflows (BoP, current US\$)				79,000,000.0	103,000,000.0	233,000,000.0	108,060,000.0	107,860,000.0
Net official development assistance and official aid received (current US\$)			6,590,000.0	31,090,000.0	26,580,000.0	30,700,000.0	23,640,000.0	20,700,000.0
Armed forces personnel (% of total labor force)			2.0	1.9	1.0	0.7	1.2	1.1
External debt stocks (% of GNI)				8.6	16.3	16.1	31.6	73.6
Final consumption expenditure, etc. (% of GDP)	72	66.7		39.8			51.4	87.2
Foreign direct investment, net inflows (% of GDP)				2.5	4.0	9.4	4.5	4.4
Fuel exports (% of merchandise exports)								76.5
GINI index (World Bank estimate)				35.4				
General government final consumption expenditure (% of GDP)	23	22.8		10.8	8.5	11.9	7.8	13.2
Gross domestic savings (% of GDP)	28	33.3		60.2			48.6	12.8
Gross domestic savings (current US\$)	893,071,100	1,065,741,335.8		1,915,465,637.8			1,156,570,718.2	314,168,486.0
Gross national expenditure (% of GDP)	113	112.6		76.7			100.8	125.9
Gross national expenditure (constant 2005 US\$)		7,288,823,797.2	5,595,243,890.1	5,878,374,710.0	5,483,545,610.3	5,086,268,864.7	5,440,559,904.4	5,436,431,844.4
Gross savings (% of GNI)							49.2	14.5
Gross savings (% of GDP)							49.5	15.0
Health expenditure, total (% of GDP)						3.1	3.1	5.0
Health expenditure, public (% of government expenditure)						9.2	13.9	13.9
Household final consumption expenditure, etc. (% of GDP)	49	43.9		29.0			43.6	74.0
Manufacturing, value added (% of GDP)				5.5	28.6	40.5	25.5	24.8
Merchandise exports (current US\$) 5					2,145,000,000.0	1,880,000,000.0	1,695,000,000.0	1,000,000,000.0
Multilateral debt (% of total external debt)				9.1	12.4	14.5	0.4	1.0
Net flows on external debt, long-term (NFL, current USS)				231,082,000.0	65,392,000.0	32,752,000.0	91,498,000.0	886,574,000.0
Net flows on external debt, short-term (NFL, current US\$)				-	-	(72,000,000.0)	264,180,000.0	247,820,000.0
Net official development assistance received (current U			6,590,000.0	31,090,000.0	26,580,000.0	30,700,000.0	23,640,000.0	20,700,000.0
Oil rents (% of GDP)					14.4	15.9		24.0
Short-term debt (% of total external debt)				-	19.7	4.3	37.9	28.3
Total debt service (% of GNI)				0.3	3.8	4.2	8.1	10.5
Total natural resources rents (% of GDP)	0	-	-	-	77.8	76.4	-	65.3
Created from: World Development Indicators Country : Turkmenistan		· · · · · · · · · · · · · · · · · · ·						

## Table 6b: Turkmenistan Economic indicators (World Bank)

	1998 💌	1999 👻	2000 -	2001 -	2002 -	2003 -	2004 💌	2005 💌
Population, total	4 395 293 0	4 449 427 0	4 501 419	4 551 762 0	4 600 171 0	4 648 037 0	4 696 876 0	4 747 839
Population growth (annual %)	1 4	1.2	1	1.1	1 1	1.0	1.0	1
CNI_PPP (current international \$)	15 164 207 109 5	17 656 355 319 7	17 925 694 102	19 768 611 327 2	20 171 144 244 5	21 559 379 580 7	23 198 161 959 4	25 586 965 571
GNI per capita PPP (current international \$)	3 450 0	3 970 0	3 980	4 340 0	4 380 0	4 640 0	4 940 0	5 390
CDP (current US\$)	2 605 688 065 1	2 450 686 659 8	2 904 662 605	3 534 771 968 5	4,588.0	5 977 440 582 8	6 838 351 088 5	8 104 355 717
CDP growth (annual %)	2,005,000,005.1	2,450,000,057.0	2,304,002,003	1 3	0.3	3,777,440,502.0	5.0	13
Inflation CDP deflator (annual %)	17.6	23.0	23	32.3	25.2	2.5	18.3	7
Agriculture value added (% of CDP)	26.2	25.0	23	24.4	23.2	20.3	10.5	19
Industry, value added (% of CDP)	42.2	46.0	44	44.3	42.0	41.3	40.1	38
Samiana ata valua addad (% of CDD)	42.2	40.0	21	21.4	42.4	41.5	40.1	30
Exports of goods and services (% of CDP)	31.0	56.1	96	81.4	55.0 69.0	62.3	40.4	44
Exports of goods and services (% of GDP)	32.7		90	76.0	52.4	56.6	50.5	00
Imports of goods and services (% of GDF)	70.8	65.5	01	70.9	55.4	50.0	59.5	40
Domestic credit provided by financial sector (% of GDP)	25.2	26.2	27	18.6				
Military expenditure (% of GDP)	3.1	2.9						
Merchandise trade (% of GDP)	60.3	108.7	148	140.0	111.4	102.8	105.1	97
Total debt service (% of exports of goods, services and primary income)								
Foreign direct investment, net inflows (BoP, current US\$)	62,300,000.0	125,000,000.0	131,000,000	170,000,000.0	276,000,000.0	226,000,000.0	353,700,000.0	418,200,000
Net official development assistance and official aid received (current US\$)	27,410,000.0	24,980,000.0	35,300,000	75,260,000.0	43,730,000.0	28,560,000.0	54,260,000.0	30,370,000
Armed forces personnel (% of total labor force)	1.2	1.1	1	1.0	1.0	1.6	1.4	1
External debt stocks (% of GNI)	90.9	111.7	96	68.8	47.7	31.3	24.2	15
Final consumption expenditure, etc. (% of GDP)	92.7	87.7	51	63.8	56.8	68.9	74.8	60
Foreign direct investment, net inflows (% of GDP)	2.4	5.1	5	4.8	6.2	3.8	5.2	5
Fuel exports (% of merchandise exports)	58.5	64.1	81					
GINI index (World Bank estimate)	40.8							
General government final consumption expenditure (% of GDP)	16.2	11.9	14	11.4	11.1	12.0	12.7	13
Gross domestic savings (% of GDP)	7.3	12.3	49	36.2	43.2	31.1	25.2	40
Gross domestic savings (current US\$)	191,453,084.0	301,761,102.2	1,432,040,749	1,280,970,259.0	1,927,720,986.5	1,859,889,829.1	1,721,487,431.0	3,255,381,488
Gross national expenditure (% of GDP)	138.1	127.4	85	95.5	84.4	94.3	97.9	83
Gross national expenditure (constant 2005 US\$)	6,137,886,470.9	6,663,027,725.7	5,897,368,378	6,434,915,417.7	5,913,876,244.4	6,487,507,144.1	7,024,435,311.6	6,706,355,717
Gross savings (% of GNI)								
Gross savings (% of GDP)								
Health expenditure, total (% of GDP)	5.0	3.9	4	3.9	3.3	3.9	4.0	4
Health expenditure, public (% of government expenditure)	14.2	12.3	14	13.7	13.5	14.0	12.8	10
Household final consumption expenditure, etc. (% of GDP)	76.4	75.8	36	52.3	45.7	56.8	62.1	47
Manufacturing, value added (% of GDP)	18.0	18.1	11	14.6	15.3	18.6	21.7	
Merchandise exports (current US\$)	590.000.000.0	1,187,000,000,0	2.506.000.000	2,700,000,000.0	2,850,000,000,0	3.632.000.000.0	3,870,000,000,0	4.944.000.000
Multilateral debt (% of total external debt)	1.6	0.9	2	2.3	2.6	2.6	2.8	3
Net flows on external debt, long-term (NFL, current US	486,859,000.0	336,048,000.0	77,145,000	(277,839,000.0)	(374,187,000.0)	(240,174,000.0)	(225,855,000.0)	-172,395,000
Net flows on external debt, short-term (NFL, current US\$)	(17,630,000.0)	(198,300,000.0)	-78,760,000	154,510,000.0	(38,942,000.0)	(49,878,000.0)	(41,000,000.0)	-108,000,000
Net official development assistance received (current U	27,410,000.0	24,980,000.0	35,300,000	75,260,000.0	43,730,000.0	28,560,000.0	54,260,000.0	30,370,000
Oil rents (% of GDP)	15.0	26.3						
Short-term debt (% of total external debt)	21.3	11.4	9	16.5	16.7	16.0	15.6	13
Total debt service (% of GNI)	12.2	13.7	17	15.9	12.9	7.6	6.1	4
Total natural resources rents (% of GDP)	37.7	60.7	0	0.0	0.0	0.0	0.0	0
Created from: World Development Indicators								
Country : Turkmenistan								

### Table 6c: Turkmenistan Economic indicators (World Bank)

	2006 -	2007 🚽	2008 -	2009 👻	2010 👻	2011 -	2012 -	2013 -
Population, total	4 801 595	4 858 236	4 917 543	4 978 962	5 041 995	5 106 668	5 172 931	5 240 072
Population growth (annual %)	1	1	1,011,010	1	1	1	1	1
CNI PPP (current international \$)	30 530 349 762	34 828 112 750	39 670 183 914	42 045 427 586	45 318 853 001	51 349 130 638	57 151 217 694	67 713 366 070
$\frac{O(1, 1, 1, 1)}{O(1, 1, 1)} \text{ (current international $)}$	6 360	7 170	8 070	8 440	8 990	10,060	11 050	12 920
CDP (current US\$)	10 277 598 152	12 664 165 103	19 271 523 179	20 214 385 965	22 148 070 175	29 233 333 333	35 164 210 526	41 850 877 193
CDP growth (oppual %)	10,277,000,102	11	15,271,525,175	20,214,000,000	22,140,070,170	25,255,555,555	11	10
Inflation CDD deflator (annual 9/)	12		10	10	3	15	0	10
A second se	12	9	10	10	15	15	15	0
Agriculture, value added (% of GDP)	17	19	12	12	15	15	10	
Industry, value added (% of GDP)	30	30	34	54	40	40	40	
Services, etc., value added (% of GDP)	40	43	34	34	37	37	37	
Exports of goods and services (% of GDP)	73	75	64	/5	/8	/5	13	
Imports of goods and services (% of GDP)	35	39	40	45	45	44	44	
Domestic credit provided by financial sector (% of GDP)								
Military expenditure (% of GDP)								
Merchandise trade (% of GDP)	95	99	91	58	55	70	75	67
Total debt service (% of exports of goods, services and primary income)								
Foreign direct investment, net inflows (BoP, current US\$)	730,900,000	856,000,000	1,277,000,000	4,553,000,000	3,631,000,000	3,399,000,000	3,117,000,000	3,061,000,000
Net official development assistance and official aid received (current US\$)	40,710,000	28,480,000	18,130,000	39,840,000	44,650,000	38,680,000	38,030,000	37,320,000
Armed forces personnel (% of total labor force)	1	1	1	1	1	1	1	1
External debt stocks (% of GNI)	10	7	4	3	3	2	2	1
Final consumption expenditure, etc. (% of GDP)	42	45	45	24	15	17	24	
Foreign direct investment, net inflows (% of GDP)	7	7	7	23	16	12	9	7
Fuel exports (% of merchandise exports)								
GINI index (World Bank estimate)								
General government final consumption expenditure (% of GDP)	10	9	7	10	9	9	9	
Gross domestic savings (% of GDP)	58	55	55	76	85	83	76	
Gross domestic savings (current US\$)	5.927.152.552	7.002.534.709	10.673.072.848	15.353.903.860	18.906.903.339	24.291.915.182	26.747.624.689	
Gross national expenditure (% of GDP)	62	63	76	71	68	69	71	
Gross national expenditure (constant 2005 US\$)	5 070 168 136							
Gross savings (% of GNI)								
Gross savings (% of GDP)								
Health expenditure total (% of GDP)	3	2	2	2	2	2	2	2
Health expenditure, public (% of government expenditure)	10	10	9	9	9	9	9	9
Household final consumption expenditure, etc. (% of GDP)	32	36	37	14	5	8	15	
Manufacturing value added (% of GDP)								
Marahandisa exports (current US\$)					6 500 000 000		 16 500 000 000	 18.000.000.000
Multilateral data (% of total outcome l data)	7,150,000,000	0,932,100,000	11,944,700,000	3,000,000,000	0,500,000,000	13,000,000,000	10,500,000,000	18,000,000,000
	3	3	3	3	3	3	9	- 10
Net flows on external debt, long-term (NFL, current USS)	-206,948,000	-127,424,000	-114,947,000	-111,204,000	-117,348,000	-76,489,000	13,647,000	17,432,000
Net flows on external debt, short-term (NFL, current US\$)	6,000,000	-58,000,000	-40,000,000	24,000,000	-20,000,000	-7,000,000	44,000,000	-26,000,000
Net official development assistance received (current (5))	40,710,000	28,480,000	18,130,000	39,840,000	44,650,000	38,680,000	38,030,000	37,320,000
Oil rents (% of GDP)				18	22	23	19	16
Short-term debt (% of total external debt)	15	11	7	11	10	11	18	13
Total debt service (% of GNI)	3	2	1	1	1	1	0	0
Total natural resources rents (% of GDP)	0	0	0	41	45	49	37	31
Created from: World Development Indicators Country : Turkmenistan								

## Table 7a: Kazakhstan economic indicators (World Bank)

Population, total         16,348,000         16,450,000.         16,330,419.0         16,095,199.0         15,815,62.0         15,577,84.0         15,533,703.0         15,071,300.0         14,928,426.0           Population growth (annual %)         20,332,728.09         24,881,1355.86         24,906,939,501.0         23,409,027,475.7         21,250,839,258.1         20,373,70,047.1         21,053,357,832.8         22,165,920.00         22,135,245.13         16,870,113.48           ODP growth (annual %)           .0.110         (G.3)         .0.22         12,053         20,373,070,471         21,053,37,832.8         22,165,920.00         22,135,245.13         16,870,871,114.88           ODP growth (annual %)	×	1990 💌	1991 💌	1992 💌	1993 💌	1994 🔽	1995 🔽	1996 🔽	1997 🗾	1998 💌	1999 🔽
Population growth (annual %)         (1)         (0,0)         (0,1)         (1,1)         (1,0)         (	Population, total	16,348,000	16,450,500.0	16,439,095.0	16,330,419.0	16,095,199.0	15,815,626.0	15,577,894.0	15,333,703.0	15,071,300.0	14,928,426.0
GDP (current US\$)         26,932,728.89         24,881,135,586.4         24,906,939,560.1         23,09,027,475.7         21,250,839,288.1         20,374,307,047.1         21,055,357,832.8         22,165,932,063.0         22,135,245,413.2         16,870,817,134.8           GDP growth (annual %) <t< th=""><th>Population growth (annual %)</th><th>1</th><th>0.6</th><th>(0.1)</th><th>(0.7)</th><th>(1.5)</th><th>(1.8)</th><th>(1.5)</th><th>(1.6)</th><th>(1.7)</th><th>(1.0)</th></t<>	Population growth (annual %)	1	0.6	(0.1)	(0.7)	(1.5)	(1.8)	(1.5)	(1.6)	(1.7)	(1.0)
GDP growth (annual %)         (11.0)         (5.3)         (9.2)         (12.6)         (8.2)         0.5         1.7         (1.9)         2.7           Infation, GDP deflator (annual %)          96.4         1,47.2         1,243.5         1,546.7         100.9         38.9         16.1         5.7         13.3           Agriculture, value added (% of GDP)          0         26.7         17.5         15.5         12.9         12.8         16.1         5.7         13.3           Industry, value added (% of GDP)          0         28.7         14.1         0.44.5         39.0         31.3         34.9         30.3         44.2.5           Services, et., value added (% of GDP)          0         77.0         37.9         37.1         39.0         35.3         34.9         30.3         42.5           Imports of goods and services (% of GDP)          0         0         0         0         0         0         0         0.8         0.2.5         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8         0.2.8 <t< th=""><th>GDP (current US\$)</th><th>26,932,728,899</th><th>24,881,135,586.4</th><th>24,906,939,560.1</th><th>23,409,027,475.7</th><th>21,250,839,258.1</th><th>20,374,307,047.1</th><th>21,035,357,832.8</th><th>22,165,932,063.0</th><th>22,135,245,413.2</th><th>16,870,817,134.8</th></t<>	GDP (current US\$)	26,932,728,899	24,881,135,586.4	24,906,939,560.1	23,409,027,475.7	21,250,839,258.1	20,374,307,047.1	21,035,357,832.8	22,165,932,063.0	22,135,245,413.2	16,870,817,134.8
Inflation, GDP deflator (annual %)        96.4       1,472.2       1,243.5       1,546.7       160.9       38.9       16.1       5.7       13.3         Agriculture, value added (% of GDP)        0       26.7       17.5       15.5       12.9       12.8       12.0       9.1       10.5         Industry, value added (% of GDP)        0       44.6       39.4       40.0       31.4       26.9       26.8       31.2       34.9         Services, etc., value added (% of GDP)        0       28.7       43.1       044.5       55.7       60.3       61.2       59.7       64.6         Exports of goods and services (% of GDP)        0       75.3       46.7       47.1       39.0       35.3       34.9       30.3       42.5         Imports of goods and services (% of GDP)        0       10.1       75.3       46.7       47.1       43.5       36.0       37.4       34.9       40.1         Revenue, excluding grants (% of GDP)        0       10.1       43.5       36.0       37.4       34.9       40.1         Cash suplus/deficit (% of GDP)        0       10.0       10.1       11.8       (2.8) <th>GDP growth (annual %)</th> <th></th> <th>(11.0)</th> <th>(5.3)</th> <th>(9.2)</th> <th>(12.6)</th> <th>(8.2)</th> <th>0.5</th> <th>1.7</th> <th>(1.9)</th> <th>2.7</th>	GDP growth (annual %)		(11.0)	(5.3)	(9.2)	(12.6)	(8.2)	0.5	1.7	(1.9)	2.7
Agriculture, value added (% of GDP)        26.7       17.5       15.5       12.9       12.8       12.0       9.1       10.5         Industry, value added (% of GDP)        44.6       39.4       40.0       31.4       26.9       26.8       31.2       34.9         Services, etc., value added (% of GDP)        28.7       43.1       44.5       55.7       66.3       61.2       59.7       54.6         Exports of goods and services (% of GDP)        77.0       37.1       39.0       35.3       34.9       30.3       42.5         Imports of goods and services (% of GDP)        77.3       46.7       47.1       43.5       36.0       37.4       34.9       40.1         Revenue, excluding grants (% of GDP)        77.3       46.7       47.1       43.5       36.0       37.4       43.9       40.1         Revenue, excluding grants (% of GDP)        0       0       0       0       11.2       86.7       77.7         Gash surplus/deficit (% of GDP)        0       49.6       29.1       9.5       7.9       6.5       87.7       10.1         Tax revenu (% of GDP)        0       0	Inflation, GDP deflator (annual %)		96.4	1,472.2	1,243.5	1,546.7	160.9	38.9	16.1	5.7	13.3
Industry, value added (% of GDP)        44.6       39.4       40.0       31.4       26.9       26.8       31.2       34.9         Services, etc., value added (% of GDP)        28.7       43.1       44.5       55.7       60.3       61.2       59.7       54.6         Exports of goods and services (% of GDP)        74.0       37.9       37.1       39.0       35.3       34.9       30.3       44.5         Imports of goods and services (% of GDP)        77.0       77.0       77.1       43.5       36.0       37.4       34.9       40.1         Revenue, excluding grants (% of GDP)         77.0       77	Agriculture, value added (% of GDP)			26.7	17.5	15.5	12.9	12.8	12.0	9.1	10.5
Services, etc., value added (% of GDP)          28.7         43.1         44.5         55.7         60.3         61.2         59.7         54.6           Exports of goods and services (% of GDP)          74.0         37.9         37.1         39.0         35.3         34.9         30.3         42.5           Imports of goods and services (% of GDP)          75.3         46.7         47.1         43.5         36.0         37.4         34.9         40.1           Revenue, excluding grants (% of GDP)          Construction of goods and services (% of GDP)          Construction of goods (% of GDP) <th>Industry, value added (% of GDP)</th> <th></th> <th></th> <th>44.6</th> <th>39.4</th> <th>40.0</th> <th>31.4</th> <th>26.9</th> <th>26.8</th> <th>31.2</th> <th>34.9</th>	Industry, value added (% of GDP)			44.6	39.4	40.0	31.4	26.9	26.8	31.2	34.9
Exports of goods and services (% of GDP)          74.0         37.9         37.1         39.0         35.3         34.9         30.3         42.5           Imports of goods and services (% of GDP)          75.3         46.7         47.1         43.5         36.0         37.4         34.9         40.1           Revenue, excluding grants (% of GDP)          Combined in the second secon	Services, etc., value added (% of GDP)			28.7	43.1	44.5	55.7	60.3	61.2	59.7	54.6
Imports of goods and services (% of GDP)          75.3         46.7         47.1         43.5         36.0         37.4         34.9         40.1           Revenue, excluding grants (% of GDP) <th<< th=""><th>Exports of goods and services (% of GDP)</th><th></th><th></th><th>74.0</th><th>37.9</th><th>37.1</th><th>39.0</th><th>35.3</th><th>34.9</th><th>30.3</th><th>42.5</th></th<<>	Exports of goods and services (% of GDP)			74.0	37.9	37.1	39.0	35.3	34.9	30.3	42.5
Revenue, excluding grants (% of GDP)          Image: constraint of the sector (% of GDP)          Image: constraint of the sector (% of GDP)         Image:	Imports of goods and services (% of GDP)			75.3	46.7	47.1	43.5	36.0	37.4	34.9	40.1
Cash surplus/deficit (% of GDP)          Image: Cash surplus/deficit (% of GDP)	Revenue, excluding grants (% of GDP)								14.0	11.2	8.6
Domestic credit provided by financial sector (% of GDP)          description         49.6         29.1         9.5         7.9         6.5         8.7         10.1           Tax revenue (% of GDP)	Cash surplus/deficit (% of GDP)								(1.8)	(2.5)	(2.8)
Tax revenue (% of GDP)        Image: Constraint of Const	Domestic credit provided by financial sector (% of GDP)				49.6	29.1	9.5	7.9	6.5	8.7	10.1
Military expenditure (% of GDP)        Image: Constraint of Constraint	Tax revenue (% of GDP)								6.8	7.3	7.7
Merchandise trade (% of GDP)          (Merchandise trade (% of GDP)         (Merchandise trade (% of GDP))         (Merchandise trade (% of GDP))         (Merchandise trade (% of GDP))         (Merchandise trade (% of exports of goods, services (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exports of goods, services and primary income)         (Merchandise trade (% of exportse (% of e	Military expenditure (% of GDP)				1.0	0.9	1.1	1.2	1.1	1.1	0.9
Total debt service (% of exports of goods, services and primary income)	Merchandise trade (% of GDP)					32.0	44.5	48.3	48.7	43.6	56.5
Services and primary income?         Image: Contract of the primary income?         Image: Contrent o	Total debt service (% of exports of goods,						3.9	4.6	6.2	14.4	19.6
Foreign direct investment, net inflows (BoP, current US\$)        100,000,000.0       1,271,400,000.0       659,700,000.0       964,200,000.0       1,321,400,000.0       1,151,400,000.0         Net official development assistance and official aid received (current US\$)        111,500,000.0       12,070,000.0       15,350,000.0       53,270,000.0       124,450,000.0       141,150,000.0       124,980,000.0	Personal remittances, received (current US\$)						116 099 998 5	89 099 998 5	59 500 000 0	72,300,003,1	64 000 000 0
Net official development assistance and official aid received (current US\$)          111,500,000.0         12,070,000.0         53,270,000.0         64,830,000.0         124,450,000.0         141,150,000.0         223,260,000.0         174,980,000.0	Foreign direct investment, net inflows (BoP, current US\$)			100,000,000.0	1,271,400,000.0	659,700,000.0	964,200,000.0	1,137,000,000.0	1,321,400,000.0	1,151,400,000.0	1,587,000,000.0
	Net official development assistance and official aid received (current US\$)		111,500,000.0	12,070,000.0	15,350,000.0	53,270,000.0	64,830,000.0	124,450,000.0	141,150,000.0	223,260,000.0	174,980,000.0

Created from: World Development Indicators

Country : Kazakhstan

CEU eTD Collecti

## Table 7b: Kazakhstan economic indicators (World Bank)

×	2000 💌	2001 💌	2002 💌	2003 💌	2004 💌	2005 🔽	2006 💌	2007 🔽	2008 💌
Population, total	14,883,626	14,858,335.0	14,858,948.0	14,909,018.0	15,012,985.0	15,147,029	15,308,084	15,484,192	15,674,000
Population growth (annual %)	0	(0.2)	0.0	0.3	0.7	1	1	1	1
GDP (current US\$)	18,291,990,619	22,152,689,129.6	24,636,598,581.0	30,833,692,831.4	43,151,647,002.6	57,123,671,734	81,003,864,916	104,849,886,826	133,441,612,247
GDP growth (annual %)	10	13.5	9.8	9.3	9.6	10	11	9	3
Inflation, GDP deflator (annual %)	17	10.2	5.8	11.7	16.1	18	22	16	21
Agriculture, value added (% of GDP)	9	9.4	8.6	8.4	7.6	7	6	6	6
Industry, value added (% of GDP)	40	38.8	38.6	37.6	37.6	40	42	41	43
Services, etc., value added (% of GDP)	51	51.8	52.8	53.9	54.8	53	52	53	51
Exports of goods and services (% of GDP)	57	45.9	47.0	48.4	52.5	53	51	49	57
Imports of goods and services (% of GDP)	49	47.0	47.0	43.0	43.9	45	40	43	37
Revenue, excluding grants (% of GDP)	11	11.4	13.2	13.9	15.1				
Cash surplus/deficit (% of GDP)	0	0.1	0.3	(0.6)	0.2				
Domestic credit provided by financial sector (% of GDP)	12	11.6	13.1	14.8	21.1	25	32	41	54
Tax revenue (% of GDP)	10	9.6	12.1	13.1	13.9				
Military expenditure (% of GDP)	1	1.0	1.0	1.0	1.0	1	1	1	1
Merchandise trade (% of GDP)	76	68.1	66.0	69.2	76.2	79	76	77	82
Total debt service (% of exports of goods, services and primary income)	32	32.4	34.9	34.8	38.0	42	33	49	42
Personal remittances, received (current US\$)	121,802,437	171,272,735.6	204,929,046.6	147,501,953.1	165,835,662.8	62,021,921	83,589,870	142,991,414	125,570,547
Foreign direct investment, net inflows (BoP, current US\$)	1,282,524,399	2,834,998,600.0	2,590,217,570.0	2,092,028,800.0	4,157,208,487.0	2,546,065,710	7,611,168,450	11,972,842,989	16,818,890,680
Net official development assistance and official aid received (current US\$)	189,190,000	157,000,000.0	187,420,000.0	293,860,000.0	267,760,000.0	228,880,000	174,300,000	210,820,000	335,410,000
Created from: World Development Indicators Country : Kazakhstan									

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## Table 7c: Kazakhstan economic indicators (World Bank)

	2009 💌	2010 💌	2011 💌	2012 💌	2013 💌
Population, total	16,092,701	16,321,581	16,556,600	16,791,425	17,035,275
Population growth (annual %)	3	1	1	1	1
GDP (current US\$)	115,308,661,143	148,047,348,241	188,048,960,311	203,517,198,089	231,876,282,134
GDP growth (annual %)	1	7	8	5	6
Inflation, GDP deflator (annual %)	5	20	18	5	10
Agriculture, value added (% of GDP)	6	5	5	5	5
Industry, value added (% of GDP)	40	43	41	39	37
Services, etc., value added (% of GDP)	53	52	54	56	58
Exports of goods and services (% of GDP)	42	44	48	45	38
Imports of goods and services (% of GDP)	34	30	27	30	27
Revenue, excluding grants (% of GDP)					
Cash surplus/deficit (% of GDP)					
Domestic credit provided by financial sector (% of GDP)	55	45	40	41	39
Tax revenue (% of GDP)					
Military expenditure (% of GDP)	1	1	1	1	1
Merchandise trade (% of GDP)	62	62	64	65	57
Total debt service (% of exports of goods, services and primary income)	50	58	35	25	34
Personal remittances, received (current US\$)	198,201,188	225,556,234	179,708,291	171,297,945	207,247,135
Foreign direct investment, net inflows (BoP, current US\$)	14,275,888,207	7,456,117,901	13,760,291,529	13,784,782,314	9,738,521,652
Net official development assistance and official aid received (current US\$)	297,520,000	223,930,000	215,510,000	129,640,000	91,320,000
Created from: World Development Indicators Country : Kazakhstan					

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## Table 8a: Uzbekistan economic indicators (World Bank)

×	1990 💌	1991 🔽	1992 💌	1993 🔽	1994 💌	1995 🔽	1996 🔽	1997 🔽	1998 💌
Population, total	20,510,000	20,952,000.00	21,449,000.00	21,942,000.00	22,377,000.00	22,785,000.00	23,225,000.00	23,667,000.00	24,051,000.00
Population growth (annual %)	2	2.13	2.34	2.27	1.96	1.81	1.91	1.89	1.61
GDP (current US\$)	13,360,607,991	13,800,157,749.29	12,953,800,571.03	13,099,928,531.86	12,899,074,347.33	13,350,461,532.66	13,948,892,215.57	14,744,603,773.58	14,988,971,210.84
GDP growth (annual %)	2	(0.49)	(11.20)	(2.30)	(5.20)	(0.90)	1.70	5.20	4.30
Inflation, GDP deflator (annual %)	4	90.73	712.15	1,078.88	1,238.60	370.94	81.56	66.09	39.00
Agriculture, value added (% of GDP)	33	36.98	34.83	30.45	37.43	32.29	26.14	32.18	31.31
Industry, value added (% of GDP)	33	36.57	35.81	34.47	26.43	27.80	30.48	26.11	26.17
Services, etc., value added (% of GDP)	34	26.46	29.37	35.08	36.15	39.91	43.38	41.71	42.52
Exports of goods and services (% of GDP)	29	35.28	27.03	33.72	16.78	36.68	27.69	27.04	22.50
Imports of goods and services (% of GDP)	48	39.14	43.18	30.53	20.55	36.82	34.18	30.00	22.80
Military expenditure (% of GDP)					1.54	1.12	1.23	1.40	
Merchandise trade (% of GDP)					39.96	46.29	63.95	55.68	45.50
Foreign direct investment, net inflows (BoP, current US\$)			9,000,000.00	48,000,000.00	73,000,000.00	(24,000,000.00)	90,000,000.00	166,800,000.00	139,600,000.00
Net official development assistance and official aid received (current US\$)			1,510,000.00	7,980,000.00	28,250,000.00	83,720,000.00	87,690,000.00	139,710,000.00	158,330,000.00
Created from: World Development Indicators									
Country : Uzbekistan									

· · · · · · · · · · · · · · · · · · ·	1999 🔽	2000 💌	2001 🔽	2002 🔽	2003 💌	2004 💌	2005 🔽	2006 💌	2007 💌
Population, total	24,311,650.00	24,650,400	24,964,450.00	25,271,850.00	25,567,650.00	25,864,350.00	26,167,000	26,488,250	26,868,000
Population growth (annual %)	1.08	1	1.27	1.22	1.16	1.15	1	1	1
GDP (current US\$)	17,078,465,982.03	13,760,374,488	11,401,351,420.17	9,687,951,055.23	10,128,112,401.42	12,030,023,547.88	14,307,509,839	17,030,896,203	22,311,393,928
GDP growth (annual %)	4.30	4	4.20	4.00	4.20	7.70	7	7	10
Inflation, GDP deflator (annual %)	44.12	47	45.19	45.45	26.72	15.72	21	22	24
Agriculture, value added (% of GDP)	33.52	34	34.01	34.25	33.12	30.77	28	26	24
Industry, value added (% of GDP)	24.31	23	22.64	22.05	23.50	25.96	23	27	32
Services, etc., value added (% of GDP)	42.17	43	43.36	43.70	43.38	43.27	49	46	44
Exports of goods and services (% of GDP)	18.15	25	28.08	30.81	37.27	40.21	38	37	40
Imports of goods and services (% of GDP)	18.41	22	27.65	29.35	30.58	32.65	29	31	37
Military expenditure (% of GDP)	1.64	1	0.83	0.60	0.54				
Merchandise trade (% of GDP)	37.15	40	48.43	50.97	57.77	63.77	59	59	64
Foreign direct investment, net inflows (BoP, current US\$)	121,200,000.00	74,700,000	82,800,000.00	65,300,000.00	82,600,000.00	176,600,000.00	191,600,000	173,800,000	705,200,000
Net official development assistance and official aid received (current US\$)	155,400,000.00	185,750,000	153,880,000.00	189,250,000.00	194,550,000.00	245,890,000.00	169,790,000	149,300,000	169,850,000
Created from: World Development Indicators Country : Uzbekistan									

## Table 8c: Uzbekistan economic indicators (World Bank)

	-	2008 💌	2009 💌	2010 💌	2011 💌	2012 💌	2013 💌
Population, total		27,302,800	27,767,400	28,562,400	29,339,400	29,774,500	30,243,200
<b>Population growth (annual %)</b>		2	2	3	3	1	2
GDP (current US\$)		27,934,030,937	32,816,828,373	39,332,770,929	45,324,319,955	51,183,443,225	56,795,656,325
GDP growth (annual %)		9	8	8	8	8	8
Inflation, GDP deflator (annual %)		20	21	20	15	15	14
Agriculture, value added (% of GDP)		21	20	19	19	19	19
Industry, value added (% of GDP)		31	33	33	33	32	26
Services, etc., value added (% of GDP)		48	47	48	48	49	55
Exports of goods and services (% of GDP)		44	36	32	33	28	28
Imports of goods and services (% of GDP)		41	36	29	31	33	32
Military expenditure (% of GDP)							
Merchandise trade (% of GDP)		70	60	52	52	45	45
Foreign direct investment, net inflows (BoP, current US\$)		711,300,000	842,000,000	1,628,000,000	1,651,000,000	674,000,000	1,077,000,000
Net official development assistance and official aid received (current US\$)		187,320,000	189,750,000	230,850,000	203,210,000	255,260,000	292,550,000
Created from: World Development Indicators							
Country : Uzbekistan							

Table 9a: Tajikistan economic indicators (World bank	able 9a: Tajikistar	economic indicators	(World	bank)
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	1000	1001	)	1002	1004
<b>*</b>	1990 ¥	1991 <b>•</b>	1992 <b>*</b>	1993 <b>•</b>	1994 <b>*</b>
Population, total	5,297,286	5,417,554.00	5,523,207.00	5,616,797.00	5,702,611.00
Population growth (annual %)	3	2.24	1.93	1.68	1.52
GNI per capita, Atlas method (current US\$)			340.00	290.00	230.00
GNI, PPP (current international \$)	12,458,847,190	11,957,994,300.91	8,683,813,486.80	7,360,122,371.81	5,812,181,013.25
GNI per capita, PPP (current international \$)	2,350	2,210.00	1,570.00	1,310.00	1,020.00
GDP (current US\$)	2,629,395,066	2,535,545,389.36	1,909,246,640.81	1,646,693,875.00	1,346,074,460.78
GDP growth (annual %)	-1	(7.10)	(29.00)	(16.40)	(21.30)
Inflation, GDP deflator (annual %)	6	99.70	573.80	1,207.21	221.05
Agriculture, value added (% of GDP)	33	36.62	27.40	23 29	23.96
Industry value added (% of GDP)	38	36.93	46.05	46.53	41.01
Services etc. value added (% of CDP)	20	26.45	26.54	30.18	35.02
Services, etc., value added (76 of GDI)	29	20.45	20.34	29.55	33.02
Exports of goods and services (% of GDP)	28	33.20	9.08	28.55	43.04
Imports of goods and services (% of GDP)	35	32.22	12.55	41.64	54.62
Cash surplus/deficit (% of GDP)					
Domestic credit provided by financial sector (%					
of GDP)					
Tax revenue (% of GDP)			0.40		
Military expenditure (% of GDP)			0.40	3.44	1.94
Merchandise trade (% of GDP)					76.89
Total debt service (% of exports of goods,					
services and primary income)					
roreign direct investment, net inflows (BoP,			9,000,000.00	9,000,000.00	12,000,000.00
current US\$) Net official development assistance and official					
aid received (current USC)			11,840,000.00	25,960,000.00	66,500,000.00
Adjusted savings: gross savings (0/ of CNI)					
Armod forece percent (0) of total 111 (			0.15	0.14	0.14
Armed forces personnel (% of total labor force)			0.15	0.14	0.14
Central government debt, total (% of GDP)					
Domestic credit to private sector (% of GDP)					
Expense (% of GDP)					
External debt stocks (% of GNI)			0.51	23.62	44.31
Final consumption expenditure, etc. (% of GDP)	83	76.10	69.43	73.93	75.04
Foreign direct investment, net inflows (% of GDP)			0.47	0.55	0.89
GINI index (World Bank estimate)					
General government final consumption expenditure	0	5.02	27.21	21.01	10.60
(% of GDP)	9	5.92	27.21	21.91	19.69
Goods and services expense (% of expense)					
Gross domestic savings (% of GDP)	17	23.90	30.57	26.07	24.96
Gross domestic savings (current US\$)	459.044.047	605,933,179,91	583,738,243,88	429.311.688.58	336.005.809.77
Gross national expenditure (% of GDP)	107	99.02	102.87	113.09	111 58
Gross national expenditure (constant 2005 US\$)	4 272 265 507	3 068 021 721 74	2 817 027 207 34	2 672 776 458 47	1 072 005 770 80
Cross savings (% of CNI)	4,272,203,397	3,908,931,731.74	2,817,937,297.34	2,072,770,438.47	1,972,005,779.89
Gross savings (% of GNI)	••				
Gross savings (% of GDP)					
Health expenditure, total (% of GDP)					
Health expenditure, public (% of government					
expenditure)					
Household final consumption expenditure, etc. (%	74	70.19	42.22	52.02	55.35
Imports of goods and convices ( <b>D</b> - <b>D</b>					
Imports of goods and services (BoP, current US\$)					
Investment in energy with private participation					
Manufacturing value added (% of CDD)	75	24.20	24.07	20 27	27.70
Manchan diag ann arts (ann ant US\$)	23	24.30	54.07	52.57	400,000,000,00
Military expenditure (% of centrel covernment	••				490,000,000.00
avpenditure)					
Multilatoral dabt (% of total avtarnal dabt)					
Net flows on external debt, long torm (NEL, current	••		-	-	-
Inter nows on external debt, long-term (NT-L, current			9,731,000.00	78,156,000.00	177,104,000.00
Net flows on external debt_short-term (NFL					
(urrent US\$)			-	-	-
Net incurrence of liabilities foreign (% of GDP)					
Net incurrence of liabilities, foreign (current I CU)					
Net official development assistance received					
(aurrent US\$)			11,840,000.00	25,960,000.00	66,500,000.00
New husinesses registered (number)					
Oil rents (% of GDP)		0.47	0.24	0.22	0.21
	1	0.47	0.34	0.23	0.21
Present value of external debt (current US\$)					
Kear interest rate (%)					
Short-term debt (% of exports of goods, services					
Short tarm dabt (0/ =f t=t=1==t== 1,1,1,1)				0.00	2.15
Short-term debt (% of total external debt)			-	0.08	3.15
1 otal debt service (% of GNI) Ondisoursed external debt, total (UTND, current			-	0.05	0.03
110¢)			74,269,000.00	44,925,000.00	66,425,000.00
Created from: World Development Indicators					

Table 9b:	Tajikistan	economic indicators	(World	bank)
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	1005	1006	1007	1009	1000
×	1995	1996	1997 👻	1998	1999 👻
Population, total	5,784,330.00	5,862,347.00	5,937,177.00	6,012,933.00	6,094,661.00
Population growth (annual %)	1.42	1.34	1.27	1.27	1.35
GNI per capita, Atlas method (current US\$)	200.00	170.00	170.00	180.00	180.00
GNI, PPP (current international \$)	5,131,772,576.56	4,200,021,879.77	4,567,540,945.87	4,864,523,739.48	5,105,620,846.35
GNI per capita, PPP (current international \$)	890.00	720.00	770.00	810.00	840.00
GDP (current US\$)	1,231,523,105.36	1,043,893,062.61	921,843,115.77	1,320,126,664.95	1,086,567,367.91
GDP growth (annual %)	(12.40)	(16.70)	1.70	5.30	3.70
Inflation, GDP deflator (annual %)	346.00	430.55	65.23	87.83	26.51
Agriculture value added (% of CDP)	38.43	38.98	35.40	27.17	20.31
Industry, value added (% of CDB)	20.24	21.56	28.67	27.17	27.50
	39.34	31.50	26.07	27.01	29.02
Services, etc., value added (% of GDP)	22.23	29.45	35.93	45.83	43.00
Exports of goods and services (% of GDP)	65.59	76.59	87.24	48.92	66.07
Imports of goods and services (% of GDP)	71.94	80.05	93.90	58.01	67.51
Cash surplus/deficit (% of GDP)				(3.25)	(1.96)
Domestic credit provided by financial sector (%				22.09	20.79
of GDP)				22.09	20.79
Tax revenue (% of GDP)				7.69	8.21
Military expenditure (% of GDP)	1.02	1.30	2.06	1.72	1.39
Merchandise trade (% of GDP)	126.67	137.95	162.18	98.85	124.52
Total debt service (% of exports of goods,					
services and primary income)					
Foreign direct investment, net inflows (BoP,	10,000,000,00	18 000 000 00	18 000 000 00	20.040.400.00	6 702 000 00
current US\$)	10,000,000.00	18,000,000.00	18,000,000.00	29,940,400.00	0,702,900.00
Net official development assistance and official	65 080 000 00	103 140 000 00	85 940 000 00	160 590 000 00	122,500,000,00
aid received (current US\$)	05,080,000.00	105,140,000.00	85,940,000.00	100,590,000.00	122,300,000.00
Adjusted savings: gross savings (% of GNI)					
Armed forces personnel (% of total labor force)	0.84	1.08	0.46	0.45	0.44
Central government debt, total (% of GDP)					151.54
Domestic credit to private sector (% of GDP)				12.91	17.74
Expense (% of GDP)				11.36	10.01
Expense (// of GDT)	52 56	22.28	110 57	06.56	121.25
External debt stocks (% of GNI)	55.50	72.28	118.57	96.50	131.25
Final consumption expenditure, etc. (% of GDP)	//.68	81.14	86.98	93.67	84.10
Foreign direct investment, net inflows (% of GDP)	0.81	1.72	1.95	2.27	0.62
GINI index (World Bank estimate)					29.52
General government final consumption expenditure	15.81	16.82	16 50	0.52	0.03
(% of GDP)	15.01	10.82	10.50	9.52	9.95
Goods and services expense (% of expense)				46.94	54.17
Gross domestic savings (% of GDP)	22.32	18.86	13.02	6.33	15.90
Gross domestic savings (current US\$)	274.869.833.27	196.847.208.12	120.067.085.19	83,576,952,36	172,802,587.06
Gross national expenditure (% of GDP)	106 35	103 46	106.66	109.09	101 43
Gross national expenditure (constant 2005 US\$)	1 804 714 961 37	1 433 739 960 31	1 377 735 637 10	1 535 417 782 43	1 591 098 175 26
Cross savings (% of CNI)	1,004,714,901.37	1,433,739,900.31	1,377,735,037.10	1,555,417,782.45	1,391,098,175.20
Gloss savings (% of GNI)					
Gross savings (% of GDP)					
Health expenditure, total (% of GDP)	3.07	3.10	3.63	3.56	3.88
Health expenditure, public (% of government	7 42	7 25	8 48	8 21	6 99
expenditure)	2		0.10	0.21	0.77
Household final consumption expenditure, etc. (%	61.87	64.32	70.47	84.15	74.17
of GDP)					
Imports of goods and services (BoP, current US\$)					
Investment in energy with private participation					
(current US\$)					
Manufacturing, value added (% of GDP)	28.11	20.38	22.31	20.91	21.13
Merchandise exports (current US\$)	750,000,000.00	770,000,000.00	745,000,000.00	595,000,000.00	690,000,000.00
Military expenditure (% of central government				15 11	13 20
expenditure)				13.11	13.89
Multilateral debt (% of total external debt)	-	4.32	4.70	8.36	11.34
Net flows on external debt, long-term (NFL, current	28 377 000 00	36 488 000 00	13 111 000 00	4 737 000 00	74 008 000 00
US\$)	20,377,000.00	50,400,000.00	13,111,000.00	-, / 5 / ,000.00	, +,000,000.00
Net flows on external debt, short-term (NFL,	_	_	29,000,000,00	75 000 000 00	(51,000,000,00)
current US\$)		-			(01,000,000.00)
Net incurrence of liabilities, foreign (% of GDP)				2.25	2.43
Net incurrence of liabilities, foreign (current LCU)				23,100,000.00	32,680,000.00
Net official development assistance received	65 080 000 00	103 140 000 00	85 040 000 00	160 500 000 00	122 500 000 00
(current US\$)	05,080,000.00	103,140,000.00	05,940,000.00	100,390,000.00	122,300,000.00
New businesses registered (number)					
Oil rents (% of GDP)	0.20	0.29	0.31	0.09	0.16
Present value of external debt (current US\$)					
Real interest rate (%)			6.23	(19.67)	(0.22)
Short-term debt (% of exports of goods services			0.23	(17.07)	(0.22)
and primary income)					
Short-term debt (% of total external debt)	6.82	3.00	6.02	11.85	7 25
Total debt service (% of CNI)	0.62	5.00	5.21	7.14	7.55
Undisoursed external debt, total (UND, current	-	U.11	22.264.000.00	/.14	1.89
	34,148,000.00	52,699,000.00	33,264,000.00	84,981,000.00	126,266,000.00
Created from: World Development Indicators					

Country : Tajikistan

Table 70. Tajikistan cononic mulcators (world balk)	Table 9c:	Tajikistan	economic indicators	(World	bank)
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Table 90. Tajikistan econor	me marcat		iiix)		
· · · · · · · · · · · · · · · · · · ·	2000 -	2001 -	2002 -	2003 💌	2004 💌
Population, total	6,186,152	6,289,340.00	6,404,118.00	6,529,609.00	6,663,929.00
Population growth (annual %)	1	1.65	1.81	1.94	2.04
GNI per capita, Atlas method (current US\$)	170	160.00	170.00	210.00	270.00
GNI, PPP (current international \$)	5,569,286,920	6,244,926,802.57	7,028,388,856.30	7,860,513,191.24	9,108,743,429.03
GNI per capita, PPP (current international \$)	900	990.00	1.100.00	1.200.00	1.370.00
GDP (current US\$)	860 550 294	1 080 774 005 56	1 221 113 794 73	1 554 125 542 56	2 076 148 710 32
GDP growth (annual %)	8	10.20	10.80	11.00	10.30
Inflation CDP deflator (annual %)	23	30.21	18.82	26.99	17.52
Agriculture value added (% of CDP)	25	26.16	24.66	20.55	21.60
Industry, value added (% of CDD)	27	40.08	24.00	27.11	21.00
Services etc. value added (% of CDD)	39	40.08	25.01	25.45	42.00
Emerte of coold and comicos (0/ of CDD)	34	67.00	55.91	62.27	42.77 59.21
Exports of goods and services (% of GDP)	99	67.99	65.46	63.37	58.31
Imports of goods and services (% of GDP)	101	/8.30	/6.09	/3.49	69.91
Cash surplus/deficit (% of GDP)	-1	(0.15)		(4.58)	(6.61)
Domestic credit provided by financial sector (%	18	22.34	18.05	15.16	6.92
OI GDP) Tey myonus (% of CDP)	0	° 20		0.71	0.82
	0	8.20	2.00	9.71	9.62
Mintary expenditure (% of GDP)	1	1.15	2.09	2.23	2.17
Merchandise trade (% of GDP)	170	123.80	119.48	107.97	101.45
somices and primery income)			12.69	8.43	8.31
Foreign direct investment net inflows (RoP					
current US\$)	23,543,300	9,495,400.00	36,066,400.00	31,649,700.00	272,025,100.00
Net official development assistance and official	100 540 000	105 000 000 000	1 (0.270.000.00	140 110 555 55	0.50 100 000 0
aid received (current US\$)	123,540,000	165,300,000.00	168,350,000.00	148,110,000.00	253,420,000.00
Adjusted savings: gross savings (% of GNI)			14.39	11.90	10.88
Armed forces personnel (% of total labor force)	0	0.30	0.29	0.28	0.45
Central government debt, total (% of GDP)	114	79.80			
Domestic credit to private sector (% of GDP)	14	22.91	17.45	14.76	6.13
Expense (% of GDP)	9	9.48		11.18	13.75
External debt stocks (% of GNI)	138	112.81	107.62	86.73	58.19
Einal consumption expenditure etc. (% of GDP)	03	03.67	96.83	97.02	96.70
Foreign direct investment, net inflows (% of GDP)	3	0.88	2.95	2.04	13.10
CINI index (World Bonk estimate)	5	0.88	2.95	2.04	22.60
General government final consumption expenditure				32.72	55.00
(% of GDP)	8	8.66	8.60	8.27	11.78
Goods and services expense (% of expense)	31	35.72		33.13	28.76
Gross domestic savings (% of GDP)	7	6 33	3 17	2 98	3 30
Cross domestic savings (70 01 GDF)	62 502 250	68 400 686 52	28 606 205 06	46 280 280 21	69 601 074 46
Gross domestic savings (current US\$)	02,302,230	110.27	58,090,203.00	40,360,269.21	111.60
Gross national expenditure (% of GDP)	102	1 961 195 210 19	110.03	110.12	111.00
Gross national expenditure (constant 2005 US\$)	1,758,036,621	1,861,185,219.18	2,074,955,240.61	2,320,578,213.87	2,630,833,981.27
Gross savings (% of GNI)			14.39	11.90	10.88
Gross savings (% of GDP)			13.72	11.21	10.48
Health expenditure, total (% of GDP)	5	4.59	4.48	4.46	5.07
Health expenditure, public (% of government	6	6.41	5.64	5.61	5.33
expenditure)					
of GDP)	84	85.01	88.23	88.75	84.91
Imports of goods and services (BoP_current US\$)					
Investment in energy with private participation					
(current US\$)			16,000,000.00		
Manufacturing, value added (% of GDP)	34	34.12	34.24	31.35	24.29
Merchandise exports (current US\$)	785,000,000	650,000,000,00	738,000,000,00	797.000.000.00	914,900,000,00
Military expenditure (% of central government		10.10			
expenditure)	13	12.18		20.12	15.80
Multilateral debt (% of total external debt)	16	22.74	24.41	30.58	42.51
Net flows on external debt, long-term (NFL, current	0.125.000	53 680 000 00	(20 704 000 00)	7 270 000 00	27 044 000 00
US\$)	9,135,000	55,689,000.00	(20,796,000.00)	7,370,000.00	37,044,000.00
Net flows on external debt, short-term (NFL,	-28 980 000	19 980 000 00	(1,000,000,00)	28,000,000,00	4 000 000 00
current US\$)	-28,980,000	19,980,000.00	(1,000,000.00)	28,000,000.00	4,000,000.00
Net incurrence of liabilities, foreign (% of GDP)	0	0.17			
Net incurrence of liabilities, foreign (current LCU)	8,811,000	4,255,000.00			
Net official development assistance received	123 540 000	165 300 000 00	168 350 000 00	148,110,000,00	253 420 000 00
(current US\$)	123,340,000	105,500,000.00	100,000,000.00	110,110,000.00	233, 120,000.00
New businesses registered (number)					823.00
Oil rents (% of GDP)	0	0.20	0.18	0.17	0.21
Present value of external debt (current US\$)					
Real interest rate (%)	2	(7.03)	(3.88)	(8.08)	2.38
Short-term debt (% of exports of goods, services					
and primary income)					
Short-term debt (% of total external debt)	7	6.82	4.78	6.39	7.16
Total debt service (% of GNI)	8	8.09	8.39	5.73	5.08
	137,616,000	255,614,000.00	301,894,000.00	347,380,000.00	396,001,000.00
Created from: World Development Indicators					

Country : Tajikistan

Table 90. Tajikistan economi				<b>0</b> 000	
	2005 -	2006 -	2007 -	2008 -	2009
Population, total	6,805,655	6,954,522	/,111,025	1,215,252	/,44/,396
CNL non conits. Atlag mathed (commant USP)	220	270	2	570	2
CNL DDD (current international \$)	10.062.101.776	370	12 420 152 204	12 820 207 850	14 410 140 800
GNI, FFF (current international \$)	10,002,101,770	11,070,119,019	12,420,155,504	13,839,397,839	14,419,140,890
CDP (ourrent US\$)	2 212 210 570	2 820 226 054	2 710 407 271	5 161 336 170	4 070 481 080
CDP growth (appual %)	2,512,519,579	2,830,230,034	3,719,497,371	3,101,330,170	4,979,481,980
Inflation CDP deflator (annual %)	10	21	27	28	12
Agriculture value added (% of CDP)	24	21	27	23	21
Industry value added (% of GDP)	31	31	30	23	21
Services etc. value added (% of GDP)	45	45	47	49	51
Exports of goods and services (% of GDP)	26	23	21	17	15
Imports of goods and services (% of GDP)	53	57	69	72	54
Cash surplus/deficit (% of GDP)					
Domestic credit provided by financial sector (%	12	14	17	20	0
of GDP)	13	14	17	20	9
Tax revenue (% of GDP)					
Military expenditure (% of GDP)					
Merchandise trade (% of GDP)	97	110	105	91	72
Total debt service (% of exports of goods,	6	4	4	7	38
services and primary income) Foreign direct investment, not inflows (RoP					
current US\$)	54,479,300	338,627,400	359,967,400	375,787,400	15,819,400
Net official development assistance and official	051 500 000	241 242 222	000 110 000	000 600 000	400 100 000
aid received (current US\$)	251,500,000	241,240,000	222,110,000	288,680,000	408,120,000
Adjusted savings: gross savings (% of GNI)	4	3	15	13	13
Armed forces personnel (% of total labor force)	0	1	1	1	1
Central government debt, total (% of GDP)					
Domestic credit to private sector (% of GDP)	9	10	13	21	13
Expense (% of GDP)					
External debt stocks (% of GNI)	50	39	37	49	54
Final consumption expenditure, etc. (% of GDP)	112	120	125	135	121
Foreign direct investment, net inflows (% of GDP)	2	12	10	7	0
GINI index (World Bank estimate)			32		31
General government final consumption expenditure	15	11	9	9	12
(% of GDP) Goods and services expense (% of expense)					
Gross domestic savings (% of GDP)	12	-20			
Gross domestic savings (// 01 GDF)	-12	-573 647 464	-936 101 358	-1 786 199 781	-1 021 930 745
Gross national expenditure (% of GDP)	127	134	148	-1,780,199,781	139
Gross national expenditure (constant 2005 US\$)	2 932 008 587	3 002 834 436	3 224 640 718	3 543 312 548	3 708 022 731
Gross savings (% of GNI)	2,952,000,507	3,002,031,130	15	13	13
Gross savings (% of GDP)	4	2	14	13	13
Health expenditure, total (% of GDP)	6	6	5	6	6
Health expenditure, public (% of government	-		-	-	
expenditure)	6	6	4	5	5
Household final consumption expenditure, etc. (%	97	109	116	125	108
of GDP)	1 602 444 555	0.040.007.000	2 707 001 000	4 154 561 505	2.062.125.755
Imports of goods and services (BoP, current US\$)	1,682,444,600	2,349,087,900	3,707,084,000	4,154,561,600	3,062,126,500
(current US\$)		720,000,000		220,000,000	
Manufacturing, value added (% of GDP)	24	22	19	14	14
Merchandise exports (current US\$)	909,000.000	1,399,000.000	1,468,000.000	1,408,700.000	1,010,300.000
Military expenditure (% of central government	,,	,,,,	,,,,	,,,,	,,,,,
expenditure)					
Multilateral debt (% of total external debt)	46	56	50	29	31
Net flows on external debt, long-term (NFL, current	65.519.000	107.623.000	224,205,000	315,434,000	109.215.000
US\$)	,,		,,	,	
surront US\$)	-57,600,000	3,800,000	43,200,000	17,700,000	-15,800,000
Net incurrence of liabilities. foreign (% of GDP)					
Net incurrence of liabilities, foreign (current LCU)					••
Net official development assistance received					400 100 000
(current US\$)	251,500,000	241,240,000	222,110,000	288,680,000	408,120,000
New businesses registered (number)	844	849	871	1,059	2,219
Oil rents (% of GDP)	0	0	0	0	0
Present value of external debt (current US\$)					
Real interest rate (%)	13	3	-3	-4	9
Short-term debt (% of exports of goods, services	2	2	4	5	6
and primary income)			-		
Total debt service (% of CNU)	2	3	5	4	3
Undisoursed external debt, total (UND, current	330 261 000	852 245 000	730 149 000	401 344 000	372 442 000
Created from: World Development Indicators	559,501,000	655,545,000	739,148,000	471,544,000	575,445,000

#### Table 9d: Tajikistan economic indicators (World bank)

Created from: World Development Ind Country : Tajikistan

1 abic <i>f</i> C, 1 ajikistan continu mulcators ( work)	Table 9e: '	Tajikistan	economic indicators	(World	bank)
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Tuble > et Tujinistun economie m		ia suint,		
· · · · · · · · · · · · · · · · · · ·	2010 -	2011 -	2012 💌	2013 💌
Population, total	7,627,326	7,814,850	8,008,990	8,207,834
Population growth (annual %)	2	2	2	2
	720	790	2	2
GNI per capita, Atlas method (current US\$)	/30	/80	880	990
GNI, PPP (current international \$)	15,550,341,527	17,182,065,998	18,789,475,203	20,498,360,886
GNI per capita, PPP (current international \$)	2.040	2.200	2.350	2.500
CDP (ourmont US\$)	5 642 178 580	6 522 732 203	7 633 040 702	8 508 103 456
GDF (current US\$)	3,042,178,380	0,322,732,203	7,035,049,792	8,308,103,430
GDP growth (annual %)	7	7	8	7
Inflation, GDP deflator (annual %)	12	13	12	4
Agriculture value added (% of CDP)	22	27	27	27
	22	27	27	27
Industry, value added (% of GDP)	28	22	23	22
Services, etc., value added (% of GDP)	50	50	51	51
Exports of goods and services (% of GDP)	15	18	22	19
Laports of goods and services ()/ of GDP)	52	10		
Imports of goods and services (% of GDP)	53	67	69	68
Cash surplus/deficit (% of GDP)				
Domestic credit provided by financial sector (%	-		10	10
of CDP)	7	11	13	19
Tor myonus (9/ of CDD)				
Tax revenue (% of GDF)				
Military expenditure (% of GDP)				
Merchandise trade (% of GDP)	68	68	67	62
Total debt service (% of exports of goods				
complete and numeror income)	76	48	25	
Services and primary income)				
roreign direct investment, net inflows (BoP,	-15.675.300	67.496.200	198.280.200	107.812.500
current US\$)	. , ,	,	,	,
Net official development assistance and official	436 650 000	347 510 000	303 010 000	382 220 000
aid received (current US\$)	+30,030,000	3+7,310,000	575,910,000	382,220,000
Adjusted savings: gross savings (% of GNI)	18	16	17	
Armod forman paragram 1 (0/ of the 11.1 of	10	10	17	
Armeu forces personner (% of total labor force)	0	0	0	0
Central government debt, total (% of GDP)				
Domestic credit to private sector (% of GDP)	13	13	13	18
Expanse $(0/\text{ of } CDR)$				
Expense (% of GDF)				••
External debt stocks (% of GNI)	55	51	48	42
Final consumption expenditure, etc. (% of GDP)	119	129	128	130
Equation direct investment, not inflows (0/ of CDP)	0		2	
Foreign direct investment, net innows (% of GDF)	0	1	3	1
GINI index (World Bank estimate)			••	
General government final consumption expenditure			0	10
(% of GDP)	11	14	9	12
Goods and services expense (% of expense)				
Goods and services expense (% of expense)				
Gross domestic savings (% of GDP)	-19	-29	-28	-30
Gross domestic savings (current US\$)	-1,092,664,762	-1,879,897,159	-2,133,049,703	-2,557,046,339
Gross national expenditure (% of GDP)	137	149	148	149
	2 057 542 874	4 249 219 712	4 550 021 747	4 997 001 247
Gross national expenditure (constant 2005 US\$)	3,957,543,874	4,248,318,713	4,559,931,747	4,887,091,347
Gross savings (% of GNI)	18	16	17	
Gross savings (% of GDP)	18	16	17	
Health arranditure total (% of CDB)	6	6	6	7
Health expenditure, total (% of GDP)	0	0	0	/
Health expenditure, public (% of government	6	6	7	7
expenditure)	0	0	/	/
Household final consumption expenditure, etc. (%	100	11-	110	110
of GDP)	108	115	119	118
Imports of goods and some (BoB summent LIGO)	3 364 450 466	1 220 251 120	5 272 051 970	
Imports of goods and services (Bor, current US\$)	5,504,459,400	4,237,331,120	5,275,051,879	
investment in energy with private participation				
(current US\$)				
Manufacturing, value added (% of GDP)	15	11	11	11
Merchandise exports (current US\$)	1 195 300 000	1 256 800 000	1 358 000 000	1 163 400 000
Military expenditure (% of control covernment	1,199,500,000	1,250,000,000	1,000,000,000	1,100,000
ivinitary experience (% or central government				
expenditure)				
Multilateral debt (% of total external debt)	31	29	27	27
Net flows on external debt, long-term (NFL, current				
US\$)	293,937,000	210,342,000	221,606,000	-215,318,000
Net flows on external debt_short_term (NEI				
The news on external debt, short-term (INFL,	47,340,000	7,360,000	-129,000,000	108,000,000
current US\$)				
Net incurrence of liabilities, foreign (% of GDP)				
Net incurrence of liabilities, foreign (current LCU)				
Net official development assistance received				-
(aurront US\$)	436,650,000	347,510,000	393,910,000	382,220,000
	2.0.10	1.000	1.071	
new dusinesses registered (number)	3,048	1,232	1,251	
Oil rents (% of GDP)	0	0	0	0
Present value of external debt (current US\$)				2 357 775 390
$\mathbf{P}_{\text{col}} = \mathbf{P}_{\text{col}} + \mathbf{P}_{\text{col}$				10
Real interest fate (%)	10	8	8	19
Short-term debt (% of exports of goods, services	14	11	1	
and primary income)	14	11	1	
Short-term debt (% of total external debt)	4	4	0	4
Total debt service (% of GNI)	12		6	
Undispursed external debt, total (UND, current	140,000,000	9	0	402,452,005
TTO:::::::::::::::::::::::::::::::::::	442,233,000	314,755,000	259,164,000	403,452,000
Created from: World Development Indicators				

Country : Tajikistan

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# Table 10a: Kyrgyzstan economic indicators (World Bank)

	1990 💌	1991 💌	1992 💌	1993 💌	1994 💌	1995 💌	1996 💌	1997 🔽	1998 💌
Population, total	4,391,200	4,463,600.00	4,515,400.00	4,516,700.00	4,515,100.00	4,560,400.00	4,628,400.00	4,696,400.00	4,769,000.00
Population growth (annual %)	2	1.64	1.15	0.03	(0.04)	1.00	1.48	1.46	1.53
GDP (current US\$)	2,674,000,000	2,570,833,333.33	2,316,562,400.00	2,028,295,454.55	1,681,006,993.01	1,661,018,518.52	1,827,570,586.17	1,767,864,035.72	1,645,963,749.83
GDP growth (annual %)	6	(7.85)	(13.89)	(15.46)	(20.09)	(5.42)	7.08	9.92	2.12
Inflation, GDP deflator (annual %)	8	134.75	830.16	754.43	180.87	42.03	35.34	19.31	9.08
Agriculture, value added (% of GDP)	34	36.98	39.05	41.01	40.88	43.90	49.75	44.61	39.53
Industry, value added (% of GDP)	35	35.46	37.79	32.00	25.45	19.54	18.29	22.81	22.76
Services, etc., value added (% of GDP)	31	27.57	23.16	26.99	33.67	36.55	31.96	32.58	37.70
Exports of goods and services (% of GDP)	29	35.33	35.59	33.53	33.76	29.47	30.74	38.29	36.48
Imports of goods and services (% of GDP)	50	36.63	47.59	41.18	40.07	42.36	56.56	46.19	58.03
Revenue, excluding grants (% of GDP)				15.49	15.57	16.67	14.84	15.34	17.56
Cash surplus/deficit (% of GDP)						(10.75)	(5.46)	(5.98)	(3.64)
Domestic credit provided by financial sector (%						25.65	25.14	18 18	20.04
of GDP)						20.00	20.11	10.10	20.01
Tax revenue (% of GDP)				14.86	14.68	15.06	12.59	12.51	14.23
Military expenditure (% of GDP)			1.64	1.53	2.59	3.46	2.99	3.11	2.67
Merchandise trade (% of GDP)					39.02	56.05	73.49	74.27	82.38
Total debt service (% of exports of goods,				0.41	4.39	13.25	13.09	11.40	18.83
Services and primary income)				1 784 000 07	1 001 000 07	1 242 000 02	2 440 000 06	2 740 000 01	24 605 000 15
Foreign direct investment, net inflows (BoP				1,704,999.97	1,001,999.97	1,243,000.03	2,440,000.00	2,740,000.01	24,093,999.13
current US\$)				10,000,000.00	38,178,000.00	96,090,000.00	47,238,000.00	83,820,000.00	109,228,485.00
Net official development assistance and official			21.000.000.00	05 010 000 00	172 500 000 00	204 (70 000 00	220, 450, 000, 00	220 550 000 00	220 450 000 00
aid received (current US\$)			21,080,000.00	95,010,000.00	1/3,500,000.00	284,670,000.00	230,450,000.00	239,550,000.00	239,450,000.00
Created from: World Development Indicators									
Country : Kyrgyz Republic									

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## Table 10b: Kyrgyzstan economic indicators (World Bank)

	1999 🔽	2000 💌	2001 💌	2002 💌	2003 🔽	2004 💌	2005 💌	2006 🔽	2007 💌
Population, total	4,840,400.00	4,898,400	4,945,100.00	4,990,700.00	5,043,300.00	5,104,700.00	5,162,600	5,218,400	5,268,400
Population growth (annual %)	1.49	1	0.95	0.92	1.05	1.21	1	1	1
GDP (current US\$)	1,249,062,025.14	1,369,691,955	1,525,113,501.11	1,605,640,633.42	1,919,012,780.97	2,211,535,311.63	2,459,876,152	2,834,168,889	3,802,566,171
GDP growth (annual %)	3.66	5	5.32	(0.02)	7.03	7.03	0	3	9
Inflation, GDP deflator (annual %)	37.57	27	7.33	2.03	3.97	5.11	7	9	15
Agriculture, value added (% of GDP)	37.68	37	37.29	37.68	37.06	33.27	32	33	31
Industry, value added (% of GDP)	24.98	31	28.93	23.34	22.32	24.13	22	20	19
Services, etc., value added (% of GDP)	37.34	32	33.78	38.97	40.62	42.59	46	47	50
Exports of goods and services (% of GDP)	42.20	42	36.72	39.58	38.68	42.56	38	42	53
Imports of goods and services (% of GDP)	57.00	48	37.02	43.34	45.25	51.26	57	79	84
Revenue, excluding grants (% of GDP)	15.85	14	16.05					16	21
Cash surplus/deficit (% of GDP)	(2.99)	-3	(0.76)					-1	-2
Domestic credit provided by financial sector (% of GDP)	14.79	12	10.01	11.61	11.61	8.38	9	12	14
Tax revenue (% of GDP)	12.21	12	12.44					14	16
Military expenditure (% of GDP)	2.69	3	2.35	2.73	2.87	2.85	3	3	3
Merchandise trade (% of GDP)	84.38	77	61.83	66.78	67.68	75.05	72	100	108
Total debt service (% of exports of goods, services and primary income)	21.19	30	31.15	20.48	21.89	17.87	15	8	9
Personal remittances, received (current US\$)	18,477,300.64	8,844,515	11,113,728.52	36,716,598.51	78,157,081.60	188,672,546.40	313,250,258	473,071,916	704,004,668
Foreign direct investment, net inflows (BoP, current US\$)	44,412,800.00	-2,360,125	5,006,732.88	4,661,963.54	45,544,627.80	175,458,810.08	42,565,248	182,022,903	207,919,478
Net official development assistance and official aid received (current US\$) =	283,130,000.00	214,710,000	187,940,000.00	185,610,000.00	200,100,000.00	261,370,000.00	267,880,000	310,550,000	274,450,000

Created from: World Development Indicators

Country : Kyrgyz Republic

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# Table 10c: Kyrgyzstan economic indicators (World Bank)

▼	2008 💌	2009 💌	2010 💌	2011 💌	2012 🔽	2013 💌
Population, total	5,318,700	5,383,300	5,447,900	5,514,600	5,607,200	5,719,600
Population growth (annual %)	1	1	1	1	2	2
GDP (current US\$)	5,139,957,785	4,690,062,255	4,794,357,795	6,197,766,119	6,605,139,933	7,226,303,261
GDP growth (annual %)	8	3	0	6	0	11
Inflation, GDP deflator (annual %)	22	4	10	22	9	2
Agriculture, value added (% of GDP)	27	21	19	19	19	18
Industry, value added (% of GDP)	24	27	29	31	26	27
Services, etc., value added (% of GDP)	49	52	51	51	55	56
Exports of goods and services (% of GDP)	54	55	52	55	44	47
Imports of goods and services (% of GDP)	93	79	82	82	95	96
Revenue, excluding grants (% of GDP)	20	19	19	21	23	
Cash surplus/deficit (% of GDP)	0	-1	-5	-5	-7	
Domestic credit provided by financial sector (%						
of GDP)		1.7			10	
Tax revenue (% of GDP)	17	15	15	16	18	
Military expenditure (% of GDP)	3	3	4	3	3	3
Merchandise trade (% of GDP)	115	100	104	101	110	109
Total debt service (% of exports of goods,	12	11	23	13	12	12
services and primary income)	12		23	15		
Personal remittances, received (current US\$)	1,223,272,673	981,964,002	1,266,195,469	1,708,694,028	2,031,374,213	2,277,998,114
Foreign direct investment, net inflows (BoP,	376,992,152	189,377,400	437,586,100	693,528,000	292,663,900	757,642,400
current US\$) Not official davalapment assistance and official						
aid received (current US\$)	359,940,000	313,380,000	380,380,000	525,030,000	472,910,000	536,610,000
Created from: World Development Indicators	I		I	I		
Country : Kyrgyz Republic						

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Year	Crude oil, Brendt, \$/bbl, nominal\$	Crude oil, Dubai, \$/bbl, nominal\$	Crude oil, WTI, \$/bbl, nominal\$
1990	23.70	20.50	24.50
1991	20.10	16.60	21.50
1992	19.30	17.20	20.60
1993	17.00	14.90	18.60
1994	15.80	14.70	17.20
1995	17.10	16.10	18.40
1996	20.70	18.50	22.10
1997	19.10	18.10	20.30
1998	12.70	12.10	14.30
1999	17.80	17.20	19.20
2000	28.30	26.10	30.30
2001	24.40	22.70	25.90
2002	25.00	23.70	26.10
2003	28.90	26.70	31.10
2004	38.30	33.50	41.40
2005	54.40	49.30	56.40
2006	65.40	61.40	66.00
2007	72.70	68.40	72.30
2008	97.60	93.80	99.60
2009	61.90	61.80	61.70
2010	79.60	78.10	79.40
2011	110.90	106.00	95.10
2012	112.00	108.90	94.20
2013	108.90	105.40	97.90
2014	98.90	96.70	93.10

# Table 11: Crude oil historical prices

Created from: Global Economic Monitor (GEM) Commodities Country : World

# Table 12: Demographics of Turkmenistan and Tajikistan www.worldbank.org

Series	Tajikistan	Turkmenistan
Ethnic groups	Tajik 84.3%, Uzbek 13.8% (includes Lakai, Kongrat, Katagan, Barlos, Yuz), other 2% (includes Kyrgyz, Russian, Turkmen, Tatar, Arab) (2010 est.)	Turkmen 85%, Uzbek 5%, Russian 4%, other 6% (2003)
Languages	Tajik (official), Russian widely used in government and business	Turkmen (official) 72%, Russian 12%, Uzbek 9%, other 7%
	<b>note:</b> different ethnic groups speak Uzbek, Kyrgyz, and Pashto	
Religions	Sunni Muslim 85%, Shia Muslim 5%, other 10% (2003 est.)	Muslim 89%, Eastern Orthodox 9%, unknown 2%
Population	8,051,512 (July 2014 est.)	5,171,943 (July 2014 est.)
Populations growth rate	1.75% (2014 est.)	1.14% (2014 est.)
Net Migration rate	-1.17 migrant(s)/1,000 population (2014 est.)	-1.86 migrant(s)/1,000 population (2014 est.)
Major Urban areas- population	DUSHANBE (capital) 801,000 (2014)	ASHGABAT (capital) 735,000 (2014)

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