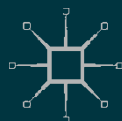


NEOLIBERALISM AND POST-SOVIET

transition

Kazakhstan & Uzbekistan

Wumaier Yilamu



Neoliberalism and Post-Soviet Transition

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Kazakhstan and Uzbekistan

palgrave
macmillan

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To my dear wife, Halida, and my children Rafael, Flora, and Clara

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Wumaier Yilamu

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ABBREVIATIONS

BP	British Petroleum
CDA	Critical discourse analysis
CIA	Central Intelligence Agency
CIS	Commonwealth of Independent States (CIS)
CIT	Corporate income tax
CT	Commodity taxes
EBRD	European Bank for Reconstruction and Development
EFF	Extended fund facility
EU	European Union
FDI	Foreign direct investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
IMF	International Monetary Fund
KZT	Kazakhstan Tenge
NATO	North Atlantic Treaty Organization
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
PIT	Personal income tax
SBA	Stand-by agreement
UN	United Nations
USSR	Union of Soviet Socialist Republics
VAT	Value-added tax
WT	Wage tax
WTO	World Trade Organization

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Introduction

This book explores the relation between the ideology of neoliberalism and the post-communism capitalist transitions of two former constituent republics of the erstwhile Soviet Union, Uzbekistan and Kazakhstan, from a discursive perspective. Neoliberalism has been a dominant ideology of the world since the 1970s (Steger 2009, 7; Jessop 2002, 455). Associated first and foremost with twentieth-century Austrian economist Friedrich A. Hayek and his most famous American counterpart, Milton Friedman, the theory of neoliberalism proposes a capitalist economic model that is premised on the following four core ideals and presumptions: the advantage of the free market and free trade for economic growth, a restricted role of the state in the economy, the sanctity of private ownership, and the freedom of individuals as rational economic actors (Harvey 2005, 2; Steger 2009, 12). At the heart of these ideals is neoliberalism's conceptualization of free market as a universal path to prosperity and freedom for all human societies. Promoted by its proponents in a language that ostensibly supports the democratization of the world, the ideology of neoliberalism has proliferated around the world, facilitating the global spread of free market-based neoliberal capitalism, a process that is further claimed by neoliberals to be an objective and inevitable process that will subsume all nations around the globe (Steger 2009, 60–87).

By the 1980s, the influence of neoliberalism was felt everywhere, including states of the former communist camp in Eastern and Central Europe and the former Soviet Union, where their centralized command economies were plagued by severe morbidity and structural deficiencies

and were failing to deliver the promised material abundance and prosperity. The notions of democracy, freedom, and market efficiency in the ideological rhetoric of neoliberalism resonated with the peoples in these former socialist countries given their experience of decades of repression by communist totalitarian regimes in reigns of terror that sought to maintain absolute monopoly of every aspect of public and private life. When the West heralded its overcoming of the decade-long economic crisis of ‘stagflation’ in the early 1980s, these communist regimes were still coping with their ailing economies and thereby the dwindling legitimacy of their one-party state systems. As a result, ironically, these communist countries started to turn to the market-based economic practices of the West, or more precisely capitalism, which they had once proclaimed they would bury in history, for solutions to their economic problems. Against this backdrop, Mikhail Gorbachev came to power in the former Soviet Union in 1985 and embarked on his twofold reform efforts, dubbed *glasnost* (political openness) and *perestroika* (economic restructuring), in an attempt to breathe new life into the ailing Soviet system. The *glasnost* was meant to liberalize the political system in the Soviet Union for the ensuing economic reform (White 1994, 7), yet political liberalization spun out of control and undermined the effectiveness of the economic reform.

It was clear that Gorbachev’s economic restructuring was intended to be a market reform, albeit in piecemeal and compromised fashion. The hallmark of this market reform lay in the reestablishment of private ownership of the means of production, denationalization of state enterprises through new forms of ownership that encouraged private involvement, reduced involvement of the state in economic activities, and decentralization of the economic planning system (Rutland 1994, 140–149). Taken together, these initiatives were clear indications of the influence of neoliberal economic thinking.

In retrospect, the processes of neoliberal transformation initiated in the Western economies can be seen as essentially an effort to change how they ran their capitalist states while keeping intact the fundamental capitalist liberal social order on which their political and economic systems were built, albeit with much of the heralded revolutionary rhetoric in the West. However, the Soviet reform program led by Gorbachev was drastically different, and in a sense truly revolutionary, in that it shattered the very foundation of the USSR’s socialist social order—total state ownership of the economy and absolute control of the Communist Party. It did so in order to establish a new social order founded on the antithesis of the

Soviet system, capitalism in a free market guise, while attempting at the same time to preserve the Soviet system of socialism. The hope of combining liberal values with egalitarian socialist ideals turned out to be a delusion. The reform's structural contradictions presaged its final failure, together with other factors contributing to the disintegration of the Soviet Union and the destruction of the socialist economic system. The reasons for this disastrous outcome were complex and multiple, and they are still being debated by historians. Nevertheless it set the stage for what would come next in the successor states of the disintegrated Soviet Union.

Notwithstanding the fall of the Soviet Union, the neoliberal ideas introduced in Gorbachev's reforms had gained currency in the former Soviet domains, and their influence proved to be far-reaching even in the post-Soviet period. Rising as independent states out of the rubble of the Soviet empire, the ex-Soviet states of Uzbekistan and Kazakhstan immediately engaged in a long-term process of reforms aimed at national revival and economic resuscitation. Both states' leaders, President Islam Karimov of Uzbekistan and President Nursultan Nazarbayev of Kazakhstan, proclaimed at the dawn of independence that their respective state would move from a Soviet past of totalitarianism toward a market economy and democracy (Karimov 1998, 1; Nazarbayev 1994, 4), tellingly reflecting a strong influence of the dominant neoliberal view that combines the terms of free market and democracy on the agenda of post-Soviet reforms. The neoliberal discourse usually describes the successor states of the former Soviet bloc as post-communism states or transition countries, meaning that they are in the process of transition from the past's Soviet totalitarianism to a bright future of Western-style capitalism characterized by free market and democracy (Buyandelgeriyn 2008, 235–250; Fairclough 2006, 66–68).

TRANSITION: FROM SOCIALISM TO CAPITALISM

More than two decades of reforms in Kazakhstan and Uzbekistan since 1991 have profoundly changed the political-economic systems of these ex-socialist countries. Both countries have successfully established functioning new economic systems radically different from the socialist ones of the bygone Soviet era. By now the system of private ownership has been firmly institutionalized and established in both of these ex-Soviet states. The socialist system of the state monopoly of economy has been totally dismantled. The private sector has already replaced the state as the

dominant force in production, exchange, and distribution of wealth in the economies of the both countries. By any measure, from either the liberal standpoint or the Marxist tradition, post-Soviet transformations in both countries have been capitalist in nature, albeit with peculiarities. Such pattern of regime changes is generally consistent across the post-Soviet space.

The theoretical perspective of neoliberalism, in its application to post-Soviet states and the former socialist countries of the Eastern Europe, gave rise to a body of literature called transitology focusing on a dual process of democratization and marketization. This reflects a general assumption of the neoliberals that post-communism transitions of the former socialist countries were destined to have an end point—the establishing of a variation of capitalism characterized by its free market economy and liberal democratic politics. Given the global hegemony of neoliberalism, such neoliberal discourse on transition, to a considerable extent, pervades scholarly thinking of transition in the post-communism context. For example, a survey of accounts of post-Soviet transitions of Uzbekistan and Kazakhstan, especially those in their early years of independence, would generally reflect the prevalence of such dual-process thinking that gave much attention to analyzing and reasoning the success or failure of the establishment of free market and democracy in both countries.

Neoliberal View of Economic Transition as Marketization and Its Critics

Narratives of the neoliberal discourse of marketization explaining economic transition in a post-communism context usually describe it as a set of processes that has a starting point—a defunct centrally planned socialist economy—and an end point—a supposedly vibrant free market economy (Pomfret 1995, 6). Their basic point is that by adopting a market-oriented neoliberal economic model, the post-communism economies would start to take off and would eventually be transformed into prosperous Western-style market economies, resulting in a “democratically based rise in living standards” (Sachs 1994, 25). Fairclough (2006) observes that the Western architects of the transition envisaged it as part of the global spread of capitalism based on neoliberal principles of liberalization, open markets, and free trade (67). The neoliberal economic discourse echoed the “structural adjustment program”—the Washington Consensus, which was developed in the early 1990s by the neoliberal economist-dominated World Bank and International Monetary Fund and was imposed on post-communism

states as a condition for life-saving loans during their economic crisis following the collapse of communism since 1989 (Steger and Roy 2010, 19–20; Harvey 2005; Klein 2007). Fairclough (2006) aptly summarizes the policy narrative of the Washington Consensus as follows:

The narrative associated with the Washington Consensus links a past (continuing into the present) of economic failure due to state interference in the economy which wastefully subsidizes inefficient and loss-making state industries, excessive state spending, state regulation of economic activity (finance, retail prices, trade), barriers to foreign investment and so forth; a future of economic success associated with ‘open markets’ in which private companies operate free from state regulation and interference; and a present in which policies are implemented to achieve this—‘liberalization’ of finance and trade, ‘deregulation’ of economic activity, ‘fiscal discipline’, ‘privatization’ of state-owned enterprises and so forth. (67)

Yet there exist contending views that challenge such neoliberal representation of the post-communism economic transition, following diverse theoretical paradigms. These dissident discourses fit into two broad categories: world-systems theories, and organizational and structural theories (King and Sznajder 2006, 753–761).

Those who focus on the world-systems approach are concerned at a more systematic level with asymmetric power in the global capitalist system. They describe the transition from command economies as a forced globalization that benefits the developed Western capitalist economies—the core—at the expense of the masses of the post-communism world (Gowan 1999; Andor and Summers 1998; Chossudovsky 1997; Stiglitz 2002; Staniszkis 2001; Burawoy 2001; Kagarlitsky 1999. Cited in King and Sznajder 2006, 756). According to this approach, the transformation of communism in the context of the neoliberal global capitalist system produces paralyzed states and economic “involution” (Burawoy 1996, 2001), which will result in underdevelopment (King and Sznajder 2006, 757). Therefore, in this view, the transition cannot be a singular prescribed road to Western-style capitalism as neoliberals insist. Accordingly, the only solution to ensure the successful transition of the post-communism countries would entail limiting their ties to the global capitalist system, an opposite view to what the neoliberal economic discourse would argue (King and Sznajder 2006, 758).

Unlike proponents of the world-systems approach, who consider pressures from the global capitalist system as a crucial determinant in the process of transition, those who focus on structural and institutional preconditions of transition emphasize local contextual factors that condition and constrain the process of transition. The organizational and structural approach points to existing domestic social structures and institutional legacies as crucial factors that shape social changes in the post-communism context, reflecting a path-dependent view of transition (Stark 1996, 1016; Stark and Bruszt 2001, 1129–1137; King and Sznajder 2006, 759–760). Accordingly, advocates of this view consider that the results of transition are far less predictable than neoliberals assert.

None of these approaches are without biases, and they raise more questions than they intend to answer. The neoliberal approach presents an ahistorical, universal, and uncritical view of the global spread of neoliberal capitalism as an objective and inevitable process with a prescribed ending, which itself is an ideological maneuver that serves to facilitate the global dominance of neoliberal capitalism. The world-systems approach, however, does take into account political-economic imperatives and recognize the power relations behind the global dominance of neoliberal capitalism. Yet it offers a too simple explanation of the complex phenomena of post-communism capitalist transition. For example, its thesis on the underdevelopment of transitional countries under the dominance of the capitalist core fails to provide a reasonable explanation for the fact that Uzbekistan and Kazakhstan have been on an accelerated economic track for the past decade after implementing market-centered neoliberal capitalist economic reforms that have drawn them both into the world economic system. The third view, the path dependency thesis of the organizational and structural approach, disconnects the processes of post-communism capitalist transition from the dominance of global neoliberal capitalism and neoliberal ideology, thereby eliminating the need for a critical evaluation of post-communism transformations. To be sure, it is important to take into account local conditions in understanding transition processes in each country. However, it is of equal importance to recognize the imperatives of the global context for the same processes. In effect, by denying the inner connection between varied outcomes and the influence of neoliberalism in transition processes, this approach reinforces an essentialist and teleological view on transition, just as the neoliberal discourse does.

*Neoliberal View of Political Transition
as Democratization and Its Critics*

Neoliberals presuppose political-economic transitions of post-communism countries to be destined to give rise to Western-style capitalism based on free market and liberal democracy in these countries. The neoliberal approach to the study of post-communism political transitions reflects a Western liberal triumphalist perspective resulting from the American-led West's victory in the ideological battle against the Socialist Camp, assuming a single endpoint, namely, liberal democracy, to historical progression of human society (Fukuyama 1989; Huntington 1991; Przeworski 1991; Stark 1992, 300–302; Pickel 2002, 108). Such a view encourages the neoliberal approach to studying post-communism transition with a dual focus on democratization and marketization in the spheres of politics and economy. For neoliberals, processes of post-communism transformation mean moving forward to undergo a comprehensive integration into the Western, and particularly the American, version of liberal democratic capitalist culture and norms (Haskell and Mamlyuk 2009, 2–3).

Neoliberals tend to conflate democracy with neoliberal ideals of individual freedom and free market, insisting that the promotion of free market is equivalent to the promotion of democracy, and vice versa (Steger 2009, 84). A careful look into the relation between the notions of democracy and neoliberalism, which I have detailed in Chap. 3 on post-Soviet political transitions of Uzbekistan and Kazakhstan, shows that they are not necessarily compatible with each other. Worse yet, the spreading and materializing of neoliberalism can also entail undemocratic and even bloodily repressive measures by the state. Latin American countries' conversion to neoliberal capitalism in the 1970s, China's Tiananmen Square massacre in 1989 at the moment of its embarking on the road to free market neoliberal reforms, Russia's ruthless measures during its free market reforms during the early 1990s, and the America's war against Iraq in the name of spreading democracy and freedom repeatedly demonstrate the fact that brutality and terror can also be integral to the installation and consolidation of neoliberal free market capitalism (Klein 2007; Harvey 2005).

Nevertheless, neoliberals present themselves to be fervent defenders and promoters of democracy. This can be understood through neoliberalism's limited understanding of the concept of democracy, and through

ideological maneuvering of neoliberalism for the legitimation, justification, and promotion of neoliberal capitalism. Based on neoliberal ideals of free market with minimal intrusion by government in the name of individual freedom, neoliberals insist on the private nature of the economic sphere. This necessitates the separation of economic processes from political processes and the confining of democratic processes in the political sphere only. Therefore, practices of liberal democracy effectively prevent economic decision-making processes from democratic deliberation. In effect, such neoliberal understanding and practice of democracy serves to maintain the free market capitalist system and to justify asymmetrical power relations inherent in a capitalist economy between capitalist elite minorities and the waged masses. Neoliberal claims of political liberty and equality in democratic processes such as popular voting and elections, which are limited to political matters, help to obscure such unequal economic conditions. Moreover, they also help to legitimate the rule of powerful defenders of the capitalist system, thereby perpetuating the capitalist system itself.

Therefore, the promotion of liberal democracy furnishes neoliberals with the ideological opportunity to advance the cause of free market capitalism in a language that ostensibly promotes democratization. Such curtailed democracy in liberal tradition is in essence the function of capitalism. It became as much an ideological tool by neoliberals for the purpose of generating popular support for the spread of neoliberal capitalism as it was for dismantling communism in the name of people.

Neoliberal scholars' democratization thesis in understanding political transitions in the post-communism context, just like the marketization thesis discussed in the previous section, holds an essentialist and teleological view insisting on a predetermined outcome of processes of transition. This neoliberal perspective has been criticized by scholars from various disciplines of the social sciences as oversimplification of complex and multifaceted processes of transition in post-communism countries. Their perspectives can generally be divided into two broad categories: modified views and alternative views (Gans-Morse 2004, 334–344).

Objecting to the neoliberal view that liberal democracy is a singular, natural, and inevitable outcome of transitions, modifiers consider post-communism transitions being open-ended with an emphasis on diverse outcomes of post-communism regime transformations ranging from those approximating to liberal democracy to various forms of authoritarianism, in an attempt to account for the uniqueness and peculiarities of post-communism transitions across time and space (Stark 1992; Terry 1993,

333; Bunce 1995, 112; Verdery 1996; Burawoy and Verdery 1999; Burawoy 2001). This type of framework seems to not only try to avoid the neoliberal assumption that democracy is the most likely outcome of transition, but also attempt to capture the indeterminacy inherent in post-communism transitions. According to this approach, each country has its own path to the future due to its unique specificities. Indeed, it is important to take into account local contexts and conditions for better understanding of regime changes in post-communism contexts. However, an over-emphasis of such views runs the risk of losing the sight of imperatives of the global dominance of the neoliberal ideology and the associated global spread of neoliberal capitalism, where processes of transitions have been taking place. Hence, this leads one to slip into yet another trap of the essentialist and teleological view anchored in unyielding local conditions. After all, processes of post-Soviet transformations were neither voluntary nor isolate; rather, they were imposed onto post-Soviet states with the sudden fall of the Soviet Union and the ex-Socialist Camp in an international context of ideological rivalry between communism and capitalism.

Alternative views reject issues of democratization and marketization to dictate their research agenda, and they approach post-communism transitions through paying attention to other aspects of regimes changes. Indeed, the universalist outlook of the neoliberal approach tends to be blind on issues of nation and state formation, nationalism, identity, culture, religion, and other aspects of human societies, all of which are important factors affecting regime changes. Although modifiers do take notice of these neglected aspects in the neoliberal approach, they too are obsessed with debates on issues of convergence to or divergence from democratization and marketization in their analyzing of processes of regime change in post-communism states. Generally alternative perspectives view the processes of transition through the lens of identity politics, revolution and state-building, and decolonization (Gans-Morse 2004, 341). Scholars focusing on identity politics consider that nation-building has played a major part in the story of post-Soviet period regime transitions. Take into account historical experiences of the pre-Soviet and Soviet past of post-communism countries, these scholars provide in-depth historical analyses of issues of nation, ethnicity, nationalism, religion and secularism in relation to identity politics that have shaped the formation and development of current nation states in post-Soviet space (Omelicheva 2015, vii–xx; Dagiev 2014, 37–90, 150–170; Kurzman 1999; Martin 2001, 1–8; Everett-Heath 2003; Khalid 2007).

The second group of alternative views on transitions—revolution and state-building—emphasizes the precarious and dangerous situations of disintegration and chaos engendered by the total destruction of the Soviet state and its institutions following the downfall of the former Soviet Union. They criticize other scholars of post-communism regime transitions for their groundless assumption of the existence of a functioning state when it actually was not a case, and they argue that issues of building a functioning state played a major part in the process of post-Soviet transitions (Kis 1998, 300–383; Grzymala-Busse and Luong 2002, 529–554; Fairbanks 2002). They remind researchers of post-communism transitions that state-building in post-Soviet regime changes should receive serious scholarly attention in its own right given the absence of the modern state’s structures and institutions in these ex-Soviet states when they were thrown to independence with the sudden collapse of the former Soviet Union. The third strand of alternative views draws a parallel between post-Soviet transitions and processes of decolonization, particularly with regard to post-Soviet Central Asian states, arguing for a post-colonial understanding of trajectories of Central Asian states’ changes in their post-Soviet independent period (Beissinger and Young 2002; Levitin 2001, 93–102; Cummings 2012). All of these alternative paradigms without doubt have their merits in broadening and deepening our understanding of the complexity and multiplicity of political transformations of post-communism states. Yet, they all tend to ignore political-economic imperatives of the global spread of neoliberal capitalism and its underlying neoliberal ideology that also condition and shape post-communism transitions. It has been over 20 years since the fall of Communist Bloc, and by now it has been much apparent for observers to see that what has transpired in the change of political-economic systems of these post-communism countries through these transformative processes is in essence capitalist in nature. But why? All of these alternative approaches fail to answer this question.

In summary, the above-discussed approaches in the literature of post-communism transition all attempt to represent in a particular way the phenomenon of post-communism transition. However, in these views, the global spread of neoliberal free market capitalism as well as capitalist transitions in post-communism transitions are treated largely as material processes and it is the task of social scientists to describe and explain. Little attention is paid to the impacts of the neoliberal ideology on these processes. In particular, the role of neoliberal ideas in relation to post-communism capitalist transformative processes in the former Soviet Union

has remained largely unexplored in the literature of transitions. Admittedly, material processes should be a significant part of any comprehensive account of the global spread of neoliberal capitalism and processes of post-communism transitions, and the rise of neoliberal ideas and discourses of transition cannot be separated from the material world. However, it is equally necessary to explore the role played by ideas, because they not only give meaning to, but also inform and shape these very material processes.

The purpose of this book is to address this gap in the literature on post-communism transitions. This book suggests the firm existence of a causal relationship between the global dominance of neoliberal capitalism and post-communism capitalist transitions, and both processes are as much an ideological practice as a material practice. Focusing on post-Soviet Uzbekistan and Kazakhstan, the book is guided by the question: In what way does neoliberalism play a role in capitalist transformations of post-Soviet Uzbekistan and Kazakhstan?

Based on a comprehensive understanding of neoliberalism that addresses its manifestations at both ideational and practical levels, I conduct my investigation through a critical discourse analysis against the background of the global dominance of neoliberalism. I combine a broad macro-level examination of the political, economic, and cultural domains of post-Soviet transition processes with an extensive micro-level discourse analysis of the writings and public speeches of the presidents of both countries for manifestations of neoliberalism. There are two main reasons for this choice. First, in each country, a single authoritarian president has been at the center of power continuously since 1991, when both countries acquired independence following the collapse of the former Soviet Union. Second, both presidents possess tremendous political clout in the political and economic life of their respective countries. Therefore, it is logical and appropriate to look into their narratives about post-Soviet reforms in their respective countries for clues to the influence of neoliberalism. For this purpose, I collected their official writings and speeches concerning reform policies as the focus of my discourse analysis.

My collection of the two presidents' public speeches and writings is bound by the time period spanning 1991 to 2015, which covers all the consecutive terms of the presidencies of both Karimov and Nazarbayev. My purpose is to cover as much as possible of the post-communism transition period in both countries, yet still be relatively consistent and systematic. This structure was necessary in order to examine whether the influence of neoliberalism was limited to one particular period or to a particular

issue, or whether it is a constant influence on the processes of post-communism transformation taking place in both countries since 1991. My analysis of the speeches and writings of Karimov and Nazarbayev for this period attempts to make apparent the underlying neoliberal assumptions that have helped them to construct a particular view of reality—what it is and what it should be—which then influences the policy responses that are developed and implemented by the political leadership of these states. The book demonstrates that both countries' post-Soviet transformations are not isolated events, and that they are strongly influenced and shaped by neoliberal ideas. They are in essence an integral part of the story of global spread of neoliberal capitalism.

The significance of this study lies, first, in its adoption of critical perspective, which enables us to uncover the hidden link that connects both neoliberalism and post-Soviet transformations to power dynamics driven by the political-economic imperatives of capitalism. Second, the significance of this study also lies in its appreciation of the power of ideas as an indispensable factor that is as important as material imperatives in relation to social changes in the global context and in the post-communism context.

Furthermore, this study also contributes to research practices in political science with its cross-disciplinary approach. The book benefits from insights from a number of fields including political science, political economy, the Marxist critical school, cultural studies, and semiology. It highlights discourse analysis as an analytical tool. Specifically, the book uses critical discourse analysis (CDA) to better understand how neoliberal ideas and assumptions are implicated in the systemic transformations of the post-communism countries of Uzbekistan and Kazakhstan. This cross-disciplinary discursive analysis helps to shed light on the meaning that these post-communism states make of the prevailing global ideological imperatives, and how they contextualize these imperatives to frame and justify their own reform policies and actions.

THE METHODOLOGY OF CRITICAL DISCOURSE ANALYSIS

This research adopts a critical interpretive methodology known as critical discourse analysis. CDA is a form of social analysis that critically analyzes discourse—language use—as a means of addressing problems of social change (Scollon 2001, 140). According to Wodak (2001), interactive relations between language use, to wit, discourse, and social context make

the following three concepts indispensable in all CDA: the concept of power, the concept of history, and the concept of ideology (3). Specifically, first, CDA considers power as a central condition in social life, and texts as sites of power struggle (11). For CDA, language itself is not powerful; it gains power by the use powerful people make of it (10). Hence, CDA takes particular interest in the relation between language and power, aiming to critically investigate structural relations of dominance and inequality as they are expressed, signaled, constituted, and legitimized by language use or in discourse (2). Second, every discourse is situated in time and space—it is produced and interpreted within a historically specific context (3). Third, ideology is an important means by which unequal power relations are established and maintained (10). Therefore, a focus on power relations and domination hidden in language use enables us to uncover underlying ideology at work. Since discourse can be a vehicle of ideology through which ideas of ideology are propagated, inculcated, and legitimated, contributing to establishing, maintaining, and changing social relations of power and domination (Fairclough 2001, 30, 33, 2003, 9), an important aim of CDA is indeed to decipher ideologies implicit in discourses (Wodak 2001, 10).

But what is being critical in CDA? The term “critical” is generally perceived in social science in various ways: Some subscribe to the Frankfurt school of critical theory, some to Marx’s critical view in relation to capitalist production relations, and others to a notion of literary criticism (Wodak 2001, 9). Proponents of CDA contend that social science in general and discourse studies in particular are inherently part of and influenced by social structure, and produced in social interaction; thus, they are social constructs laden with values (van Dijk 2001, 352). In this light, CDA recognizes the danger social researchers face of losing sight of dominance relations in society and perpetuating dominant knowledge over the social reality by taking a blindly value-free neutral stance, thus risking thus unconsciously becoming a tool of domination. By being committed to making apparent the discursive aspects of societal disparities and inequalities (Meyer 2001, 30; van Dijk 2001, 96), CDA ultimately serves to advance the cause of enlightenment and emancipation, seeking not only to expose, but also to root out the false consciousness that helps establish and sustain relations of domination (Wodak 2001, 10), ultimately paving the way for social change for liberation. In this regard, CDA employed in this book takes a Marxist critical view on the role of ideology as a modality of power for domination (Fairclough 2003, 9).

In this study, I specifically adopt a version of critical discourse analysis developed by Norman Fairclough (1989, 2001, 2003, 2006) that emphasizes a cross-disciplinary approach. Fairclough (2006) situates CDA within a wider framework of “cultural political economy” (Jessop 2004) to ensure systemic and contextual attention to relations between the discourse of neoliberal globalization and its underlying neoliberal ideology as well as the process of the global spread of free market capitalism. The advantage of this perspective is that it allows for the inclusion of both political-economic and cultural factors, avoiding the danger of a decontextualized focus on discourse itself or of losing sight of the non-discursive conditions on which discourse has to depend for its effectiveness (Fairclough 2006, 28). Such an approach to CDA is useful for this study for at least two reasons. First, because neoliberal discourse represents and produces a particular form of capitalist political-economic system, being attentive to political-economic factors can help trace the influences of neoliberal ideas hidden in political discourses deployed by the political leaders of both Uzbekistan and Kazakhstan in their policy speeches and narratives on their post-Soviet reform programs. Second, attention to cultural factors also can help to understand the divergent translation, recontextualization, and operationalization of neoliberal discourses in these two former Soviet republics.

The CDA research method reflects a philosophical ontology of critical realism (Fairclough 2006, 12) associated mostly with the British philosopher Roy Bhaskar (1989). Ontologically, critical realism holds that reality exists independently of our knowledge of it, yet rejects the positivist views that limit our knowledge of reality to what can be objectively interpreted. Moreover, it insists that our knowledge of the world is socially constructed, yet also rejects post-modernist views that deny the existence of a reality outside of our knowledge. In short, while acknowledging the existence of an objective reality independent of human consciousness, critical realism insists that the meaning of such a reality is a social construction.

CHAPTER OUTLINE

This book consists of seven chapters. Chapter 1 introduces readers to the background and purpose of the book. It also presents an overview of the organization and major arguments of the book. Moreover, this chapter lays out the method of critical discourse analysis (CDA) that is adopted by

this book for better understanding of how neoliberal ideas have impacted the post-Soviet neoliberal capitalist transitions of Uzbekistan and Kazakhstan.

Chapter 2 delineates the conceptual framework of this book. The global dominance of neoliberal ideology has been the context in which discourses of transition are produced, adopted, and translated into practices in the post-communism countries of Uzbekistan and Kazakhstan; hence, a proper understanding of their post-communism capitalist transformations cannot be separated from an understanding of neoliberalism. This chapter proposes a comprehensive three-dimensional framework to understand neoliberalism from both ideational and material perspectives. It conceives of neoliberalism as an ideology, a mode of governance, and a policy package (Steger and Roy 2010; Larner 2000). The framework serves as a conceptual filter in the later data analysis in order to help identify as many as possible of neoliberalism's manifestations in different aspects of the transition. This chapter also introduces the concept of ideology in the critical tradition that is concerned with its political function in relation to exercises of power. This is conducive to grasping the role of neoliberalism in constructing, legitimizing, and justifying certain power relations that are crucial for the global spread of neoliberal capitalism and post-Soviet capitalist transitions of Uzbekistan and Kazakhstan.

Chapter 3 focuses on the political ramifications of post-Soviet transformational processes in both countries. Based on neoliberalism's conceptualization of a limited state in defense of individual rights, and its liberal view of the concept of democracy, the chapter focuses on five core aspects of the neoliberal political system: individual rights centered on private ownership, separation of state powers, elections, political party systems, and media. The findings show that the neoliberal influence on these five core political aspects is selective and uneven. There shows a strong influence of neoliberalism in the institution of private ownership in the political system as the basis of developing market relations in the economy. While a distinct neoliberal influence is also shown in the establishment of a full set of democratic institutions in both countries, these institutions only remain nominal, and are largely eviscerated of liberal democratic content. They merely serve to legitimize and preserve a political order that fosters and protects a fledging capitalist system.

Chapter 4 deals with post-Soviet neoliberal transitions of both countries through an economic perspective. Based on the comprehensive framework for understanding neoliberalism introduced in Chap. 2, this

chapter looks into the following five major aspects of the neoliberal economic model: privatization and private ownership of the means of production, price deregulation, trade liberalization, tax cuts for businesses, and government spending on social welfare. The chapter shows that the influence and impact of neoliberalism in the economic sphere is strong and pervasive. This chapter further sheds light on the capitalist nature of the post-Soviet transitions of Uzbekistan and Kazakhstan.

Chapter 5 explores the impact of the globalization of neoliberalism on Uzbekistan's and Kazakhstan's post-Soviet capitalist transformations through a cultural perspective. Following the Marxist tradition of viewing culture as a vehicle that propagates and regenerates a certain social hierarchy of power relations for the interests of hegemonic socioeconomic groups within society, the chapter focuses on consumer culture for an interpretation of the impact of the global dominance of neoliberalism. The chapter introduces a threefold framework developed by the sociologist Jan Nederveen Pieterse (2009) to understand patterns of cultural change to aid in my analysis. It begins with an explanation of the inherent connection between consumerism and neoliberalism. Then it proceeds to explore the influence of neoliberalism using a semiotic analysis of symbolic expressions of consumerism that permeate the cultural landscape of post-Soviet Uzbekistan and Kazakhstan. The findings reveal the strong impact of the global dominance of neoliberalism and American culture on the rise and proliferation of consumer culture in both countries. The findings also point to the contextual and historic specificity of forms and practices of the neoliberal capitalist order in post-Soviet Uzbekistan and Kazakhstan, reflecting a mixed result of the interaction between the global and the local, where the global imperatives of neoliberalism take effect via local contexts through both accommodation and resistance.

Changing focus from the macro-systems of politics, economy, and culture to the concrete micro-level of text, Chap. 6 takes a discursive perspective to investigate the influence of neoliberalism on the post-communist capitalist transitions of Uzbekistan and Kazakhstan. Based on the comprehensive framework for understanding neoliberalism introduced in Chap. 2, this chapter examines speeches and writings of Karimov and Nazarbayev, using critical discourse analysis to trace the influence of neoliberalism. My findings echo the fact revealed in previous chapters that neoliberalism has played a crucial role in the establishment and consolidation of a capitalist political-economic system in both post-Soviet Uzbekistan and Kazakhstan. The findings also highlight the multiplicity of the influences of neoliberalism

in the transition processes of both countries. They point to the advantages of adopting a comprehensive understanding of neoliberalism for a better appreciation of its multifaceted impacts on both Uzbekistan's and Kazakhstan's post-Soviet capitalist transformations. Furthermore, the findings highlight that the implementation of Karimov's and Nazarbayev's neoliberal policies has been contingent upon the political leaders' particular political agenda and their countries' conditions specific to the given time in history. This chapter thus reinforces the previous chapters' conclusions, showing again that the contingent nature of these processes has resulted in a selective and adaptive implementation of neoliberal economic and political ideas in the post-Soviet reforms of Uzbekistan and Kazakhstan.

The book ends with Chap. 7. Based on the findings of the book, the chapter concludes that the post-Soviet transformations of both countries are not processes that have resulted from democratic demands and aspirations of the masses as such; rather, they are processes that involve the exercise of power by national elites on behalf of the state with the intention of preserving and perpetuating the interests of the capitalist systems established in both post-Soviet countries. The chapter also points to the powerful role the USA has played in the rise of neoliberalism and the spread of global neoliberal capitalism. Moreover, it suggests that promotion of free market, free trade, and democracy around the globe actually advance the interests of the American capitalist system in its drive to capital accumulation and dominance over the global market. Lastly, the chapter calls for an increased voice on part of critical approaches in the social sciences.

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Understanding Neoliberalism: A Comprehensive Approach to the Concept of Neoliberalism

For the analytical purposes of this study, it is necessary to clarify my approach to understanding the term “neoliberalism” that I employ here. This approach will serve as a framework to be used for distinguishing elements of neoliberalism hidden in the texts of the selected speeches and utterances under investigation. A narrow or one-sided understanding of the concept would inevitably limit the scope of my investigation and constrain my findings, hence missing a fuller picture of the influence of neoliberalism on the post-communism transformations of Uzbekistan and Kazakhstan. By the same token, an all-embracing conceptualization would hinder a deep analysis and therefore would yield little insight into the details of the subject under investigation.

Therefore, I begin this chapter with a delineation of the term “neoliberalism.” I adopt the multilayered interpretation of neoliberalism proposed by Steger and Roy (2010) and Larner (2000). This framework conceives of neoliberalism as consisting of three different yet interrelated dimensions: a concrete policy package, a mode of governance, and an ideology. In a general sense, neoliberalism is understood in this framework as a set of political-economic thoughts and practices. These different aspects of the concept support and reinforce each other, with the ideological aspect at the deepest level. The ideological dimension provides the theoretical underpinnings of particular political and economic rationales underlying the mode of governance neoliberalism advocates, which is reified at a concrete level through a certain set of public policies promulgated on the ground. To put it in another way, the manifestations of neoliberalism as a mode of governance

and as a policy package are all shaped by the ideology of neoliberalism. Adopting this three-dimensional understanding of neoliberalism as a set of policies, a mode of governance, and an ideology provides a means for developing a comprehensive understanding of the influence of neoliberalism in the post-communism transitions of Uzbekistan and Kazakhstan. In the following sections, I discuss these three fundamental dimensions of neoliberalism as understood according to this framework in detail.

THE FIRST DIMENSION: NEOLIBERALISM AS POLICY

The first dimension of neoliberalism manifests itself as a set of concrete public policies, centered on the neoliberal principle of market freedom, which requires freeing up economic activities from the direct involvement of the state and leaving private hands unrestrained. According to Steger and Roy (2010), such a set of policies generally involves three measures, including deregulation of the economy, liberalization of markets and trade, and privatization of state-owned enterprises. Perhaps the most systematic reification of these policy measures of neoliberalism was the Washington Consensus—a name coined by neoliberal economist John Williamson (1990, 2004)—which refers to the 10-point “structural adjustment program” promoted by the US-led International Monetary Fund (IMF) and the World Bank in the early 1990s, on the eve of the collapse of communism in Eastern and Central Europe and the former Soviet Union. The implementation of this set of policies became a prerequisite for economically distressed countries around the globe in exchange for much needed loan offers from these powerful international financial institutions. The following is a list of this policy prescription’s 10 points:

1. A guarantee of fiscal discipline and the curbing of budget deficit;
2. A reduction of public expenditure on public services: except for necessary spending to maintain the state’s capacity to exercise its sovereign rights, public expenditures should be redirected to spheres with potential for high economic return;
3. Tax reform, aiming at the creation of a system with a broad base with lower marginal tax rates;
4. Financial liberalization, aiming at the creation of market-determined interest rates;
5. A competitive exchange rate: a unified exchange rate that is sufficiently competitive to induce export-led economic growth;

6. Trade liberalization, aiming at import liberalization centered on removal of state restrictions on imports and a reduction of tariffs;
 7. Promotion of foreign direct investment, and the granting of equal status to foreign firms vis-à-vis domestic ones;
 8. Privatization of state enterprises: state enterprises should be privatized for efficient management and improved performance;
 9. Deregulation of the economy, aiming at curbing state interference in the economy;
 10. Protection of property rights, aiming at maintaining the institution of private ownership and freeing up the private sector.
- (Williamson 1990, 2004, 3–4; Steger and Roy 2010, 19–20)

Considering the context of post-communism, in which Uzbekistan and Kazakhstan started their state-structuring and market reforms from scratch, I will focus on the following neoliberal policy options in political discourses and practices typically found in the market transitioning states of the former Soviet Union, particularly Uzbekistan and Kazakhstan, in my discourse analysis in the later sections of this chapter.

Tax Cuts

According to neoliberal thinking, such a policy measure is conducive to broadening tax bases and increasing production and consumption, thereby increasing tax revenues. For businesses, tax cuts and tax concessions are expected to increase business turnover saved from tax deductions, thus encouraging more investment in firms, which in turn should spur economic growth. For the general public, increased income saved from tax reductions is expected to enable more consumption, thus more profits for businesses, and the reduction of tax rates will induce more tax compliance from the public, thus contributing to a steady increase in tax revenues with a broadened tax base.

Price Liberalization

According to the free market principle of neoliberalism, price determination is strictly a matter of a supposedly self-regulating market. A price for a product or service should be determined by the interaction of supply and demand for that commodity or service in a free market. This price-setting market mechanism works in such a way that individual buyers and sellers

of a commodity voluntarily enter into a transaction with a mutually agreed price in the market in pursuit of the maximization of their gains. The market price of a commodity reflects a natural equilibrium between the total supply of and the total demand for that commodity. The government should not interfere with such auto-adjusting market equilibrium in price setting. Such market-centered policies on price setting also apply to interest and exchange rates.

Liberalization of Trade and Encouraging Foreign Investment

Such policy measures reflect a neoliberal conviction of the mutual benefits of free trade in an open market for both trading participants. Specific policy options include opening up the domestic market to allow foreign firms to do business, abolishing protectionism and removing import–export hurdles, attracting foreign capital to invest in the national economy, establishing free economic zones to facilitate export and foreign investment, and regional and global market integration.

Removing Monopolies and Encouraging Free Competition

According to neoliberal economics, any monopolistic control by the state or by private entities will severely obstruct the natural equilibrium of the market and therefore impede its efficiency in allocating resources for the optimal performance of the economy. Specific policy measures include antimonopoly legislation, breaking up the state monopoly of the economy through privatization of state enterprises, and institutionalizing market exchange through competition as a means of resource distribution and wealth distribution.

The Protection of Private Property and the Creation of the Private-Led Economy

This principle attests to a neoliberal belief in the natural rights of individuals to private property and economic liberty, as well as a conviction in the unrestricted individual pursuit of self-interest as the basis of market efficiency and as the driving force of the economy. Specific policy applications of such individual-centered neoliberal beliefs include legalizing private ownership and enforcing the protection of private property, the veneration

and encouragement of entrepreneurship and self-enrichment, and the privatization of state enterprises and public services.

Tight Fiscal Management of the Government

Neoliberal policy requires balanced expenditures and revenues in the public budget. The neoliberal view considers that excessive public spending puts a severe strain on the economy because it requires more tax-levying for funding. Consequently, more taxes place more burdens on individual incomes and thus reduce economic incentives for private entrepreneurial activities. As a result, less private gain will lead to less investment and hence an overall slowdown of the growth of the economy. Such thinking echoes the classical liberal conviction that a government's role is best limited to defending individual rights and liberty. Specific policy measures include initiatives for a trimmed-down government, fiscal austerity, and strict controls on the money supply.

THE SECOND DIMENSION: NEOLIBERALISM AS A MODE OF GOVERNANCE

The second dimension of neoliberalism consists of its function as a mode of governance, which is a concept borrowed from the Foucauldian notion of “governmentalities” that refers to certain modes of governance premised on particular rationales and power relations (Steger and Roy 2010, 12). A neoliberal mode of governance not only is concerned with limiting the power of government through invoking individual rights and freedom, but also encourages both institutions and individuals to conform to the norms of the market (Larner 2000, 12). For neoliberalism, the classical liberal principles of limiting the power of government for the protection of individual liberty, and of enforcing the rules of the free market remain the basis for its conception of the proper mode of governance for a state. The classical liberal ideal of the natural harmony of the market—that competition in a free and open market has an optimal effect on resource allocation for maximizing the economic gains of individual participants—is fundamental to neoliberalism's complete faith in the logic of the free market (Przeworski 1992, 45–59). For neoliberalism's precursor, the classical liberal school of thought, a government that sustains and

protects individual liberty is the prerequisite for the natural equilibrium of the market.

Unique to neoliberalism is that it has extended the presumed economic rationality of the free market to other spheres of human society in the belief that the same market logic will bring efficiency to non-economic endeavors as well as economic endeavors; neoliberalism goes beyond the confines of the conceptual framework of classical liberalism and claims that market mechanisms are the governing forces not only for economic activities, but also for activities in all other social domains (Harvey 2005, 3). Neoliberalism has in a sense radicalized the commitment of classical liberalism to *laissez-faire* economic policies (Lemke 2001, 190–207). Neoliberalism subjects society to the dictate of market principles, resulting in a commodification of all aspects of society (McCarthy and Prudham 2004, 276).

As such, a neoliberal mode of governance advocates self-regulating market mechanisms as the organizing principle for a proper government (Steger and Roy 2010, 12). Following this market-centered logic, a neoliberal rationality of governance sees public management as akin to a private business, and hence ascribes an entrepreneurial identity to government as a rational approach to achieving administrative efficiency, accountability, and effectiveness. Hence, it holds that institutions of the public sector should apply the principles and practices of private business to their operation, and that public services are a business that must be attuned to market imperatives and the principle of economic efficiency. In other words, market principles are lodged at the center of neoliberalism's conception of the proper governing strategies for governments. Therefore, in the view of neoliberal modes of governance, entrepreneurial values—such as economic freedom, competition, cost-benefit efficiency, self-interest, and self-responsibility—become applicable to endeavors inside and outside of government. According to this mentality, government should focus on providing services at the lowest possible cost utilizing market mechanisms, and government employees should act as entrepreneurs with market-oriented behaviors to contribute to such a goal. Citizens are then seen as customers who have rights to freedom of choice in satisfying their own needs just like consumers in the marketplace, a view that is inspired by the classical liberal concept of individuals as self-interested and free economic actors. Hence, the most desirable way of managing the public sector in order to provide appropriate services is to make it responsive to the needs and demands of citizens, just as

commercial businesses must be sensitive to consumer demand in the market in order to succeed.

In addition, regarding any action based on collective interests at the expense of individual interests as a “road to serfdom” (Hayek 1962), proponents of neoliberalism vehemently argue for individual freedom, first and foremost the individual market freedom, as the basis on which a free society is built (Steger and Roy 2010, 15). Invoking the classical liberal image of the individual as an economic man, the neoliberal governing mentality posits that the economic sphere is naturally the exclusive realm of individuals, which should be free from any intervention from government. Further, it insists that a self-regulating market works best in producing a rational, efficient, and productive economy without government intervention. In essence, the neoliberal mode of governance firmly upholds private control of economic matters and deliberately shields private economic activities from the reach of democratic deliberations within political processes to prevent individual economic freedom from being subordinated to political freedom (Rupert 2000, 3). Therefore, according to the neoliberal mode of governance, democratic participation in governmental decision-making is predicated on the principle of protection of individual economic freedom and market autonomy. This understanding of the neoliberal mode of governance has practical implications in governmental economic policy setting. For example, policy measures such as the institution of the independence of a central bank, the independence of governmental monetary policy-setting bodies, the deregulation of markets, and the privatization of state enterprises, to name a few, are prevalent economic policy options for neoliberally inclined governments. These neoliberal government policy measures epitomize the free market-centered logic of the neoliberal mode of governance.

Moreover, advocating a limited government in defense of individual rights and freedom, a neoliberal rationality of governance regards the classical liberal principles of decentralization of state power, division of government authority, and local autonomy as the means to a desirable structure of government to constrain state power over individual liberty (Steger and Roy 2010, 12). Neoliberalism regards the concentration of state power into a single body, be it a sovereign, a group of elites, or a branch of the government, as a direct threat to individual liberty and market freedom. Hence, in the vision of neoliberal governance, a limited government is understood not only in the sense of its strictly limited functions

and responsibilities, but also in the sense of its constricted power structure in carrying out those functions and responsibilities, all of which serve to protect individual freedom in the market.

Furthermore, neoliberal modes of governance emphasize individual initiative and the responsibility of citizens for their own wellbeing (Larner 2000, 13). This position in the neoliberal logic of public management originates from classical liberalism's conception of individuals as born equal and free actors who are naturally prone to pursue their material self-interests. In the view of the neoliberal governing mentality, individuals are free to make decisions for themselves in the pursuit of their self-interest, and as such, they are held responsible for any consequences of their own decisions. In addition, such a mentality insists that the outcomes of their individual endeavors will be inevitably uneven because people differ in their individual capabilities—such as knowledge, skills, and personal situations. As a result, the success or failure of individuals is considered self-induced (Kachiga 2008, xiii).

The individual-centered view of neoliberal modes of governance serves, at least in part, the following two purposes: First, it severely limits the social responsibilities of government to only those related to sustaining and protecting individual liberty. Second, it legitimizes the social stratification facing supposedly equal individuals in an allegedly free society with self-reasoning arguments that credit success or failure of individuals in their social life to themselves as their own doing. Therefore, it serves to preclude any possible consideration of unjust structural causes of social inequality and stratification (Hamann 2009, 38, 44), hence obscuring and perpetuating unequal power relations in the class system of the capitalist social order.

As the discourses of neoliberalism have been gaining prominence in the realm of international political economy since the 1980s, the neoliberal mode of governance has proliferated in the field of public administration of governments both within and beyond the USA. Sparked by the emergence of these movements to revamp state bureaucracies, Osborne and Gaebler (1993) provide a systematic exposition of a new form of public management for government in light of the neoliberal mode of governance in their book *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. They prescribe a 10-point set of neoliberal-prone guidelines as the necessary approach to a robust and efficient government with effective administrative performance in providing public services. The following list summarizes these points:

Neoliberalism as New Public Management: Ten Government Objectives

1. Catalytic government: Steering rather than rowing. Focus on providing direction rather than producing goods and services with the guidance of market mechanisms.
2. Community-owned government: Empowering rather than serving. Empower, hence transfer more responsibilities to, the people who are the intended recipients for better results of public services.
3. Competitive government: Injecting competition into service. Introduce practices of market competition to government to improve both quality and cost-effectiveness of public services.
4. Mission-driven government: Transforming rule-driven organizations. Mission-driven governments deregulate internally and simplify administrative systems to reduce waste and hence costs, thereby increasing their efficiency.
5. Results-oriented government: Funding outcomes, not inputs. Shift focus to cost-effectiveness based on output performance of public organizations.
6. Customer-driven government: Meeting the needs of the customer, not the bureaucracy. Be attentive to citizens' needs and choices in delivering public services, just the way private businesses are to those of customers.
7. Enterprising government: Earning rather than spending. Increase revenues and reduce spending by using private business as a model.
8. Anticipatory government: Prevention rather than cure. Consider that prevention costs less and is much easier than suppression.
9. Decentralized government: From hierarchy to participation and teamwork. Decentralization puts government in a better position to enable public employees to be more innovative, committed, and thus productive.
10. Market-oriented government: Leveraging change through the market. Utilize the market to solve social problems rather than using administrative command and control approaches.
(Osborne and Gaebler (1993), cited in (Steger and Roy 2010, 13))

The foregoing discussion of neoliberalism as a mode of governance will provide another perspective in my investigation of the influence of

neoliberalism on Uzbekistan's and Kazakhstan's post-communism capitalist transitions. Based on the understanding of neoliberalism presented thus far, I will pay special attention in my discourse analysis to the manifestations of the following attributes of the neoliberal mode of governance in dominant political discourses that function to construct or reinforce post-communism capitalist social orders and power relations in both countries.

1. Upholding individual freedom, emphasizing individual responsibility for personal life and wellbeing, and rejecting state welfare policies;
2. Shifting the control of economic matters from the public sector to the private sector; specific measures include deregulation of the private sector, privatization of state enterprises, and public-private partnership;
3. Limiting social spending, with an emphasis on shifting the provision of public goods and services from the government to the market;
4. Making the market central to the fulfillment of governmental duties;
5. Applying economic cost-benefit calculations to government to measure its administrative efficiency;
6. Injecting competition into public administration to improve administrative performance;
7. Depoliticizing the economy to shield it from political interference and contestation;
8. Instituting an independent central bank and monetary policy-setting bodies in the name of protecting market freedom;
9. Utilizing market mechanisms rather than command-control administrative means to deal with social as well as economic matters;
10. Limiting state power through decentralization, and increasing the autonomy and responsibility of local governmental units.

THE THIRD DIMENSION: NEOLIBERALISM AS AN IDEOLOGY

The third dimension of neoliberalism is its function as an ideology. This dimension is fundamental, as it provides the philosophical underpinning of the other two dimensions, that is, neoliberalism as a mode of governance and as a set of policies. In this sense, the ideology of neoliberalism

ultimately shapes manifestations of the other two dimensions. In light of this understanding, the ideological function of neoliberalism demands nuanced attention as it also helps us better understand the manifestations of neoliberalism as a mode of governance and a set of policies. In the passages that follow, I will first provide a general review of the historical background and ideological origin of neoliberalism, and then move to a detailed discussion of the function of ideology in order to help understand the ideological dimension of neoliberalism.

The Rise of Neoliberalism

Neoliberalism is a strand of a larger school of political-economic thought termed “liberalism,” whose roots can be traced back to Western Europe’s Enlightenment movement of the seventeenth and eighteenth centuries. The Enlightenment saw the rise of the British school of classical liberalism, which enshrined individualism, the free market and free trade, the minimalist state, and private ownership. At the core of neoliberalism are the following four presumptions of classical liberalism: the advantage of the free market and free trade for economic growth, the restricted role of the state over the economy, the sanctity of private ownership, and the freedom of individuals as rational economic actors (Harvey 2005, 2; Steger 2009, 12).

Neoliberal schools of thought began to gain their ascendancy in the context of the economic crises of 1970s that plagued the Western industrialized countries. Their post-Second World War economies largely followed interventionist Keynesian models that emphasized state control over the market and some diluted socialist ideals without fundamentally altering their capitalist system (Steger 2009, 12). The economic crises of the 1970s in the West opened an opportunity for political experimentation (Gourevitch 1984, 99), and proponents of neoliberalism wasted no time advocating the return to free market economic policies along the lines of classical liberal principles as remedy for the economic crises of the time. On both sides of the Atlantic, the tide began to turn against the seemingly failed Keynesian models and the postwar consensus that the state should take an active role in steering the capitalist system. The decisive moment came during the period of the late 1970s and the early 1980s when Margaret Thatcher and Ronald Reagan came to power, in the UK and the USA respectively. They were both committed to a full-blown attempt to adopt and implement a series of neoliberal policies intended to reverse the

decline of their capitalist economies, and they succeeded, effectively putting an end to an era dominated by the Keynesian doctrine.

Following suit, other countries in the West made sustained political efforts, albeit at different paces, with different emphases, and to different degrees, to ease economic regulation, privatize state enterprises, retrench public spending, tighten money supplies, lift trade barriers, and cut tax-policies. These efforts were essentially in line with neoliberalism. As a result, neoliberalism attained strong political clout, paving the way for its subsequent rise to prominence around the world as a powerful ideology, capturing the support of even more politicians, intellectuals, and private citizens worldwide. This wave of proliferation entered a new stage in the late 1980s when neoliberalism was translated into a development model of modernization—the Washington Consensus (Williamson 1990)—a global political project engineered by the West to promote free market capitalism to the rest of the world as a path to prosperity and human wellbeing. The disappearance of the Soviet Union and the fall of state socialism in the Eastern bloc in the early 1990s, as well as the acceleration of “neoliberalism with Chinese characteristics” (Harvey 2005, 120) in China, eventually eviscerated the vitality of socialist alternatives to capitalism worldwide, leading to an unprecedented dominance of neoliberalism as a political ideology in the 1990s (Steger and Roy 2010, 10). Since then, neoliberalism has morphed into a global hegemonic ideology of “market globalism” (Steger 2009, 7), which usurped the concept of globalization to propagate neoliberal messages everywhere, facilitating the global spread of capitalism in the neoliberal model.

However, over the past three decades of neoliberal dominance, the purported self-regulating mechanism of the market has failed repeatedly around the globe in both developed and developing economies. The most recent evidence was the 2008–2009 world economic crises, triggered by the credit crunch and the national financial crisis in the USA, the country that is the most ardent supporter and promoter of neoliberalism. Other examples include the economic crises that engulfed almost every Latin American country during the 1990s and 2000s as a result of their adoption of neoliberal policies centered on the “structural adjustment program” of the World Bank and IMF; the prolonged economic depression in the post-communism states that implemented neoliberal free market “shock therapy” (Sachs 1994). The Asian financial crisis of 1997 and the Russian economic crisis of 1998 are yet more examples of the destructive results of free market neoliberal experiments. Nevertheless, surprisingly,

neoliberalism has maintained its legitimacy and still holds sway over national and international decision-making circles. It is the ideological function of neoliberalism that makes it so resilient. In the passages that follow, I will discuss through a critical perspective the general purpose and role of ideology in order to help reveal how neoliberalism in particular functions as an ideology in sustaining and reinforcing its global dominance over the past three decades.

The Concept of Ideology

Influenced largely by the Marxist tradition, Fairclough (2003) distinguishes two types of social scientists: those who employ critical conceptions of ideology and those who employ descriptive conceptions of ideology (9). In his opinion, the critical scholars see ideology as a “mode of power” (Fairclough 2003, 9) that contributes to establishing, sustaining, or altering the social order of power relations, whereas the latter generally regard ideology as the positions, attitudes, beliefs, or perspectives of social groups without reference to relations of power and domination between social groups (9). In this study, I adopt a critical view of ideology, which allows me to bring social relations of power into the analytical picture. Such a critical view helps expose the ideological character of neoliberalism by taking note of the ways in which certain unequal power relations and domination are produced and legitimized.

Neoliberalism advocates a social model centered on a free market economy. A closer look at this model will reveal that it upholds a political-economic system whose fundamental premises are centered on the private ownership of the means of production and the freedom of individuals as autonomous self-serving economic actors in an open market. Upholding the institution of private ownership as a natural outgrowth of individual freedom, neoliberalism perpetuates unequal production relations between capitalist owners, who possess the means of production, and laborers, who do not. Such unequal relations compel allegedly free laborers to work for capitalists for a living, thus subjecting them to exploitation and domination by the capitalists. In this regard, neoliberalism can never be politically neutral; it functions as an ideology because it ultimately serves to preserve a capitalist social system characterized by unequal power relations between capital and labor. Adopting such a critical view is advantageous for this study because paying attention to the social order of political and economic power relations for which dis-

courses of transition stand will help locate the ideological footprints of neoliberalism. Thus, the connections between the discourses of transition and neoliberalism can be revealed.

Steger (2009) offers an insightful discussion on the function of ideology, which is useful in my approach to the ideological dimension of neoliberalism in this study. Although he takes a neutral stance on ideology, he does not shy away from the discussion of the connection between political power and ideology, and he offers a broad analytical framework that does not confine itself to the analysis of class relations. He defines ideology as a system of widely shared ideas, patterned beliefs, guiding norms and values, and lofty ideals that are codified by dominant social groups and are claimed as “fact” or “truth” in the service of their domination over other groups (6). Therefore, ideology is inherently political in light of its connection to the exercise of power (6). Synthesizing insights presented in the works of a number of political and social theorists including Michael Freeden (1996), Terrell Carver (1998), Paul Ricoeur (1986), and Antonio Gramsci (1971), he provides the following approach to understanding the major functions of ideology (6–9).

Following Ricoeur (1986) in particular, Steger (2009) suggests that ideology functions through a three-tiered process of distortion, legitimation, and integration. At the first level, distortion allows ideology to obscure reality by rendering a distorted picture of reality favorable to the power interests of certain social groups or classes. At the second level, legitimation affords the ruling authority credibility to exercise power through normalizing and naturalizing dominance relations between groups and classes. Note that there are always gaps between what people have actually experienced in reality and what has been claimed as truth or fact about that reality by an ideology, and this gap may undermine asymmetric power relations promoted by such an ideology. A dominant ideology strives to provide people the justification to constantly narrow such discrepancies, which ultimately serves to maintain its dominance. Finally, at the deepest level, ideology serves to integrate society into a coherent whole. This function of ideology is achieved through reliance on symbolic resources that embody a particular set of ideas, norms, and values, which encourage people to think and behave in certain ways. Steger (2009) argues that ideologies “organize the tremendous complexity of human experience into fairly simple and understandable images that, in turn, provide people with a normative orientation in time and space and in means and ends” (6). Utilizing symbolism as a mediator, ideology thus helps

hold together the social identity of the individual and the collective to provide society with stability (8).

The link between ideology and symbolism is crucial in understanding the importance of the mediating, structuring, and integrating roles that symbolic systems, such as language, play in the function of ideology (Steger 2009, 9). Ideology uses “stories and narratives whose claims persuade, praise, cajole, decontest, convince, condemn, distinguish ‘truth’ from ‘falsehood,’ and separate the ‘good’ from the ‘bad’” (Steger 2009, 6, emphasis in original). Because there always exist diverse ideologies in a society, as different groups of people often hold different ideas about social order and power relations, language and other symbolic entities are always sites of ideological struggle that involve power (Steger 2009, 9; Fairclough 2001, 19, 71). This fact highlights the importance of control over the meaning of symbolic resources for ideology, because what is defined as true or false, right or wrong, and legitimate or illegitimate ultimately orients people’s actions in a certain direction in the service of certain power interests (Steger 2008, 5).

Drawing on Gramsci’s (1971) concept of hegemony, which refers to a form of power relations in which the ruler exercises control through the active consent of the ruled, Steger (2009) maintains that ideology achieves its predominance primarily through “the construction of consent” (Harvey 2005, 39) of the subordinate groups to the ruling authority’s claim to the right to exercise power. He reasons that by promoting active consent, dominant groups can consolidate a social structure of power favoring their interests that is highly durable and unlikely to require the use of force (9). But in what way is such consent acquired? Fairclough (2001) observes that truth claim is a powerful way in the working of ideology in securing the consent of subordinate groups, and ideology often invokes common sense for the justification to its truth claim, which refers to widely accepted knowledge claimed as truth or fact; through embedding ideology in common sense ideology appears to hold for everyone (71). When anchored in common sense, ideology becomes taken-for-granted background knowledge and thus does not appear to be ideology; this is itself an ideological effect, for ideology is most effective when its workings are least visible (71, 89). In this regard, the garb of common sense induces the ruled to endorse dominant and dominating ideas that lead to their own domination by the ruling class.

For example, neoliberalism’s invoking of words like “freedom” and “democracy” in selling its messages of free market capitalism is a case in

point. Anchored in liberal ideals of individual rights to liberty and equality, it is the same freedom that ensures the institution of private ownership that helps sustain unequal power relations between the capitalist few who own the means of production, and the working masses who have to sell their labor in order to survive. But with such lofty ideals, neoliberalism appeals to the wider public, extending beyond those who profit from the social order it stands for. Harvey (2005) makes a poignant observation on the rise of neoliberalism from obscurity to prominence at the height of the post–Second World War collectivist Keynesian order of the Western capitalist states:

An open project around the restoration of economic power to a small elite would probably not gain much popular support. But a programmatic attempt to advance the cause of individual freedom could appeal to a mass base and so disguise the drive to restore power. (40)

With the backing of capitalists, the ideological influence of neoliberalism has spread widely through mass media, corporations, business, educational institutions, and think-tanks; as a result, the free market ideology was able to capture the loyalty of a good number of intellectuals, entrepreneurs, and politicians, creating a climate of opinion supporting neoliberalism as the freedom defender, and paving the way to its capturing of political power (Harvey 2005, 40).

Ideological Claims of Neoliberalism

As an ideology, neoliberalism is laden with truth claims that are articulated in a market globalist language to promote a market-centered neoliberal order across the world. Steger and Roy (2010) identify the following core universalistic truth claims of neoliberalism that imbue the complex processes of globalization with neoliberal ideas and meanings. This set of claims will be one focus of my discourse analysis of public speeches and written texts of Uzbekistan’s and Kazakhstan’s presidents for tracing the ideological influences of neoliberalism in both Uzbekistan and Kazakhstan.

Claim 1: Globalization is about the liberalization and global integration of markets. That is, the creation of globally free and integrated markets in goods, capital, and services is seen as a rational—efficient and effective—path to material prosperity. As such, the neoliberal belief in a self-regulating

market as the basis for economic progress has taken on a globalist guise in its expression.

Claim 2: Globalization is inevitable and irresistible. To put it in another way, the liberalization and global integration of markets is believed by neoliberals to be a natural economic process of a spontaneous working of market's invisible hand, a phrase introduced by the eighteenth century British enlightenment philosopher Adam Smith in his book, *The Wealth of Nations*. Free market is considered having the innate quality of optimizing resource allocation and wealth generation naturally for all party involved in market exchange. So the imperatives of the free market as a social institution are conferred the quality of natural forces whose workings are supposed to be beyond human control. As such, people have to adapt to the rules of the free market, just like following natural laws, in order to survive and progress.

Claim 3: Nobody is in charge of globalization. This claim of neoliberalism offers yet another assertion in relation to the presumed "natural law" of the market. In other words, the market is believed to be self-regulating, hence results of market interactions are not the results of the arbitrary intentions of any human being. It is the imperatives of the self-regulating market, not the interests of particular social groups, that drive the market to expand everywhere.

Claim 4: Globalization benefits everyone. This claim of neoliberalism asserts that the resultant material progress from free and integrated markets across borders benefits everyone. It derives from the alleged trickle-down effect theory of neoliberal economics. Neoliberals believe that economic growth sparked by a free market will eventually benefit everyone, an effect that is metaphorically expressed by neoliberals as "rising tides raise boats." It reflects the presumption of the mutually beneficial nature of market exchange in the classical liberal economics upheld by neoliberalism. According to such a view, each individual engages in market exchange transactions for personal gain as much as possible. As such, no one would engage in such a transaction if it worked to the detriment of that person's interests.

Claim 5: Globalization furthers the spread of democracy and freedom in the world. This claim of neoliberalism is based on its individualist assertion that globally integrated free markets further individual liberty. Blending entrepreneurial and consumer freedom with democracy and political freedom, this claim serves to enhance the global appeal of neoliberalism.

(Steger and Roy 2010, 53–54)

The power of ideology lies in its ability to normalize, naturalize, and legitimate otherwise contested meanings in the service of power interests. Articulated in the language of the Enlightenment tradition of reason and

rationality, and dressed with the lofty ideals of individual freedom, democracy, progress, and human dignity, these assertions make it easier to convince people and prevent neoliberal ideas from being questioned by alternative views. From a critical perspective, these claims to truth are intended to legitimize and consolidate the dominance of neoliberalism, which serves to establish and reproduce asymmetric power structures that facilitate the global spread of neoliberal capitalism.

In summary, in the preceding passages I have outlined a framework based on a comprehensive approach to neoliberalism, which I will use to investigate the influences of neoliberalism in discursive practices that shape and represent post-communism capitalist transitions in Uzbekistan and Kazakhstan. This framework offers a sophisticated appreciation of neoliberalism that addresses both its ideational and material aspects with great detail, coherence, and clarity. It approaches neoliberalism in a systematic way that is broad enough in scope to take into account neoliberalism's major manifestations—at both normative and practical levels—and yet retains clarity and specificity in its conceptualization of neoliberalism, which gives the framework its analytical values. Such an understanding of neoliberalism opens up useful avenues for the investigation of the post-Soviet restructuring processes of Uzbekistan and Kazakhstan.

In my critical discourse analysis, the post-communism capitalist transitions of Uzbekistan and Kazakhstan are not treated as isolated and localized events; rather, they are situated in the context of the global dominance of neoliberalism. As the findings of my discourse analysis will show, there exists a strong influence of neoliberalism in both countries' post-communism capitalist transformations, which points to an inherent connection between the global and the local in the process. But how did neoliberalism as an ideology reach and become disseminated in these post-Soviet spaces? It is through discourse. This is because, as discussed earlier, ideology loses its power when explicitly stated, because people will become aware of its associated unequal power relations; rather, ideology is mainly communicated through discourse as background, common-sense assumptions, and truth claims (Fairclough 2001, 30, 71). In effect, discourse is a vehicle of ideology through which ideas of ideology are propagated, inculcated, and legitimated, thereby contributing to establishing, maintaining, and changing social relations of power and domination (Fairclough 2001, 30, 33; 2003, 9). In the following chapters, we will move to examine how neoliberal ideas and assumptions were implicated in post-Soviet systemic transformations of Uzbekistan and Kazakhstan through critical discourse analysis.

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Political Liberalization in Post-Soviet Uzbekistan and Kazakhstan: The Influence of Neoliberalism

This chapter examines the influence of neoliberalism in political developments in Uzbekistan and Kazakhstan since their independence. At the time of independence in 1991, the governments of both Uzbekistan and Kazakhstan formally endorsed the ideas of democracy and the market economy as the guiding principles on which these newly independent states were to be based. In the official rhetoric of the governments and leading political officials, their old Soviet communist ideology was abandoned altogether. For example, Uzbekistan was to embark on an independent development path through building a genuinely democratic society and creating a modern market economy, according to its president, Islam Karimov (Karimov 1998, 1); for Nursultan Nazarbayev, the president of Kazakhstan, the prosperity and independence of the nation was to be based on the foundation of a market economy and democracy (Nazarbayev 1994, 4).

The demise of the Soviet Union took place as neoliberalism consolidated its dominance globally. The bundling of democracy with the free market in the public discourses of the leaders of both Kazakhstan and Uzbekistan was clear proof of the influence of neoliberal ideas at the time of their independence. Over two decades have passed since their independence. To what extent have neoliberal ideas influenced political reforms in these countries? This is the question I proceed to answer in this chapter. In order to do this, it is necessary to clarify the political dimension of neoliberalism and its relation to the notion of democracy. This will help set up

a conceptual framework as a reference for assessing neoliberal influences in political changes in both countries.

THE POLITICAL FACE OF NEOLIBERALISM

Political Ideals of Neoliberalism/Liberalism

Situated within the liberal tradition, neoliberalism is consistent with the liberal school in its particular philosophical conception of the relation between the individual and the state. Liberalism defends and proclaims individual liberty against the state (Bobbio 43), and the state is conceived of as having limited powers and functions (Bobbio 1990, 1). At its core are the notion of individualism and the notion of judicial limits to state power (Bobbio 1990, 1–9). Liberalism’s philosophical presupposition of the state’s limited power is rooted in the natural law school, which holds that individual persons, by virtue of their existence as human beings, without exception equally possess certain rights such as the rights to life, freedom, security, and happiness. The state is considered a voluntary association of individuals secured through a contractual agreement between them to establish bonds necessitated by their desire for a peaceful and enduring coexistence. They derive common protection from this association in order to enjoy as much freedom as is compatible with the equal freedom of other individuals (5). The state, in this school of thought, should be a law-based one, in which public power is regulated by general norms such as constitutional laws whose authority is derived from its citizens as opposed to a single individual or a few. This power must be exercised within the framework of the laws that regulate it, while citizens have secure rights of recourse to an independent judiciary in order to establish and prevent any abuse or excessive exercise of power (Bobbio 1990, 12). For liberalism, the relation between the state and the individual is based on individual liberty, defined as liberty from the state (16).

Liberalism is explicit in its purpose of establishing a social order in which individual rights, especially in the domain of economic rights including private property rights and exchange rights, are protected from any interference from the state. Therefore, it is in essence a capitalist social order that is sought by liberalism. Conceived originally by the liberal thinkers of the West during the Enlightenment of the seventeenth and eighteenth centuries, liberalism as a guiding philosophy indeed served the emerging capitalist class in its struggle against the prevailing feudal social

order, and hence liberalism at its inception was not a set of politically neutral ideals (Peet and Hartwick 2009, 26–28). The triumph of liberal revolutions in the West saw the formation of modern liberal states and the gradual expansion of the sphere in which the individual is free from interference by the state, or the gradual emancipation of society or civil society from the state in the Hegelian or Marxist sense (Bobbio 1990, 16).

Neoliberalism, as one of the contemporary offshoots of liberalism, inherits all of these basic assumptions and traits regarding state–individual relations. However, it also places much stress on economic liberty as the defining line for individual freedom from state power (Bobbio 81), and its liberal argument has come to focus ever more narrowly on the defense of the free market economic model (79). In the view of neoliberalism, individuals are “market agents” (Binkley 2009), who are encouraged to act as entrepreneurs who autonomously make decisions and are responsible for the consequences of their actions (62). Neoliberalism subjects society to the dictates of market principles, resulting in a commodification of all aspects of society (McCarthy and Prudham 2004, 276). It creates a society in which “instead of economy being embedded in social relations, social relations are embedded in the economy” (Polyani 1944, 60). Ironically, while endorsing the liberal idea of limits to state power in defense of individual economic freedom and the free market, it ironically insists on a powerful state as necessary to create and expand markets where possible, even if it entails coercion and violence on the part of the state (Harvey 2005, 3; Klein 2007).

Neoliberalism as It Relates to Democracy

The notion of democracy denotes one of many possible modes of government in which power is not vested in a single individual (as with a monarchy) or in the hands of a few (as with an oligarchy), but is distributed to everyone or to the majority of the people it governs (Bobbio 1990, 1). In contrast, the school of liberalism, to which neoliberalism belongs, presents a theory of the limited state that concerns the issue of the protection of individual rights from the abuse of power by the state (15, 43). Democracy and liberalism have a complex relation with each other. Basically, democracy denotes the participation of people in public decision making, both directly (as in the ancient Greek tradition) and indirectly (as in the modern version of representative democracy developed in the West).

Historically, the meaning of democracy has been interpreted in one of at least two main senses, depending on whether more emphasis is laid on the principle of the rules of the game that is necessary if political power is to be effectively distributed among the majority of citizens, or on the ideal of equality that inspires mass participation in public decision making (31). The former interpretation connects democracy to liberalism, with the rule of law being shared ground, albeit with different reasons for opposition to an absolutist state. Democracy makes the principle of majority rule the solution, while liberalism insists that all state power be limited, even if it is the power of the majority (Hayek 1978, 990).

In the second sense, democracy's relation to liberalism becomes more of an issue of divergence than convergence, especially if democracy takes an egalitarian form whose scope extends to the pursuit of the ideal of some degree of economic equalization, which runs counter to liberal thought (37). Liberalism strives for the expansion of individual rights. On the question of equality, liberalism overlaps with democracy only in regard to individual liberty, which is understood in terms of equality before the law and equality of rights, in addition to equality of opportunity. (Here, equal opportunity for liberalism is confined to the starting point, not the outcome, whereas egalitarian democracy emphasizes that both initial conditions and final results should be equal for everyone in their pursuit of liberty (33, 37).) In the sphere of the economy, liberty and equality (in the egalitarian sense) are antithetical because a liberal *laissez-faire* society, in which the right to private property is an important component of individual freedom, inevitably leads to inequality among individuals: Some get wealthy and others are impoverished as an outcome. An egalitarian understanding of equality is that it enhances the collective good for all, even if this entails sacrificing individual freedom, including both economic and political rights (32–33).

In sum, as Bobbio (1990) concludes, when considered as a political concept stripped of its economic egalitarian aspect, democracy is the extension and proper realization of the liberal state in which individual rights are protected through the extension of political rights to citizens to participate in collective decision making (37). This understanding is centered on two connected views: (1) the procedures of democracy are necessary to safeguard the fundamental individual rights on which the liberal state is based; and (2) those individual rights must be safeguarded if democratic procedures are to operate (38). Both points are centered on individualism. On the one hand, public participation in collective decision

making necessitates the right to liberty for individuals; on the other, for individuals, democratic participation is a tool for the defense of their rights to liberty, including the right to property (39).

Therefore, it is possible for liberalism to come together with democracy. Indeed, the rise of liberalism has seen an increasing trend of coupled democracy and liberalism in the West. Yet this has been achieved through interpreting the meaning of democracy narrowly by suppressing the egalitarian aspect of democracy. This liberal version of democracy has become prevalent in the West, and neoliberals have wasted no time in promoting it as ostensibly universalistic and the only acceptable understanding of democracy applicable everywhere, as they spread their neoliberal free market message.

While Bobbio (1990) presents a general understanding of democracy from the liberal standpoint, Dahl (1971) provides a model for a procedural conceptualization of liberal democracy (or “polyarchy” in his term). He proposes that for liberal democracy to exist, citizens must have opportunities to formulate their preferences, to signify their preferences to their fellow citizens and the government by individual and collective action, and to have their preferences weighed equally in the conduct of government (2). These conditions for democracy require at least: (1) freedom of expression; (2) the right to vote; (3) freedom to form and join organizations; (4) eligibility for public office; (5) the right of political leaders to compete for support and votes; (6) alternative sources of information; (7) free and fair elections; and (8) institutions for making government policies dependent on votes and other expressions of preference (Dahl 1971, 3). At the core of these requirements are participation and competition, which Dahl (1971) regards as the two theoretical dimensions of democratization (4). In his view, in the absence of the right to oppose, the right to participate loses its significance; hence, from the liberal standpoint both competition and participation are necessary for a genuine democracy to exist (5).

Neoliberalism is consistent with the liberal school in its approach to democracy. The liberal criteria of democracy, bundled with free market ideas, have been presented and promoted by neoliberals as the defining line for the best practice of democracy. For all of the advantages of its public appeal, the term “democracy” has become a useful guise for neoliberals to hide their intent to spread their ideas of free market capitalism. It was not a coincidence that the spread of neoliberalism was associated with the democratic waves that swept across the lands of the Soviet bloc during the time of its demise.

The political dimension of neoliberalism discussed above provides a framework to examine the influence of neoliberal ideas in the political developments of Uzbekistan and Kazakhstan since their independence in 1991. Specifically, synthesizing the insights of Bobbio (1990) and Dahl (1971), I focus on the following issues and areas in order to uncover neoliberal elements and their impact on the political transitions of these two countries:

1. Individual rights and private ownership;
2. Elections;
3. Separation of power and a system of checks and balances;
4. Political parties; and
5. Media.

This chapter concludes with a discussion of the implications of the findings. I argue that, while neoliberal influences in the post-Soviet political transition do exist in these two countries, their scope and impact are limited.

UZBEKISTAN: POLITICAL LIBERALIZATION IN THE POST-SOVIET PERIOD

The Republic of Uzbekistan, or simply Uzbekistan, is located in Central Asia, covering much of the area between two rivers, the Syr Darya to the north and the Amu Darya to the south, and between the Caspian and Aral Seas to the west and the Pamir Mountains to the east. It covers a territorial size slightly larger than that of Germany and Austria combined. It is the most populous country in Central Asia, with a population of around 28 million (CIA 2013a).

Uzbekistan gained its independence unexpectedly as a result of the sudden demise of the Soviet Union in the second half of 1991, rather than as a consequence of a prior national popular movement or political struggle for independence. Nevertheless, the political independence marked a turning point for the Uzbek republic in the modern history of its statehood from its creation by Soviet communist rulers in the 1920s. Independence freed Uzbekistan from outside control and provided it an opportunity to embark on an independent developmental path.

Initially, this newly achieved independence was more a matter of Uzbekistan asserting its role as a sovereign state through severing its

political ties with the Soviet central government in Moscow, rather than a fundamental shift in the existing political order of the republic. For example, all of the old Soviet governmental apparatus remained intact and all of the old Soviet apparatchiks were kept in their positions. Little change took place in the governmental power structure or in the way the government was run. The Communist Party of Uzbekistan moved to cut its ties with the dissolved Communist Party of the Soviet Union, and simply renamed itself the People's Democratic Party of Uzbekistan (PDPU) shortly after independence, yet kept its organization and members intact. Its communist ideology was replaced with a pragmatic commitment to consolidating national well-being and independence without a clearly articulated guiding ideology, according to a PDPU mission statement (PDPU 2013; Uzbek Parliament 2013). The party remained fully in power, and its cadres still dominated all of the governmental branches as well as the political life of the country. The same party leader, Islom Karimov, still remained in power as the president of Uzbekistan.

The post-Soviet constitution of the Republic of Uzbekistan, which was adopted a year after its independence in December 1992, laid out the fundamental legal framework and guidelines of the political system to be established in Uzbekistan (Uzbekistan Constitution 1992). It was adopted by the Supreme Soviet of Uzbekistan—the same legislative body created in the relatively liberal reform period of the last years of the Soviet Union that remained intact after independence to serve through its term. This constitution has been in force over the past two decades, although some minor amendments have been made to it since it was adopted. Reflecting a mixture of a break and continuity with the Soviet past, this basic legal document nevertheless provides evidence of a regime change in the country. The constitution describes the Uzbek state as a democratic republic in the opening words of its first chapter. It commits the state to human rights and the rule of law. The constitution endorses the notion of popular sovereignty and the principles of representative democracy. The people of Uzbekistan are proclaimed as the sole source of state power. The constitution itself is to have supreme legal force in the territories of the republic; the state is declared to be law-based, and that state and its organs and officials, public associations, and citizens all should act according to the constitution and the laws of the republic (Chap. 15 of the constitution). The constitution's language proclaims that the republic is committed to building a market economy and democracy. The whole of its second chapter, with all of its eight articles, is dedicated to the subject

of democracy: A nationwide referendum is required for decisions on major matters of national significance; the state embraces political and ideological diversity, and there can be no state ideology; there is to be separation of state and religion; and the state is to be a secular one.

On Elections

The constitution of post-Soviet Uzbekistan enshrines the equality of Uzbek citizens (Article 18), and guarantees their right to universal and direct suffrage by secret ballot (Article 117). The president and deputies to all levels of representative bodies are subject to elections through popular vote based on the principle of plurality. The constitution requires regular intervals for elections and term limits for elected officials. For example, both the president and legislative deputies are to serve five-year terms (Articles 76, 90), and the president no more than two consecutive terms (Article 90). Following the promulgation of the constitution in 1992, a system of laws and regulations governing elections and their procedures was adopted by the state for the implementation of the constitutional provisions on election. The main legislation includes: the Law of the Republic of Uzbekistan on Elections of the President of the Republic of Uzbekistan; the Law on Elections of the Oliy Majlis of the Republic of Uzbekistan; the Law on the Central Election Commission of the Republic of Uzbekistan; the Law on Safeguards of Electoral Rights of Citizens, and other relevant provisions of other legislation (OSCE/ODIHR_Uzbekistan 2008, 2010). Violations of the secrecy of the ballot; forgery of election documents; and impediments to the right to elect and be elected, to conduct pre-election campaigning, and other legal rights are prohibited by both the criminal code (Articles 146, 147) and the civil procedural code (Article 272) of the republic (OSCE/ODIHR_Uzbekistan 2010).

Election is not a new political concept for the people of Uzbekistan. During the Soviet era, it was a mechanism by which the representative bodies—peoples' soviets—at all levels were formed, yet in a qualitatively different way from that adopted since independence. During the Soviet era, the Communist Party was above the state, and the state was merely a proxy for the implementation of party decisions. The party claimed to represent the Soviet peoples of all walks of life. It was the party that had the exclusive right to nominate candidates for representative bodies at central, republic, and local levels, and being a member of the Communist Party was a prerequisite for all candidates. Elections were based on a single

candidacy without alternative choices, and elections were just a post hoc legitimization of the party's choice of candidates through the representative bodies that it controlled. Elections were nothing more than an instrument for the Communist Party to ensure the compliance of the state in carrying out party policies and objectives. There were no term limits for elected officials, who would only be responsible to the ruling Communist Party. Although the constitution of the Soviet Union also granted the right to universal suffrage, citizens' meaningful participation was significantly limited. During the last years of the Soviet Union under the leadership of Gorbachev, a process of political liberalization was initiated. In the sphere of the electoral system, the introduction of a multiparty system was the most significant change. The Communist Party was still the largest political force in the political life of the Soviet Union. However, the collapse of the Soviet Union brought about the demise of the Communist Party of the Soviet Union, and this left Uzbekistan to redefine the course for the development of the electoral system.

The constitution of post-Soviet Uzbekistan declares the country to be a democratic republic, and its language is explicit in providing for the universal political participation of citizens through elections. For Dahl (1971, 4), two matters are crucial for any genuine democracy ("polyarchy", in his term): participation and contestation (5). He argues that in order for democratic participation to be meaningful and effective, citizens must have the freedom to hold and express preferences, and must have unhindered free will in participation in public decision making (2–3). Yet the constitution contains a provision that compromises the rights of citizens to engage in contestation in the election. Article 29 of the constitution stipulates that:

Everyone shall be guaranteed freedom of convictions. Everyone shall have the right to seek, obtain and disseminate any information, except that which is directed against the existing constitutional system and in some other instances specified by law. Freedom of opinion and its expression may be restricted by law if any state secrets are involved. (Article 29 of Uzbekistan Constitution 1992)

In this provision, the phrase "other instances" and the term "state secrets" fall short of clear and narrow criteria, which will allow implementing authorities to place arbitrary and excessive restrictions on the peaceful expression of any critical view of the constitutional order, and therefore

may hinder public discussion and debate that are critical to democracy; moreover, such a loose definition of the restrictive conditions may further curtail the right of citizens to freedom of association, including the right to form a political party and to engage in meaningful and effective competition in elections (OSCE/ODIHR _Uzbekistan 2010). Therefore, from a legal point of view, democracy in Uzbekistan is not strictly defined according to the Western liberal standard. Uzbekistan laws governing the election have at best only partially incorporated the Western democratic standards. In reality, Western observers have been consistently critical of election practices in Uzbekistan, describing them as highly controlled (Collins 2006, 195). The Freedom House (2012) over the past 15 years ranked Uzbekistan as the least politically free country and stated that the elections in the country were not democratic (595). Such a view has been prevalent in the West.

Separation of Power and the System of Checks and Balances

Liberal ideals of limiting state power include the notion of diffusion of state power in different governmental branches, referring to the institutional arrangement of separation of executive, legislative, and judicial branches of the government. Uzbekistan has formally incorporated this ideal into its constitution, and it has an executive branch, a legislative branch, and a judicial branch. Article 11 of the constitution declares that its system of state authority is based on the principle of the separation of power between the legislative, executive, and judicial branches. Despite this proclamation, a careful review of the constitution reveals that there is a higher degree of power concentration in the executive branch, especially in the office of the president. The following paragraphs provide a detailed account of the constitutional arrangement of power distribution within the government of Uzbekistan.

The constitution has kept the Soviet-period geographical arrangement of a unitary power structure that incorporates some federal elements. Within Uzbekistan, there is an autonomous regional administrative unit created in the Soviet era—the Autonomous Republic of Karakalpakstan, whose sovereignty is protected by Uzbekistan. However, the constitution vests most power in the central government. The three branches are proclaimed to operate independently of each other in their domains of authority, and yet their interaction is coordinated by the president, who is accorded a central role as both head of state and the head of the executive branch.

According to the Constitution, the president is directly elected via a nationwide popular vote for a term of five years, and for no more than two consecutive terms. An Uzbek citizen of at least the age of 35, proficient in the Uzbek language, and a resident of Uzbekistan for at least 10 years immediately prior to the election, may be eligible for the position. The president is described as the guarantor of the rights and freedom of citizens, the constitution, and the laws of the republic. The president has the right to appoint and dismiss the prime minister upon approval from the legislative branch, and to appoint or dismiss the other members of the cabinet of ministers; the president is granted the right to form or disband the executive bodies with the subsequent submission of the decision for approval from the legislature. The president nominates the chairperson of the senate for approval by the legislature. The president is granted the right to nominate and relieve all judges at both national and regional levels; approval by the legislature is needed for their appointment only at the national level. The president can suspend or repeal decisions made by all units of administration at all levels. The constitution allows the president to have the right to appoint and dismiss khokims (governors) at the level of regions with subsequent approval from the corresponding local representative bodies, and to remove khokims at the level of districts directly. All laws need the president's signature in order to take effect; the president has veto power on any laws passed by the legislature. The president is the chief commander of the national armed forces; he also nominates and approves the head of the National Security Service. Additionally, the president can declare a state of emergency. The constitution grants the president the right to issue decrees in accordance with and for the enforcement of the constitution and laws, and his decrees have equal force of law. The president gives an annual address to the parliament on major matters of national significance. The president can move to dissolve the parliament in situations where its normal functioning cannot be fulfilled. Upon completion of the term of the presidency, the president will become a lifelong member of the senate, a position that provides for constitutional immunity from any prosecution for his conduct during or after the presidency (Article 89 to 97).

The legislative branch of the state authority, which is called the Oliy Majlis (the national parliament), consists of two chambers: the Legislative Chamber (the lower chamber) and the Senate (the upper chamber). In 1994, the Oliy Majlis replaced the Supreme Soviet, which was created before independence during the Soviet period. It was initially structured

as a unicameral legislative body, but adopted a bicameral structure according to a constitutional amendment through a national referendum in 2002 (Uzbekistan Senate 2013). According to the constitution, both chambers can initiate legislation but the lower chamber has the overriding power should disagreements occur between the two. The legislative chamber consists of 120 deputies, who are elected for a term of five years on a multiparty basis through popular vote with the principle of proportional representation. Any citizen aged over 25 who has resided in the republic for at least five years prior to the election may be elected to the Oliy Majlis, but cannot simultaneously be a member of the lower and upper chambers. The Senate consists of 100 deputies, of whom 84 are from the representative bodies of all 14 administrative units across the country—six from each, in addition to 16 deputies appointed by the president. Working jointly, the two chambers of the Oliy Majlis enact legislation concerning matters that apply to the whole nation. Such legislation must first be adopted by the lower chamber, and next approved by the upper chamber; it must then be signed by the president and issued in official publications to take effect. The nomination of the prime minister by the president needs approval from both chambers of the Oliy Majlis. Upon the nomination of the president, the upper chamber elects all of the judges at the national level, and appoints the procurator general, the head of the Security Services, and the chairperson of the Central Bank of the Republic (Article 76–88).

The judicial branch is to operate independently, and interference by the legislative and executive authorities, political parties, or other public associations is not allowed. Yet the president has the right to coordinate its operations. Judges at national level courts are elected by legislative bodies based on nomination by the president to serve a term of five years. The president appoints and relieves all judges at regional, district, and city levels. The judicial system in the republic consists of a Constitutional Court, the Supreme Court, the Higher Economic Court, and the courts at the regional, city, and district levels. The immunity of judges is guaranteed by law. The right to legal assistance for persons involved in legal proceedings is guaranteed by the constitution (Article 106–116).

In summary, although the constitution provides for a separation of power and a system of checks and balances, in its actual arrangement of the power structure, the office of the president in the executive branch holds most of the power and is nearly unrestrained by other branches. For instance, the president can exert tremendous influence through his constitutional rights

to nominate and appoint crucial personnel in all branches of the government. Moreover, the president is constitutionally granted the right to rule by decrees, which have the same legal force as laws enacted by the legislature. Furthermore, the president can disband the legislature, yet the legislature cannot reject decisions made by the president and does not have the right to impeach the president. These arrangements of power do not follow the liberal ideal of limited state power, and run counter to the general democratic principle of majority rule in public decision making.

Individual Rights and Private Property

On the subject of individual rights, the constitution dedicates an entire section that includes seven chapters (Chaps. 5–11) on dealing with human rights; political, economic, and social rights; and the duties of citizens (Uzbekistan Constitution 1992). A whole chapter is devoted to the rights and freedom of individuals. The following is a summary of individual rights as stated in the constitution. The right to life is proclaimed as an inviolable right of individuals. Individual freedom is also recognized as inviolable. Torture and arbitrary detention of individuals are prohibited. The constitution guarantees the honor, dignity, and privacy of the individual. It confirms that all citizens of the republic are granted equal rights and freedom as inalienable, regardless of their backgrounds, gender, origin, convictions, or faith. This provision reflects a generally held liberal principle among most countries in the modern world, especially those in the West. Article 20 states that the exercise of citizens' rights and freedom should not encroach upon the lawful interests, rights, and freedom of other citizens, or those of the state and society. Granted, individuals cannot exercise their rights at the expense of others. Yet this provision puts an unqualified collectivist constraint on the previous individualistic proclamation in addition to what is normally understood as limiting individual rights in the liberal tradition. As for individual political rights, universal suffrage is guaranteed by the constitution. In the courts, all are presumed innocent until proven guilty with due process, and all are guaranteed the right to legal defense.

Moreover, the constitution affirms that individuals have the right to freedom of movement within and across the territory of the republic. Citizens are granted the right to have access to any information held by governmental bodies relating to their rights and interests. Freedom of thought, speech, and faith are guaranteed. Yet the constitution maintains

that the right to freedom of expression may be restricted by law if it involves state secrets or other secrets, which makes it difficult for citizens to exercise this right freely in practice, as the vagueness of the term “secret” can be easily manipulated by the state authority for political purposes to place excessive restrictions on the right to the freedom of expression. Freedom of assembly and demonstration are granted, but with the reservation that the state has the right to restrict such activities for public security. Citizens are granted freedom of association, including the right to form trade unions, political parties, and other associations, and to participate in mass movements. Political parties are prohibited from being based on ethnic and religious lines. In relation to the individual right to freedom of expression, the right to the freedom of mass media is granted by the constitution, which also specifically prohibits censorship. Individuals are granted the right to believe or not believe in religion. Religious organizations are free of political control and equal before the law. The constitution also provides for a set of social rights of individuals, including the right to work, labor protection, the entitlement of unemployment protection, the right to social security, the right to paid leave, the right to medical care, and the right to free education. These provisions reflect an emphasis on the state’s commitment to social rights and welfare, reminiscent of the Soviet socialist tradition yet narrower in scope and much less committed to the egalitarian aspirations of socialist democracy.

Article 53 states that the economy of Uzbekistan is evolving toward market relations based on various forms of ownership, among which private ownership is guaranteed with equal status. Regarding individual economic rights, individuals are granted freedom to possess, use, and dispose of their private properties, and private ownership is affirmed as inviolable and given equal protection from the state together with other forms of ownership. The state must guarantee, with due regard for the priority of consumers’ rights, the freedom of economic activities, entrepreneurship, and labor. Individuals are granted the right to hire, to be hired, or to be self-employed; here, private property means the possession of economic resources for production. Individuals are allowed to profit from their possessions.

Article 54 of the constitution also puts some restrictions on the exercise of these rights to economic freedom, stating that the use of private properties must not be harmful to the ecological environment, nor infringe on the rights and legally protected interests of citizens, juridical entities, or the state. Here, the broad use of the term “interests” may open up the

possibility of excessive intervention by the state authorities to the detriment of individual economic rights, including property rights. Nevertheless, the right to private ownership is formally instituted and protected by the constitution. This is a qualitative departure from the Soviet past, during which private ownership was effectively eliminated by the Communist Party-led state of the Soviet Union. In the liberal tradition, private property rights are a crucial component of individual economic rights, which are an indispensable aspect of individual liberty. Neoliberals follow this tradition, yet with a narrower focus on the free market, and economic rights are emphasized as fundamental to the realization of all other rights of the individual, who is first of all considered economic man (Hayek 1978). The constitutional guarantee of private property rights reflects an explicit orientation toward economic liberalism. This liberal attitude toward individual rights to property, together with the political incorporation of this new type of ownership in conjunction with the market economy in the language of the constitution, bear imprints of neoliberal ideas.

Political Parties and the Party System

The political liberal reform—glasnost—initiated under the leadership of Gorbachev, then General Secretary of the Soviet Union Communist Party, introduced political pluralism to the Soviet Union during its last few years of existence. As a result, diverse political movements and parties started to emerge in the land of the Soviet Union starting in the late 1980s. This trend did not stop even after the breakup of the Soviet Union in 1991. Post-Soviet Uzbekistan has inherited this pluralistic late-Soviet legacy, and has formally incorporated it into its political system, with its own adaptations. The post-Soviet constitution of Uzbekistan guarantees the existence and development of a plurality of political parties to participate in public decision-making processes in Uzbekistan. Article 12 of the constitution states that the public life of the republic should be based on a diversity of political institutions, ideologies, and opinions. Article 34 specifically grants the citizens of Uzbekistan the right to form political parties and participate in political movements. Following the promulgation of the constitution, a number of laws governing political parties have been subsequently enacted, including the Law on Political Parties, the Law on Financing of Political Parties, and the Constitutional Law on Strengthening the Role of Political Parties in the Renewal and Further Democratization of the State Governance and Modernization of the Country (OSCE/ODIHR_Uzbekistan 2010, 5).

Accordingly, over the past two decades, a multiparty system has been taking shape in the republic.

Today in Uzbekistan, there exist five official political parties (Uzbekistan Central Election Commission [2013](#)):

1. The People's Democratic Party (Halq Demokratik Partiyasi)
Heir to the former Communist Party of Uzbekistan, it was established in 1991. With a membership of more than 360,000, it expresses and defends the interests of citizens of the Republic of Uzbekistan in need of social assistance and protection.
2. The Justice Social Democratic Party of Uzbekistan (Adolat Sotsyal Demokratik Partiyasi)
Created in 1995, it has around 77,000 members. Its major political aims are socially oriented and are very similar to those pursued by the Uzbekistan government.
3. The National Renaissance Democratic Party of Uzbekistan (Milly Tiklanish Demokratik Partiyasi) Created on June 20, 2008, as a result of the merging of the Democratic Party of Uzbekistan (Milly Tiklanish, "Renaissance," created in 1995) and the National Democratic Party (Fidokorlar, created in 1998), it has around 100,000 members. It is a party with a nationalist orientation.
4. The Liberal-Democratic Party
Created in 2003, it is a pro-entrepreneurs and businessmen party, with a membership of more than 160, 000.
5. The Ecological Movement of Uzbekistan
Newly created in 2008 as a government-sponsored organization, it is legally assigned a 10 percent quota of the seats in the legislative chamber of the parliament.

According to the law, political parties can participate in elections and nominate candidates for both the president and all levels of legislators. The majority party in the state parliament can nominate candidates for the position of the prime minister, who is then appointed by the president. They cannot interfere with activities of the administrative system of the state. The law prohibits judges, state law enforcement officials, and those in the armed forces from joining parties. Parties cannot be established on the basis of religion or ethnicity. Parties are prohibited from challenging the constitutional order. They can have their own publications. Although the constitution provides for freedom of association and freedom of opinions,

it also allows for much discretion of the state authorities to define the scope and range of the exercise of such rights by citizens in the name of protecting unspecified state interests and secrets (see Article 29 of the constitution). This has effectively curtailed their ability to oppose or contest in their participation in public decision-making processes. The state can restrict or ban political parties through a sentence of the court (Article 62 of the constitution). As mentioned earlier, the state power in Uzbekistan is heavily concentrated in the executive branch, and this has compromised the independence of the judicial branch. Therefore, the state is not very constrained by this constitutional provision as it is able to secure favorable court rulings for suspending or dissolving any political party that is critical of the government. The laws also enable the state to have close oversight and tight control over political parties with respect to their participation in political processes. In order to obtain legal recognition from the state, parties have to be registered officially through a set of strict and complex approval processes by the Ministry of Justice of Uzbekistan. For example, a minimum of 20,000 supporting signatures is needed for registration to be considered, and the supporters must come from all over the country rather than being concentrated in any administrative district; for parties to nominate a candidate a minimum of 5 percent of the registered voters' signatures—meaning at least roughly 815,000 signatures—has to be collected from at least 8 of the 14 administrative units of the country, with no more than 8 percent of the signatures from any single unit (The Country Report of the US State Department 2011, 22; OSCE/ODIHR_Uzbekistan 2008, 7). The president has the right to suspend or revoke anyone's membership in a political party (Yalcin 2002, 161).

As a result, the government of Uzbekistan can effectively prevent, restrict, or ban any independent opposition group from participating in the political processes of the republic, despite its constitutional pledge of democracy. The reality of political life in Uzbekistan has amply reflected the authoritative nature of the regime over the past two and a half decades since independence. At the time of independence, there were two major opposition groups: a political movement known as *Birlik* (Unity) and a party called *Erk* (Freedom) (Yalcin 2002, 165). They were created during the last years of Soviet rule in a relatively relaxed political reform environment, and continued to be active in the years immediately after the country's independence, until 1993 when they were banned by the government because of their independent positions (Melvin 2000, 35). Since then, there has not been any independent opposition group existing legally

in the country due to the government's sustained political repression of political dissidents. The five official parties have all been loyal supporters of President Karimov, who has held his position since the independence of the republic. The political agendas of these five parties are all in conformity with or complementary to that of the government. Without genuine alternative programs, these parties do not provide any political contestation. As Dahl (1971) points out, democratic participation, or the right to participate, loses much of its significance in the absence of the right to oppose (5). Under a thin democratic veneer, the liberal understanding of democracy is absent on the ground. Uzbekistan's party system has become a tool for the government to control political expression in Uzbekistan.

Media

Article 67 of the constitution of Uzbekistan guarantees free mass media, and explicitly prohibits censorship. Moreover, Article 29 of the constitution grants citizens the right to freedom of speech, thought, and conviction, and pledges the right to seek, obtain, and disseminate any information with the exception of information that involves state secrets or is directed against the existing constitutional order. A number of major media laws have subsequently been adopted to implement the constitutional stipulations on media, including the Law on Mass Media, the Law on Protection of Professional Activities of Journalists, and the Law on Publication Activities. Through this legal framework, the state is allowed broad latitude in defining the scope of restrictive information, therefore retaining much control over the right to free expression in general and the right to free media in particular. The law holds the media accountable for the truthfulness and objectivity of published information. Under the criminal code, defamation and libel are punishable with up to three years imprisonment and up to five years in cases of insult or libel regarding the president (OSCE/ODIHR_Uzbekistan 2010, 13).

All media activities in Uzbekistan are subject to state licensing. The state exerts its control over all media outlets through the Uzbekistan Agency on Press and Information (UzAPI), a governmental agency that administers the mass media. The state allows for the establishment of private media. There are more than 1280 print and broadcast media outlets registered in Uzbekistan, more than 60 percent of which are private (IREX 2013, 312). However, almost all means of media distribution—Internet, radio, and television networks; transmitters; and especially, cellular phone

frequencies—are owned or tightly controlled by the government or its proxies (IREX 2013, 316). Media outlets that criticize the government are forced to close, and independent journalists are subject to pressure and persecution (IREX 2013, 306). Although censorship is formally prohibited, journalists often engage in self-censorship out of fear of harsh retribution of various kinds from the state authorities (Melvin 2000, 40). As a result, although Uzbekistan has a large number of registered media outlets, the media environment in Uzbekistan is characterized by an absence of independent and pluralistic media (OSCE/ODIHR_Uzbekistan 2010, 13; Freedom House 2012, 595). Politically, the media in Uzbekistan are yet another area that proves the deficiency of democracy in a country that has claimed to be a democratic republic. In general, over the past two and a half decades, Uzbekistan citizens have not enjoyed freedom of expression, freedom of association, or the right to access alternative sources of information, all of which are vital for the liberal understanding of democracy as reflected by Dahl (1971, 3). Yet economically, market principles have been introduced to the country, and all media outlets, especially the privately owned ones, are now at the mercy of the market for their survival, reflecting the narrow implementation of neoliberal ideas, whose influence is largely concentrated in the economic sphere.

KAZAKHSTAN: POLITICAL LIBERALIZATION IN THE POST-SOVIET PERIOD

Located to the north of Uzbekistan, Kazakhstan is the largest Central Asian state, with a territorial size more than four times that of Uzbekistan. Yet its population is only around 17.7 million (CIA 2013b). It is a multi-ethnic state with a substantial Russian population. Like Uzbekistan, it gained independence peacefully due to the disintegration of the Soviet Union.

Separation of Power and the System of Checks and Balances

The constitution (Kazakhstan Constitutional Council 2013) of Kazakhstan asserts that the state is a democratic republic and explicitly dictates a separation of state power into the legislative, executive, and judicial branches with a system of checks and balances to govern their interaction (Articles 1 and 4). The principle of popular sovereignty is incorporated

into the constitution, and the people of Kazakhstan are declared to be the only source of state power (Article 3). Also, Article 3 of the constitution commits the state to the principle of the rule of law. The constitution itself is declared the law with the highest authority, and all laws and regulatory acts of the state take effect upon their official publication (Article 4).

The state has adopted a form of government with a presidential system (Article 2). Although the constitution formally adopts the principle of separation of powers, the president is accorded a central role that makes all three branches of the government subordinate. Article 40 of the constitution explicitly grants the president the right to arbitrate to ensure the concerted functioning of all branches of state power and the responsibility of the institutions of power before the people. The constitution devotes almost one fourth of its 89 articles to delineating the rights and duties of the president. The president is the head of the state; that is, the highest official of the state, who determines the main directions of domestic and foreign policy and represents Kazakhstan; the president is proclaimed the guarantor of the constitution and state unity. The president is elected through direct popular vote to serve seven years for no more than two consecutive terms. Any citizen of the state who is at least 40 years of age, has a good command of the Kazakh language, and has resided in the country for 15 years prior to the election is eligible for the position.

The president is granted the right to form the government, and consent from the parliament is needed only when he nominates and appoints a prime minister. However, the president can remove the prime minister from office at any time, without constraint from the parliament. The president has the right to appoint and remove all other members of the cabinet and high officials in the government without parliamentary consent. The president has the right to nominate and appoint judges with approval from the parliament. The president can nullify decisions made by the executive bodies at both national and local levels. The president has the right to appoint all of the chief executives at the local levels with the consent of local representative bodies, yet the president can remove any of them from office at his own discretion (Article 87). Only the president can propose and initiate constitutional amendments (Article 53). The president can veto parliamentary legislation and has the right to dissolve the parliament. The president is the chief commander of the armed forces of the state. Presidential decrees and resolutions have the force of laws and are binding in the entire territory of the republic. The honor and dignity of the president is considered inviolable and is protected by law; this provision is also

applicable to the ex-president (Article 46). Moreover, the president of the republic automatically becomes a member of the Constitutional Council for life upon the completion of his term as president (Article 71). Article 71 of the constitution states that during their term of office, members of the Constitutional Council may not be arrested, subject to detention or measures of administrative punishment imposed by a court of law, or arraigned on a criminal charge without the consent of parliament, except in cases of being apprehended on the scene of a crime or committing grave crimes. This provision unfairly grants the president protection from any legal persecution for wrongful conduct during the presidency even after the expiration of his term of service.

As for the legislative branch, the parliament of Kazakhstan consists of two chambers, the Senate and the Majilis. Both chambers are professional bodies acting on a permanent basis (Article 50). The Senate is composed of 47 deputies with six-year terms, including 32 indirectly elected deputies from the representative bodies of all 16 subnational territorial units, two from each unit, and 15 deputies appointed by the president (Kazakhstan Parliament 2013). The Majilis includes 107 deputies directly elected by the citizens for a term of five years (Article 50). Jointly, they have the rights to amend the constitution upon proposal by the president, to hear reports from the government, to approve the state budget, to enact legislation, and to make decisions on other national matters. Parliament sessions begin with the Majilis, yet both chambers have equal power. The major duties of the Senate include the appointment of judges for the national-level judiciary bodies upon the nomination of the president, the approval of the appointment of the chairperson of the National Bank, the procurator general, and the chairperson of the Committee of National Security by the president (Article 55). The major rights of the Majilis include approving the appointment of the prime minister by the president, and issuing votes of no confidence in the government (Article 56). Yet the parliament can override a veto of a bill by the president (Article 54), and the parliament can impeach the president. However, the president can disband the parliament when deemed necessary (Article 63), in effect preventing the legislature from challenging the president.

The judiciary branch includes a constitutional council and a layered court system with courts from the national to the local levels. These judicial bodies are declared by the constitution to operate independently (Article 77). The senate selects judges to the Supreme Court, but only based on nomination by the president; the president has the right to

appoint and remove all judges of local and other courts at his discretion (Article 82). Court activities are under the supervision of the procurator's office, which is a system of unified and centralized law enforcement bodies accountable only to the president (Article 83). Therefore, the independence of the judiciary system is severely curtailed by these provisions, and the president can effectively exert control over the judicial bodies.

Although the constitution declares its commitment to the separation of powers and a system of checks and balances, in its actual design of the structure of state power the constitution establishes the preeminence of presidential power. The president's power can be exercised virtually unchecked. Referring back to Dahl's (1971) requirements for a democracy, absent here are established institutions for making government policies dependent on votes and other expressions of preference (Dahl 1971, 3). The concentration of state power in the hands of the head of state runs counter to liberal ideals of a limited state, and severely limits public participation in collective decision making, let alone in political competition. The constitutional framework itself denies democratic institutional arrangements according to the principle of division of powers. Over the past two decades, the president's monopolistic power has only been increasing (Linke et al. 2009, 62).

Individual Rights and Private Property

The first article of its constitution proclaims Kazakhstan to be a democratic, secular, legal, and social state whose highest values rest in an individual, his life, rights, and freedoms (Kazakhstan Constitutional Council 2013). The constitution dedicates a whole section with 30 articles (Articles 10 through 39) to the subject of individual rights, taking up almost one third of the total articles of the constitution. According to the constitution, citizens are guaranteed human rights and freedom as absolute and inalienable rights, which are to be the basis of the contents and implementation of laws and other regulatory legal acts of the state (Article 12). Everyone has the right to judicial defense and qualified legal assistance, free of charge when necessary (Article 13). The constitution guarantees equality before the law (Article 14) and the right to life (Article 15). It guarantees personal freedom, yet it also allows state authority to detain a person for up to 72 hours without the sanction of a court (Article 16). The constitution provides for the right to dignity and protection against torture (Article 17). Citizens are guaranteed the right to privacy and the

right to access information held by public authorities concerning their rights and interests (Article 18). Freedom of speech is guaranteed, and censorship is explicitly prohibited; freedom to receive and disseminate information is provided for, yet the state can set limits to this right when the information involves state secrets, advocating change of the constitutional system by force, undermining state security, or advocating war, social, racial, national, religious, class, or clannish superiority, or a cult of cruelty and violence (Article 20). Freedom of movement is guaranteed (Article 21). The rights to freedom of religion, freedom of association, and freedom of labor are provided for (Articles 22, 23, and 24). The constitution also contains provisions to provide for labor protection, the right to social security, the right to free healthcare, the right to affordable housing, and the right to education (Articles 24, 25, 28, 29, and 30). The constitution allows for private ownership, guarantees the right to freedom of entrepreneurial activity, and the free use of private property for any legal entrepreneurial activity (Article 26). Citizens have the right to peaceful assembly, yet the state can restrict this right in the interest of state security, public order, or protection of the health, rights, and freedom of other persons (Article 32). Universal suffrage is guaranteed. Citizens are granted equal rights to serve in public office, and to participate in the government of state affairs directly and through their representatives (Article 33). The constitution even demands respect for the rights, freedoms, honor, and dignity of other persons (Article 34).

All of these provisions of the constitution for individual rights incorporate the liberal ideal of individual liberty from the state. Individuals are proclaimed to be the source of the highest values of the state according to Article 1 of the constitution. Moreover, human rights and freedom are proclaimed as absolute and inviolable rights of individuals by virtue of their birth (Article 12). This position on natural individual rights resonates strongly with liberal presumptions. The state is declared to be a democratic one, but without a clear definition of what this means. During Soviet rule, the word “democracy” was also frequently invoked by the ruling Communist Party with the use of the term “democratic centralism” to legitimize its total political monopoly and the strict hierarchical power structure that subordinated both the state and its people. However, the provisions that follow this democratic declaration do reflect a departure from this old Soviet understanding. With its pledge of freedom of expression, freedom of association, and the universal and equal right to vote, the constitution reflects a liberal understanding of democratic principles on

individual political rights. Yet it also contains some principles of democracy with egalitarian ideals regarding individual social rights that show the socialist influence of its Soviet past. For example, it provides for free medical care for all, and commits the state to provide for education, social security, affordable housing, and labor protection (Articles 24, 25, 28, 29, and 30). The state authorities, however, are granted by the constitution the right to define the scope of individual rights proclaimed in the constitution. For example, human rights and freedom can be restricted if they infringe on the constitutional system (Article 12). This broad statement leaves much discretion for the implementing authorities to hinder the exercise of these rights, even in a case of a citizen merely being critical of the constitutional system. Personal freedom is proclaimed, yet the state authorities can detain anyone for 72 hours without an order from the court (Article 16). As for freedom of expression, it is also subject to restriction when state secrets are involved, in addition to the generally understood principles of not doing harm to or interfering in others' exercise of the same right. The ill-defined term "state secrets" leaves the state authorities much discretion in deciding what constitutes such state secrets, at the expense of individual freedom.

The practices of human rights and individual freedom in Kazakhstan over the past two and a half decades acutely illuminate the deficiencies in democracy pointed out above. The country's human rights record has been poor and is deteriorating. Arbitrary detention, torture, and abusive conduct of law enforcement authorities are rampant; the government authorities maintain restrictive rules on the rights of freedom of expression, association and assembly, and other constitutional rights (Human Right Watch 2013; The US State Department-2012 Human Rights Report). Political liberalization in Kazakhstan is limited. In sum, Kazakhstan citizens do not fully enjoy their human rights as guaranteed by the constitution; moreover, their freedom of association and freedom of expression are restricted. Although the constitution grants universal suffrage, the citizens' right to expression of preferences is suppressed. According to the requirements of the liberal version of democracy as laid out by Bobbio (1990) and Dahl (1971), both participation and contestation are indispensable for a true democracy: Without the freedom to voice opposing views, there can be no real democracy (Dahl 1971, 5).

However, in the area of individual economic rights, Kazakhstan has demonstrated a strong liberalizing tendency. The state has abandoned the old command economy since its independence. Private property rights

have been institutionalized by the Kazakhstan state. The institution of private property in Kazakhstan is the main form of property ownership in the country, and private property has already become a dominant factor in Kazakhstan's economic development (Linke et al. 2009, 70). The government has encouraged the private sector to take the initiative in economic activities. The private sector now plays an important role in the state economy, with control of more than 90 percent of the country's production potential (Nazarbayev 2008, 185).

Elections in Kazakhstan

The constitution of Kazakhstan declares the state of Kazakhstan to be a democratic republic. Over the past two decades, Kazakhstan has developed an electoral system, through which both the president and deputies of national and local legislative bodies are elected. Therefore, its electoral system has been one of the crucial components of its political system. The system requires that elected officials serve for a fixed term with a limited mandate. The citizens of Kazakhstan participate directly in the election of the president through a nationwide popular vote. Direct popular vote is the main mechanism by which deputies of the Majilis (the lower house) of the national parliament are elected. Deputies of the Senate (the upper house) are mainly elected indirectly by deputies of subnational legislative bodies (maslikhats) at the provincial level, in addition to 15 members appointed by the president. All of the local Maslikhats (local legislative bodies) are composed of deputies elected directly by the people of the corresponding territorial units. The constitution of Kazakhstan provides for universal suffrage and guarantees the equality of all citizens of Kazakhstan (Articles 14 and 33). Since the promulgation of the constitution in 1995, a number of major laws have been put into place to govern elections in the country, including the Constitutional Law on Elections; regulations of the Central Election Commission; the Law on Political Parties; the Law on the Procedure for Organizing and Conducting Peaceful Assemblies, Meetings, Marches, Pickets and Rallies (Law on Peaceful Assembly); the Criminal Code; the Code of Administrative Offences; and the Code of Civil Procedures (OSCE/ODIHR 2012, 6, 2011, 4).

The legal requirements of universal suffrage and equality of citizens reflected in the constitution of Kazakhstan are surely both democratic and liberal in character. However, a liberal understanding of democracy requires not only the right to vote and to be elected, but also the right to

oppose (Dahl 1971, 5). The following discussion will indicate that the laws of Kazakhstan do not guarantee such a Western liberal democracy with regard to election. As mentioned earlier, the Kazakhstan parliament consists of two chambers: a 107-member Majilis and an indirectly elected 47-member Senate. Of the 107 deputies of the Majilis, 98 are directly elected for a five-year term based on a proportional representation of parties listed, and the remaining nine are nominated by the president of the state and indirectly elected by the Assembly of the People of Kazakhstan (APK), whose chair is the president himself. The APK deputies are to represent the ethnic minorities of the state in the parliament. Yet the way such representation is established is not democratic. This is because the APK members can not only vote for the directly elected Majilis deputies, but also for those nominated by the president. Therefore, the APK members enjoy two votes in the same election, which is a violation of the equal suffrage principle of democracy enshrined in the constitution (OSCE/ODIHR 2012, 5). The president's direct appointment to the Senate of 15 deputies—almost one third of the Senate—is a blatant restriction of the citizens' right to vote and right to express their preferences in public decision making. Such a practice fails to meet the requirements of democracy, and is actually illiberal and authoritarian.

Moreover, the election law offers no possibility for persons not affiliated to a political party to seek election as independent candidates in parliamentary elections, thereby restricting the right of citizens to seek political or public office (OSCE/ODIHR 2007). The constitution sets requirements of a 10-year residency prior to the election for parliamentary candidates and a 15-year residency prior to the election for presidential candidates. This leads to an unreasonable restriction on the right to seek public office (OSCE/ODIHR 2012, 7, 2011, 10). Article 41 of the constitution establishes fluency in the Kazakh language as a presidential candidacy requirement, although Russian is given equal status as an official language in Article 7 of the constitution. This effectively denies the right of non-ethnic Kazakh citizens, such as the ethnic Russians who constitute around one fourth of Kazakhstan's population (Kazakhstan Committee on Statistics 2009), to run for the position.

The constitution provides for freedom of speech, yet it also contains provisions that restrict this right to protect the honor and dignity of all persons (Article 34), especially those of the president (46). According to Articles 129, 130, 317, and 318 of the Criminal Code, and Article 100 of the Administrative Offences Code, defamation and insult are considered public offences subject to criminal and administrative liability, with higher

penalties for insulting the president and public officials (OSCE/ODIHR 2011, 6). These provisions in effect unduly restrict citizens' rights to express views critical of the conduct of others, especially of government officials (OSCE/ODIHR 2011, 6). In addition, the Kazakhstan government also retains broad restrictions on freedom of assembly and association (Freedom House 2011). The Law on Peaceful Assemblies includes excessive limitations on the holding of public assemblies (OSCE/ODIHR 2011, 6). Approval from the government authorities 10 days prior to the scheduled day of public assembly is mandatory, and an individual person is not allowed to file declarations of public demonstrations; moreover, to register, an association also needs to be approved by the government. Any public associations must be registered, and unregistered public organizations are subject to administrative or criminal penalties (EBRD-Kazakhstan 2009, 15).

The electoral system of Kazakhstan does not fulfill three of Dahl's (1971) requirements for democracy: first, freedom to form and join organizations; second, freedom of expression; and third, institutions for making government policies dependent on votes and other expressions of preference (3). In sum, the procedures of electoral democracy in Kazakhstan are utilized by the authorities only as one of the forms of political control, and systemic guarantees of the democratic character of elections are absent (Linke et al. 2009, 65).

Political Parties and the Party System

The independence of Kazakhstan in 1991 shattered the one-party monopolistic political structure created in the Soviet period of the republic. The constitution of Kazakhstan allows for ideological and political diversity (Article 5), which opens the way for the establishment of a multiparty structure in the republic's party system. Since its independence in 1991, the country has seen the development of multiple political parties seeking to participate in political decision-making processes. According to the Kazakhstan Central Election Commission (2013), there are currently 10 political parties officially recognized in Kazakhstan. These are listed below.

1. The National Democratic Party (NUR OTAN)

Created in 1999, it has more than 600,000 members. It is the largest party in the country, holding 83 seats out of 98 total seats for directly elected deputies in the Majilis since 2012.

2. The Democratic Party of Kazakhstan (AK ZHOL)
Established in 2002, it now has more than 175,000 members. It holds three seats in the Majilis since the 2012 parliamentary election.
3. The National Social Democratic Party (NSDP)
Created in 2006, it has around 140,000 members. It has no seat in the Majilis.
4. The Kazakhstan Social and Democratic Party (Auyl)
Established in 2002, it has around 61,000 members. It has no seat in the Majilis.
5. The Democratic Party of Kazakhstan (Adilet)
Established in 2004, it has around 70,000 members. It has no seat in the Majilis.
6. The Communist People's Party of Kazakhstan.
Created in 2004 it has around 56,000 members. It has no seat in the Majilis.
7. The Kazakhstan Patriots' Party
Created in 2003, it has around 170,000 members. It has no seat in the Majilis.
8. The Ruhaniyat Party
Created in 2003, it has around 72,000 members. It has no seat in the Majilis.
9. The Democratic Party of Kazakhstan (AZAT)
Registered in 2006, it has around 97,000 members. It has no seat in the Majilis.
10. The Communist Party of Kazakhstan
Established in 1998, it has around 90,000 members. It won seven seats in the Majilis in the 2012 parliamentary election.

The law on political parties prohibits parties based on ethnic origin, religion, or gender, and a party must have at least 40,000 members with at least 700 members from each province of the republic in order to register (Freedom House 2012). In addition, there is no legally established timeframe for the state authorities to check signatures (OSCE/ODIHR 2007, 14). Moreover, parties can be deregistered by the state authorities whenever there is any inaccuracy in the tax declarations of their candidates, or if any of their statements are considered to infringe on the honor and dignity of others (OSCE/ODIHR 2011, 6, 2012, 27). Furthermore, parties need to obtain at least 7 percent of the total number

of votes to have seats assigned in the Majilis, and deputies lose their mandate if they leave or are excluded from their party (OSCE/ODIHR 2012, 5; Freedom House 2012). These practices effectively restrict pluralistic representation in the legislature. The approach taken by the government to registering political parties places undue restrictions on the right to freedom of association (OSCE/ODIHR 2007). This leads to the exclusion from official recognition of any prospective party with critical views on the president or government (OSCE/ODIHR 2007, 14). The provisions of the constitution on the protection of personal honor and state secrets discourage critical public debates, hence impeding the right to freedom of expression, especially in regard to voicing opposing views on existing governmental policies, state affairs, or the conduct of public officials. Lastly, all of these registered parties have a pro-government orientation, and their programs do not present alternative choices to those pursued by the government.

The party system developed in Kazakhstan since its independence does not provide for real political participation and competition, or for a meaningful choice between political alternatives, all of which are important components for a democracy, as maintained by Dahl (1971, 3). Politically, Kazakhstan does not provide for genuine contestation and participation (Dahl 1971, 4) by its citizens in public decision making. The political parties and the party system of Kazakhstan have not become a well-functioning vehicle of the democratic decision-making process as understood by Western liberal standards.

Media

Since independence, the media in Kazakhstan have been de-monopolized, and the relation between the state and mass media has shifted from the old Soviet-style direct total control by the party state to indirect political control by the government. There are now more than 2500 officially registered media outlets throughout the country, 80 percent of which are privately owned (Nazarbayev 2008, 86; OSCE/ODIHR 2007, 16). However, most media outlets, especially leading broadcasting stations and publishing houses, are controlled or influenced by members of the president's family and other powerful groups affiliated to pro-government groups (OSCE/ODIHR 2012, 15).

The constitution of Kazakhstan guarantees freedom of speech and prohibits censorship (Article 20). However, these pledges are restricted by

constitutional provisions protecting personal honor and dignity, the criminalization of defamation and insult, and the higher protection afforded to the president and public officials (OSCE/ODIHR 2011, 12). For example, the Criminal Code of the Republic of Kazakhstan contains six articles protecting the honor and dignity of officials, including the president, parliamentary deputies, and state authorities; there are more than 50 separate descriptions of administrative offences of mass media in the administrative laws (EBRD-Kazakhstan 2009, 14). All offenses are punishable by up to three years of imprisonment as well as substantial fines and exorbitant compensation for defamation, which has led to widespread restraint and self-censorship in the media and among journalists (Freedom House 2012; OSCE/ODIHR 2012, 14). In general, there is very little criticism of the authorities in the media (OSCE/ODIHR 2007, 16). Moreover, vaguely formulated provisions in the Law on Television and Radio Broadcasting and the Law on National Security leave room for indiscriminate or arbitrary restrictions on media registration and activities, impeding the right to freedom of expression (OSCE/ODIHR 2012, 14–15). The laws have been designed for the government to be able to keep tight control over the mass media. It has been reported that the government has repeatedly harassed or shut down independent media outlets, and journalists have been frequently subject to imprisonment on charges of slander and disclosure of state secrets (Freedom House 2012). Kazakhstan has been among the least free countries with regard to media freedom over the past decade, according to Reporters Without Borders (2012).

In sum, the liberalization of media is very limited in Kazakhstan. The government limits the right to freedom of expression and forces the media into self-censorship, despite the constitutional guarantee of freedom of speech and the prohibition of censorship. Dahl's (1971, 3) liberal understanding of democracy, of which the right to freedom of expression and the right to alternative sources of information are crucial components, is largely absent. Kazakhstan fails to meet the basic criteria for a democracy defined from the liberal standpoint endorsed by neoliberals.

CONCLUSION

Since independence, change has been the major theme in Kazakhstan and Uzbekistan as well as the other post-Soviet states. Cummings (2002) provides an illuminating comment:

All post-Soviet states have moved very far from the Marxist-Leninist model. Even if some remnants of the old system remain, the CPSU (Communist Party of the Soviet Union) no longer has the monopoly of power, a guiding ideology no longer exists, there is very little, if any, routine mobilization of the population within state-sponsored organizations to achieve a minimum degree of compliance, and leadership recruitment is no longer restricted to the official party. The independent states of Central Asia are qualitatively new entities, with their new internal logics. (8)

More than 20 years into independence, both countries have made impressive achievements in firmly establishing their sovereignty and in building well-functioning state systems capable of bringing order and garnering popular support of their respective regimes. However, as the discussions in the previous sections have revealed, neither country has evolved in the direction predicted by the dominant neoliberal transition paradigm, which assumed that the new republics would follow a regime change away from the dictatorial rule of their Soviet past and toward more liberal and more democratic governance (Sir 2007, 91). On the contrary, both have developed an entrenched system of authoritarian rule. Democracy in these self-proclaimed democratic republics is merely nominal. The practically full set of democratic institutions in both countries is void of democratic substance. Independence has not been a stimulus for political liberalization in either Kazakhstan or Uzbekistan. Albeit with distinctive characteristics, their approaches to political reform bear some similarity, which is summarized in the following passage.

First, both countries have developed a centralized power structure based on a powerful presidential system. The power of the president in both countries is virtually free of any constraint; second, transitions are elite-centered, and it is the elites, not the public, that settle the terms of the transitions (Burton and Higley 1987). Moreover, ruling elites of both regimes have adopted a gradual approach to reform, maintaining tight control of their reform processes, and both of them insist on a gradual transition strategy in the political sphere; third, both countries have prioritized economic reform over political reform. If there is liberalization, it is confined to the sphere of the economy. Both have adopted some elements of the neoliberal free market approach and have made some progress in liberalizing their economies, yet their governments have retained a strong role in the processes. Last, both countries have shown little commitment to Western-style liberal democracy.

There is a growing body of literature on political liberalization and democratization in the post-Soviet countries. This literature's main explanations for the democratic deficiencies in the post-Soviet Central Asian countries tend to focus on (1) their past democratic experiences (Blank 2005; Collins 2006), (2) their Soviet legacies (Zhovtis 1999), (3) the will of their political leaders (Wilson 2005; McFaul 2006), and (4) their culture (Roberts 2012, 311). These are surely important considerations in understanding the political development in these post-Soviet countries. However, implicit in such views is, as Grzymala-Busse and Luong (2002, 529–554) observed, an unquestioned assumption of the presence of a full-fledged functioning state, an attribute that post-Soviet Kazakhstan and Uzbekistan have had to develop during the past two decades of independence. Therefore, for these newly independent countries that have emerged from the ruins of the Soviet Union, I emphasize that the challenges and concerns of their state-building and survival have played a crucial role in shaping their political transition trajectories.

When independence was suddenly bestowed upon the ex-Soviet republics, they all lacked prior experience of existence as modern nation states, let alone of the absence of the institutional capacities necessary for the functioning of a state. Although independence has provided an opportunity for these countries to determine their own paths to the future, it also has entailed an unprecedented challenge of building states capable of maintaining order and preserving independence, with the need for survival at the core of this challenge. Without a functioning state in place, the emergence of democratization and political liberalization is unthinkable. Democratization or liberalization does not necessarily make a state come into being; rather, it is the state that makes democratization or liberalization happen. Therefore, with regard to post-Soviet political reform, the state itself deserves attention in its own right.

Matveena (1999) identifies five major challenges that have threatened the state-building and the survival of the post-Soviet republics of Central Asia. I summarize them with emphasis on the situations of Kazakhstan and Uzbekistan in particular: The first is the challenge of establishing new power relations within the state. Independence was the result of the sudden demise of the Soviet Union, not political struggle on the part of the locals. Therefore, the challenge for the local elites in Kazakhstan and Uzbekistan was to fill the power vacuum created by the collapse of the center, and to establish effective political control; second, ethnic tension is present in both Kazakhstan and Uzbekistan,

which have a diverse ethnic composition. The possibility of inter-ethnic discord exists in both countries; third, clan and regional divisions exist within each country. Fragmentation along regional, tribal, and clan lines poses challenges to building a coherent state; the fourth challenge is developing their economies. The economic chaos and political disarray associated with the dissolution of the Soviet Union resulted in the dismantling of all of the economic arrangements that linked the republics, creating unprecedented difficulties for the individual republics in meeting even the basic needs of their populations. Both Kazakhstan and Uzbekistan have succeeded in revitalizing their economies over the past two decades. Yet the ability of these countries to deliver economic benefits to their citizens remains crucial for the legitimacy and survival of the regimes; fifth, Islamic radicalism has been a threat to both countries. It poses a much greater threat to Uzbekistan, where a majority of the population is Muslim (24–43).

A stable political environment is a prerequisite for overcoming these five challenges to the survival of the newly independent countries. The imperative of political stability as the foundation for establishing a modern state with genuine independence has been a paramount concern for the countries' national leaders (Karimov 1998, 5; Nazarbayev 1994, 6). This has meant that all other concerns have to serve the interest of and be subject to the top priority of state-building and stability; without a stable environment, there can be no chance for the success of any reform initiative. In this sense, the discourse of stability allows the political elite in both countries to appear as the defender of their nations and to engage in a struggle to assign meaning to democracy for garnering popular support of their political reforms and justify their rule over their nations with their own dominant transition narratives. To be sure, this does not mean that political authorities in both countries totally disregard the concept of individual freedom and democracy; rather, these Western concepts have been selectively interpreted and incorporated into their transition discourses for the purpose of legitimizing their own policies in the name of people.

Although the result of democratization processes in both countries reflects a circumvention of most democratic ideals, neoliberalism has taken root in the political systems of both countries in their post-Soviet period. Political liberalization of property relations, namely, re-establishment of institution of private ownership rights, demonstrates a strong neoliberal influence. After all, neither country's post-Soviet transformation is a process of responding to popular democratic demands and aspirations as such;

rather, it serves to protect and advance systemic interests of the capitalist economic order established following the post-Soviet neoliberal reforms. This is what has also transpired in both countries' post-Soviet economic reforms, which I examine in the next chapter.

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The Influence of Neoliberalism on Economic Liberalization in Post-Soviet Uzbekistan and Kazakhstan

This chapter deals with the task of identifying the influence of neoliberalism in Uzbekistan's and Kazakhstan's post-Soviet transitions to market economies. Since their independence in 1991, both countries have chosen to dismantle their inherited Soviet-type planned economy to construct a market-oriented economy as the path to their future economic development. From early on following independence, the two countries adopted rather different approaches to market reform, differentiated both in speed and scope. Kazakhstan, following Russia's shock therapy method, adopted a rapid and radical reform strategy, while Uzbekistan opted for a gradual, phased reform approach. The former approach followed the standard advice of the International Monetary Fund and World Bank, which are the major international financial groups that provide assistance to developing countries, including the former socialist countries. The core policy package then promoted by these dominant international organizations was developed from the Washington Consensus (Williamson 1990), echoing the principles of neoliberalism, which had already achieved dominance by then (Steger and Roy 2010, 19). The gradual approach adopted by Uzbekistan was criticized by the neoliberals as an anomaly doomed to fail. However, after 25 years, this gloomy prediction has not been borne out. Both countries, albeit with differences in their approaches, have become more market-oriented economies. This chapter examines the extent to which the economic reforms have been influenced by neoliberalism in both countries since their independence in 1991.

The chapter is organized as follows. First, following the introduction, an examination of the economic dimensions of neoliberalism will be conducted. This will provide a conceptual framework for the subsequent assessment of the neoliberal traits of the economic reforms of both countries since their independence. The third and fourth sections provide a detailed exploration of the major issues relating to each country's market reforms. The final section concludes the chapter with a summary.

THE ECONOMIC FACE OF NEOLIBERALISM

In the sphere of the economy, neoliberalism represents an uncompromising commitment to individual economic liberty (Bobbio 1990, 81). Underlying such an individual-centered view on economic thinking is the philosophical conceptualization of the individual and state originally conceived in the classical liberalism of the British school associated primarily with Adam Smith and David Ricardo (Bobbio 1990, 82; Steger 2009, 10). Classical liberalism conceptualizes the individual as the possessor, prior to the existence of the state or any political authorities, of certain natural rights such as the rights to life, liberty, and property, which the state or whoever holding political power must not infringe and must protect against any possible transgression by others (Bobbio 1990, 5, 82). The state itself is considered a creation of individuals through their voluntary association to promote the satisfaction of their own interests and needs and the fullest exercise of their natural rights (Bobbio 1990, 9). This conception of the natural rights of individuals forms the basis of the theory of the limits of state power over individual rights in classical liberalism, which is instrumental to the neoliberal view on the limited role of the state in the economy (Bobbio 1990, 6).

Smith, in his book *The Wealth of Nations*, ardently defends these liberal views through his laissez-faire economic model. He postulates that individuals, naturally endowed with certain rights of which property rights are an essential part, are by nature economic rational actors whose actions always reflect their economic self-interest; that is, they always seek to maximize their economic gain. For Smith, if individuals were free from constraints, especially from those of arbitrary state power, selfish human nature would result in enhanced economic productivity. This is because the drive to reap maximum rewards would compel producers to improve their skills and technologies to produce goods with better quality at a lower cost. They could then sell their products at more competitive prices

in the market to attract more customers and thus increase sales, hence making more profits. Based on this view, he presupposes that private economic interests, not those of the state, constitute the driving force of wealth generation. Accordingly, Smith maintains that the state should leave the domain of the economy as much as possible to the initiative of private individuals.

The notion of *Homo economicus*—economic man—also inspired Smith to conceive of markets as self-regulating—the tendency toward equilibrium of the supply of and demand for goods and services in a free and open market. This is because, according to Smith, the competition of numerous individual participants in a free and open market will automatically result in an optimal effect on resource allocation in terms of maximizing their economic gains, as if there were an invisible hand, as Smith would say, guiding the process (Przeworski 1992, 45–59; Steger 2009, 10). He preached the benefits of market exchange, arguing that individuals would not voluntarily enter into a transaction if any party to the transaction would emerge worse off (Clarke 2012). David Ricardo went further, applying Smith's theory of market exchange at the international level. With his theory of comparative advantage, he argued that unfettered trade between nations would result in a win-win situation in which both parties would benefit from enhanced productivity derived from international specialization and division of labor among them. This view on free trade has become one of the core tenets of the neoliberal economic doctrine.

Neoliberalism, as one of the contemporary offshoots of liberalism, inherits the basic assumptions of classical liberalism on state–individual relations, yet it places much stress on economic liberty as the defining line for individual freedom from the state power, and its liberal argument has come to focus ever more narrowly on the defense of the free market economic model (Bobbio, 79–81). The classical liberal ideal of market harmony is fundamental to neoliberalism's complete faith in the logic of the free market. It emphasizes the free market as the indispensable mechanism through which individuals exercise their economic freedom. Based on this view, neoliberalism demands that individuals be afforded as much freedom as possible to compete with each other in the market to pursue their economic interests through voluntary exchange. Any interference with the economic activities of private actors is thought to be disruptive to the working of the market in achieving the greatest efficiency, and therefore damaging to private economic interests. This in turn will lead to the obstruction of overall economic progress. Accordingly, it requires that the

state refrain from getting involved in the economy per se and instead use its power to maintain and protect open market exchange (Steger and Roy 2010, 3).

Steger and Roy (2010, 14) succinctly sum up the concrete economic policy regime of neoliberalism in a condensed expression of a D-L-P formula: (1) deregulation of the economy; (2) liberalization of trade and industry; and (3) privatization of state-owned enterprises (14). Based on this understanding of neoliberalism's conception of the relation between the state and the individual in the sphere of economy, I will proceed to examine the following aspects of the economic system developed in post-Soviet Uzbekistan and Kazakhstan in an attempt to uncover the influence of neoliberalism in their economic reform efforts:

1. Private ownership and privatization
2. Price deregulation
3. Trade liberalization
4. Tax cuts for businesses
5. Government spending on social welfare

NEOLIBERAL ECONOMIC REFORMS IN UZBEKISTAN

Market-oriented systemic changes in the economy of the Republic of Uzbekistan began after it declared state independence following the disintegration of the Soviet Union in late 1991. The collapse of the Soviet Union's centrally planned economic system, in which Uzbekistan was deeply embedded and on which it was totally dependent, had thrown this newly independent republic into profound economic crisis. The leadership of the republic was fully aware that genuine political independence of the country would be impossible in the absence of a viable economy. Severe economic difficulties forced the government of newly independent Uzbekistan to make changes in its economic policies. In this context, ideas of introducing market relations appeared as an alternative policy choice for the leadership of the republic, with President Karimov himself a strong advocate as evidenced by his own remark: "The transition to a market economy is inevitable. The times demand it and it is an objective reality" (Karimov 1992, 44). As a result, immediately after independence the post-Soviet Uzbekistan government under the leadership of President Karimov engaged in market-oriented reforms in an attempt to resuscitate its national economy on which its independence and prosperity would rest.

Uzbekistan's government viewed market reforms as a means to achieve its overarching goal of nation building and economic development. It emphasized that the needs of the country, the country's condition, and its readiness to accept market relations must be taken into account when introducing market reforms. At the very outset of its economic transition to the market, the Uzbekistan government refused to follow the Washington Consensus-inspired transition policy of shock therapy—the policy of speedy and forced transition to the market favored by powerful international financial organizations such as the IMF, the World Bank, and the European Bank for Reconstruction and Development (EBRD). Instead, it adopted an indigenous approach to its transition to a market economy, based on five basic principles identified by President Karimov. These five guiding principles include the priority of the economy over politics; the leading role of the state in the reform; the rule of law as the foundation for conducting reform; strong social protection to prevent the deterioration of living standards; and a phased and gradual approach to introducing market relations (Karimov 1995, 10). Guided by these basic principles, Uzbekistan has made incremental reforms in its transition to a market economy, and it has remained on the course of transition to a market economy in the subsequent years. Throughout the reform processes, the republic has devoted special attention to the well-being of the population with an active social policy aimed at ameliorating the social impact of the market reform, particularly on needy persons and families.

Privatization

One of the major components of Uzbekistan's economic reform efforts in the transition to a market economy has been its commitment to privatizing state properties and enterprises. Privatization was initiated in earnest by the Uzbekistan government shortly after its declaration of state independence on August 31, 1991. Almost three months later, on November 19, 1991, a privatization law, namely, the Law on Denationalization and Privatization, was enacted, laying the legal basis for transferring state properties to private hands (World Bank 1993, 60). Uzbekistan has adopted a cautious and gradual approach to privatization. The voucher schemes that were adopted by other republics of the former Soviet Union for privatization were categorically rejected by the government at the inception of the process. Instead, the government of Uzbekistan has insisted on the principle of case-by-case sales of state properties and

enterprises. According to the official account (Privatization Committee 2013), the actual process of privatization can be divided into three phases.

The initial phase fell in the years from 1992 to 1993. At this stage, the privatization of state-owned enterprises was mainly focused on selling out small state-owned enterprises of retail trade, services, catering, and local light industries. By 1994, this process was officially completed, and as a result, it was estimated that the state share of the gross output of domestic trade and public catering was already reduced to only 18 percent, down from nearly one hundred percent before the privatization process had started two years earlier (Karimov 1995, 47). Another important move in this period was the privatization of state-owned housing. All of the tenants of state housing were offered the opportunity to purchase their dwellings, and by the end of this period more than 95 percent of the state housing stock was sold (Karimov 1995, 47). Land reform was yet another feature of the economic restructuring during this initial period. The constitution of post-Soviet Uzbekistan establishes state ownership of all of the lands within the territories of the republic, with some exceptions for certain lands in urban areas, and the state ownership of lands is legally not allowed to be altered. However, the law allows the state to lease out lands to private individuals with some restrictions on their rights to use and dispose. During the initial period of reforms, farmers were allotted plots of farm land in the form of lifetime leases, with the right to inherit, but not to sale or transfer (World Bank 1993, 60–61). Although the state order system was preserved, farmers were allowed to keep the profits derived from extra produce from the allotted plots, which played a crucial role in helping rural residents to cope with the economic difficulties of the initial years of independence (Karimov 1995, 57–58).

The most important reform step in this initial period was the establishment of the legal foundation for the institution of private ownership. The constitution of the Republic of Uzbekistan, which was adopted in December 1992, confirmed that private ownership had equal status with other forms of ownership. The constitution granted private entities the right to own the means of production and the right to freely engage in economic activities, and obliged the state to extend equal protection to them. The constitutional guarantee of private property rights cleared the way for the participation of private individuals in the economy, setting the stage for the process of privatization to be carried out in following years.

The second phase of privatization took place from 1994 to 1996. Initiated by the presidential decree “Measures to Further the Economic

Reforms, Ensure the Protection of Private Property, and Develop Entrepreneurship” issued on January 21, 1994, this phase was primarily aimed at transforming medium and large-scale state-owned enterprises into share-holding ones open to public investment (Karimov 1995, 48). However, other forms of non-state ownership structure were not excluded at this stage, including private ownership through direct sale, collective ownership, and leasehold (Karimov 1995, 50). Based primarily on the methods of open sale and public auction, this stage involved privatizing a wide scope and large quantity of state-owned enterprises covering most of the sectors of the economy. By 1996, there were two million private shareholders of enterprises that were previously owned by the state, three million owners of personal household plots, 85,000 owners of private and small enterprises, and 14,000 real estate owners (Privatization Committee 2013). As a result, there emerged a novel private sector in the republic. By mid-1997, the output from the private sector had become substantial and its share in the GDP had already reached 45 percent, up from a figure of nearly zero in pre-1991 years (EBRD 1997, 14).

From 1998 onward, privatization processes advanced to the third phase, with the privatizing of the ownership of large-scale enterprises being the focus. The government of Uzbekistan has adopted an individual approach at this stage, characterized by the case-by-case sales of large state enterprises, with the participation of foreign investors encouraged since 1999 (Privatization Committee 2013). During this phase, the transferring of state-owned businesses has been mostly conducted through the public sale of their shares. In most cases, the state retains the controlling shares in the large enterprises deemed economically vital to the republic. The State Committee of the Republic of Uzbekistan for Privatization, Demonopolization and Development of Competition (formerly known as the “State Property Committee”) is the key agency involved in the process of privatizing state property. Each year the government publicizes a privatization program listing the enterprises to be sold and the scope of available shares of each enterprise. This phase of privatization is still ongoing, and its overall pace of privatization has been slow compared to the previous stages. Nevertheless, the government has been making steady advances in the sale of shares in state enterprises into private hands. After two decades of economic transformation, there have been radical changes in the ownership structure and production relations of Uzbekistan’s economy. For example, by 2011 the share of the GDP produced in the private sector had increased to 81.7 percent; the private sector accounted for 90.2

percent of industrial output, 99.9 percent of agricultural production, and 79 percent of the entire workforce (Center for Economic Research 2011a).

Price Deregulation

The lifting of price controls has been another important aspect of post-Soviet Uzbekistan's market-oriented reform. Over the past two decades, Uzbekistan has gradually liberalized commodity prices and established open and functional price-forming mechanisms in all spheres of its economy based on market principles. Price freedom is a benchmark of a free market economy. From the neoliberal standpoint, supply of and demand for commodities in a free market economy are mediated through prices, which are freely determined by numerous individual buyers and sellers freely competing with each other as equal participants in a market through voluntary exchange guided by the principle of private gains maximization. This sort of price mechanism was completely absent in Uzbekistan's inherited centralized planned economy at the time of its independence. At the very beginning of its market reforms, the leadership of the Uzbekistan government recognized price liberalization as a key issue to be addressed and tackled when introducing market relations. Some major pieces of legislation and government resolutions were adopted to facilitate price reform. Among these, the most prominent were a 1992 government resolution "On Measures on Liberalization of Prices" and a 1992 law "On Restriction of Monopolistic Activities" (Karimov 1995, 83, 85). In approaching price reform, the Uzbekistan government rejected the shock therapy measures—to rapidly and completely liberalize prices, a method that was a standard Washington Consensus policy carried out in Russia and many other former Soviet Union republics. Instead, the Uzbekistan government pursued a cautious and incremental approach in an attempt to ameliorate the disruptive effects of sudden price increases on domestic consumption and production.

The price reform in Uzbekistan was initiated on January 10, 1992, in accordance with the government resolution "On Measures on Liberalization of Prices" (Karimov 1995, 83). It took place immediately after it happened in Russia. At the beginning of 1992, Russia swiftly dismantled its price control regime, which immediately resulted in a sharp hike in all commodity prices. Uzbekistan was still in the ruble zone at that time, and had tight trade links and economic ties with Russia that had been established during the seven decades of Soviet rule. As such, Russia's

move left little choice for Uzbekistan but to begin its own price reform. However, the Uzbekistan government followed its own evolutionary strategy, as described above. It retained price controls on a number of basic items, industrial products, and public services to cushion the shock to the population (Karimov 1995, 84). The government also maintained subsidies and budgetary support for state-owned enterprises, especially strategic ones, to reduce a sharp drop in their production (Pomfret 2006, 26). By 1994, the government lifted price controls on all of the commodities, except for a few food items (Karimov 1995, 84; Pomfret and Anderson 1997, 19) for the protection of its population. By then, the government had completely abolished the centralized economic planning system inherited from its Soviet past, and had put market mechanisms in place for price setting and distribution of resources. The domestic price liberalization was nearly accomplished by early 1995, according to the IMF (1996, 11). Price controls on cotton, interest rates, and foreign exchange rates were still being put into place well into the 2000s. In 2003, the state liberalized foreign exchange rates, yet still kept access to foreign exchange tightly regulated (Pomfret 2006, 35). As of 2013, the state still retained control of interest rates (Center for Economic Research 2011b). State enterprises were allowed much freedom in economic decision making based on commercial principles, although the state retained a strong role in making major decisions. Privatization had already brought down the monopoly of state enterprises. All of the state companies had to compete with other forms of businesses in the market for their supplies and sales based on free market prices, although production subsidies to state enterprises were kept in place through direct budget support, cheap credit from government-controlled banks, or access to low-cost foreign exchange (Cornia 2004, 3).

Also beginning in 1994, the government started to address the extraordinary inflation problems facing the country, a scenario that plagued all of the former Soviet republics as the immediate result of price liberalization. It moved to cooperate with the IMF and followed the IMF's anti-inflationary measures in conformity with the Washington Consensus (Pomfret 2006, 26; Kotz 2004, 8). A national currency was introduced, and most of the price subsidies were abolished. The government of Uzbekistan also agreed to make its currency convertible by liberalizing its foreign exchange rates. As a result, the IMF provided a standby loan to aid the Uzbekistan government's efforts to stabilize its currency, followed by large loans from the World Bank, the EBRD, and the Asian Development

Bank (Kotz 2004, 8). However, Uzbekistan's shift toward the Washington Consensus did not last long. After facing a severe balance-of-payments crisis caused by a drop in world cotton prices in the second half of 1996, it reneged on its commitment to the IMF-advised restrictive monetary policy and reintroduced tight governmental control of foreign exchange rates through a multiple exchange rate system (Pomfret 2006, 30–31). In response, the IMF suspended its loans to Uzbekistan, and the cooperation between the IMF and the Uzbekistan government was put on hold until 2001 (Kotz 2004, 9). In 2003, the Uzbekistan government formally liberalized foreign exchange rates, yet it still kept access to foreign exchange tightly regulated (Pomfret 2006, 35). By 2013, the state has abolished almost all of the price controls except for interest rates (Center for Economic Research 2011b).

Trade Liberalization

Trade liberalization has been another important aspect of Uzbekistan's neoliberal economic reforms since its independence. Uzbekistan has seen radical changes in liberalizing its foreign trade pattern, which was formed in the Soviet era. During Soviet rule, Uzbekistan was but a local administrative unit within the Soviet Union, and it was shut off from direct contact with the rest of the world. Instead, its trade with other Soviet republics constituted its external trade activities, which were centrally planned and controlled by the central government in Moscow. The state-owned enterprises were the only entities privileged to engage in any trade activity. All of its trade policies were decided by the planners in Moscow for the benefit of the entire Soviet economy with little consideration of the republic's actual needs and local conditions. The economy of the republic was tightly integrated into the supply and production chains of the Soviet national economy, in which it was administratively assigned by central planning authorities to be a supplier of raw materials and natural resources, of which cotton and gold were major components. This internal division of labor within the Soviet economic complex had therefore predetermined Uzbekistan's trade pattern. Uzbekistan was a net exporter of raw material and intermediary goods that were to be processed elsewhere in the Union, and it relied on imports of finished products from other Union republics for domestic consumption. Production and trade activities were not profit-oriented; rather they were geared toward the goals of the national economic development plans. Lack of economic reward had stifled the

innovative potential of the economy, resulting in overall low productivity, high wastefulness of resources, and backward and uncompetitive technologies. Moreover, as a subunit of the all-Union economy whose self-sufficiency was not the concern of the Soviet authorities, Uzbekistan's economy was extremely dependent on inter-republic trade within the union before independence.

Independence has been a turning point in the development of Uzbekistan's foreign trade. With the decision-making power shifting to the republic after its proclamation of independence, the leadership of Uzbekistan immediately moved to open up its economy to the rest of the world while preserving the economic ties and trade links with its traditional trade partners from the former Soviet Union to avoid an abrupt decline in its economy. In the subsequent years, the government of Uzbekistan has been actively promoting trade relations with all of its foreign economic contacts. Both foreign trade and foreign investment have been encouraged. After initiating domestic market reforms of privatization and price liberalization, the government has steadily engaged in liberalizing foreign trade, yet at a much slower pace and under a controlled regime. Much emphasis has been placed on shifting the economy from its dependence on cotton to gain better balance. The government of Uzbekistan has gradually taken steps to dismantle the state monopoly of trade activities over the past two decades. However, the state has retained a strong role in directing foreign economic activities to facilitate the diversification strategy as part of its efforts to consolidate its economic independence.

In the initial years of independence from 1991 to 1994, Uzbekistan kept an overall conservative trade policy. Although it moved to open up its economy, it maintained a relatively strict licensing requirement over exports, but took a more relaxed stance on imports (World Bank Uzbekistan Report 1993, 21–25). This was due to its maintaining of price controls in the domestic market, which made most of the commodities in the domestic market much cheaper because of heavy subsidies from the government. Such arbitrary price disparities between the domestic and international markets made the selling of the subsidized commodities beyond the borders of the country lucrative and thus encouraged arbitrage activities. The restrictive policy on exports was a response to this situation, and it helped the Uzbekistan government to prevent the damage to its domestic consumption caused by the export of scarce resources and goods, especially at the early stage of independence when the economy

was plagued with shortages in all basic commodities. The relaxed import policy was intended to increase the supply of consumer goods to cope with this shortage situation. During this period, the export of cotton and gold remained a state monopoly as an important source of government revenues. As price liberalization gradually deepened, the government began to reduce the scope of commodities subject to export licensing requirements.

The liberalization of foreign trade was initiated in earnest in early 1994 (EBRD 1996, 183). By then the government of Uzbekistan had already lifted most of the price controls (Karimov 1995, 84), which allowed the government to take a more liberal stance toward foreign trade. The government suspended import tariffs until early 1995, and by late 1995 it had reduced export quotas and export licensing requirements to only four items: cotton, oil, ferrous metals, and nonferrous metals (EBRD 1996, 183). Since that time, the maximum import tariff has been kept at 30 percent, and import duties on the majority of goods have been set between 5 and 30 percent (EBRD 1996, 183). However, the government changed course in 1997, adopting a more restrictive trade policy largely due to a substantial shrinking of foreign currency earnings from cotton in 1996. Cotton exports accounted for around half of Uzbekistan's foreign currency earnings by 1995 (Kotz 2004, 8). However, a sharp drop in cotton prices in the world market coupled with a poor harvest of cotton in 1996 threw Uzbekistan into a balance-of-payment crisis (Pomfret 2006, 31, 144; Kotz 2004, 8). This situation was worsened by an increase in the price of wheat imports in 1996, an increase of 64 percent compared to the price of the previous year (Blackmon 2010, 36). As a result, starting in 1997, strict controls on foreign exchange were imposed by the government. World cotton prices have continued to decline, and by 2001 the price was 43 percent lower than in 1995 (Kotz 2004, 9), further constraining revenues. During this period, Uzbekistan's trade policy was shaped by the government's strategy of import substitution aimed at diversifying the economy and reducing its dependence on cotton exports (Kotz 2004, 8). In 1997, the government abolished export duties and licensing, and increased import tariffs (EBRD 1998, 198), in an apparent attempt to encourage exports and increase import substitution. The government put tight controls on imports and access to foreign exchange in order to pump up its foreign earnings from exports, especially from cotton, and gave more support to developing certain sectors to spark economic growth (Pomfret 2006, 32; Kotz 2004, 9). As a result, Uzbekistan's

GDP grew during this period at 3–5 percent per year, which was not a small achievement (Pomfret 2006, 32). In October 2003, the government liberalized its trade regime by removing the foreign exchange controls it imposed in 1997 (EBRD 2004, 194). Its cooperation with the IMF has been resumed since. It has moved to reduce tariff and non-tariff barriers, and its trade regime has become more accommodating to the market economy. Since the government abandoned its control of exchange rates, there has been acceleration in its foreign trade, with regard to both exports and imports (EBRD 2009, 243).

In moving toward liberalizing trade activities, the Uzbekistan government has been active in promoting foreign direct investment (FDI). Immediately after its independence, the government adopted major laws that encouraged foreign trade, of which the most important were the law “On External Economic Activities” and the law “On Foreign Investments and Guarantees of Foreign Investors’ Activities” (Karimov 1995, 97). These laws have provided favorable terms for and protection of foreign investments. In addition, for the purpose of promoting commercial competition, the government also enacted a bankruptcy law and an anti-monopoly law in 1996 (EBRD 1999, 283). Moreover, the government has been purposefully investing in infrastructure to improve the physical environment for foreign investments. Uzbekistan inherited from its Soviet past a highly literate population and a higher level of human capital. Nevertheless, the government has been wise in consistently maintaining a high level of social spending on education since independence (Pomfret 2006, 32). With a cheap but well trained labor force, Uzbekistan has been in an advantageous position for attracting foreign investment. The government has had a strong role in directing foreign investment to fit into its strategy of economic diversification. Since the early years of its independence, Uzbekistan has been successful in attracting foreign direct investments in automotives, electronics, textiles, chemicals, mining, and agro-processing (Kotz 2004, 10). By 2010, the number of enterprises with foreign investment reached 4200, including many well-known world-class transnational corporations such as General Motors, Texaco, MAN, Daimler Benz, Isuzu Motors, Sumitomo, Korean Air, Korea Telecom, Gazprom, Lukoil, Petronas, CNPC, and others (Exchange 2011, 2). According to official reports, between 1991 and 2012, Uzbekistan attracted 120 billion in foreign investment, of which 60 billion was foreign direct investment (UzReport 2013). The share of FDI in the GDP rose from 0.5 percent in 1992 (Abdurakhmonov 2003, 191),

to around 4 percent in 2010, based on data available from the World Bank (World Bank 2013). This is an increase of more than eight times, while during the same period the GDP increased by around two times (EBRD 2012, 158).

In attracting FDI, Uzbekistan has followed an East Asian model of setting up free economic zones. The first free industrial economic zone was established by the government of Uzbekistan in December 2008 in the Navoi region of Uzbekistan—a major industrial and transportation hub of the country since the Soviet era (UzInfo-invest 2013). With incentives of tax holidays, preferential tax treatment, and guarantees of free flow of funds and goods for technologically intensive and high-value-added manufacturing in the zone, the government had by 2010 attracted various foreign investors amounting to more than US\$500 million (EBRD 2010, 155; Exchange 2011, 2). Another similar free trade zone is being established in the eastern industrial town of Angren (Uzbekistan Newswire 2012).

Over the past two decades since its independence, Uzbekistan has shown its commitment to neoliberal reform by opening up its economy to the external world through trade liberalization, although the government has kept tight control of this process. This neoliberal commitment is also reflected in its consistent pursuing of membership in regional and international economic organizations that facilitate free trade. Among them, the most prominent is the World Trade Organization (WTO), which has been by far the largest world economic organization that promotes neoliberal principles of free trade among countries as a means for economic advancement. In the first years of independence, Uzbekistan sought to join the General Agreement on Tariffs and Trade (GATT), the predecessor of the World Trade Organization, and in 1994 it was granted observer status (Karimov 1995, 94). In December of that year, when GATT was replaced by WTO, Uzbekistan applied for accession to the WTO; the negotiations for its full membership are still under way. An important regional multilateral free trade agreement into which Uzbekistan has entered is the Commonwealth of Independent States (CIS) free trade zone agreement, which it signed in 2012 (EBRD 2012, 158). The CIS countries have been important in Uzbekistan's foreign trade, and Russia, Ukraine, and Kazakhstan combined accounted for over 40 percent of all its exports and imports in 2010 (Exchanges 2010, 2). The elimination of custom duties will facilitate the further growth of its foreign trade.

Tax Cuts for Businesses

Taxation has been an integral part of economic reform in Uzbekistan over the past twenty some years. At independence, Uzbekistan inherited from its Soviet past a centralized command economy in which all economic enterprises were state-owned. The main revenue source of the Uzbekistan government lay in the profits and turnover of state enterprises. However, this narrowly based Soviet-era tax system failed to provide the newly independent Uzbekistan government with adequate funding as the republic underwent an abrupt economic decline after its independence due to the collapse of the Soviet economy. With state enterprises suffering from a sharp slump in their production and high inflation rates as a result of this upheaval, the Uzbekistan government was facing a severe budget crisis. In response to the situation, the Uzbek authorities moved quickly to impose a new tax system in order to compensate for the loss in revenue. Four different types of taxes were collected during its early years of independence: (1) commodity taxes (CT), which included a value-added tax (VAT), an excise tax, and an external trade tax as the major components; (2) a corporate income tax (CIT); (3) a personal income tax (PIT); and (4) a wage tax (WT) (World Bank Uzbekistan Report 1993, 17). Among these taxes, the personal income tax, the corporate income tax, and the value-added tax are three main taxes typical for a market economy (Grabowski 2005, 293), and they constituted the bulk of the Uzbekistan government's tax revenues (Tadjibaeva and Komilova 2009, 34). Moreover, following the official institution of private property rights, immediately after independence the Uzbekistan government also imposed a property tax, which did not exist during the Soviet period (UN Uzbekistan Report 2005, 89).

Uzbekistan's pursuit of tax reform reflects a strong neoliberal influence. Its tax reforms have been in line with its national strategy of gradual transitioning to a market economy. The new tax system adopted during the initial years of post-independence was characterized by a broadened base and higher rates. Basically, the early tax reforms, immediately after independence, mainly reflected the government's concern over the deteriorating budget situation's detrimental effects on the proper functioning of the government. Its tax burden was kept relatively high, which was not conducive to the growth of private businesses. However, in the initial years of independence the government of Uzbekistan was able to maintain adequate revenue, largely due to its prudent fiscal policy that included tax reforms. This was bolstered by an increase in the export earnings

from its major exportables, cotton and gold, both of which enjoyed buoyant prices in the world market (Kotz 2004, 14). With the government's effective management of the economy (Pomfret 2006, 28), by 1996 it was able to halt its economic decline, making Uzbekistan the first former Soviet republic to move back on to a positive growth track. This situation allowed the government to further reform its tax system in order to enhance the incentive and regulatory role of taxes for economic growth. The government sought to ease the tax burden on private economic activities while maintaining its revenue collection. For this purpose, in 1998, a new tax code was adopted. As a result, there emerged a trend of gradual tax relief for both the general public and businesses. The corporate income tax was gradually reduced from 38 percent in the first years of independence (UN Uzbekistan Report 2005, 88) to 31 percent in 2000, to 18 percent in 2004, and further to 10 percent by 2007 (Tadjibaeva and Komilova 2009, 35, 39). Moreover, top band rates of the personal income tax were reduced from 60 percent in 1992 (Grabowski 2005, 302) to 40 percent in 2000, to 30 percent in 2004, to 25 percent by 2007, and down to 22 percent by 2013 (Tadjibaeva and Komilova 2009, 38–39; World Bank Uzbekistan Snapshot 2013, 3). The lowest band rates of personal income tax manifested a slight increase from 12 percent in 1992 to 15 percent in 2000, and then a drop to 13 percent in 2004 and further down to 8 percent in 2013 (Grabowski 2005, 302; Tadjibaeva and Komilova 2009, 39; World Bank Uzbekistan Snapshot 2013, 3). Furthermore, rates for consolidated social payments demonstrated the same trend, reducing from 40 percent in 1996 to 24 percent in 2007 (Tadjibaeva and Komilova 2009, 39). The value-added tax also saw a substantial decrease from 30 percent in 1992 to a maximum of 20 percent in 2000 (UN Uzbekistan Report 2005, 89).

The Uzbekistan government adopted a new version of the tax code in 2008 to further encourage entrepreneurial activities of the private sector (EBRD 2008, 200). Since then, the government has been gradually further reducing the tax burden on enterprises and on top income earners. The corporate income tax rate had been reduced to 9 percent by 2013, while the rate of the personal income tax for top earners had been further reduced to 22 percent at the same time (World Bank Uzbekistan Snapshot 2013, 3). This government policy of cutting taxes reflects a strong influence of the neoliberal view of economics on taxation. Associated with the economist Arthur Laffer, with his theory known as the Laffer Curve, this

view holds that tax increase would discourage entrepreneurial activities by increasing costs, hence reducing private gains; whereas tax reduction would increase voluntary compliance of taxpayers and would allow more surpluses to be kept by private entrepreneurs for reinvestment, hence an increased tax base and added investment would result in more tax revenue (Steger and Roy 2010, 24).

The reductions in tax rates have substantially reduced taxes levied on enterprises and upper income earners since the tax code adopted in 1998 reversed the high level of taxation adopted in the initial years of independence. The tax burden on the economy in Uzbekistan, calculated by the ratio of the tax revenue to GDP, had shown a substantial reduction, from more than 40 percent of GDP in the initial years of independence to around 22 percent in 2009 (UN Uzbekistan Report 2011, 11). Yet the result of tax cuts in Uzbekistan has echoed neoliberal predictions, as evidenced by the continuing improvement of its government revenue. According to the World Bank, after the newly revised tax code was implemented in 2008, the Uzbek government saw an increase of more than two times in its fiscal balance over 2007—a substantial increase in its revenue. The subsequent year saw a sharp drop in the fiscal balance due to the impact of the worldwide financial crisis, yet its fiscal balance still remained at an impressive positive level of around 3 percent. After that, the government's revenue has been back on the increase again relative to 2007 (World Bank 2013, 3). The Uzbekistan government has relieved much tax burden on the private sector over the past 25 years. Its tax reforms have been characterized by pro-rich and pro-business tendencies, reflecting the strong influence of neoliberalism.

Government Welfare Spending

Neoliberal economics emphasizes unfettered freedom for individuals in their pursuit of economic benefits. It holds that as long as the state ensures such economic freedom, individuals are responsible for their own success or failure (Hamann 2009, 38, 44). Individuals reap rewards or sustain losses derived from their free choices and actions. The resultant uneven distribution of wealth is seen as self-induced. Therefore, it is individuals, not the state, which should bear the responsibility for their own economic well-being. Such thinking forms the basis of neoliberalism's antagonistic stance toward state welfare spending. This section traces the pattern of

Uzbekistan's government spending on social welfare in order to demonstrate the influence of neoliberalism.

At the time of independence, the country was one of the poorest among the former Soviet republics, and the majority of the population lived in rural areas (World Bank Uzbekistan Report 1993, 4). At the start of the economic reform, the government emphasized a socially oriented gradual approach to market transition (Karimov 1992, 40). The government was explicit about its concern over the impact of the reforms on the well-being of the population. Due to the shocks from the breakup of the Soviet Union, Uzbekistan experienced a cumulative decline in the economy by 18.4 percent during 1992–1995, before the upturn (Kotz 2004, 6). However, the government maintained a relatively high level of governmental social spending at an average of 40 percent of GDP during this period (EBRD 1999, 285), largely resulting from its commitment to the social protection of the population. Since independence, the government has revived the community self-governing entities, the *maballa* (neighborhood boards), through which it channeled most of its social assistance (Karimov 1995, 118).

As the reforms deepened, the government moved away from guaranteeing social security for virtually all population groups and toward neoliberalism-inspired targeted social support (UN Uzbekistan Report 2011, 14). This has resulted in a significant drop generally in the government's social spending, yet the government still has maintained a relatively high level of spending on health, education, and the social safety net (Pomfret 2006, 27). For example, according to United Nations Development Program data, between 2000 and 2009, the share of the education expenditure in the government budget increased from 23.2 percent to 33 percent, that of healthcare expenditures from 8.7 percent to 12 percent, and that of social protection spending from 8.3 percent to 11 percent (UN Uzbekistan Report 2011, 14). By 2009, the total social spending on education and healthcare equaled around 10 percent of GDP (UN Uzbekistan Report 2011, 14), and by 2012, the social safety net alone amounted to 10.3 percent of GDP (World Bank Uzbekistan Snapshot 2013, 5). While this pattern of social spending indicates a clear neoliberal turn to targeted social support, and away from the socialist universal entitlement system of the Soviet past, the new system is still in the process of maturing. The government still maintains a strong social commitment that is reflected in its relatively high social spending.

NEOLIBERAL ECONOMIC REFORMS IN KAZAKHSTAN

Privatization

Privatization has been a fundamental component of Kazakhstan's neoliberal economic reforms. Neoliberalism presupposes private property owners as the driving force of the economy. In the neoliberal economic model, it is the private sector that is the protagonist in all economic activities. Such neoliberal thinking has been evident in the post-Soviet Kazakhstan government's commitment to privatization as recalled by president Nazarbayev later:

What the country needed to get the radical reforms up and running was a backbone of proprietors who would become engines of economic regeneration by saving the enterprises they had privatized, and turning them into paying concerns. By transferring former state enterprises into private hands, we sought to free them from state management and intervention. (Nazarbayev 2007, 163)

As early as in the initial years of independence, the Kazakhstan government developed its national privatization programs in close cooperation with the World Bank, the European Bank of Reconstruction and Development, and the United States Agency for International Development (Jermakowicz et al. 1996, 5). As an important part of its market reform strategy and economic restructuring efforts, Kazakhstan opted for the fast transfer of state-owned enterprises and services to private owners on a massive scale (Nazarbayev 2007, 160–162). This policy choice bore the strong imprint of the then prevalent Washington Consensus—the neoliberalism-inspired market transition discourse, which was diffused through major international economic and financial organizations including those mentioned above (Steger and Roy 2010, 20). Kazakhstan's rapid privatization of its economy presents a drastic contrast to Uzbekistan's gradual and cautious approach, yet was guided by the same ultimate purpose of privatizing state enterprises.

The transfer of state-owned properties and enterprises to private ownership in Kazakhstan covered three consecutive periods: 1991–1992, 1993–1995, and 1996–1998 (Nazarbayev 2007, 164–180). According to the account provided by Kazakhstan's President Nazarbayev in his book, *The Kazakhstan Way*, published in 2008, the first period (1991–1992)

began in the midst of the dissolution of the Soviet Union with the adoption of the National Program of Denationalization and Privatization in the Kazakh SSR, when Kazakhstan was still a part of the Soviet Union. The implementation of the program began officially in 1992, after Kazakhstan gained total control of its economic decision-making authority following the disappearance of the Soviet Union (Pomfret 2006, 44). In this period, housing was quickly privatized through a voucher scheme. According to Nazarbayev (2007), the government distributed housing vouchers free of charge to all of the citizens of Kazakhstan based on the length of their employment and the size of their family, and the occupants of state-owned housing in turn purchased their units using the housing vouchers (165). For most occupants, their vouchers were enough to purchase their unit, hence, basically, the government gave away most of the state housing to the private citizens of Kazakhstan (Pomfret 2006, 44). Moreover, during this phase the government also sold small state-owned businesses, mostly retail trade, public catering, and communal and consumer services, through auction, using both housing vouchers and cash, with priority given to the businesses' employees (Nazarbayev 2007, 165).

The second stage of privatization began on March 5, 1993, when the government adopted the second privatization program, "The National Program for Denationalization and Privatization in the Republic of Kazakhstan" (Nazarbayev 2007, 166). This period saw rapid and en masse privatization of state-owned enterprises, which was carried out mainly through a voucher scheme aimed at free distribution of shares of state assets and enterprises. Citizens were issued vouchers free of charge to buy shares in privatization investment funds, which were set up to purchase shares in medium and large state enterprises through auctions (Nazarbayev 2007, 168). Cash sales, which were open to foreign investment, were also used during this period, with limited progress (Pomfret 2006, 45). This period saw state assets being amassed in a few hands, creating a small circle of oligarchs that possessed large holdings of shares of enterprises in all sectors (Pomfret 2006, 45; Wandel 2009, 13).

By the end of 1995, following the adoption of "The Program for the Third Phase of Privatization for 1996–1998" through presidential decree, the voucher scheme was dropped and the government moved to the third phase of privatization. This phase involved privatizing large state enterprises, on mainly a cash sale basis, with the aim of completing the main privatization processes as swiftly as possible (Nazarbayev 2007, 177). Fire sales of state assets and properties were the theme of this period. With

weak state oversight and ineffective management, coupled with lack of transparency, this stage of privatization was plagued with corruption and asset stripping by insiders (Olcott 2002, 139).

Privatization proceeded quickly in the agricultural sector as well. By the end of the third phase, more than 90 percent of all farms and 80 percent of farm lands had been transferred into private hands (EBRD 1997, 176). Initially, land was declared state property and thus not to be privatized, but could be leased for up to 99 years (World Bank 1993, 42). In 2003, a new land code was adopted, allowing full private ownership of land (Wandel 2009, 12). As the privatization process proceeded quickly, the share of the private sector in the republic increased at an accelerated pace. From almost zero before the start of the process in 1991, the share of the private sector in the GDP increased to 25 percent in 1995, to 40 percent in 1996, and to 60 percent in 1999 after the third phase was concluded (EBRD 2005, 144; EBRD 1999, 232). The rapid privatization had made substantial progress, and in less than a decade, the ownership structure of the country was radically altered. Yet the state still had substantial involvement in the economy, with most of the large state enterprises still remaining under the state's control. Since 1999, further privatization has been implemented at a much slower pace through the sale of shares on a case-by-case basis. The government has been less desperate for sales revenue from privatization due to a boom in its oil sector with increased inflow of foreign investment and buoyant world oil prices (Pomfret 2006, 45–50). The state's control of economic activities has continued to diminish steadily. By 2008, the private sector was already a major source of production in all sectors, constituting 70 percent of GDP (EBRD 2009, 178), with 90 percent of industrial production in the private sector (Nazarbayev 2007, 184).

Price Deregulation

Price liberalization has been one of the major aspects of Kazakhstan's post-Soviet economic reforms. In the neoliberal economic model, commodity prices are determined by the free market based on the equilibrium of supply and demand. However, such a market mechanism did not exist in Kazakhstan at the time of its independence in late 1992. Like other former Soviet republics, it inherited from its Soviet past a centrally planned economy in which prices of commodities were disconnected from supply and demand, and the state authorities set the price in all exchanges.

Following independence, the government of post-Soviet Kazakhstan moved swiftly to abolish state control on prices.

Price liberalization began in January 1992. It was started immediately after Russia introduced its neoliberal market reforms through a Washington Consensus-inspired big bang approach on January 1, 1992. The government of Kazakhstan followed the Russian approach and swiftly lifted state control on most prices, leaving only a few basic food items controlled (Nazarbayev 2007, 136). The remaining controlled prices were increased subsequently and by the end of 1994, Kazakhstan had completed commodity price liberalization (EBRD 1996, 154). This price liberalization was followed by high inflation; the inflation rate shot up at a staggering speed to a level of 1381 percent by the end of 1992 and peaked at 1892 percent in early 1994 (Wandel 2009, 7). The republic, which was already suffering economic collapse caused by the breakup of the Soviet Union, was plunged further into recession. In response, Kazakhstan followed strict monetarist neoliberal measures advised by the IMF, which subsequently provided funds to the Kazakh government through a stand-by agreement (SBA) in January 1994 and an extended fund facility (EFF) in July 1996 (Blackmon 2005, 393).

According to a report of the European Bank of Reconstruction and Development (1997), in 1995, the government of Kazakhstan carried out banking reform that further confirmed the independence of the central bank, which marked the start of reducing direct administrative intervention on interest rates (177). Moreover, in July 1996, Kazakhstan accepted all obligations under Article VIII of the IMF agreement, and committed itself to liberalizing state control on the convertibility of its national currency, the Kazakhstan Tenge (KZT) (EBRD 1997, 177). Since then, the government has kept a relatively light hand on interest rates, exchange rates, and transactions, allowing market principles to play a major role. By 2012, the European Bank of Reconstruction and Development ranked the price liberalization indicator in Kazakhstan at the top level with a score of '4-' with '1' representing little or no change from a rigid centrally planned economy and '4+' representing the standards of an industrialized market economy (EBRD 2012, 12).

Trade Liberalization

Kazakhstan's foreign trade during the Soviet period was understood in terms of inter-republic trade within the Soviet Union, and its economy

was isolated from the world economy. Since independence, opening up to the world has been an important component of Kazakhstan's market-oriented reforms, and its economy has made much progress in this direction. In the initial years of independence, the government moved quickly to abolish the state monopoly on foreign trade, along with its privatization program. By the end of 1995, the government of Kazakhstan had removed most import and export licensing requirements, and its trade regime had become much more liberalized (EBRD 1997, 177). Kazakhstan's 1996 agreement with the IMF to liberalize its exchange rates also encouraged foreign trade. Since 1999, Kazakhstan has been experiencing an oil boom, which substantially redefined its trade pattern. Kazakhstan has 3.3 percent of the world's proven oil reserves (BP 2005, 4). In 1999, around 9 percent of its revenue was derived from the oil sector, but by 2004 it reached 30 percent, accounting for half of its export earnings (IMF 2005, 12).

Kazakhstan's commitment to trade liberalization is also reflected in its pursuit of international trade regimes. It entered into a custom union with Russia and Belarus in 1995, and it secured most-favored-nation status with the European Union in 1995 (EBRD 1997, 177). As early as January 1996, it applied for full membership in the World Trade Organization, and by 2013 the negotiations for its accession were at the final stage (WTO 2013). In October 2011, Kazakhstan entered into the Commonwealth of Independent States (CIS) free trade zone agreement, which follows the standards and practices of the WTO (RT News 2011). On July 27, 2015, Kazakhstan formally joined the WTO (WTO 2015).

Also related to Kazakhstan's opening up of its economy to trade liberalization is its impressive achievement in attracting foreign direct investment (FDI). Kazakhstan enacted its first Law on Foreign Investment in December 1994, which was subsequently amended in 2003 and 2007, and the Law on State Support for Direct Investments in February 1997, providing strong protection for foreign investors and their investment activities (Wandel 2009, 19). Its move toward trade liberalization has been positively reflected in a sharp increase in its FDI inflow. By 1999, Kazakhstan ranked third as a foreign investment destination among former socialist bloc countries, standing only behind Poland and Hungary (Saudabayev 2001, 5). From 2001 to 2005, net FDI accounted for around 10 percent of the total GDP (Wandel 2009, 20). According to data from an official statement made by Prime Minister Karim Massimov in 2012, Kazakhstan attracted US\$136 billion from 1993 to 2012 (OECD 2012, 9). To further foreign investment, the government of Kazakhstan has

opened nine free economic zones under the law “On Special Economic Zones” adopted on July 21, 2011, which provides tax discounts and preferential arrangements on land use and trade regimes for foreign investors conducting business in Kazakhstan (Invest in Kazakhstan 2013; WTO: free economic zone 2012). It is expected that these free economic zones will attract further inflow of FDI, further contributing to the country’s economic growth.

Tax Cuts for Businesses

Over the past 25 years, market-oriented reforms in Kazakhstan have entailed considerable changes in its system of taxation with a general trend of providing favorable incentives for entrepreneurial activities through easing tax burdens on businesses. Tax cuts have been an important component of Kazakhstan’s neoliberal reform. The severe economic recession in the initial years of independence resulted in a slump in the GDP, which decreased roughly by half from 1991 to 1995 (OECD 2012, 24). As a result, revenue shrank to only around 18 percent of GDP from 1994 to 1997 (EBRD 1997, 226). In the midst of the budget crisis, the Kazakhstan government moved to introduce a new tax system with a focus on improving its fiscal situation. In this context, the first tax code in the country was adopted in July 1995, which was considered “among the most comprehensive pieces of tax legislation in the former Soviet Union” (Suhir and Kovach 2003, 4). Major taxes included a value-added tax (VAT), a corporate income tax (CIT), and a personal income tax (PIT) (Grabowski 2005, 301). The new tax system provided tax incentives by reducing both rates and types of taxes. The number of taxes was reduced from 43 to 11, and corporate income tax was set at 30 percent, personal income tax’s top rate at 40 percent, and value-added tax at 20 percent (EBRD 1996, 157). However, the new rates introduced were still considered high, and the government subsequently introduced new versions of the tax code in 2002 and 2008 to improve conditions for entrepreneurial activities by reducing tax categories with further tax cuts (Wandel 2009, 18).

As a result of the reforms in taxation, by 2009, the CIT was reduced to 20 percent from 30 percent in 1995; the PIT’s top rate was reduced from 40 percent in 1995 to a flat rate of 10 percent; the VAT was reduced from 20 percent to 11 percent; and the social tax went from 26 percent in 1999 to an 11 percent flat rate (Wandel 2009, 18). This reduction of tax has been compensated for through an increase in extractive sectors (such as

mining, oil, and gas), with the intention of providing more incentives for non-extractive sectors to develop, although the overall tax burden on extractive sectors is still considered less burdensome (Doing Business in Kazakhstan 2013, 35).

Tax reforms in Kazakhstan since its independence have manifested a consistent tendency toward cutting taxes for business, reflecting an influence of neoliberal ideas, which hold that increased private income through tax reduction makes an increase in tax revenue possible because it encourages business expansion and improves tax compliance.

Government Spending on Social Welfare

Kazakhstan inherited a socialist system of social entitlement programs that covered the entire population. However, Kazakhstan's social welfare system has changed radically since its independence. First, the budget commitment of the government to social spending has shrunk drastically. In the initial years of independence, social protection expenditure fell from 11.2 percent of GDP in 1992 to 6.6 percent in 1996 (World Bank 1996, 1998, 5, 2011). By 2002, the total for social assistance programs had shrunk to 5.4 percent of GDP, and over four-fifths of it went to pensions (Pomfret 2006, 57–58). In January 2002, a new social assistance law was adopted, which shifted the focus of social assistance from the support of specific vulnerable groups to means-tested transfers to individuals and families living below the poverty line, set at KZT1895 (US\$12) per month (EBRD 2002, 163). According to data from the World Bank, although the population living under the poverty line had been reduced from 46.7 percent in 2001 to 6.5 percent by 2013, the reformed social protection program has suffered from reductions in real budget outlays since 2002; specifically, by 2013 the safety net covered less than 1 percent of the population, although under 5 percent of urban residents and around 10 percent of rural residents of the country are still living under the poverty line (World Bank Kazakhstan Snapshot 2013, 5).

The pension system has changed radically since 1998. The old socialist pension system has been replaced by a system of mandatory savings that is centered on individual responsibility—participants accumulate savings during their working careers, which are converted into annuities at retirement (Palmer 2007, 7). Private pension funds have been on the rise, providing alternative choices in addition to the government program.

Government spending on pensions has been declining, from 7 percent in 1998 to around 4.5 percent in 2007 (Palmer 2007, 8).

Government spending on education and health has dropped significantly since independence (Pomfret 2006, 59). The spending on education had decreased to 3.9 percent of GDP by 2011, down from 6.1 percent in 1992 (EBRD 1999, 232; World bank Kazakhstan Snapshot 2013, 5). Healthcare spending was even less, hovering around 2 percent of GDP since 1994 (Pomfret 2006, 59). However, private education and healthcare have been on the rise since independence, which may do something to offset the government's reduced spending.

The change in social welfare spending patterns reflects a radical change in the government's attitude toward providing social assistance to the poor. Combined with tax cuts as described earlier, such a shift in government social expenditures is in line with neoliberal thinking focused on individual responsibility and economic rationales based on cost-benefit calculations.

CONCLUSION

This chapter has focused on the influence of neoliberal ideas in Uzbekistan's and Kazakhstan's market-oriented economic reforms over the 24 years following their independence in 1991. The chapter first provided a careful review of the theoretical assumptions of the neoliberal economic model, based on which property, prices, trade, taxation, and welfare spending were identified as the major areas of scrutiny for tracking neoliberal influences in the post-Soviet market reform policies of Kazakhstan and Uzbekistan. On the surface, these two countries have adopted drastically different approaches to market reforms, with Uzbekistan insisting on a cautious and gradual reform strategy and Kazakhstan opting for more radical and drastic measures. Nevertheless, this chapter's detailed examination of these five major areas of market reform in the two countries has revealed their convergence to the neoliberal principles of privatization, liberalization, and deregulation.

Specifically, at a broad structural level, both countries have been committed to building market economies and have made considerable progress in economic liberalization. The most important aspect of neoliberalization has been the institutionalization of private ownership in both countries. Private property rights have received an explicit constitutional guarantee in both countries. Both countries have engaged in

dismantling state ownership and transferring state enterprise assets to private ownership as a major component of their market-oriented reforms since their independence. Their Soviet-era state-run economies have already disappeared. A class of private property owners has taken shape, and the private sector has become the driving force of the economy in both countries.

Neoliberalization in both countries has been evident in their abolishing of the state monopoly economy. At different paces, both of them have lifted price controls over the past two decades of economic reform. They all have established a market-based price system—an essential condition for the function of the market economy. Furthermore, they both have engaged in trade liberalization, opening up their domestic economies for foreign competition. Their commitment to liberalization has led them to participate in regional and international trade regimes that promote free trade. Pursuing foreign direct investment in their economies is yet another aspect of their neoliberal reform endeavors. To this end, they have both established free economic zones.

Tax reforms in both countries over the past two decades have shown a clear neoliberal tendency with a pro-business orientation. For example, tax burdens in both countries have seen a consistent decrease over the past two decades, creating favorable environments for entrepreneurial activities. Moreover, the governments of both countries have been consistently involved in a process of retrenchment of government spending on social welfare since independence. Although the extent to which they have progressed in reducing social spending has been different, this tendency to cut state welfare spending reflects a strongly neoliberal economic rationality based on cost efficient calculations with respect to government actions. It also signals a neoliberal vision of individual responsibility of citizens for their own economic well-being.

At an individual micro-level, both countries have engaged in promoting a redefined role of individual citizens that reflects an influence of neoliberal values. To begin with, both Kazakhstan and Uzbekistan have officially endorsed the liberal idea of individuals' natural right to private property. Individual amassment of possessions has been encouraged by the governments of both countries. This is a clear break from their old Soviet-era collectivist bias against individual rights and interests in favor of those of collectives. Moreover, both countries have emphasized individual responsibility to replace the old Soviet state-dependent mentality of citizens for their economic well-being. Individuals in both countries are

encouraged to make their own decisions in the market regarding their needs and desires, and are expected to bear the consequences resulting from their freely made decisions. Through promoting such individualist liberal principles over the past two decades, the governments of both countries have been successful in fostering the entrepreneurial spirit among the population. As a result, private enterprises are now the driving force of the economies of both countries, and it is the private sector that employs the majority of the workforce in both countries.

In summary, neoliberalism has been a prominent theme of Uzbekistan's and Kazakhstan's economic transition to a market economy. To be sure, the nature of the transition in these two countries is a transition from a socialist economy to a capitalist economy, and it is a systemic transformation from one type of economic system to a qualitatively different type. Although neoliberal thinking has played an indispensable role in the reform policies of these two countries, their past 24 years of market reforms have yielded patterns that diverge from free market capitalism as advocated by neoliberals. Moreover, there have been major differences in the kind of capitalism that has emerged in these two countries. Kazakhstan is more advanced in its economic liberalization than Uzbekistan, although the state retains an influential role in the economies of both countries.

The divergent forms of capitalism emerging in these two countries have to be comprehended beyond a narrow focus on neoliberalism alone, because the influence of neoliberalism has been just one, albeit important, factor in shaping post-Soviet Uzbekistan and Kazakhstan. The extent to which neoliberal initiatives have been translated into reality has depended on the actual contextual conditions in which they are carried out. One of the most important factors has to be that both of these countries have been simultaneously engaging in market reforms and state-building since their independence. In this light, neoliberal reforms have to serve the needs of these countries to build a functional state capable of maintaining stability and independence. Moreover, neoliberal capitalism itself is rather a broad concept that takes different concrete forms when translated into reality (Steger and Roy 2010, 11). The German version of neoliberalism (Ordo-liberalism) varies quite a lot from Anglo-American neoliberalism. Within the camp of Anglo-American neoliberalism there are major differences between the American model and the British one, and their own practices differ over the time, as notably evidenced by Reaganomics and Clinton's market globalism in the United States, as well as Thatcherism

and Blair's Third Way in Britain (Steger and Roy 2010, 11). Furthermore, neoliberalism itself is not a static ideology; it has developed over time in response to the changing conditions under which it operates. Nevertheless, although the two countries have taken varied approaches and had distinct outcomes, neoliberalism is a common denominator shared by Uzbekistan and Kazakhstan in constructing, legitimizing, and protecting their post-Soviet capitalist transformations.

In the next chapter, I will examine the results of the post-Soviet reforms and the influence of neoliberalism in both Uzbekistan and Kazakhstan from a cultural standpoint.

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Neoliberal Capitalist Transitions in Post-Soviet Uzbekistan and Kazakhstan: A Cultural Perspective

INTRODUCTION

This chapter takes a cultural perspective to provide an interpretation of the impact of the globalization of neoliberal capitalism on Uzbekistan's and Kazakhstan's post-Soviet capitalist transformations. As a social phenomenon, culture may encompass a spectrum of social activities and interactions. Culture in this study is not treated as a self-contained and autonomous domain. Rather, it is considered a space intricately connected to other aspects of society, situated within the social relations and broader systems through which it is produced and reproduced. Analysis of culture is thus intimately bound up with the study of other aspects of society, which may include politics, economics, and ideologies, among others.

For the purpose of the analysis in this book, the term “culture” is employed both broadly and narrowly. Broadly, I follow the Marxist understanding of culture as a form of social production of human existence that is conditioned and shaped by material reality. Such understanding of culture suggests a reciprocal relation between economic base and superstructure, which are the terms used by Marx (1859) in the preface to *A Contribution to the Critique of Political Economy* to refer to material forces of production and social structure. Forces and relations of production constitute the economic base of society, out of which grows the social, political, legal, cultural, intellectual, and other forms of life as superstructures, which in reciprocity serve to justify, condition, and regenerate the economic base. In this sense, culture always emerges in specific historical

contexts and can never be politically neutral—it ultimately serves to maintain a certain social hierarchy of power relations within society for the interests of hegemonic socioeconomic groups that control the economic base.

More narrowly, I focus particularly on consumer culture, which is the dominant cultural form of our time, in the post-communism capitalist context of Kazakhstan and Uzbekistan in order to capture the impact of the globalization of neoliberal capitalism. Taking a Marxist perspective, I argue that there is an inherent relationship between neoliberalism and consumer culture. Before proceeding to elaborate on this relationship, let me first clarify what I mean by consumer culture. In his book, *Globalization: Capitalism & Its Alternatives*, the Marxist scholar Sklair (2002) provides an enlightening passage that elucidates the meaning of consumer culture understood in relation to the capitalist political-economic system that has spread globally in the contemporary world:

“The cultural-ideological project of global capitalism is to persuade people to not simply satisfy their biological and other modest needs but in response to artificially created desires in order to perpetuate the accumulation of capital for private profit, in other words, to ensure that the capitalist global system goes on forever. The culture-ideology of consumerism proclaims, literally, that the meaning of life is to be found in the things that we possess. To consume, therefore, is to be fully alive, and to remain fully alive we must continuously consume, discard, consume.”... (Omitted) “The point of economic activity for ordinary members of the system is simply to provide the resources to be consumers, and the point of political activity is to ensure, usually through political inactivity, that the conditions for consuming are maintained.” (62)

In sum, Sklair considers that consumer culture is a culture of incessant pursuit of material possession as the source of the meaning of life, driven by the inherent profit-seeking logic of capitalism. It is important to highlight that consumer culture is not examined here in terms of aggregated behaviors of consumers. Rather, it is examined as a vehicle through which the capitalist social order propagates and regenerates itself.

This understanding of consumer culture in connection to capitalism is fundamental in unveiling its connection to neoliberalism. Here is my rationale regarding the link between them: Neoliberalism is an offshoot of liberalism. In essence, neoliberalism as a form of political-economic thought and practice constructs and reproduces a capitalist political-economic

system, just as do other strands of the school of liberalism, albeit with their differences in actual forms and practices. In this regard, the ideology of liberalism in general and neoliberalism in particular share at bottom the same function in terms of serving the interests of the capitalist political and economic order. Harvey (2005) provides an incisive insight into neoliberalism from a Marxist perspective in the following passage of his 2005 book, *A Brief History of Neoliberalism*:

“Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defense, police and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. But beyond these tasks the state should not venture.” (2)

...“We can, therefore, interpret neoliberalization either as a utopian project to realize a theoretical design for the reorganization of international capitalism or as a political project to re-establish the conditions for capital accumulation and to restore the power of economic elites.” (19)

Following Marxist traditions, Harvey’s definition of neoliberalism is sensitive to political economy and underlying production relations. In the Marxist view, capitalism as a form of political-economic system is fundamentally differentiated from other political-economic systems in its mode of production that highlights asymmetric power relations between capital and labor—that is, dominance of and exploitation by a capitalist class that owns the means of production, over a working class that consists of free wage laborers. Here, Harvey’s Marxist understanding of neoliberalism renders apparent the capitalist nature of the kind of social order that neoliberalism seeks to establish considering neoliberalism’s staunch upholding of individualism, and the capitalist mode of production that necessitates institutions of private property, market exchange, and dominance of capital in production relations.

In a capitalist economic system goods and services are produced for private profit through market exchanges. Hence, capitalist economies thrive when capitalist firms make profits in the market through the sale of their goods and services. This means that more people have to be motivated and lured to have ever-higher levels of consumption, to spend and spend more for commodities in the marketplace. Therefore, it is crucial that people keep buying and consuming in the market for the capitalist economy to survive. Hence, consumer culture is an intrinsic tendency of the capitalist system—a cultural logic of capitalism. This is what makes consumer culture relevant to my focus on the impact of the globalization of neoliberal capitalism in Kazakhstan and Uzbekistan.

METHOD FOR THE STUDY

This interpretive chapter relies on semiotic analysis. The theoretical framework informing the method for the analysis in this study is based on theories of semiotics developed from Saussure's (1983) semiology, Peirce's (1955) semiotics, and Barthes's rhetoric of the image (1977). As the study of signs, semiotics provides a rich source of analytical tools for deconstructing an image to trace how it works in relation to broader systems of meaning (Rose 2001, 69). Key to semiotic analysis is the signifier–signified dichotomy introduced by Saussure, in which the signifier refers to a physical representation of a sign, and the signified, to the mental concept expressed by the signifier. Peirce developed this binary concept in further detail to suggest that there are three kinds of signs, differentiated by the ways in which the signified is related to the signifier: icon, index, and symbol. An iconic sign indicates the likeness between the signified and the signifier (e.g., a portrait of a person is an iconic sign of that person). An indexical sign signals an inherent relationship between the signified and the signifier (e.g., an arrow mark on a road is an indexical sign for direction). A symbolic sign has a coded, thus arbitrary, relation between the signified and the signifier (e.g., a cross is a symbolic sign for Christianity). Applying Saussure's semiotic analysis to advertising images, Barthes (1977) distinguishes three types of messages in advertising that bear much similarity to Peirce's three different signs with some modification: the linguistic message (the attendant texts of advertising), the uncoded iconic message (images denoting the object advertised), and the coded iconic message (messages whose meanings are dependent on cultural convention and codes, similar to the function of Peirce's symbolic sign).

Employing semiotic analysis as a methodological framework, I take a critical approach to interpreting the meaning of visual images. To put this in more concrete terms, my task is to dissect visual messages to find discourse and its embedded ideology that functions to construct and reinforce a certain social order and legitimize certain power relations within that order. In order to do so, my focus in the analysis of visual objects is on the connoted/coded meanings of their messages rather than their denoted/uncoded meanings (surface expressions). Specifically, my analysis begins with the denotation of visual and textual elements in images, and then moves to the symbolic layer for connotation/coded messages signified by the denoted messages of images, taking into account both their social contexts and their effects. This method makes it possible to go beyond denoted (literal) messages and decipher the connoted (hidden) meanings of visual images.

The sample images for the semiotic analysis for analysis are purposefully selected based on their conceptual relevance to the subject under study, and are not meant to be statistically representative of a wider set of images. What I am doing is a case study of a limited number of images to provide a detailed account of meanings constructed by those images that are case and context specific.

THREE PARADIGMS OF CULTURAL CHANGE

In order to capture the changing cultural landscape of the post-Soviet space, and thus gain a better understanding of the ramifications of neoliberal globalization in Kazakhstan and Uzbekistan, I also follow Pieterse (2009) in his consideration of possible resultant paradigms of cultural change in the dynamics of interaction between different cultures. He proposes three major paradigms of cultural change, namely, cultural convergence, cultural differentiation, and cultural mixing (44). The latter two, cultural differentiation and mixing, can be categorized as cultural diversification scenarios, because they reflect a divergence from the original as a result of cultural interaction. Therefore, in a broader sense, these three paradigms involve two general scenarios: the cultural convergence scenario and the cultural diversification scenario.

Pieterse's paradigms will inform my understanding of patterns of cultural change in relation to the spread of neoliberalism in Uzbekistan and Kazakhstan. As the following examination of cultural products in the public sphere of both post-Soviet states will demonstrate, the changing landscapes

of post-Soviet Kazakhstan and Uzbekistan under the global dominance of neoliberalism presents complex and multifaceted patterns that reflect all three paradigms simultaneously.

SECTION I. HOMOGENIZATION SCENARIO: THE CULTURAL CONVERGENCE TO CONSUMERISM IN THE AMERICAN MODEL

Representing the latest version of Westernization, the cultural homogenization thesis contends that the increased and intensified “global flows” (Appadurai 1990) of goods, people, information, knowledge, and images associated with the global spread of neoliberal capitalism presage the coming of a homogenous world molded in the image of the United States. This phenomenon is vividly expressed by concepts such as Westernization, McDonaldization (Ritzer 1993; Barber 1996), Disneyization (Bryman 1999), Coca-colonization (Koestler 1961), and Wal-Martization (Fishman 2005). At the center of this view of cultural convergence is the notion of Americanization, which refers to the worldwide penetration of American norms, values, products, images, and lifestyles. This view of the homogenizing implication of the global dominance of American culture in contemporary cultural landscapes around the world provides a general framework for my exploration of cultural convergence patterns across the cultural space of post-Soviet Kazakhstan and Uzbekistan. Specifically, I explore the Americanization pattern of the cultural homogenization thesis by focusing on public displays of consumer culture in light of the prominence of consumer culture in semiotic spaces of these post-Soviet republics. With the advent of the neoliberal capitalist order, the public sphere of both countries, which once was dominated by Soviet symbols and signs, has been pervaded by enticing and powerful images of consumer culture, such as commercial ads, stores, shopping malls, and luxury goods. The signs and symbols of consumer culture have unmistakably become important constituent parts of the public space, and they represent and confirm the new social orders that have taken shape in these two post-Soviet countries in their transition to capitalism in the neoliberal model. Rich in symbolic content, visual representations of consumer culture can be a site for inquiry that provides an opportunity to reflect on the cultural homogenization thesis.

Within the framework of the cultural homogenization thesis, I examine images and products of consumer culture emerging in the public sphere of

both countries in an attempt to identify points of cultural convergence that can be read as simultaneously comprising the discourses of consumerism and Americanization. In the following passages, my exploration of the homogenization scenario is divided into two sections in which these themes are examined. Specifically, the first section explores the homogenization scenario, beginning with an examination of various visual representations of consumer culture in the two post-Soviet countries to look for evidence of cultural convergence to consumerism. This sets the stage for the second section's tracing of manifestations of Americanization in the forms and practices of consumerism. The semiotic messages contained in products of consumer culture are then probed to identify the attributes of American culture embedded in them.

Consumerism as a Point of Cultural Convergence

At the center of consumer culture is the notion of consumerism, which I have explored earlier based on the insights of Sklair (1995), who contends that the incessant purchase and ownership of commercial products and services constitutes the basis of personal well-being and the source of individual happiness. Highlighting an individualistic view, there are three major aspects of consumerism that are essential to its understanding. First, consumerism cannot be detached from the social context in which it arises. Consumerism highlights commercial exchange—buying and selling goods in the market—as the fundamental mechanism by which individuals satisfy an ever-increasing desire for consumer products. Increased consumption means more sales of products in the marketplace, hence more profits. In essence, such commercialized dynamics is capitalist in nature. Hiding behind consumerism is the profit-maximizing logic of capitalism. The presence of a commercialized social context, understood in the capitalist sense, is indispensable for the rise and maintenance of consumerism.

Second, consumerism embodies hedonistic values with its advocating of ever-higher levels of consumption and material possession as the source of personal pleasure and happiness. Material acquisition is thus equated to nothing less than the pursuit of happiness itself: The more the better. Implicit in this material-centered view is the conviction that yearning for material satisfaction is a natural human tendency, a view that epitomizes the philosophical assumption of classical liberalism regarding the nature of the individual as naturally self-serving, an economic man driven by endless material interest.

Third, consumer products, whether material (such as goods) or immaterial (such as services), are used as important signifiers of individual identity, social status, and well-being (Lury 1996, 4). In other words, consumerism accentuates consumption as the basis for individuals to define themselves socially. In this way, consumerism attributes significance to consumer commodities far beyond what their primary functional utility may entail (McCracken 1986, 71). Hence, commodities, including goods and services, are “symbols for sale” (Levy 1959), which means that they are purchased and consumed not merely for their pragmatic values but also for their symbolic values, through which consumers can create meaning for themselves within their social contexts. In this view, individual social distinctions and positions are nothing more than a matter of differences in personal choice of objects of consumption in marketplaces.

These three major points are instrumental in understanding the concept of consumerism adopted in this analysis. They serve as the focal points of reference to help me identify the discourse of consumerism deployed in symbolic messages attached to visual objects and signs of consumer culture found in the public sphere of post-communism capitalist Uzbekistan and Kazakhstan. This will allow me to answer the questions of if and how a consumer culture is being established in these countries in the first place, and also makes it possible for me to determine whether consumerism constitutes a common ground, hence a point of convergence, for the countries in their practices of consumer culture. In what follows, based on a semiotic analysis, I will ponder in detail the iconography of sample visual products of consumer culture, with special attention to the representation of these three aspects of consumerism.

Post-communism Commercialization in Uzbekistan and Kazakhstan

Perusing the official government websites of Uzbekistan and Kazakhstan, one notices that business and commerce are always major topics, and links to businesses are conspicuous on the main pages (Uzbekistan government 2014; e-Government of Kazakhstan 2014). Indirectly, this reflects the fact that business and commerce have become a major theme of everyday life in these post-Soviet countries. Perhaps the growing salience of commercial culture in these two post-Soviet societies is rendered most apparent visually through signs and images that fill the landscape of their public space. Figure 5.1, which was a random snapshot of a street view taken in the city of Tashkent, Uzbekistan in 2013, is telling in this regard with the ubiquitous commercial ads shown in the public space.



Fig. 5.1 A street view of Tashkent, Uzbekistan, in 2013. By Stefan Lippmann. Source: <http://www.flickr.com/photos/31223088@N08/10101450245>

During the Soviet era, political signs and images were a key way that the ruling Communist Party sought to exercise its influence over the masses, and they were ubiquitous in the public spaces of the Soviet Union. The public space of the Soviet era was dominated by symbols, icons, and kitsch of Soviet revolutionary ideals, figures of communists and Soviet achievements through which the communist rulers sought to influence the public in the service of the Soviet regime. However, in post-Soviet times, the public sphere in both countries presents totally different pictures, in which the images and symbols of commercial culture have become most conspicuous, as unmistakably indicated in Fig. 5.1. The city streets of these two post-Soviet countries have become flooded with visual elements of commercial culture, such as commercial advertising posters, billboards, shopping malls, and stores. The Soviet symbolism has lost the vitality to shape the makeup of the cultural landscape of these newly independent countries, and symbolic and visual representations of the Soviet official discourses in the public areas have all but disappeared. Where they remain, they have become relics of a bygone era.

Urban street views of the Soviet past and the post-Soviet period in Uzbekistan and Kazakhstan can convey a vivid contrast between symbolic renditions of dominant discourses permeating public spaces of both countries in these consecutive eras. When reading in this way, the

prevalence of commercial culture in general and consumerism in particular in both of these post-Soviet countries is rendered strikingly apparent. As Fig. 5.1 unequivocally shows, in the post-Soviet period the same public sphere has become dominated by semiotics of the marketplace and commercial objects with messages that entice and lure the public to consume, and consume even more, in the service of the commercial interests of market agents. The coming of a new era, which marks the fundamental rupture of both countries from their socialist past, is thus silently proclaimed by commercial signs and images filling public spaces.

In the commercialized new era of post-Soviet capitalist Uzbekistan and Kazakhstan, even icons and symbols of the past have been subjected to commercial logic and can be put to the service of commercial interests. They are not merely a reminder of past memories; they can be considered a kind of commodity imbued with commercial values. As shown in Fig. 5.2, in a public place in the city of Almaty in Kazakhstan, a large image of a Soviet Red Army soldier is printed on a soda dispenser with words in Russian, questioning the viewer: “Have you tried lemonade?” The soldier was an iconic image of the early Soviet period, which had once been part of a powerful official conscription poster with words that can be translated as: “Have you enlisted in the Red Army?” The Soviet icon is thus turned into a vehicle to promote the sale of commodities, here in the form of sodas. Examples of transforming Soviet symbols into consumables can be found everywhere in post-Soviet spaces. Revolutionary symbols and icons can be found on brands or wraps of foods, on T-shirts, at cafés, in night clubs, and in other goods and commercial venues as advertising tools. The communist revolutionary symbols have been eviscerated of their power as a threat to capitalism, and furthermore, they are co-opted into commercial culture, becoming a source of profit for capitalism.

But there is more to this commercialization. Besides relics of the Soviet era, other historic objects and signs of the past that can hardly be considered commodities also find a new lease on life in commercial terms. As seen in Figs. 5.3 and 5.4, a madrasa (an Islamic religious school; Arabic) of the pre-Soviet period in Khiva, Uzbekistan, has been turned into a grand restaurant. The legacy of Soviet atheism has found new meaning in the commercial culture of the post-Soviet capitalist order that prizes profits and market exchanges. The lust for material satisfaction has crushed the divine calling for spiritual perfection, even in this country that boasts of its



Fig. 5.2 A photo of a soda dispenser with an image of a Soviet Red Army soldier in a public area, Almaty, Kazakhstan, in 2013. By the photographer Tjabel Jan Kruithof. Source: <https://www.flickr.com/photos/jankruithof/10884840823/in/photostream/>

Fig. 5.3 Outside views of a madrassa-turned-restaurant in Khiva, Uzbekistan, 2001. By Bret Wallach. Source: <http://www.greatmirror.com/index.cfm?countryid=843&chapterid=883&picturesize=medium>



Fig. 5.4 Inside views of a madrassa-turned-restaurant in Khiva, Uzbekistan, 2001. By Bret Wallach. Source: <http://www.greatmirror.com/index.cfm?countryid=843&chapterid=883&picturesize=medium>



Islamic heritage and that has a population of which the majority is officially considered Muslim.

The Political Economy of Commercial Culture

The rise of commercial culture in post-communism Uzbekistan and Kazakhstan has its origin in the nature of the political-economic system that has taken shape in these states since the collapse of the Soviet Union.

Emerging from the rubble of the former Soviet Union some 20-plus years ago, both of these newly independent countries have been on a journey to capitalism. As the previous two chapters have shown, their post-communism political and economic systemic transformation reflects a strong influence of neoliberalism—a market-centered discourse of capitalism that has been globally dominant over the past three decades. In both countries, Soviet communism and its associated institutions have been altogether abandoned, replaced by political systems bearing a veneer of Western capitalist liberal democracy. Both countries have moved to establish a market-based economy, which is a tacit term in the neoliberal discourse for a *laissez-faire* model of the capitalist economic system.

Accordingly, their Soviet-style socialist economic system was dismantled, their economies have been liberalized, and commercial profits have become the overall organizing principle for economic activities whereby market exchange, not state planning, has come to dictate resource allocation and wealth distribution. Moreover, private ownership of the means of production has been legalized, and privatization of state properties has been aggressively implemented. With the retreat of the state from direct involvement in the operation of the economy, more and more people in both countries have found that they have to rely on themselves in the market, not the state, for their personal livelihood and well-being. Private profiting or capitalist exploitation, once despised and legally prohibited during the Soviet era as the source of injustice and social evil, has become normalized and promoted in both post-Soviet countries. In turn, the private sector in the economies of both countries has grown in importance and now carries the tipping weight in both output and employment. This has fostered an environment in both countries that promotes and facilitates private entrepreneurship and commercial activities. As a result, both countries have seen the rising salience of a culture of commerce that pervades almost every place and that emphasizes the commodification of almost everything, encouraging selling (profit-making) and buying (consumption) of commodities as the path to a prosperous and satisfying personal life. Commodity-centered hedonistic consumerist values are thus being propagated and promoted in Uzbekistan and Kazakhstan as commercial culture rises to prominence in their post-socialist transition to capitalism. In the following sections, I will look into symbolic manifestations of the hedonistic values of consumerism in public areas, based on an analysis of sample commercial advertisements found in these post-Soviet transitional countries.

Celebrating Hedonism

One of the major themes in commercial advertisements in both post-Soviet Uzbekistan and Kazakhstan is hedonism, which promotes the belief that personal satisfaction and pleasure is ultimately found in material consumption and possession. Figure 5.5 shows a view of a residential area in the city of Almaty, Kazakhstan, in 2006. In the picture, a luxury Porsche sports car appears near some typical Soviet-era nine-floor apartment complexes, on the side of which hang two huge commercial posters advertising new upscale apartments and luxury Swiss watches for sale. These objects and images of objects of conspicuous consumption silently attest to the permeation of consumer culture, particularly hedonistic consumption values that have entered this country along with its capitalist transformation. This is in stark contrast to Soviet life in the past, when housing was provided by the government free of charge for all Soviet citizens. Mass housing construction was a part of the Soviet development project to build a prosperous society in line with communist ideals. Goods were produced for meeting the needs of people, not for profits. However,



Fig. 5.5 A photo showing a view of a residential area in the city of Almaty, Kazakhstan, in 2006: a luxury Porsche sports car appears near some typical Soviet-era nine-floor apartment complexes, on the side of which hang two huge commercial posters advertising new upscale apartments and luxury Swiss watches for sale. Copyright: Dean C.K. Cox

in the context of post-communism capitalism, people in Kazakhstan and Uzbekistan have found that they have to rely on the market, not the state to satisfy their own life. Moreover, they now find themselves in an environment in which they are encouraged by the market to purchase and consume more and more commodities that are beyond pragmatic necessity, such as the big ticket leisure items shown in the image.

A 2008 gigantic roadside advertisement poster for Coca-Cola soda in Tashkent, Uzbekistan, illustrated the alluring semiotics that underlies hedonistic values that link personal pleasure and happiness with the consuming of commercial products. The colorful poster shows the classic image of the Coca-Cola bottle against a red background crossed by a white curved ribbon, which is surrounded by some smaller images of cartoon characters joyfully having a snowball fight. The visual message of consumerist “happiness” delivered through this assemblage of images is reinforced by the Uzbek and Russian words in the poster that both can be translated as “The fabric of happiness.” The semiotics of the poster all merge into one message: A simple soft drink symbolizes the promise of happiness. Happiness is represented here as connected to the consumption and possession of material goods (here, the Coca-Cola soda), which are readily available in the market through purchasing. Such a hedonistic message can also be found in an online advertisement for the Poytaxt Shopping Centre, a large upscale store in the central downtown area of Tashkent (Poytaxt Shopping Centre [n.d.](#)). The ad features four young female shoppers beaming with happiness as they pose together, with their hands holding an abundance of bulging shopping bags. Without a single word, the semiotics of the image connotes a clear hedonistic message that extols material possession and consumption as a source of happiness, and the more the merrier, encouraging the patronage of viewers.

Distinguishing Status by Means of Consumption

Portraying consumer products as markers of personal social status is yet another prominent theme in commercial advertisements in post-Soviet Uzbekistan and Kazakhstan. In Kazakhstan and Uzbekistan’s post-communism capitalist environment, personal wealth and consumption have become the touchstone of status and respectability. Another outdoor poster advertisement for an upscale fashion retailer store in Tashkent in 2010 illustrated such a point. The post shows a young man on the left side in formal business attire relaxing on a stylish sofa and looking straight at viewers with confidence and pride; on the right side there stands a couple posing in exquisite outfits clearly intended for leisure. A crown, the icon

of royalty, decorates the store name, “Moderno Boutique,” in between the images. The sense of affluence connoted in the images is thus linked to the prestigious status signified by the crown. Metaphorically, well-to-do capitalists as visually represented by the businessman on the left side, together with wealthy consumers as represented by the wearers of luxury clothing on the right, are unambiguously assigned an honorific quality. Moreover, one particular feature common in all of these visual signs—clothing, sofa, store name, and crown—is their Western character, which is another symbol of status highlighted in the poster. Being Western is presented as being modern, sophisticated, and admirable, appearing as a positive point of reference to respectability and status. Here, through this semiotic assemblage, the luxury Western-style clothing offered by the store is depicted not only as a symbol of affluence but also as a signifier of upper-level social status, a symbol that is readily available in the market through purchase. In case viewers still wonder, the poster reaffirms the symbolic connotations of the semiotics of the poster through the linguistic messages printed in Russian beneath the images: “Wealthy,” “Glamorous,” “Modern,” “Unique.” The consumerist value linking objects of consumption to one’s social standing is thus reiterated unequivocally through the combined effect of the symbolic and discursive messages of the poster.

Commercial ads like this can be found everywhere in post-communism Kazakhstan and Uzbekistan, visualizing the consumerist value of such “commodity fetishism” (Marx 1867, 47). A commercial advertisement poster for imported luxury cars, which appeared in 2013 in the vicinity of the former national parliamentary house of the Republic of Kazakhstan, epitomized the seductive semiotics that signifies social status through means of consumption. In both countries, one of the consumer goods that have become a stepping-stone to status during the post-Soviet transition to capitalism is luxury cars, such as BMW, Audi, Mercedes, and Porsche brands. With their prohibitive cost, ranging anywhere from US\$50,000 to US\$200,000, they are accessible only to a few economic and political elites in Kazakhstan and Uzbekistan, given the fact that the monthly average wage in Kazakhstan was only around US\$619 as of July 2013 (KAZINFORM 2014), and in Uzbekistan US\$232 in 2012 (Analytical Center 2013).

In detail, the ad features an imposingly large visual image of an expensive model of BMW vehicle that appears to be cruising toward viewers. On the right side of the ad is the text message in both Kazakh and Russian that commands: “Please welcome.” Grammatically in the imperative mood, the linguistic message of the poster explicitly endorses a dignified status with which the BMW luxury car featured in the poster is associated. What

is more, symbols of prestige surround the ad, reinforcing the status significance tied to the pricey car in the linguistic message of the ad. First, the advertising poster was conspicuously hung next to the façade of the Soviet-era parliamentary building, an important icon of political power in both Soviet and post-Soviet times in Kazakhstan; second, the ad appeared in front of a row of fluttering Kazakhstan national flags, which command deferential honor as they symbolize the Kazakhstan Republic; and third, the ad stood on governmental property, usually reserved only for governmental posters and propaganda signs. Being purposefully situated in the midst of these signs and symbols of political prestige, the ad tacitly sought to render a symbolic message that assigns an honorific quality and privileged status to those who can afford to consume luxury goods.

Visual advertisements and other commercial messages, such as those mentioned above, reflect and structure a public narrative that elevates wealth and consumption as markers of social status and position. This stands in sharp contrast to what was a venerated path to social status propagated in political posters and banners of the Soviet past. During the Soviet period, the communist regime established a socialist economic system characterized by the state monopoly in which the market as well as the private ownership of means of production—the economic foundation of capitalism—were effectively eradicated, and were replaced by centralized state-planning and total state ownership. In this system, social leveling in income distribution was the norm, which was in line with the officially held ideal of equality. Consumer products were acquired through the state-planned system of distribution rather than the market. As a result, consumption was mostly played out as a matter of privilege associated with the ruling Communist Party and the Soviet establishment, rather than a matter of personal money accumulation (Eglitis 2011, 428).

At the same time, with the rhetoric of the so-called dictatorship of the proletariat in the official Marxist-Leninist discourse, laborers as the majority of the masses were glorified by the Soviets as the builders and masters of an egalitarian society free from exploitation and oppression by a wealthy few as in the capitalist context. Consequently, labor—the toil of the proletariat for the cause of socialism, rather than the pursuit of individual personal wealth accumulation and consumption—was iterated in the Soviet public discourse as commanding status and respectability. By contrast, aspiration to individual personal wealth accumulation, leisure, and consumption was despised and rejected as the decadent and parasitic (capitalist) lifestyle. In the semiotic space of the former Soviet Union, iconography deployed in the public sphere by the Soviet state echoed this discourse of

socialist collectivism, extolling the heroism and self-sacrifice of the working class with images of industrial and agricultural workers.

The Soviet sculptor Vera Mukhina's grandiose steel statue of two heroic proletarians, an industrial worker and a collective farmer, is a case in point here. Garbed in coarse yet functional overalls and aprons, with their feet shod in heavy and practical shoes, the statues of the male worker and female farmer together hold aloft a hammer and a sickle—the emblem of the Union of Soviet Socialist states. The sculpture employs symbolism that adulates the worker and the farmer, represented by the loftily raised hammer and sickle respectively, as the source of Soviet power and the masters of the Soviet Union. As a symbolic glorification of the political system of the Soviet Union, the original gigantic 25-meter-high statue was first presented at the 1937 World's Fair in Paris and then was enshrined on a high pedestal in a public square in Moscow, the capital of the former Soviet Union.

Figure 5.6 is a photo of outdoor mosaic art piece from the Soviet era in Karaganda, a mining city located in central Kazakhstan. It visualizes a similar theme of public veneration of laborers. It shows a giant wall mosaic mural that features manual and intellectual workers in mines and metallurgical plants, with a background depicting high-rise buildings, mining



Fig. 5.6 A photo of a Soviet-era mosaic mural in Karaganda, Kazakhstan, depicting the proletariat as the builders of a radiant future, taken on July 11, 2008. Copyright 2008 Malene Hein. Source: <http://www.flickr.com/photos/21233498@N06/2668254440/>

trucks, smelter factories, and a giant dam, which symbolize the great achievements of Soviet industrialization. The assemblage of the visual elements of the mural clearly conveys a message that grants a heroic quality to Soviet laborers as the builders of a radiant future of the country—a modern and prosperous socialist motherland.

Americanization of Consumer Culture in Uzbekistan and Kazakhstan

Homogenization theorists in general consider that the increased and intensified cultural contacts associated with the contemporary globalization of neoliberal capitalism will lead to a homogeneous and Americanized world that foregrounds consumerism (Ritzer 1993, 2004; Sklair 1995; Friedman 2000). One of the central themes of this view is the concept of Americanization, referring to the worldwide dissemination of American images, products, values, and ways of life—in other words, the global dominance of American culture. Based on this understanding, in my exploration of patterns of the cultural homogenization scenario, American factors are another important focus of inquiry. In the previous section, my examination of images of consumer culture in Uzbekistan and Kazakhstan in the years of their post-Soviet neoliberal capitalist transition highlights a notable trend of convergence to consumerism. In this section, I will inquire into the ways in which consumerism is expressed and practiced in the semiotic spaces of these countries, looking for clues of American imprints. Specifically, public displays of consumer culture in these countries will be examined further for the purpose of identifying whether they also constitute a discernable cultural pattern that is consistent with the discourse of Americanization. There is a wide range of possible topics for probing the global impact of American culture, and it is not within the scope of this book to explore them all. Therefore, for practical reasons, in my exploration of the theme of Americanization in these two countries, I focus on the following two topics: the public spread of English and fast-food culture.

The Spread of English

Professor Jean Aitchison of Oxford University once pointed out that behind the rise of a language is the power of the people speaking it (The Economist 2001, 14). Her comment holds true for the global diffusion of English. While the international expansion of the use of English began

historically with the conquest of peoples and territories around the world by the British Empire, the contemporary predominance of English as a global language underpins the triumph of the English-speaking United States as the sole global superpower. Tellingly, it is American English, not British English, which has become the global standard for the English language nowadays. The worldwide dissemination of American English as an international lingua franca thus constitutes an integral part of narratives of Americanization, symbolizing the global preeminence of American culture in the contemporary world.

The spread of English in the public life of Uzbekistan and Kazakhstan started in the early 1990s following the collapse of the Soviet Union. Uzbekistan and Kazakhstan were under the dominion of Russian language when they were still part of the Soviet Union, which was still a global superpower. The powerful influence of the Soviet Union had given rise to Russian as one of the languages of global significance in that era. Russian was the common language of communication among the nations within the Soviet bloc, which was separated from the capitalist world as a result of the ideological rivalry between the East and West during the Cold War. In the space of the former Soviet Union, under the predominance of Russian as the state-designated language of inter-ethnic communication, Russian symbolized a modernizing force throughout the Soviet lands. English was by and large absent from domestic public life. The use of English in Soviet society was mostly confined to some state-organized, narrow professional circles serving the needs of the state by managing foreign matters that required knowledge of English, such as diplomacy and foreign affairs, foreign trade, international tourism, and institutions for foreign language studies.

As the former Soviet Union collapsed in 1991, Russian as one of the dominant languages lost its prerogatives and power around the world, leaving English to become the only global language. With the rival Soviet model of development crumbling into pieces, the association of English with Western modernity was further entrenched. The status of English as the language of science, high technology, business, and commerce became unchallenged internationally. As a result, in the countries of the former Soviet bloc as well as the newly independent non-Russian republics of the former Soviet Union, Russian was quickly replaced by indigenous languages. At the same time, English, especially the American variety, rose to a new status in the sphere of the former Soviet bloc as the most popular foreign language, and competence in English was equated to a ticket to advanced knowledge and economic progress (Hasanova 2007, 1).

Moreover, following their independence, both Uzbekistan and Kazakhstan opened themselves to the world as they engaged in market reforms and sought to integrate their economies into the global market system. As a result of their growing contacts with the outside world, Western consumer products, brands, businesses, and travelers started to flood both countries. These new developments in the economic sphere have further facilitated the spread of English in these countries in their post-Soviet period. In addition, support of the use of English from the governments of both countries has also played an important role in the spread of English. For example, English in both countries has become a mandatory course taught in all levels of the public schools since shortly after independence. As a consequence, in the past two decades, the domain of English in both Uzbekistan and Kazakhstan has been expanding significantly. With an ever-growing presence everywhere in both countries, English has become an important part of the new cultural landscape emerging in both of these post-Soviet spaces. This is particularly prominent in the semiotics of local manifestations of consumer culture arising in public space in the post-Soviet period.

The appearance of English in commercial signs conveys messages beyond a simple depiction of commercial products and buildings themselves. The conspicuous use of English on the signs of commercial buildings signifies the prevalence of English in Kazakhstan and Uzbekistan in the sphere of business, and especially for businesses with an international orientation. Its presence, even on the public sign of governmental agencies, such as national banks of both countries, where national languages are supposed to take precedence over other languages, attests to the dominance of English as the language of international commerce. Moreover, English as a sign is employed to signify modernization and cosmopolitanism. While urban architectural styles of business and commercial buildings of both countries are converging to the ones typical of modern cosmopolitan cities found in Western Europe and the United States, the association of the buildings with English signs reinforces such a sense of modernity, further confirming the status of English as a global language of the modern world.

Furthermore, there is an underlying commercial rationale to the association of commercial signs with English. Semiotically, the association of commercial signs with English helps to link products being advertised to the qualities of being modern and superior that are symbolized by English, hence rendering a more appealing public image of products conducive to

increasing their public consumption. This serves the ultimate purpose of profit generation for business owners. In this commercial logic, the public appeal of English becomes an asset that has commercial value. English has become a useful prop from which the sale of commercial products can benefit. In this sense, English can be used by any business for any product anywhere in the service of salesmanship, irrespective of where they are from and who they are serving. Indeed, the use of English is a commonplace of the commercial culture in both Uzbekistan and Kazakhstan nowadays. While businesses and goods catering to international markets tend to be associated with English in their appearance and advertising, it is also common for goods aimed at the domestic market to appear in public with English packaging. Hence, the spread of English also signifies a triumph of consumer culture driven by commercial interests.

Such global influence, the modernistic symbolism, and the commercial value of English may be seen in a 2009 commercial advertisement for a local fashion store that appeared in a public square in Tashkent. As it happened, the text message of the advertisement for the Italian fashion clothing sold in this Central Asian country was conveyed in English; however, to both countries English is foreign. This silently attests to the global influence of English. The image of the ad features two young people with icons of modernity surrounding them: their fashionable Western-style outfits, modern urban skylines as the backdrop, and the Internet website of the store printed in an extra-large font in English next to the image. This semiotic assemblage presents the fashion clothing offered by the store as a link to the upscale modern urban life denoted in the semiotics of the ad: All you need to do is purchase the products in order to become part of it.

Commercial advertisement is also prevalent in promoting locally products and services primarily for local consumption in both countries; nevertheless, English is also a useful tool for their commercial promotion, even in a remote Central Asian country such as Uzbekistan and Kazakhstan where English is an alien language for the population. So, a fast-food restaurant called House Burger in the city of Tashkent, Uzbekistan, advertises its new line of food called “Super Lavash” in English outside its door. The name of Esentai Tower, a strikingly modern high-rise business building, which has become a landmark of the city of Almaty, Kazakhstan, since it was constructed in 2012, appears in English only. On top of a shopping center in the city of Shymkent, Kazakhstan, the store name appears conspicuously in English in a huge size, and it is “Hyper House.”

There is one more aspect of the Americanization/homogenization scenario that deserves attention in connection to the influence of English in

Uzbekistan and Kazakhstan. Americanization is not only manifesting in the spread of English, but also in the diffusion of the Latin alphabet—symbols associated with English—in local languages. Both post-Soviet countries have engaged in processes of Latinizing their languages in varying paces since their independence. Uzbekistan started replacing Cyrillic with the Latin alphabet shortly after its independence some two decades ago, and as of now, it has officially completed the transition of Uzbek to the Latin alphabet. By contrast, Kazakhstan has been more cautious on this matter and announced only in 2012 an official plan to Latinize Kazakh letters from Cyrillic by 2025 (Strategy Kazakhstan-2050 2012, 79). Nevertheless, the process of Latinization has already started.

Figure 5.7, a photo depicting a sizable shopping center in the city of Aqtobe, Kazakhstan, illustrates this point. In the picture, the Kazakh words for “shopping center” at the entrance of the shopping center are shown in small size Cyrillic letters. However, the name of the shopping center, “Nurdaulet,” appears in huge Latinized Kazakh. Noteworthy is that Russian is conspicuously missing in the sign for this shopping center, which signifies an asymmetric relation between the status of Kazakh and



Fig. 5.7 A photo view of Nurdaulet shopping center, Aqtobe, Kazakhstan, taken on 12/24/2009. Copyright: Jeremy E. Meyer. Source: <https://www.flickr.com/photos/upyernoz/4213272430/>

Russian in post-Soviet Uzbekistan. The assertion of national languages over Russian and the move to abandon the Cyrillic alphabet in the national languages of both post-Soviet countries are on the way and this is clearly a symbolic rejection of the Russian dominance imposed by Moscow in the bygone Soviet era. The adoption of Latin letters by these nations, however voluntary it may appear, reflects a similar power logic embedded in the domination of English today. Why is not the Chinese or Arabic writing system adopted? This shift in linguistic symbols with which a language is associated has to do with the powerful position of English globally.

The Spread of the Fast-food Culture

Fast food is an essential component of modern American life. Fast food as an industry developed in America along with the coming of the age of capitalist mass production and mass consumption ushered in by the Industrial Revolution in the early years of the twentieth century. But it was not until the 1950s that the fast-food industry began its rise to prominence in America as a powerful economic force, when a Taylorist assembly-line model pioneered by McDonald's took the industry by storm due to the model's huge commercial potential in delivering services and foods with lower cost and higher speed (Crothers 2010, 130–131; Eric Schlosser 2001). Since then, the fast-food industry has prospered spectacularly in the United States, to such an extent that fast food has attained an American connotation. Moreover, the American fast-food industry has moved beyond American borders and made a huge splash everywhere around the world. McDonald's itself, originally an obscure burger stand in Southern California some 60 years ago, has led the way for the industry, expanding overseas to become a world giant in the fast-food business. American fast-food chains like Burger King, KFC, Pizza Hut, Taco Bell, and Starbucks, to name a few, all have achieved a global presence. Spreading along with the success of American fast-food businesses is the American idea of fast food itself. Entrepreneurs around the world have started fast-food eateries copying every aspect of the American model with a twist of local flavor: Fast-food restaurants have proliferated, and they provide not only the American fast-food staples such as hotdogs, burgers, French fries, and pizza, but also items derived from the cuisines of non-American cultures.

The American fast-food concept first entered Uzbekistan and Kazakhstan in the wake of the collapse of the Soviet Union in 1991, as both countries initiated neoliberal market reforms and sought to integrate

their economies into the global capitalist system. However, the countries did not begin to attract the world fast-food giants until their economies were finally poised to take off after the prolonged economic hardship caused by the destructive aftershocks of the collapse of the Soviet economic system. Multinational fast-food chains have been slow in setting up outlets in both countries, although some have opened a few, such as KFC in 2008, and Hardee's in 2010 (Kazakhworld 2014 n.d.). McDonald's entered Kazakhstan only in early 2014 but left Uzbekistan untouched. However, newly emerged private business owners of these former communist countries have been quick to seize the lucrative opportunities provided by fast food to capitalize on the aspirations of the people of these countries to try something new in their choices of food. What have arisen in the markets of these countries are the local copycat franchises, mimicking not only the American business model but also the American brands. So instead of McDonald's, one can find in these countries its permutations appearing as "Mc something." The absence of Burger King is compensated for by stores that combine the English word burgers with other names. Substituting for Kentucky Fried Chicken is the Broadway Chicken Center in downtown Tashkent, which assumed an American flavor by using the name of a famous New York City landmark "Broadway" in English, along with other typical American fast-food staples such as pizza and hamburgers offered inside.

Most of the time, the American influence in local fast-food culture can be recognized through the presence of common markers of American fast foods such as the brand names or their local permutations, the use of English, and the kind of food, and/or the American fast-food business model. Nonetheless, the American influence can be reflected even in food items served in local restaurants that otherwise seem to be associated with cuisines of non-American cultures. A local restaurant in Almaty, Kazakhstan, featuring Japanese cuisine posted a menu in 2009 on its outside wall with some images of exotic delicacies, inviting viewers to have a taste of Japan. The forms of food (sushi, miso soup, and visible ingredients such as tofu, minced spring onions, and red pickled ginger), the way of serving it (sushi rolls on a small wooden stand), and the color of the food containers (the black soup bowl) depicted in the images of the ad do capture some essential features characteristic of Japanese cuisine. American elements seem rather irrelevant here. Yet a closer examination of the text message of these sushi rolls in the menu reveals otherwise: Of the two listed types of sushi rolls, one is labeled as California roll, and the other, Philadelphia roll.

These sushi rolls have American names despite their ostensibly Japanese appearance.

This was not a playful joke by some mischievous restaurant owners. Indeed, the California roll and the Philadelphia roll exist, and they are associated with the United States rather than Japan. They are popular American foods unique to the United States, where they were invented and popularized before they reached the rest of the world along with other American fast foods, although sushi as a form of Japanese cuisine was originally introduced to the United States by Japanese immigrants (Mariani 1991, 80; Corson 2007). As a mainstream American fast food developed from a Japanese culinary concept, the California roll and the Philadelphia roll reflect preferences of the American palate and bear little resemblance to authentic Japanese sushi and culinary traditions. For instance, the Philadelphia roll's main ingredients are Philadelphia cream cheese and smoked salmon, neither of which are traditional Japanese foods. The California roll includes avocado and mayonnaise, both alien to traditional Japanese food culture, and imitation crab meat rather than the traditional raw fish of sushi. Moreover, in Japan, sushi rolls are commonly wrapped in blackish seaweed. However, both Philadelphia and California rolls are made "inside-out" with the seaweed hidden in the core while rice appears as the outer layer, a development that spares American consumers the sight of the stretchy, blackish seaweed (Hunt 2005). These rolls are indeed a genuine product of American fast-food culture, and go beyond just a mixing of Japanese and American elements; the original Japanese ideas defining sushi no longer have a hold on how these rolls are created in the United States.

SECTION 2. THE CULTURAL DIVERSIFICATION SCENARIO: HETEROGENIZATION AND HYBRIDIZATION PARADIGMS

As discussed in the previous section, the spread of consumerism and American cultural symbols in post-Soviet Kazakhstan and Uzbekistan points to the global dominance of neoliberal capitalism and American culture. While the homogenization thesis considers the global spread of neoliberal capitalism under American hegemony a process of homogenization, and envisions the coming of a "McWorld" (Barber 1996)—a culturally Americanized and hence homogenized world—the diversification thesis predicts an alternative scenario. Rather than assuming that the global will overwhelm the local and erase differences (Ritzer 2004), the diversification

thesis contends that the homogenizing forces of the global are received differently, with both adaptation and confrontation, throughout the world, which results in cultural diversification through global–local blending or “glocalization” (Ohmae 1992, 93), and local rejuvenation or cultural differentiation (Robertson 1995, 25–44; Hannerz. 1992; Berger 2002, 1–16; Pierterse 2009; Barber 1996). In short, the diversification perspective argues for a contextualized understanding of local cultural responses to dominant global forces, stressing the equal importance of the role of the local forces and conditions in shaping outcomes of interactions between the local and the global. According to this view, cultural globalization in different local contexts will lead to cultural diversification that simultaneously involves both cultural hybridization and cultural heterogenization.

To assume that one perspective or one theory will fully capture the whole picture of the intricate processes of cultural transformation would be woefully inadequate. Just as the homogenization thesis does, the cultural diversification view provides yet another understanding of complex social processes of cultural change. Therefore, for a broader understanding of local cultural changes in response to global forces, I incorporate the diversification perspective in addition to the homogenization approach into my exploration of the cultural ramifications of the spread of globally dominant neoliberal capitalism and American culture in post-Soviet Kazakhstan and Uzbekistan. In the following section, I explore manifestations of cultural diversification in both post-Soviet Uzbekistan and Kazakhstan with a focus on products of consumer culture displayed in public spaces. Specifically, I conduct a semiotic analysis of images of consumer culture from the post-Soviet period of both countries within their social contexts. Their symbolic messages can be read as constructing or reinforcing the discourse of cultural diversification that comprises both cultural hybridization and cultural heterogenization. For the purpose of analysis, I examine these two patterns of diversification scenario separately in the following passages.

Cultural Diversification Through Heterogenization

Cultural heterogenization is one of the themes of the cultural diversification thesis that highlights the reinvigoration of local cultures and identities through integrating impulses in response to global forces (Barber 1996). Expressions of this cultural pattern can be found in the cultural landscapes of post-Soviet Kazakhstan and Uzbekistan. As discussed in the previous

section, in their post-Soviet transition to neoliberal capitalism, both countries have been swept by the rising consumerist culture that is converging to the globally dominant American model. However, a careful examination of products of consumer culture in both countries reveals that, in the same semiotic world, this process of homogenization is paralleled by a heightened awareness and assertion of local cultures in both countries. The following images from the post-Soviet period of both countries amply illustrate this point.

A 2012 poster advertising for Esentai shopping mall in Almaty amply illustrates the fascinating semiotics that conveys the messages celebrating localness. The poster appeared on the exterior glass wall of at the Esentai Tower, Almaty's landmark skyscraper. There were English captions, which by connotation assigned a sense of being modern to the shopping mall being advertised. The poster featured a young woman dressed in fashionable Western clothing posing for the audience with a proud expression. However, this poster was not only another piece of advertisement that elevated the global consumer culture; rather, it used elements from both local and global cultural repertoires to celebrate and extol the local culture. The model was shown in association with abundant symbols of localness (here, Kazakhness): her Kazakh ethnic appearance; a hunting eagle on her hand, which embodies Kazakh traditional life; the grassland that indicates the Kazakh nomadic heritage; and Tengri Mountain in the background that denotes the Kazakh homeland. The photo took a lower perspective, which created a visual effect of exaltation of the images and symbols. This semiotic arrangement rendered the local venerable and hence desirable. The caption in the middle of the ad, printed in both Kazakh and English, confirmed its position of asserting and venerating local particularism: "Unique as you." This message of individualism, typically considered a Western trait alien to the Kazakh culture, which traditionally promotes collectivity rather than individuality, was manipulated here to celebrate local traditional values; yet at the same time, the symbols of localness serve to promote consumerist values and commercial interests.

Such assertiveness of the local in consumer culture is also reflected in national currencies of post-Soviet Kazakhstan and Uzbekistan respectively. Money, as the token of market exchange, forms the basis of consumer culture in the capitalist social context. The post-Soviet neoliberal capitalist transformations of both countries have made money central to all economic processes from resource allocation, commodity production, to consumption, and to wealth distribution and redistribution. In these countries,

money has paved the way for the rise of consumerism. However, money has also become an important site for the strong expression of the local in both countries. What the currencies have in common is a reassertion of national identity, local culture, and historic heritage expressed through their decorative signs and images, which feature geographic landmarks, historic national figures, cultural artifacts, and architectural landmarks.

The revival of nationalist sentiment in the semiotic space of both countries does not necessarily indicate a rejection of the globally dominant consumerist values associated with the spread of neoliberal capitalism. Rather, it attests to the fact that the global relies on the local to reproduce itself. The tension between the global and the local in the semiotic plane is centered on the control of meanings of symbolic discourse. Notably, the local system of representation is used as a vehicle for the propagating of consumerist culture, although its deployment does indicate a resistance against the dominant American model in the consumer culture that has spread everywhere.

Cultural Diversification Through Hybridization

Cultural hybridization is another major theme in the cultural diversification thesis. It emphasizes cultural mixing in the process of interactions between the global and the local. According to this view, rather than homogenization, the globally dominant culture ushers in difference and variety, giving rise to new mixed social and cultural forms that comprise elements from both the local and the global (Robertson 1995; Hannerz 1992; Pierterse 2009). This paradigm of cultural mixing is reflected prominently in the cultural makeup of public spaces that has emerged in post-Soviet Kazakhstan and Uzbekistan along with their neoliberal capitalist transformations. An advertising poster for Coca-Cola beverages displayed in 2008 outside the Medeu skating rink in Almaty, a world-class ice skating facility in Kazakhstan, showed such a cultural mixing phenomenon. The poster consisted of two separate painted images that were juxtaposed vertically, one above the other. On the top was a banner showing the name of the Coca-Cola Company, printed in its classic cursive form and color; the lower part of the poster featured some icons from the local (Kazakh) cultural repertoire: an image of a man appearing in the traditional Kazakh costume that is indicative of the Kazakh identity; a hunting eagle perching on the man's gloved hand with its wings flapping wide open, which is connotative of the Kazakh traditional nomadic way of life; the sun appearing

next to the eagle above the horizon of the Kazakh steppe, combined to resemble the central image of Kazakhstan's national flag. Here, local cultural symbols are linked to Coca-Cola—a global brand—for its promotion. By mixing with the local, the global appears to be supported by cherished Kazakh values; the image of traditional symbols is used not for the sake of celebrating Kazakh values, but as a vehicle for promoting consumer commodities and consumerist values. Through such a symbolic assemblage, global brands, and by extension global culture, which is otherwise foreign to local consumers, are normalized and legitimized as desirable through an association with a local repertoire of visual signs.

Another advertisement banner for Coca-Cola, which appeared in a restaurant in the city of Bukhara, Uzbekistan, in 2008, vividly demonstrated such a pattern of cultural mixing. The ad featured a young woman in traditional Uzbek clothing greeting viewers in an Uzbek fashion (a slight bending with the left hand on the chest). The brand name of Coca-Cola appeared at the bottom of the image. The global, represented by the Coca-Cola brand, was in a sense localized in the ad through being connected to elements of the local (Uzbek) culture. By reconfiguring signifiers of the local system of cultural expression, the global culture appeared to be not foreign and was elevated by the long-cherished local culture. However, rather than promoting local culture, the global brand capitalizes on the semiotic systems of local culture in the service of its commercial interests. In this process of global–local interplay, a blending of the local and the global system of cultural representation is generated in the resulting cultural products, hence propagating more cultural diversity.

But cultural mixing is not just juxtaposing elements of different cultures in one place; it is also a transformative process that reflects the accommodation and adaptation of different cultures. A fast-food restaurant in the city of Zhambyl, Kazakhstan, in 2010 displayed such a point with its store sign that read: 'halal-burger' (which means burgers for Muslims). While the sign of this fast-food burger restaurant can be read as a clear manifestation of a strong influence of the globally dominant American fast-food culture, it also clearly exemplifies a pattern of cultural adaptation and cultural fusion, hence a form of divergence from both the global culture and the local culture. The strong Islamic influence associated with the local Muslim majority has shaped the way in which the global fast-food culture manifests itself in this city of Kazakhstan. So what we see is the offering of foods that accommodate local culture and traditions by a restaurant that signifies the global fast-food culture. A mutual adaptation

and accommodation process is actually taking place: For the locals, a fast-food chain is a borrowed concept and a practice originating from the global culture; for the global culture, it has to adapt to local food customs and tastes in order to be more acceptable at the local level.

The appearance of Uzbek-style ikat-patterned designs as part of global fashion culture also points to cultural hybridity. It attests to the diversification thesis on the results of cultural globalization. In the realm of aesthetics, we see a fusion of the global culture and local arts. The point can be further illustrated with a view of the urban landscape of Astana, the new capital city of post-Soviet Kazakhstan, which has grown out of a small village in the mid-Kazakh steppe since 1997. In the downtown area, a grandiose newly constructed mosque, the Nur Astana Mosque, stands in the midst of strikingly modern commercial skyscrapers that are likewise newly constructed. A revival of the local Islamic culture is coexisting with the dominance of the global consumer culture. It shows a hybridity in skylines of the city's public space with a mixture of modernity and tradition, the East and the West, and the global and the local, all of which stand for Kazakhstan's burgeoning new social order brought by the country's post-Soviet neoliberal capitalist reforms.

DISCUSSION AND CONCLUSION

This chapter looks into the cultural implications and effects of the global spread of neoliberal capitalism in post-Soviet Uzbekistan and Kazakhstan with a focus on the consumerist culture. The chapter conducts a detailed semiotic analysis of cultural products found in public spaces in both countries in the Soviet and post-Soviet periods. The analysis from a cultural perspective depicts the complexity and multiplicity of the forms and practices of the consumerist culture and its underlying neoliberal capitalist order established in both countries in the post-Soviet period under the global dominance of neoliberal capitalism. Furthermore, it highlights the role that culture plays in the reproduction and legitimization of the post-Soviet neoliberal capitalist order and its consumerist cultural logic.

In order to capture patterns of change in the vicissitudes of the cultural landscape in both countries since the fall of the Soviet Union, the chapter draws on Pieterse's (2009) three paradigms of cultural change, namely, cultural homogenization, cultural heterogenization, and cultural hybridization. According to Pieterse (2009), the three paradigms of cultural change each presents a different understanding of globalization. The paradigm of

cultural homogenization represents Westernization or Americanization writ large. The paradigm of cultural heterogenization refers to the process of cultural differentiation, which is a process of diversification through the reassertion of local cultures. And the paradigm of cultural hybridization denotes the process of mixing, yet another means of cultural diversification through cultural borrowing and adaptation (59).

These perspectives in essence articulate different aspects of the same story of globalization. As this study shows, all these paradigms take place simultaneously, and interactions between the global and the local involve both cultural convergence and cultural divergence through which new cultural forms are generated. The new social order and its cultural manifestations established in the process of the transformations in each country present themselves in quintessentially different ways that mix all three paradigms. Indeed, with the different local conditions, each country has responded in a unique way to the spread of neoliberal capitalism and its carrier, the American culture. Their post-communism transitions to neoliberal capitalism, not only mark a break of these countries from their Soviet past, but also differentiate these countries in the present in all respects.

Pieterse's thesis on cultural change helps answer questions about the ways in which cultures change, yet it falls short of answering the question of why cultural changes take place in the ways that they do. In order to answer this question, one has to be clear that culture as shared consciousness is not a separate and self-contained realm, but is intricately connected to political, economic, and other aspects of social reality. Therefore, cultural change cannot be understood properly without taking into account its social context. According to Marx (1977 [1859], 20–21), ideas and consciousness are always the result of specific historical material forces and circumstances, and they also actively affect reality. For Marx, the economic base consists of forces and relations of production in which culture and other forms of consciousness are constructed as part of the superstructure of a society, which serves to reproduce the economic base.

In this regard, dominance or subjugation of a cultural form in the process of cultural interaction has to do, first and foremost, with the economic and political power—the material base—that supports that culture. Therefore, an understanding of the phenomena of cultural homogenization, resistance, and adaptation cannot be separated from the power relations behind them. As the findings of my analysis of cultural products show, the rise of consumer culture, particularly in an American model, in post-Soviet Uzbekistan and Kazakhstan has been a direct result of the global dominance of neoliberalism and the global dominance of America

after the collapse of the former Soviet Union and its political-economic system as an alternative to capitalism. These global factors are indispensable external imperatives that helped shape the choices of path to the systemic transformation of Uzbekistan and Kazakhstan in post-Soviet period. It was in this material reality that ideas of neoliberal capitalism were put into practice in post-Soviet Uzbekistan and Kazakhstan, giving rise to the consumer culture in these countries.

Finally, the results of this chapter's examination of cultural products in the public sphere testify, from a cultural point of view, to the contextual peculiarity of forms and practices of the neoliberal capitalist order in post-Soviet Uzbekistan and Kazakhstan. This echoes the findings in the previous chapters on the economic and political aspects of neoliberal transition in these countries. After all, culture as shared consciousness is intrinsically connected to political, economic, and other aspects of social reality. As I have shown in the previous chapters, the globalization of neoliberal capitalism does not represent a single unified phenomenon that follows the same path and formula, but a variegated, historically situated, and contextually specific process that is characterized by plurality and hybridity.

This chapter and the previous chapters mainly present the influence of neoliberalism in the post-Soviet capitalist transformations of Uzbekistan and Kazakhstan at a systemic level. In order to have a more nuanced understanding of these processes, the next chapter will move to a focus on manifestations of the influence of neoliberalism at a micro-level—text—to capture the actual working of the ideas of neoliberalism in post-Soviet transformations of both countries. In the next chapter, I proceed to apply the three-dimensional framework for understanding neoliberalism adopted in this study—as a policy package, as a mode of governance, and as an ideology—to my discourse analysis of speeches and writings of both presidents. Utilizing the method of critical discourse analysis, I proceed to expose how neoliberal ideas hidden in texts help construct and justify policy options that are identified and articulated in the speeches and writings of the two state leaders of post-communism Uzbekistan and Kazakhstan.

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Applying a Three-Dimensional Framework to Understanding Neoliberalism: Discourse Analysis of Speeches and Writings of Karimov and Nazarbayev from 1991 to 2015

This chapter demonstrates the ability of a comprehensive approach to understanding neoliberalism to reveal the ways in which neoliberalism has influenced the post-communism reforms in Uzbekistan and Kazakhstan. It not only highlights ways in which different elements of neoliberalism operate together to influence reform policy initiatives and action plans promoted by the political leaders of these post-communism Central Asian countries, but also highlights how neoliberalism helps to legitimate and advance the construction of a neoliberal capitalist order in these post-communism countries. This is done through a critical discourse analysis of a number of selected speeches and writings of President Islam Karimov of Uzbekistan and President Nursultan Nazarbayev of Kazakhstan. It examines each piece of speech and writing individually, situating each one in its historical context. The chapter then employs elements of the three dimensions of neoliberalism to analyze these speeches and writings, focusing specifically on how they operate within each text to influence the construction of reality and the justification of policy responses and courses of action in the processes of the post-communism capitalist transformations of both countries.

The chapter analyzes the speeches and writings in chronological order, having selected them from the period between 1991 and 2015 to cover all the consecutive terms of presidency of both national leaders. The chapter divides this 24-year timeframe into three periods: during the early years of independence (1991–1998), in between the Asian financial crisis and the worldwide economic recession (1998–2008), and the post-recession years

(2009–2015). The first period covers the early years of reforms following the disastrous collapse of the Soviet Union that shattered the old socialist system shared by both Uzbekistan and Kazakhstan. In this period, each state embarked on a dual task of state-building and radically transforming their inherited Soviet-era system. The second period started in the wake of the Asian financial crisis, which had a severe impact on the economy of both countries as they were still in the process of restructuring, and still striving for full recovery. During this period, the post-communism transformation of each country was taking shape and consolidating. The economy of each country started to stabilize and started to grow in positive terms. The third period includes the years after the world economic crisis, a crisis that also severely affected both countries. This is the period in which both countries established a full-fledged state with well-functioning political and economic systems.

Numerous speeches and writings were addressed to the public by both presidents throughout their tenures in these 24 years. However, the chapter focuses only on the ones that have had crucial importance in shaping the political agenda of reform that set the direction of the countries' post-communism transformations. From each of the three periods mentioned above, at least one public speech or writing given by these two national leaders on their reform policies has been chosen. All of them were addressed to the public in the wake of crises or significant systemic changes within the domestic and international contexts. The crises and changes presented opportunities or challenges to neoliberalism. Thus, how both presidents perceived their reform projects and articulated policy initiatives for proper state actions at these periods of time is highly significant in discerning the influence of neoliberalism.

SECTION I. THE EARLY YEARS OF INDEPENDENCE (1991–1998)

President Islom Karimov's Speeches and Writings in Uzbekistan's Early Years of Independence

Islom Karimov came to the center of power as the first secretary of the Communist Party of the Uzbekistan Socialist Republic on the eve of the disintegration of the Soviet Union. He remained at the helm of power as the head of the state and the supreme leader of the government of post-Soviet Uzbekistan through a popular vote that was held right after

the declaration of independence of Uzbekistan in August 1991. Immediately upon proclaiming the independence of Uzbekistan, Karimov initiated a comprehensive project that was heavily influenced by neoliberal principles, setting in motion a process of transforming the defunct system it had inherited from the Soviet past into a qualitatively different system. The overarching objectives of his bold restructuring efforts were unambiguously spelled out in neoliberal terms in his articulation of the final goal of his project—to construct “a strong, democratic, law-based state, and a civil society with a free market economy and an open foreign policy” (Karimov 1992, 9). Aiming at putting the newly born Uzbek state on solid ground in achieving genuine independence and a prosperous future, the former Communist Party boss chose to build a capitalist political-economic system developed in and promoted by the advanced Western states—the Cold War rivals of the former Soviet Union against which the communist Soviets once fought fiercely on all fronts. As a prudent politician, Karimov was pragmatic in actually formulating and carrying out his neoliberal project, insisting on a gradual approach with due consideration to the particular conditions and historical context of Uzbekistan.

I focus on two pieces of writing, both of which are books that Karimov published in the early years of the independence of Uzbekistan. The first, *Uzbekistan's Path to Renewal and Progress*, was published in 1992 immediately after Uzbekistan's independence; the second, *Uzbekistan: Along the Road of Deepening Economic Reform*, was published three years later, in 1995. Both of these books are significant because they were published at a very early stage of independence during the time of chaos resulting from the sudden collapse of the Soviet Union. They served to orient the newly independent Uzbek nation as a sovereign state with systematic state-building guidelines and development directions. Neoliberalism played a prominent role in these writings, influencing the ways in which Karimov represented and interpreted the state of affairs to make sense of the unfolding challenges facing the newly independent Uzbek nation and how the Uzbekistan government should respond to them. Moreover, neoliberalism also played a significant role in these writings by serving to legitimize and justify particular policy options while closing off others. I will demonstrate the influence of neoliberal ideas and principles in the agenda of his radical project in the following critical discourse analysis of his writings, using all the elements of the three-dimensional understanding of neoliberalism.

In *Uzbekistan's Path to Renewal and Progress*, President Karimov sketches out the following general principles that an independent Uzbekistan should stand for:

It is a sovereign, democratic, law-based state. It is a state based on humanism and respect for human rights and freedom regardless of the individual's ethnicity, religious beliefs, social status or political convictions.

The government is administered by the people, whose will determines the policies of the state which should seek to ensure the well-being of the individual and society and the life that the citizens of Uzbekistan deserve.

The political and governmental structure of our renewed society should be able to guarantee the individual freedom of choice in his or her political, economic and social endeavors. (Karimov 1992, 15–16)

This is a strikingly neoliberal statement that is centered on fundamental liberal ideals including those such as the defense of individual rights and freedom, popular sovereignty, and judicial limits to state authority with regard to the kind of relations between the state and the individual conceived by neoliberalism. Karimov goes on to elaborate on his vision in more detail:

In the political sphere, this means:

“—compliance with the principles of genuine democracy which appreciate the historical experience of Uzbekistan, the ethnic and cultural traditions and interests of all social groups and population segments”...(omitted);

“—the mission of building national statehood on the basis of separation of power among the legislative, executive and judiciary branches”...(omitted). “For this the institution of president should be enhanced and strengthened with a view to ensuring the implementation of legislative decisions, the protection of individual rights and freedom, and implementation of political and economic reforms”;

“—the mission of building a law-based state which guarantees equal rights to all citizens, places the law above all else, protects the interests of society and provides security for people”...(omitted);

“—abandonment of monopoly of any one ideology or philosophy, recognition of diversity in political institutions, ideologies and opinions”...(omitted);

“—the creating of a multi-party system as a requisite and logical component of genuine democracy”...(omitted). (Karimov 1992, 16–18)

There is a significant influence of neoliberal ideology throughout this text, especially with relation to the characteristics and attributes that are employed by Karimov in the construction of a new Uzbekistan. In the

text, neoliberal ideals such as individual rights and freedom, democracy, equality, rule of law, plurality, and others are central to the new political system that Karimov envisions. These neoliberal ideals are taken as self-evident and serve to justify his neoliberal policies. Applying these elements of neoliberal ideology to the text indeed helps illuminate the connection between these policy options and neoliberalism.

The text also reflects a significant influence of individual-centered neoliberal rationality of governance in Karimov's view of the purpose of the new Uzbekistan. He proclaims that the political and governmental structure of the newly independent state should be able to guarantee the individual freedom of choice in his or her political, economic, and social endeavors. In the text, Karimov also spells out policy directions in accordance with such a neoliberal mode of governance. For example, he proposes that the government of the new Uzbekistan should be a democratic state in which every citizen has equal rights in its formation and operation, and that the government should protect each individual citizen's freedom and equal rights. He also proposes that the state power structure should be based on the principle of the separation of power, and the political system should be based on a multiparty structure and freedom of opinion to ensure political freedom and plurality. Although he insists that the historical experiences and traditions of the Uzbek nation and people be taken into consideration in his radical restructuring of the political system, neoliberal convictions are obvious in his policy initiatives.

After delineating his vision of the political system of the new Uzbekistan, Karimov goes on to expound on his ideas for a proper economic system for the new Uzbekistan. The following are some of his major points:

“—the creation of a powerful, stable and dynamic economy which ensures the growth of the country's wealth, the maintenance of national independence and a decent living and working environment for the people;

“—the stage by stage formation of a socially responsible market economy, comprehensive encouragement of initiative and entrepreneurship, freedom of enterprise”...(omitted);

“—protection by the state of property rights, equal treatment of all forms of ownership, including collective (shirkat property), public, private and other, overcoming people's hostility towards property ownership”;

“—economic decentralization and demonopolization, greater independence for enterprises and organizations; abandonment of the policy of the direct involvement of the state in the economy; decisive eradication of old, infamous methods of command administration, arbitrary pressure and bureaucratic regimentation; genuine economic mechanisms will prevail”... (omitted); (Karimov 1992, 18–20)

Neoliberal ideological influence is also clearly discernable in his delineation of the economic system for the new Uzbekistan. Karimov begins with a vision for the new economic system—“the creation of a powerful, stable and dynamic economy which ensures the growth of the country’s wealth, the maintenance of national independence and a decent living and working environment for the people” (Karimov 1992, 19). As it unfolds in detail in the ensuing policy initiatives, it becomes clear that this vision is actually framed in a neoliberal economic model. Elements of neoliberalism as a policy package can help reveal the influence of neoliberalism here. For instance, the economic system to be created is a market-based one, in which market relations advocated by neoliberalism, such as private property rights, economic freedom, and demonopolization are presented by the president as the integral part of his economic policy initiatives. Moreover, he goes on to propose that the new economy of Uzbekistan should be free of state control and monopoly, the direct involvement of the state in the economy should be abandoned, and the old command and control system should be eradicated and replaced by economic mechanisms that are market-based; all of these are typical of the components of a neoliberal policy package. His policy options are also mixed with pragmatism, stressing the need to accommodate Uzbekistan’s conditions through gradual implementation, as well as stressing the link between the ecological issues of the Aral Sea area and the economic development of Uzbekistan. Furthermore, his initiatives are also mixed with some influences of socialist ideals that stress the state responsibilities for social welfare and labor rights.

Later in the same text, the ideological claim of neoliberalism that market mechanisms are the most efficient path to economic progress is used as the justification for his market-centered policy initiatives. His neoliberal conviction in the market is evident in his remarks on the roles of the market quoted in the following passages:

“The experience of history shows that, despite the distinctions in economic conditions and people’s living standards in different countries, market mechanisms function most effectively and are most consonant at the present stage of development of the world community”...(omitted)

“...(omitted). Only market relations can ensure the utmost possible use of the vast potential inherent in the productive forces of the republic for the people’s benefit, for the purpose of improving their living standards and prosperity. The task is to do everything possible to soften this process, to

carry it out at the least expense for the population and to prevent social upheaval.” (Karimov 1992, 44)

Karimov’s economic initiatives are also justified through the use of yet another ideological claim of neoliberalism—the idea of the inevitability of the spread of markets everywhere—adding yet another reason for adopting a market-based economic model for the new Uzbekistan, even with its perceived negative impacts. He states:

A market is accompanied, particularly at the initial stage of its emergence, by deep and protracted economic crises, growing unemployment, inflation, the bankruptcies of many enterprises and the ruination of entrepreneurs, a sharp stratification of the population in terms of material well-being, and growth in the number of crimes committed. One should realize these pitfalls of a market economy, be prepared for them and find the correct approaches to deal with them.

The transition to a market economy is inevitable. The times demand it and it is an objective reality. (Karimov 1992, 43–44)

The idea of the inevitability of the adoption of a market economy is a starkly neoliberal one. Implicit in this statement is the neoliberal claim that the creation of markets everywhere is a natural, hence objective, economic process as a spontaneous working of a self-regulating market. So people have to adapt to the inherent laws of the market, just as they have to deal with natural forces whose workings are beyond human control, in order to survive and progress. Such a neoliberal idea serves to further legitimize his economic restructuring policies and the corresponding course of actions that the newly independent Uzbekistan is to take.

In his next book, *Uzbekistan: Along the Road of Deepening Economic Reform*, published three years later, Karimov further confirms his resolve to carry out the neoliberal project he initiated in 1991. He also lays out an action plan in the same neoliberal direction for further and deepening reforms (Karimov 1995, 149–226). The following enumerated are the headlines of all concrete policy directions of his action plan for the new stage of reforms. I have added a summary of his policy initiatives for each policy direction articulated in these headlines.

1. “Extension of the privatization process and formulation of the competitive environment is the key task of the new stage of economic reform.”

Policy priorities:

- privatizing state properties and enterprises
 - enhancing competition in the economy
2. “Achieving macro-economic stabilization is the priority of the economic reform’s strategy.”

Policy priorities:

- reducing state spending through strict fiscal policy
 - reducing taxes for both businesses and individual citizens
 - improving the economy through market mechanisms centered on competition, market-oriented production, and profit
3. “Strengthening national currency is the key objective of the new phase of the economic reform.”

Policy priorities (for curbing inflation):

- controlling the supply of money within the limits of production
 - preventing growth of cash and credit
 - saturating the domestic market with consumer goods
 - establishing market-based exchange
4. “Achieving deep-rooted structural transformations is the major condition for sustainable economic growth.”

Policy priorities:

- centralizing market relations in the economy
 - increasing self-reliance of the domestic economy
 - developing competitiveness in the key economic sectors
 - diversifying the economy
 - orienting exports to finished goods
 - integrating with the world economy through trade
5. “Our goal is the formation of a democratic state with strong social guarantees.”

Policy priorities:

- strengthening democratic political system
- reinforcing the rule of law

- improving the structure of separation of power
- allowing more autonomy for local governments
- enhancing political pluralism, political tolerance, and responsibility
- maintaining a system of social support for the needy
- developing a strong social policy based on incentives for self-reliance
- reviving national culture, traditions, and values (Karimov 1995, 149–226).

As this list shows, the influence of neoliberalism played a significant role in the policy directions for the new stage of Karimov's neoliberal project. From the perspective of policy manifestations of neoliberalism, Karimov's major priority policy initiatives in the economic domain—such as privatization, economic competition, cuts in government expenditures, tax reductions, market-orientation of economic activities, and supply-side monetary management in curbing inflation—represent a typical package of neoliberal policy options. In the sphere of the political, the principles in his policy initiatives such as democracy, rule of law, separation of power, political pluralism, and tolerance are also important ideals and rhetorical tools of neoliberalism in promoting its messages of free market capitalism.

In his policy initiatives in the social area, Karimov points to the priority of establishing a system of need-based social support and a strong social policy based on the principle of individual self-reliance. Such public policy options reflect an individual-focused neoliberal rationality of governance centered on, first, the rejection of a universalist view of welfare for the entire population and, second, individuals' responsibility for their own well-being. The social responsibility of the state is limited to the protection of vulnerable and needy individuals, and the creation of incentives for individual self-reliance.

In the overall policy orientation reflected in the texts quoted thus far, neoliberalism plays a significant role, yet it is not the only element. Karimov's policy initiatives were aimed at ensuring and securing the political and economic independence of the new Uzbekistan. In this regard, some of his policy options, such as the fourth and fifth items in the list above, which involve self-reliance of the domestic economy, priority development of competitiveness in key sectors, and revival of national culture, traditions, and values, are charged with a strong nationalist sentiment. Invoking nationalism does produce some policy initiatives deviating from

neoliberalism, such as economic self-sufficiency and economic protectionism (of key sectors), yet he also insists on the centrality of market mechanisms in the overall operation of the economy. Such nationalist rhetoric creates a connection between patriotism and his neoliberal policies, and in effect makes a strong justification for his reform project.

This discourse analysis of Karimov's writings from the early period of the independence of Uzbekistan shows a very strong and consistent influence of neoliberalism in his conceptualization as well as his articulation of what newly independent Uzbekistan should be like. The early period of independence was the time in which his neoliberal vision was introduced, and this has set in motion a process of systemic transformation of Uzbek society that marked a radical departure from its Soviet-style socialist past. In this period, the idea of liberalization in all spheres of Uzbekistan society started to take root. Yet the influence of neoliberalism was still in a process of consolidation, a process that included both adaptation and selective implementation. This is because neoliberalism has not been itself Karimov's end; rather, it has been a tool that Karimov uses to serve his political agenda of state-building and national revival. Thus, his neoliberal policies have been always subject to adaptation to fit his needs for achieving his political goals set at different stages of reforms.

*President Nursultan Nazarbayev's Speeches and Writings
in Kazakhstan's Early Years of Independence*

Similar to Karimov's rise in Uzbekistan, Nursultan Nazarbayev also initially came into the spotlight on the political stage of Kazakhstan during the last years of the Soviet Union with his appointment to the position of the first secretary of the Communist Party of the Kazakh Soviet Socialist Republic, which was the predecessor of the current republic of Kazakhstan. He remained at the power center of Kazakhstan after the demise of the Soviet Union. Since then, he has served three terms as the president of Kazakhstan through consecutive nationwide elections. Currently he is serving a fourth term as the president through a popular vote held in early 2015.

Nazarbayev started his neoliberal idea-inspired reform processes in Kazakhstan from the very beginning of its independence, aiming at systematically transforming the former Kazakh Soviet Socialist Republic "from a planned to a market economy, from totalitarianism to liberal politics" (Nazarbayev 2007, 10). I focus on two pieces of writing on his reform program that were published in the early years of independence. The first is

his book, *A Strategy for the Development of Kazakhstan as a Sovereign State*, published in 1994. The second is his strategic policy initiatives for reforms, titled “Kazakhstan’s Strategy for Development to 2030.” It was originally delivered at his first presidential address to the people of Kazakhstan in the parliament on October 16, 1997, something equivalent to a state of the union address by the president of the United States in Congress.

These documents were significant for two major reasons. First, they were published at a time when the new Kazakh state was in the throes of a massive aftershock in all spheres from the collapse of the former Soviet Union, a historic moment that altered both world politics and the domestic state of affairs. Kazakhstan had a dire need to pull itself out of these crises and gain a firm foothold as an independent nation. Second, both documents were crucial in setting the direction for dealing with challenges and for short-, medium-, and long-term state policies on the development of newly independent post-Soviet Kazakhstan. Using the three-dimensional understanding of neoliberalism, my discourse analysis of his writings in the passages that follow will show that neoliberalism played a powerful part in President Nazarbayev’s conceptualization and construction of the new national identity to be assumed by post-Soviet Kazakhstan. Neoliberalism also has an important influence on the rationales and the justifications of his policy prescriptions and corresponding action plans for how the new Kazakhstan and her people should behave in its post-Soviet era.

Nazarbayev’s first book, *A Strategy for the Development of Kazakhstan as a Sovereign State*, was explicitly intended to provide a long-term vision with specific steps for short- and medium-term plans for the development of independent Kazakhstan. Right from the beginning of the book, he points out the following principles that he follows in his reform strategies for the new Kazakhstan:

Social, political and economic relations will be transformed. They are becoming increasingly more open. The development of democracy, property rights reform and the movement toward a full-fledged market system have been recognized as the sole means of lifting the economy out of crisis and are creating a climate conducive to the rise of a nation state. (Nazarbayev 1994, 4)

This is a statement that is framed with neoliberal rhetoric, ideals, and rationale. Words such as “open,” “democracy,” “property rights,” and “market system” are all powerful linguistic tools in the rhetorical arsenal

of neoliberalism for the promotion and justification of its market-centered messages. These concepts signify a neoliberal conviction in the virtues of a free and open society and in the free market. Depicting them as the “sole means” for economic progress and prosperity is a stark ideological claim that is deployed to justify and legitimize such a neoliberal path, while forestalling other possible alternatives.

In this book, Nazarbayev specifically lays out a strategic roadmap following the above-mentioned general guidelines for broad-scale political, economic, and social transformations of post-Soviet Kazakhstan. In the following, I will analyze his visions for these three domains one by one to trace implicit and explicit manifestations of the influence of neoliberalism. First, I start with a discourse analysis of his articulation of the strategic goals in the political sphere of post-Soviet Kazakhstan. Nazarbayev envisages a strong presidential system to be established in the political sphere of post-Soviet Kazakhstan. He stresses the political stability and self-determination of the Kazakh nation as fundamental political goals. Besides these general political objectives, he explicitly invokes the following liberal political principles as the integrated components of the political life of the new Kazakhstan:

“Our state will pursue the principle of equal opportunity and equity before the law for all, regardless of national affiliation.” ... (omitted).

“Creation of a multiparty system that will deepen the transformation to democracy, promote the consolidation of our multinational society and produce new political figures and leaders.” ... (omitted)

“Increasing the political strength of Kazakhstan in the world community through observance of democratic freedoms and human rights and the integration of the Kazakhstan economy into the world economy.” (Nazarbayev 1994, 5–7)

This text’s invocation of fundamental principles of political liberalism such as individual equality, political pluralism, democracy, human rights and freedom, and global economic integration clearly indicates a strong influence of neoliberalism in Nazarbayev’s vision for the political system the new Kazakhstan is to achieve. The value of these liberal principles is taken as self-evident, and they are used as a powerful justification for the need to create a strong presidential system as the guarantee of their implementation.

Second, in the sphere of economy, Nazarbayev lays out the following strategic goals:

The formation of a social market economy based on competitive principles, with a combination and the interaction of the main forms of ownership (private and state), each of which will perform its own function in the overall system of economic and social interrelationships. The creation of legal and other conditions for implementation of the principle of human economic self-determination. In this respect, the share of state property will constantly decline and in the long term, probably will settle in the area of thirty per cent. The republic will retain ownership of natural resources because they form the backbone of the economy. Elements of state regulation will be used during the transition to a social market economy. The impact of the Kazakhstan Government on the economy and on the formation of a rational economic structure will become macroeconomic in character, and government decisions will be based on the market and linked to regulation of monetary circulation and policy in the areas of taxes, customs duties, the budget, currency policy and bank interest rates. (Nazarbayev 1994, 7–8)

A careful reading of this text reveals the importance of neoliberal ideas in the major strategic economic goals of President Nazarbayev. His intention to build a market-oriented economy is a clear indication of a strong influence of neoliberalism. From a policy perspective, the adoption of economic principles such as the institution of private ownership, privatization of state enterprises, competitiveness, economic freedom (in his words, “human self-determination”), the retreat of the state from the micro-management of the economy, and market-based decision making on the part of the government are all attributes of the economic policy package of neoliberalism, which calls for market liberalization, economic deregulation, and privatization of state-owned enterprises. His placing of the market in the center of governmental decision making resonates with the neoliberal rationality of governance. Such a market-oriented governmental mentality is highlighted in his subsequent general delineation of the active role of the state in Kazakhstan’s transition to market relations. Indeed, although the neoliberal ideal is that government is limited to protect individual liberty—such as ensuring economic freedom of individuals—this does not necessarily mean that there is less governance vis-à-vis fostering and safeguarding the market (Larner 2000, 12). Nazarbayev proposes the creation of a social market economy—a market-based economic system with a strong social

policy. It will become clear in my later unpacking of his strategy in the social area that his interpretation of “social” is also shaped by a neoliberal perspective. Other non-neoliberal ideas are also prominent in the statement. The text shows Nazarbayev’s strong collectivist and nationalist inclinations in his insistence on the state ownership of the nation’s natural resources, claiming that they form the backbone of the national economy. After all, the influence of his experiences as a communist leader in the Soviet past were still playing a significant role.

Later in his book, Nazarbayev (1994, 8–10) enunciates a number of specific policy measures and corresponding courses of action toward the above-stated strategic economic objectives. A consideration of the elements of the policy dimension of neoliberalism—privatization of state enterprises and properties, deregulation of the economy, and liberalization of the economy—will render apparent the strong influence of neoliberalism. The following is a summary:

1. The first stage, 1994–1995: Privatization of state property and liberalization of the economy through policies to destroy monopolies and strengthen the private sector.
2. The second stage, 1996–2005: Further liberalization and deregulation of the economy; further integration of Kazakhstan into the world economy.
3. The third stage, 2005–2012: Establishment of a market system for a prosperous economy. (Nazarbayev 1994, 24–27)

Third, in the social sphere, Nazarbayev puts forth the following strategic goals:

(1) to create a society in which the well-being of all is secured in fact; (2) affording everyone who wants it entrepreneurial freedom and the opportunity to apply their efforts in any sphere of activity”...(omitted); “(3) the development of ethnic originality and preservation of the national and cultural diversity of Kazakhstan”...(omitted); and “(4) increasing wages, pensions and benefits as the economy grows, stabilizes and is integrated into the international economic community. (Nazarbayev 1994, 10)

It is striking in this text that economic factors are a significant part of the first, second, and fourth social goals—three out of the four strategic goals set for the social sphere. Again, neoliberal principles prevail in shaping the

above-listed social strategies. The first general strategic goal of securing the well-being for all does not necessarily indicate a reference to neoliberalism, as commitment to people's well-being can also be found in other political ideologies. However, a direct link to neoliberalism comes to light in the second and fourth strategic goals, which underline the neoliberal beliefs in economic freedom as well as individual self-reliance (as reflected in the second strategy), and presumed benefits of global market integration (as connected to increased welfare benefits in the fourth strategy). The second strategy also points to a neoliberal rationality of governance with its reference to unrestricted individual entrepreneurial freedom and independence, hence self-reliance and self-responsibility, for pursuing one's own well-being. The third strategy is centered on nationalism with an emphasis on Kazakhstan's national revival, cultural preservation, and national pride derived through achieving sociopolitical stability. Thus, the attainment of the first general goal of well-being for all in the context of post-Soviet transformations is tied to and contingent upon a neoliberal approach to economic development together with a nationalist path to national reinvigoration and state-building.

In "Kazakhstan's Strategy for Development to 2030," which Nazarbayev delivered to the nation three years later in 1997, he presents a more thoroughly fleshed out long-term vision for the further advancement of Kazakhstan's neoliberal transformations. Centered on the concept of freedom, the 2030 strategy consistently reaffirms President Nazarbayev's neoliberal claims that a free market economy and democracy is the path to prosperity and freedom for each and every individual of Kazakhstan (Nazarbayev 1997, Sects. 1 and 2). To achieve this goal, the 2030 strategy highlights the following seven long-term priorities as the central tasks of the government of Kazakhstan from 1997 to 2030, roughly a time span of 30 years: (1) national security; (2) domestic political stability; (3) economic growth based on an open market economy with high levels of foreign investment and domestic savings; (4) health, education, and well-being of Kazakhstani citizens; (5) oil and gas exports; (6) transport and communications infrastructure; and (7) a professional state. All of these priorities are meant to ensure the success of his neoliberal project as the means by which his vision of a developed and free Kazakhstan is to be materialized. I will focus on the second and third of these priorities because their articulation and justification draw more on neoliberal principles and ideas, and they are related more to the nature of the kind of system that Nazarbayev envisioned for the new Kazakh state.

Perhaps the most obvious invocation of neoliberalism is the third priority on economy. Specifically, 10 policy measures are listed as the focus of this priority (Nazarbayev 1997, Sect. 3: long term priority 3). I summarize them as follows:

1. Limited interference of the state with the economy combined with an active role as a guarantor of a free economy;
2. Completion of the process of privatization, and the consolidation as well as protection of private property rights;
3. A reduction of the deficit of the state budget;
4. A consistent pursuing of a tough monetary and credit policy;
5. Liberalization of prices to be maintained;
6. Building of an open economy and free trade;
7. International market integration;
8. Attracting foreign investments with a more liberal regime;
9. The state's active involvement in improving public infrastructure that is less attractive for the private sector;
10. Active state involvement in setting industrial policy for the diversification of production for Kazakhstan's economy to become more competitive and advanced in the world market. (Nazarbayev 1997, Sect. 3: long term priority 3)

All of these policy measures reflect a strong influence of neoliberalism. From a policy perspective, the first through the eighth are standard components of a neoliberal policy package. The ninth and tenth measures also reflect an influence of neoliberalism, yet in an implicit way. For instance, the ninth policy measure, on the active involvement of the state in infrastructure improvement, represents neoliberal thinking rooted in classical liberal economy—to which neoliberalism subscribes—on the state's limited yet necessary responsibility to provide public goods and services that fall within the purview of state privileges, or that private businesses are not willing to take up because of undesirable returns and turnover cycles. Moreover, Nazarbayev refers to the Scottish political-economist Adam Smith in his justification for this measure, making apparent the influence of neoliberalism. The tenth measure reflects the leader's desire to divert Kazakhstan's economy from its vulnerable raw material orientation toward balanced and diversified growth in value-added end-production through active governmental intervention. Such state intervention in the supposedly autonomous market in essence is a deviation from the neoliberal conviction of the

self-regulating nature of the market. Nevertheless, this interventionist measure is justified by the neoliberal principle of market competition, with a claim that such a measure is conducive to improving the competitiveness, hence the growth, of Kazakhstan's economy in the world market.

In the second priority—domestic political stability—a broader, subtler influence of neoliberalism can be identified in terms of the elements of the neoliberal mentality of governance. The matter of political stability concerns two major destabilizing factors, inter-ethnic relations and the growing gap between the rich and the poor. A close look into the corresponding policy initiatives that Nazarbayev puts forth for dealing with these potential threats to political stability reveals an embedded neoliberal rationality of governance centered on individual autonomy and responsibility.

During the first years of independence and reforms we did our best to rapidly depart from Communist-collective elements toward private and individual ones. Rapid development of individualism based on private ownership not only promoted replacement of value reference points but also undermined in-depth roots of inter-ethnic contradictions, it rapidly brought their potential down. (Nazarbayev 1997, Sect. 3: long term priority 2)

He sees the old Soviet way of collectivism as reinforcing the collective identity of ethnic groups and their differences, thus increasing the potential for ethnic strife, whereas liberal ideals of individualism centered on individual equality and freedom can serve to attenuate the destabilizing potential of collective identities. This individualistic rationality of neoliberal governance can also be identified in his approach to solving potential problems of income inequality:

Strategically these problems may mostly be settled with the help of economic growth. A well-off Kazakhstan would offer more opportunities for each and every. As the great world leader put it “high tide sets all ships afloat.” Our strategy must be elaborated in such a way so that everybody has a chance of obtaining a portion of the ever growing national wealth.

Meanwhile many people will have it hard in the transition period and the Government has not enough means to help all of them. In this field our strategy would consist in directing state-rendered assistance to the most vulnerable groups of the population and to them only. However today we are more interested in raising the number of those who are able to cope with the difficulties on their own. (Nazarbayev 1997, Sect. 3: long term priority 2)

In this statement, Nazarbayev's emphasis on directing state assistance only to the most needy and on "raising the number of those who are able to cope with the difficulties on their own" as a solution to the income gap is a clear indication of a neoliberal rationality of governance, which shifts the responsibility for personal well-being from the state to the individual. Moreover, a neoliberal ideological influence is also highlighted when Nazarbayev insists that the further development of his neoliberal economy in Kazakhstan will benefit "each and every" citizen. A neoliberal ideological claim of the universal benefit of the market is made by Nazarbayev through metaphorically using a favorite line of free market advocates—"high tide sets all ships afloat." This purported "trickle-down effect" claimed in neoliberal economics serves to justify his policy measures of consolidating free market neoliberal reforms in Kazakhstan as a solution for addressing the problem of the income gap.

However, the vision evoked by Nazarbayev in this address was contradicted by what was happening in reality in Kazakhstan at the time. By 1998, the difference between the incomes of the richest and poorest 10 percent in the nation had increased 11.3 times from the difference in 1991. Further, even the official estimate of the unemployment rate had shot to a staggering 14 percent by 1999, from nearly full employment in the last years of the Soviet era, according to a research article published in 2005 by Shokamanove (2005), the Deputy Chairman of the Kazakhstan Statistics Agency. Social polarization has become characteristic of the post-communism neoliberal capitalist order established in Kazakhstan through Nazarbayev's reform programs.

The ideological function of neoliberalism works powerfully to obscure the grim reality facing post-Soviet Kazakhstan. Classes in the context of Kazakhstan's post-Soviet social stratification are represented by the former communist leader as merely differentiated income categories; moreover, the interpretation of social inequality in Kazakhstan is framed in an individualistic sense and is "privatized" as individuals' own problems and own responsibility. This is a position that renders invisible the underlying structural unequal power relations between social groups that produce and reproduce capitalist exploitation and domination. In effect, such ideological maneuvering not only helps discredit any attempt to seek systemic and structural reasons for social inequality from the capitalist social order being constructed in Kazakhstan, but also helps shield President Nazarbayev and his reform programs from any blame for the mass poverty and immiseration.

In summary, with the aid of a comprehensive three-dimensional understanding of neoliberalism in my discourse analysis, I have demonstrated a heavy influence of neoliberalism in the writings of both Karimov and Nazarbayev from the early years of independence of post-Soviet Uzbekistan and Kazakhstan. The influence is reflected in the construction of their visions for particular post-Soviet national identities—from totalitarianism to democracy, and from a planned to a free market economy—for their respective states. Neoliberalism also plays a significant part in the justification of their subsequent policy options and courses of action. The adoption of the three-dimensional understanding of neoliberalism—as an ideology, as a mode of governance, and as a policy package—demonstrates its advantage in enabling a comprehensive appreciation of the relationship between neoliberalism and post-Soviet capitalist transformations taking place in both countries.

SECTION 2. THE YEARS BETWEEN 1998 AND 2008

In this section, I continue my discourse analysis of the public speeches of Karimov and Nazarbayev using the three-dimensional understanding of neoliberalism. I examine one important public speech from each president that was delivered during the years between the Asian financial crisis of 1998 and the world economic crisis of 2008, which roughly covers the second and a part of the third terms of their presidencies. The overt and implicit influence of neoliberalism in these two speeches shows a striking consistency with what has been revealed in their public speeches from the early period of independence examined in the previous section.

Karimov's Address at the First Joint Session of Parliament of the Republic of Uzbekistan, January 28, 2005

At the beginning of the first session of the newly elected bicameral parliament of Uzbekistan, which replaced the unicameral legislative body that had functioned since independence, President Karimov delivered the keynote speech. The speech was significant because it served to provide a medium- and long-term policy focus and direction for the Uzbekistan nation as a whole starting in 2005. While Karimov's speeches from the early years of Uzbekistan's independence examined in the previous section occurred during his first term of presidency, the speech focused on here was delivered in his second term, which is yet another period of particular

interest in my exploration of the influence of neoliberalism in post-Soviet Uzbekistan. His second term began in 2000 when the country was still recovering from the aftershocks of the Asian financial crisis of 1998, a historic event that posed a serious challenge to neoliberalism's claims for the efficiency and effectiveness of the free market in bringing economic prosperity. However, in general, the country stayed on a neoliberal course and moved consistently further in a neoliberal direction during his second term. This demonstrates the powerful influence of neoliberalism, which is evident in this keynote speech.

After opening the speech with a general comment on the success of the national election of deputies to the first bicameral parliament of Uzbekistan, Karimov moves on to address the major tasks the nation should work on in 2005 and beyond. The speech reaffirms the continuation of the neoliberal project that he initiated upon independence by pointing out that Uzbekistan will stick firmly to its long-term strategic objectives—building a free market economy and democracy. Connecting democracy and neoliberal free market reforms is a starkly ideological maneuver of neoliberalism. Coupling democracy and the free market achieves a powerful ideological effect of increasing the popular appeal of neoliberalism. For Karimov, insisting that democracy and market reforms go hand in hand and reinforce each other is just such a neoliberal ideological operation, which serves to garner more public support for the successful implementation of his reform project in Uzbekistan.

There are more elements that can be discerned in his speech as an indication of neoliberal ideological influence from the perspective that views neoliberalism as ideology. Karimov insists that the concomitant tasks of building democracy and deepening market reforms are the only correct path to the nation's development by refuting as unacceptable the alternatives, such as a "regulated economy," "manageable democracy," and any action to put "poverty reduction first, democratic and political-economic reforms second" (Karimov 2005). He justifies his stance with the following argumentative statement:

Those statements and approaches stemmed from the lack of knowledge of history, distrust in creative capacity of people, and, I would say, misunderstanding of objective global processes that dynamically change the modern world. Today many, if not all, of us fully understand that there is a bright future only in the countries which are eager to march in step with time and meet strict terms and conditions of the turbulent world. (Karimov 2005)

He discredits the alternative approaches by claiming that they derive from a lack of historical knowledge and distrust in the creativity of the people of Uzbekistan, without providing any proof. For the supreme leader of the nation, the correctness of building democracy and the free market is a truism, thus unquestionable. It is a strikingly normative prescription of neoliberal ideology that claims democracy and the free market as the proper forms of government and economy. In addition, he goes further, arguing that those “unacceptable” views also stem from misunderstanding objective global processes that dynamically change the modern world. So, the adoption of democracy and the free market is justified as the result of “objective global processes” and a historically necessitated response to the times. This is a plain invocation to yet another neoliberal ideological claim: the objectivity and thus inevitability of neoliberal globalization (Steger 2009, 68–74). Such an ideological manipulation serves to convince the people of Uzbekistan that they have to support these purportedly objective processes in order to be successful in achieving national revival and prosperity.

There is more that can be inferred from his statement in relation to neoliberalism. His interpretation of building democracy and the free market as, to use his words, a part of “objective global processes that dynamically change the modern world” implies the global dominance of neoliberalism, which he claims to be an objective process beyond human control. Such a view itself reflects yet another ideological claim of neoliberalism: that there is nobody in control of the global spread of free market capitalism (Steger 2009, 75–84). This statement also underlines the connection between his neoliberal reforms of post-Soviet Uzbekistan and the global imperatives that originate from neoliberal globalization. Indeed, post-Soviet transitions in the former Soviet space are not isolated events, and a fuller appreciation of them cannot be separated from the global context of the dominance of the neoliberal ideology.

Further down the line, Karimov identifies five long-term priorities as the central tasks of the government for further deepening the nation’s reforms. They can be summarized as follows: (1) devolving the presidential power, and strengthening the authority and independence of the executive, legislative, and judicial branches of the government to enhance their checks and balances; (2) reforming and further liberalizing the judicial and legal system; (3) further liberalization of the mass media to ensure their independence and freedom; (4) maintaining a foreign policy that aids national security and domestic reforms; and (5) extending the market

reforms and further liberalizing the economy. While the first four priorities involve reforms in the political area, the fifth is to occur in the sphere of the economy. In what follows, I first analyze in detail his political initiatives, and then move on to look into his economic initiative.

The first three priority objectives concern domestic political reforms that revolve around the objectives of deepening liberalization and democratization processes in the political life of Uzbekistan. Karimov further highlights nine political initiatives intended to help achieve these priority tasks (Karimov 2005, Sects. I, II, and III):

1. Devolving the presidential power to the senate and executive branches of government
2. Strengthening the separation of state power and the checks and balances of the three branches of government
3. Decentralizing the central power to the local levels
4. Strengthening local autonomy
5. Broadening the participation of the population in political processes
6. Improving the rule of law through ensuring the independence of the judicial system
7. Protecting private entrepreneurial freedom
8. Strengthening the role and influence of political parties and civic institutions in political democratic decision-making
9. Liberalizing the mass media to ensure information freedom

A closer look into these nine reform initiatives can help uncover a prominent presence of neoliberal ideas from the governance perspective. The policy initiatives of devolving some of the presidential power, the separation of power, and decentralization for greater local autonomy all point to an embedded neoliberal mode of governance that calls for limiting state power and increasing self-governance of local units for ensuring individual freedom. In addition, his initiatives for strengthening the multiparty system and liberalizing the media reflect a strong tendency toward liberal political principles that are centered on individual political freedom. Karimov presents these neoliberal principles of governance as the important aspects of his democratic reforms, echoing a neoliberal view that ties the ancient concept of democracy to liberal principles of defending individual freedom.

Moreover, in defining the proper behavior of the Uzbekistan government, the president states:

And besides, we, and first of those people who stand on the guard of Law, should fully shake off the old legacy of the Soviet era and reconsider our attitude towards entrepreneurship, business and the private sector. It is a great pity that we ourselves adopt good laws and ourselves infringe them.

It is a high time to reject once and for all a deliberately preconceived and accusatory approach to their activity, and on the contrary, to secure their interests, do not allow infringement of their legal rights and create for them such a legal ground, systems of privileges and guarantees so that they could freely and purposefully work for the benefit of their families and the country's economy. (Karimov 2005, Sect. III)

Here, the initiative of protecting private entrepreneurial freedom is another point where Karimov explicitly invokes a principle of neoliberal rationality of governance. In his view, the government should cast off the old mentality of command and control as well as the hostility toward private economic activities. Instead, it should adopt a new mentality of promoting and maintaining individual economic freedom. This reflects a neoliberal mentality that places market interests at the center of governmental duties.

The fourth reform priority mainly concerns foreign policies. There is no direct invocation of neoliberalism in this area. However, there are several places where the influence of neoliberalism can be identified, though in an implicit way. Karimov proposes market integration of the Central Asian region as necessary to spur economic growth in Uzbekistan and other countries in the region. Embedded in this proposal is a neoliberal idea of the mutual benefits of trade in an open market. He also proposes to extend cooperation with international political and economic institutions of Europe including the OSCE, the European Union, and NATO, not only to assist in ensuring national security, but also to help further the democratic and market reforms of Uzbekistan. Moreover, he attaches particular significance to cooperation with international financial and economic organizations, such as the IMF and the World Bank, in furthering his nation's market reforms. Through his connecting of these policies to his domestic neoliberal reforms, an indirect yet strong influence of neoliberalism comes to light in these international cooperation initiatives.

The fifth reform priority direction falls within the sphere of the economy. In this policy area, the influence of neoliberalism is found to be the strongest of all. President Karimov identifies six major tasks for economic

reform and gives a detailed enunciation of policy initiatives corresponding to each task. The titles of these six tasks as set forth by Karimov are:

1. To extend the market reforms and further liberalize the economy.
2. To ensure a higher pace of development of the private sector, and a rise of its share in the country's economy.
3. To deepen and expand the work on developing small business and farming practices.
4. To deepen the reforms in banking and financial systems.
5. To reform housing and utility services.
6. **Further improvement of taxation policy is a priority of principal importance.** (bold print in the original) (Karimov 2005, section V)

Just a quick reading of this list, especially the first, second, and third items, plainly shows the strong influence of neoliberalism in their aims to deepen market reforms and liberalize the economy. A further reading of the concrete reform initiatives of each task makes even more apparent the decisive role of neoliberal ideas in their formulation. In the following passages, I will unpack all of these policy initiatives one by one in terms of neoliberalism's policy dimension in order to identify overt as well as hidden neoliberal ideas in them.

The first economic priority explicitly sets the tone for overall economic reform in a neoliberal direction. It states that the country will move further to extend market reforms and to liberalize the economy. It firmly confirms that Uzbekistan will stay on the course of neoliberal reforms that Karimov initiated in the early days of independence. The corresponding policy initiatives include curbing the state presence in the economy, guaranteeing entrepreneurial freedom, and consolidating market infrastructure. Considering these initiatives in terms of the policy dimension of neoliberalism renders apparent that they are embedded in the foundational neoliberal ideals of deregulation (removing state control of economy) and liberalization (freeing up the economy to be based on market mechanisms).

The second economic priority is privatization. It emphasizes raising the share of the private sector in the economy. This policy to strengthen the private sector reflects yet another standard policy option of neoliberalism—privatization. The corresponding policy initiatives focus mainly on freeing up private businesses from state interference, guaranteeing entrepreneurial freedom through easing the regulatory system over their

activities, improving market distribution of resources for private businesses, and creating incentives such as financial support and tax privileges for private businesses. All of these are part of the reified neoliberal economic policy of privatization. The third economic priority is an extension of the second: It is about expanding small businesses in both urban and rural areas. Note that the term “small businesses” commonly refers to privately run, small-scale commercial enterprises, although there exist competing views on what should constitute “small.” In general, there is a consensus on the private nature of small businesses. With the aim of stimulating small private businesses, the policy prescription of this economic reform priority area is similar to those prescribed in the previous reform priority of privatization, and is similarly bound to standard neoliberal policy options of deregulation, liberalization of the economy, and providing tax incentives. All of these measures are indicative of the instrumental role of neoliberal ideas in the policy dimension.

The fourth priority of economic reform concerns deepening the reforms in banking and the financial system. Again, a careful reading of this prescription from a policy perspective makes it clear that neoliberal ideas prevail in this priority area. Its policy initiatives involve major economic measures of neoliberalism. Specifically, there is an explicit invoking of neoliberal monetary and financial measures such as tightening the credit and money supply, curbing the inflation level, and maintaining stable currency exchange rates as a necessary approach to maintaining a healthy economy; moreover, there is an emphasis on the neoliberal principle of economic efficiency in bank investments as a necessary approach to spurring economic growth. This further reflects the significance of neoliberal ideas in the reform policy initiatives.

The fifth reform priority is about reforms in the field of housing and utility services. Note that in these service areas the government in the post-Soviet period still has a strong presence in their operation and management as a legacy of Uzbekistan’s socialist past. Karimov insists on the adoption of market mechanisms as the necessary approach to improving these services. This again reveals a significant influence of neoliberalism from the perspective of viewing neoliberalism as a mode of governance. Specifically, a neoliberal rationality of governance emphasizes market principles as the basis for public management (Steger and Roy 2010, 12). According to such a view of neoliberalism, market principles are also applicable to endeavors in non-economic spheres for increased efficiency and productivity.

The sixth reform priority touches on tax issues. Karimov attaches much significance to this priority area by indicating that it is of “principle importance,” to use his words. The title of this economic reform priority also appears in bold print, which serves to highlight its significance. Once more, a strong role of neoliberal ideas can be identified through an application of the policy manifestations of neoliberalism, especially in the area of taxation. Karimov proposes the following policy measures on taxation (Karimov 2005, Section V Priority six):

1. Simplification of tax legislation and unification of taxes;
2. Tax incentives such as tax cuts to increase tax compliance and broaden the tax base;
3. Predictable and efficient taxation;
4. Liberalization of tax administration.

This is an unambiguously neoliberal policy package on taxation that calls for the easing of tax burdens. His policy measures on improving taxation are centered on the neoliberal prescription of increasing tax revenue through tax cuts and increased efficiency of the taxation system to reduce tax evasion and broaden the tax base (Steger and Roy 2010, 24). This neoliberal tax package has been wholeheartedly embraced by Karimov, which again shows a powerful influence in his conceptualization of tax reform. Indeed, my analysis has revealed that all of Karimov’s major priority policy initiatives are framed with regard to neoliberal ideas and principles, and they are intended to consolidate market reforms in the economy of Uzbekistan. Moreover, through these discourse analyses, I have demonstrated the advantages of taking a comprehensive, three-dimensional approach to neoliberalism. It provides a nuanced and comprehensive understanding of neoliberalism, which greatly helps in my attempt to employ discourse analysis to identify traits and attributes of neoliberal ideas hidden in these texts that otherwise would be difficult to recognize.

*Nazarbayev’s State of the Nation Address:
Kazakhstan’s Strategy of Joining the World’s 50 Most
Competitive Countries, March 1, 2006*

At the beginning of his third term of presidency in 2006, Nazarbayev delivered an annual state of the nation speech to the nation’s parliament.

At this period, Kazakhstan was enjoying rapid economic growth after recovering from the Asian financial crisis of 1998–1999. Although the Asian financial crisis posed a serious challenge to the promises of neoliberalism regarding the free market model of the economy, Kazakhstan under the leadership of Nazarbayev stayed on the course of neoliberal free market reform during this period, and its economy became more neoliberal. This reflects the powerful effect of neoliberalism as a dominant ideology of the day. With this background, Nazarbayev delivered this speech in which he presented to the nation a proposal to bring Kazakhstan into the ranks of the world's 50 most competitive countries, which was actually an updated action plan from his 2030 strategy for Kazakhstan, examined in the previous section. The speech was of importance in this regard because it functioned to provide a long-term policy focus and a direction for what the country should set out to achieve. Therefore, this speech is of particular interest for looking into manifestations of the influence of neoliberalism.

The speech reaffirms Nazarbayev's commitment to leading the country toward an open, free market economy and democracy—a neoliberal project that he started in the early years of Kazakhstan's independence and has kept alive since. Centered on this ultimate goal that he set for the country in 1991, he proposes in the speech to have Kazakhstan become one of the 50 most developed countries in the world—"the world's 50 most competitive countries," as he puts it in neoliberal language that highlights the market concept of competitiveness. Yet this is not all. After 15 years of development since 1991, his conviction in neoliberalism had become entrenched even further, as reflected in his interpretation of this ultimate goal, in which he emphasizes that the task of building a free market system has a decisive role in his vision of the neoliberal project. This market-centered neoliberal view of society becomes particularly pronounced when he declares, at the beginning of the speech, the first and foremost principle on which his proposal is based:

First, the foundation of a flourishing and dynamically developing society can only be based on a modern, competitive and open market economy which is not confined only to the extracting sector. (Nazarbayev 2006)

This statement reflects a stark neoliberal ideological claim of the centrality of the market in human society. Indeed, economic concerns occupy most of Nazarbayev's attention throughout this speech, in which neoliberal

ideas and principles exert an important influence on the framing and construction of his proposal, and subsequently on the policy options that this speech was intended to put into practice. The proposal highlights the following seven priorities: (1) integration into the world economy; (2) improvement of market relations to modernize and diversify Kazakhstan's economy; (3) development of a modern social policy to protect the needy and to support economic growth; (4) modernization of education to ensure Kazakhstan's competitiveness in the world market; (5) development of democracy; (6) national security; and (7) multivector foreign policy (Nazarbayev 2006).

The first priority implicitly reflects a neoliberal ideological claim that global market integration is beneficial to everyone. This strategy particularly emphasizes market competition, deregulation of the state in business initiatives, and protection of the private sector, which are all standard policy options of neoliberalism's economic dimension. In the second priority, the strategy of economic modernization and diversification depends on a market economy and active support from the government for its efficient operation. Again, such a market-centered approach to economic development is clearly in line with neoliberalism.

The third priority of modernizing social policy stresses an intention of reorienting "the social support system according to conditions of the market economy" (Nazarbayev 2006) with an emphasis on the principles of a need-based approach and a promotion of economic self-reliance. It highlights that such a social policy should focus on "the training of capable citizens to enter the workforce" (Nazarbayev 2006). This reflects a strong influence of a neoliberal rationality of governance whereby the state's attention is directed toward reducing government spending and increasing individual responsibility—a shift from welfare to workfare. For the fourth priority, the ultimate purpose of modernizing education is to produce "qualified personnel" for ensuring "Kazakhstan's competitiveness" in the world market (Nazarbayev 2006). The strategy emphasizes that:

in order to stimulate the development of the system of education, the partnership between private and public sectors should be strengthened. (Nazarbayev 2006)

The influence of neoliberalism is obvious in this market-centered approach to education. The individual is assigned an identity as a market agent whose skills and training are ultimately measured by their

competitiveness in bringing economic benefits in the market. Moreover, the emphasis on public–private partnership underlines a neoliberal conviction in the efficiency of private initiatives in the market.

The fifth priority is about the further development of democracy in Kazakhstan. This priority is the shortest in length in its articulation. Perhaps this reflects a lesser significance of the topic of democracy in the eyes of the president in relation to his reform policy package, although it was still necessary to include in his speech in order to help promote his neoliberal reform messages. This priority task focuses mainly on a general principle of promoting the rule of law in order to induce strict compliance with the constitution and laws by individuals and the state. Although this is a neoliberal initiative in its outlook with regard to the liberal principle of rule of law, whether it promotes a genuine democracy is called into question by the existence of the undemocratic laws in the legal system of Kazakhstan, which I discussed in Chap. 2.

In that chapter, I showed that although the political systems of Kazakhstan and Uzbekistan have acquired a veneer of democracy with practically a full set of democratic institutions, they are largely void of democratic substance. However, Nazarbayev’s listing of democracy along with other pro-market priorities exactly reflects yet another neoliberal ideological maneuver, which is to claim that the free market helps spread democracy (Steger 2009, 84–87). In effect, coupling his market initiatives with democracy helps justify and promote the free market capitalist order that his neoliberal reforms have brought about in post-Soviet Kazakhstan.

The sixth and seventh priorities, which refer to the strategies of maintaining national security and multivector foreign policy respectively, do not include overt and explicit references to elements of neoliberalism. Yet there are several places where the implicit influence of neoliberalism can be found. One influence of neoliberalism that is covertly embedded in both of these priorities lies in their connection to the ultimate purpose of ensuring a secure environment conducive to market reform. Another influence of neoliberalism is implicitly reflected in the seventh priority with its emphasis on the principle of international cooperation in Kazakhstan’s foreign relations to secure economic benefits for Kazakhstan. This position highlights economic cooperation and integration with particular emphasis on promoting international trade and on attracting foreign investment as an important means for the development of Kazakhstan’s economy, reflecting a neoliberal belief in the benefits of the open market and free trade.

SECTION 3. THE YEARS FOLLOWING THE WORLD ECONOMIC CRISIS (2009–2015)

This is the period that covers the years after the 2008 world economic crisis up until 2015. It is a period of particular significance in my research on the influence of neoliberalism in the post-Soviet transformations of both Uzbekistan and Kazakhstan. This is because of an inherent connection between the global dominance of neoliberalism and the disastrous event of the world economic crisis of 2008–2009. This crisis resulted in a worldwide prolonged economic recession. The magnitude and intensity of the crisis were often compared by political and economic commentators to the Great Depression that began in 1929. Eventually, the tide was reversed after governments around the world rushed to the rescue of their economies with dose after dose of strong interventionist measures. The crisis represents, as the 2008 Nobel laureate, economist Paul Krugman (2009), puts it, “catastrophic failures in a market economy.” The crisis itself made an ironic mockery of the alleged efficiency of the free market advocated by neoliberals, and it struck a great blow to the global position and credibility of neoliberalism. Therefore, with this background, the post-crisis period becomes of particular importance for my research. By looking into policy initiatives proposed by both presidents in this period for their reform endeavors, I am able to identify whether trends in Uzbekistan and Kazakhstan have continued to indicate a strong influence of neoliberalism.

The analysis of the speeches and writings of Karimov and Nazarbayev in the previous sections reveals a strong connection between neoliberalism and post-Soviet transformations of both Uzbekistan and Kazakhstan during the early and middle years of their independence. In this section, I continue my discourse analysis of public speeches of Karimov and Nazarbayev. Specifically, I examine Karimov’s presidential inaugural speech of April 10, 2015, and Nazarbayev’s state of the nation address of December 14, 2014. My analysis shows that the covert and explicit influence of neoliberalism in these two speeches does not differ much from that seen in the texts examined in the previous sections. This further supports the findings of the previous sections on the significant connection between neoliberalism and the post-Soviet capitalist transformations of both countries.

Karimov's Presidential Inaugural Speech, April 10, 2015

Karimov delivered an official address to the people of Uzbekistan at his fourth term presidential inauguration, which was held on April 10, 2015. The speech was an important policy document for the following three reasons. First, the speech was not merely a formality at the celebration of his new term of presidency. Rather, it served to provide the nation with his long-term policy outline for the next seven years of his new term of presidency and beyond. Second, it was presented when Uzbekistan's economy had regained momentum for positive growth from the recession resulting from the world economic crisis of 2008–2009. This background makes this speech significant for my study because what he said about Uzbekistan's post-Soviet reforms at this point in time, after a significant worldwide crisis, helps me discern whether there is a change in the influence of neoliberalism on the policy direction of Uzbekistan's post-Soviet transformation. Moreover, the speech was made at the threshold of Uzbekistan's 24-year anniversary of independence. Although 24 years is just an ephemeral moment in human history, it is long enough to allow for a meaningful assessment of the connection between the development of Uzbekistan's post-Soviet reforms and neoliberalism.

At the beginning of the speech, Karimov confirms the success of Uzbekistan's post-Soviet reforms in contributing to the national revival and economic development over the past 24 years, and reaffirms his intention to continue to steer the nation on the course of reforms originally set at the very beginning of his first term of presidency in 1991. He states:

The most critical factor of all our accomplishments has been indisputably the evolutionary and gradual development course chosen by us that is built on the renowned five principles and recognized in the world as the Uzbek Model of reforms, and the life itself confirms today how correct this path has been. (Karimov 2015)

The speech makes it clear that the implementation of Uzbekistan's neoliberal reforms will remain unchanged, that is, that the nation will continuously move toward building a market economy and democracy, just as in the goals that Karimov drew up and set out to achieve at the inception of Uzbekistan's independence 24 years earlier. This statement explicitly

indicates the decisive role of neoliberal ideas in his reform project. Moreover, besides pointing to the past successes of his neoliberal reforms, he invokes globalization as yet another justification for continuing the process:

We are all well aware that the world evolves and does not stay intact, especially if we take into account that we live in the 21st century, an era of intellectual labor, internet and globalization, while the speedily changing times constantly remind us about that. (Karimov 2015)

Karimov considers that the changing material reality of the world with the coming of the era of intellectual labor—which echoes the neoliberal discourse of the knowledge economy—and the development of internet technology, as well as globalization, necessitates a continued implementation of his neoliberal reforms. Note that his portrayal of globalization as an objective material process reflects an implicit ideological claim of neoliberalism that globalization represents objective and therefore inevitable processes, about which people can do nothing except go along with them in order to survive (Steger 2009, 68–75).

Further on in the speech, Karimov lays out the general tasks for deepening his neoliberal reforms, mainly focusing on three policy initiatives, namely, the advancement of the democratic reform, the further extension of market reforms, and a foreign policy of enhancing international cooperation. As I demonstrate in the following analysis of the speech, neoliberalism plays a particularly important role in constructing, interpreting, and justifying all of these policy initiatives.

On the initiative of advancing the democratic reform, he invokes neoliberal ideas with the following statement:

When we speak of this, of particular importance for us is the elimination of stereotypes inherited from the totalitarian regime, solution of all the variety of issues still present, consistent realization of laws passed by us and the further enhancement of reforms undertaken.

In the first place, we should take the reforms in the sphere of securing the freedom of speech and information, human rights and freedoms to a new, higher level, as well as in the perfection of judicial system, development of civil society institutions, and it ought to be noted that much remains to be done on these fronts. (Karimov 2015)

In this text, Karimov's use of the concepts of individual freedom and rights, such as freedom of speech, individual human rights, and freedom,

to frame his democratic reform strategies resonates with the individual-centered neoliberal approach to democracy, indicating the significant role that neoliberal ideas play in these initiatives. Moreover, the influence of neoliberalism can also be clearly discerned in Karimov's proposals of "consistent realization of laws" and the "perfection of the judicial system," to use his own words. These initiatives point to yet another liberal ideal: the ideal of the rule of law, which originates from the liberal belief in limiting state power for the protection of individual rights. Furthermore, in this speech, Karimov also highlights a political condition—the development of civil society institutions—that he proposes to achieve as part of his democratic policy initiatives. The influence of neoliberalism is also seen here. This policy on the development of civil society reflects yet other liberal democratic principles: freedom of association and the institution of citizen autonomy (Dahl 1971, 3).

In this speech, his linking of the liberal principles of individual freedom and the free market to the concept of democracy is a typical neoliberal ideological maneuver, which serves the purpose of legitimizing and promoting his neoliberal political and economic reforms. In addition, note that in the text, the former Soviet regime is represented as totalitarian, which is contrasted to his democratic reform, thereby further justifying his neoliberal reform as a whole.

Further on in the speech, Karimov's proposals on the initiative for furthering market reforms rely completely on neoliberal ideas. One prominent neoliberal idea he invokes is the concept of competition:

It is by no means a secret to anyone that if we do not provide for the competitiveness of our economy, that is, modernization and diversification of manufacturing sectors and fields, their technical and technological renewal, the global market—and potentially the internal one—will cease to accept the goods produced by us. We should all be aware of this truth. (Karimov 2015)

This statement clearly indicates Karimov's neoliberal conviction in market competition as the most efficient approach to economic development and prosperity. He also emphasizes the integration of Uzbekistan into the global market via enhancing the competitiveness of Uzbekistan's economy. Embedded in this thinking is a neoliberal belief in the economic benefits of global market integration. He presents this approach as a truth, implicitly reflecting a neoliberal ideological claim on the naturally optimal effect of competition in an open market on economic efficiency and productivity (Steger 2009, 61).

Moreover, Karimov explicitly invokes neoliberal ideas in constructing and justifying his initiative for deepening reforms.

Nonetheless, notwithstanding the advantages of private property that we all know vis-à-vis the public property, the works undertaken on this front, unfortunate as it is, have been unable to address completely the issue of providing the private owners with necessary freedom and the endeavors have hardly produced expected results.

It is for this very reason that we should reduce the share and level of government presence in the economy to strategically and economically reasonable sizes. (Karimov 2015)

Karimov's emphasis in this statement on curbing governmental interference in the private sector to ensure private economic freedom reflects the economic thinking of neoliberalism in the policy dimension. His identification of the superiority of private ownership reflects a strikingly neoliberal distaste for state enterprises and a complete faith in the private sector as the driving force of the economy. Karimov's economic initiative of advancing market reforms mainly rests on the private economy, deregulation, reducing the state presence in the economy, and the protection of private ownership and private economic freedom, all of which are integral to a standard neoliberal policy prescription.

Toward the end of the speech, he lays out long-term foreign policy directions for the nation. There is no overt invocation of neoliberal ideas in his policy initiatives. However, the influence of neoliberalism is still present, yet in an implicit and indirect way. His foreign policy attaches particular importance to securing a peaceful external environment and developing international cooperation in the non-military and non-political domains (Karimov 2015). Actually, it is precisely here that the indirect connection to neoliberalism lies: A peaceful environment is necessary for the successful achievement of the goals of his neoliberal reforms. Moreover, by excluding international military and political cooperation, Karimov accentuates the importance of international economic cooperation for the advancement of the economic interests of Uzbekistan. His emphasis on external economic relations echoes his economic initiative of integrating Uzbekistan into the global market, which I discussed in the previous passages. Implicit in this pro-economy foreign policy is a neoliberal belief in the mutual benefits of trade and market integration.

The analysis of Karimov's 2015 speech presented here highlights the strong influence of neoliberalism in his reform policies at this period. Not

only do neoliberal ideas and principles play an important role in framing Karimov's reform initiatives, but they also serve as an important justification in legitimizing his subsequent policies and action plans. Surprising as it may be, my findings show that the 2008–2009 world economic crisis did not change the course of Karimov's post-Soviet reforms, and the country's post-Soviet neoliberal order becomes in fact more entrenched. The influence of neoliberalism shows a consistent pattern over the past 24 years since Uzbekistan declared independence in 1991.

In the following section, I will look into Kazakhstan's President Nazarbayev's reform policies during the post-crisis period to see if the influence of neoliberalism in his reform initiatives continues during this period, in order to discern if neoliberalism is a consistent theme in his post-Soviet reforms.

Nazarbayev's State of the Nation Address, December 14, 2012

On December 14, 2012, during his annual state of the nation address, Nazarbayev unveiled "Kazakhstan 2050 Strategy"—a comprehensive national plan aimed at bringing Kazakhstan into the ranks of the 30 most developed countries in the world by the middle of the twenty-first century. It can be considered an updated and extended version of the previous national master plan—"Kazakhstan 2030 Strategy," which had been guiding the nation's development since 1997 up until 2014. I examined the 2030 strategy earlier in this chapter. My analysis revealed a strong influence of neoliberalism on the plan's construction of a post-Soviet new Kazakhstan and on the justification of corresponding policies and actions intended for achieving such a vision for Kazakhstan. For the 2050 strategy, as my following discourse analysis shows, the influence of neoliberalism is as significant as it was on the 2030 strategy. Building on the tasks set by the 2030 strategy, the 2050 strategy reflects much continuity and consistency between the two plans.

The 2050 strategy lists seven policy priorities for building a new Kazakhstan. The following list gives the title of each policy focus (Nazarbayev 2012; note that they all appear in upper case in the original text):

1. "ECONOMIC POLICY OF THE NEW COURSE—ALL AROUND ECONOMIC PRAGMATISM BASED ON THE PRINCIPLES OF PROFITABILITY, RETURN ON INVESTMENT AND COMPETITIVENESS;

2. COMPREHENSIVE SUPPORT OF ENTREPRENEURSHIP—LEADING FORCE IN THE NATIONAL ECONOMY;
3. NEW PRINCIPLES OF SOCIAL POLICY—SOCIAL GUARANTEES AND PERSONAL RESPONSIBILITY;
4. KNOWLEDGE AND PROFESSIONAL SKILLS ARE KEY LANDMARKS OF THE MODERN EDUCATION, TRAINING AND RETRAINING SYSTEM;
5. FURTHER STRENGTHENING OF THE STATEHOOD AND DEVELOPMENT OF THE KAZAKHSTAN DEMOCRACY;
6. CONSISTENT AND PREDICTABLE FOREIGN POLICY IS PROMOTION OF NATIONAL INTERESTS AND STRENGTHENING OF REGIONAL AND GLOBAL SECURITY;
7. NEW KAZAKHSTAN PATRIOTISM IS BASIS FOR SUCCESS OF OUR MULTIETHNICAL AND MULTI-CONFESSIONAL SOCIETY.” (Nazarbayev 2012)

Influences of elements of neoliberalism are present throughout these policy titles from Nazarbayev’s 2050 strategy. Overt references to neoliberalism are mostly concentrated in the first, second, third, and fifth priorities. In what follows, I will analyze them one by one. The first long-term policy priority for the years up to 2050 falls within the sphere of the economy. The title itself renders apparent the decisive influence of neoliberalism in his economic policy and his complete reliance on the utterly neoliberal economic principles of profitability, economic return on investment, and economic competitiveness.

The second priority makes privatization of state-owned enterprises its focus with a claim of the superiority of private businesses over state-owned enterprises in economic efficiency. This reflects yet another influence of neoliberalism in its faith in private initiatives as the driving force of economy. Nazarbayev argues that:

private businesses are normally more effective than state run enterprises. Therefore we must transfer non-strategic enterprises and services to the private sector. This is a crucial step for strengthening domestic entrepreneurship. (Nazarbayev 2012)

A reading of the above text from the policy perspective of neoliberalism renders apparent the strong influence of neoliberalism in this policy initiative. Privatization of state-owned enterprises is a standard neoliberal policy

prescription (Steger and Roy 2010, 14). The important role of neoliberalism is also reflected in Nazarbayev's justification of his privatization policy through the ideological claim of neoliberalism that the private economy is most efficient in bringing economic prosperity.

The third priority of the strategy focuses on social policy. Nazarbayev makes an explicit reference to a neoliberal rationality of governance in his focus on individual responsibility:

the State should render social support only to those groups who need it...
The State should render social support for the unemployed provided that the person under that category masters a new profession and attends retraining programs. (Nazarbayev 2012)

Moreover, it also emphasizes basic, hence minimal, social protection by the state, targeting only needy persons, which reflects neoliberal economic cost-benefit thinking in directing state spendings. The policy initiative on reducing state spending on social benefits to the minimum level implicitly expresses such thinking because, according to neoliberalism, social expenditures such as welfare spending, unlike business investments, are not profit-oriented and have little prospect of economic return; thus, state social spending should be restricted in order to maintain a balanced budget. The fourth priority focuses on education and training, the ultimate purpose of which is to make Kazakhstan economically competitive by developing a highly educated and skilled workforce. Such an overt reference to the neoliberal economic principle of competition as the central criterion in developing a long-term strategy in the sphere of education again demonstrates a strong influence of neoliberalism, in at least two different ways. One is through the emphasis on the neoliberal principle of competition, while the other is through extending such a neoliberal economic principle into a non-economic sphere; both reflect an embedded neoliberal rationality of governance that encourages non-economic institutions to conform to market principles (Steger and Roy 2010, 12–14; Harvey 2005, 3; Larner 2000, 12).

In the fifth priority, which focuses on the issues of strengthening statehood and developing the democratic system, the influence of neoliberalism can be found in several places using the comprehensive understanding of neoliberalism adopted in this study. This priority concerns mainly administrative reform in the context of the market economy. Nazarbayev emphasizes the desired relations between the state and the private sector:

We should not intervene in business and “lead everyone by their hands.” We should provide businesses with confidence in the future. Entrepreneurs should reckon their abilities and know that the State will not cheat but will protect. All that is requested from entrepreneurs is a fair work. I assume that we have to, firstly, to guarantee de-facto immutability of the private property rights. Secondly, it’s necessary to guarantee the contracted liabilities protection. (Nazarbayev 2012)

These policy initiatives are permeated with neoliberal principles such as entrepreneurial freedom, removal of state interference in the economy, and protection of private property and contractual rights and obligations. For Nazarbayev, these market principles are deemed important considerations for the functions and duties of government. Embedded in such thinking is a neoliberal rationality of governance that makes market principles central to the conduct of government (Steger and Roy 2010, 12–14).

Moreover, a neoliberal rationality of governance is also seen in his policy initiatives on administrative reforms in the following excerpt:

“Decision makers at the State level should meet the following requirements:

- Be accountable for not only the short-term, but also the long-term results.
- Be accountable for the multiplicative effect of the management decision.
- Align with the fair competition rules and freedom of entrepreneurship.
- Exclude double interpretation of the functional duties of public servants. Clear legislative regulation of their activities.” (Nazarbayev 2012)

As expressed in the above text, neoliberal economic ideas of competition and freedom of entrepreneurship are explicitly invoked as important principles on which Nazarbayev’s proposed administrative reforms are based. So, market principles are presented as central to public administration. This view reflects a strong influence of neoliberalism from the perspective of understanding neoliberalism as a mode of governance. Moreover, a neoliberal rationality of governance is also reflected by the emphasis in this text on the principles of accountability, market-centered and performance-based public management, and professionalism, all of

which strongly echo neoliberal principles of public management (Osborne and Gaebler 1993).

The sixth and seventh priorities focus on multilateral foreign policy and nationalism respectively. There are no overt and obvious neoliberal ideals and principles in these priorities. Yet their connection to neoliberalism lies in their ultimate purpose—to help with the implementation and the justification of his neoliberal vision for a new Kazakhstan. The priority of the multilateral foreign policy initiative is to secure a peaceful external environment to ensure a successful implementation of this long-term strategy as a path to national revival and development centered on a neoliberal economic model. In the seventh priority of Kazakhstan patriotism, the influence of neoliberalism is implicitly reflected in Nazarbayev's linking of nationalism to his neoliberal vision of a new Kazakhstan as articulated in the 2050 strategy. Such a link between his neoliberal vision and nationalism serves to justify his strategic plan to gain popular support.

This section's analysis of Karimov's and Nazarbayev's speeches reveals a continuing strong connection between their reform policies and neoliberalism in the period after the world economic crisis of 2008–2009. The findings are consistent with what has been shown in their policy speeches and writings examined for the early and middle post-Soviet periods in the previous sections. This demonstrates the consistent, dominant influence of neoliberalism in the post-Soviet transformations of Uzbekistan and Kazakhstan over the past 24 years since 1991 when they became independent nations.

On a larger scale, the findings of this analysis further point to a continued dominance of neoliberalism as a powerful global ideology, notwithstanding the strong blow it received during the 2008–2009 world economic crisis. Although the crisis may have shaken people's confidence in the tenets of neoliberalism, especially regarding its alleged market efficiency, other fundamental tenets of neoliberalism such as the economic superiority of private ownership over public ownership, and the benefits of free trade and market exchange remain firmly entrenched, as reflected in the findings from my analyses of the reform policy initiatives of both leaders. As a matter of fact, the world economic crisis did not alter the global neoliberal capitalist political-economic system of which both Uzbekistan and Kazakhstan are now an integral part. The global capitalist order established in the post-Cold War period remains intact. Neoliberalism as a dominant ideology of our time is still alive and well.

DISCUSSION AND CONCLUSION

This chapter analyzes speeches and writings of Karimov and Nazarbayev from three periods of their nations' independence, a time span that covers the entire 24 years of the post-Soviet period.

It focuses on the influence of neoliberalism in Uzbekistan's and Kazakhstan's post-Soviet capitalist transitions from a discursive perspective. Throughout this chapter, I have demonstrated a strong connection between neoliberalism and the policy discourses of Karimov and Nazarbayev in regard to the post-Soviet capitalist transformations of Uzbekistan and Kazakhstan, taking a comprehensive, three-dimensional approach to neoliberalism.

My analysis highlights the multiplicity of the influences of neoliberalism in the transition processes of both countries and points to the advantage of adopting a multidimensional approach to understanding neoliberalism in gaining a comprehensive understanding of the impacts of neoliberalism on both Uzbekistan's and Kazakhstan's post-Soviet capitalist transformations. As my findings have shown in the previous chapters on political (Chap. 3), economic (Chap. 4), and cultural (Chap. 5) transformations in these two countries, neoliberalism's influence is extensive and is not confined to a particular sphere of society. This warrants an inclusive understanding of neoliberalism rather than a single-minded focus on only political, or economic, or other narrowly defined aspects. Moreover, such a comprehensive approach also enables a nuanced understanding of neoliberalism from three different yet interrelated perspectives—as policy, as a mode of governance, and as ideology—that pay attention to its manifestations on both ideational and material planes. As I have demonstrated through my discourse analyses in this study, this comprehensive approach to neoliberalism shows a strong analytical power in its ability to distinguish as many as possible attributes and traits of neoliberalism embedded in the public speeches and utterances of both political leaders that otherwise would be difficult to identify.

My findings also point to the fact that neoliberalism has played a crucial role in the establishment of a capitalist political-economic system in both Uzbekistan and Kazakhstan. As my analysis shows, since their independence in 1991 both Uzbekistan under the leadership of Karimov, and Kazakhstan under the leadership of Nazarbayev have carried out a comprehensive set of reforms as a path to national revival and economic prosperity under the neoliberal rubric of building a free market economy and a democratic political

system. Since then, both Uzbekistan and Kazakhstan have moved along with their neoliberal reforms for more than two decades. As a result, their inherited political and economic systems from the bygone Soviet era have been radically restructured, and a new order has emerged and, further, firmly taken root in both Uzbekistan and Kazakhstan. Representing a complete departure from the Soviet period, it is a social order characterized by features including a class system that is based on the private ownership of the means of material production, an economy that is led by the private sector, and the dominance of commodities and exchange relationships in social relations. These features render apparent the capitalist nature of the new system from a Marxist perspective.

It is this very nature of the new social order that links the post-Soviet transformations of these two countries to neoliberalism, if we look carefully into the kind of political-economic system neoliberalism stands for. A neoliberal rationality of governance puts individual freedom and market principles at the center of its ruling strategies. Specifically, it upholds private ownership of the means of economic production, and insists on a political order whose ultimate purpose rests with protecting and advancing the private interests of the owners of the means of production in the market. Moreover, from a policy perspective, the neoliberal policy package—privatization of state enterprises, deregulation of the economy from the state, and liberalization of trade and markets—calls for an economic system based on free competition of profit-seeking private entrepreneurs and unfettered market exchange relations. Furthermore, a neoliberal ideology will defend individual freedom, including rights of private ownership, as a naturally endowed entitlement, which the state is obliged not to infringe but to protect. In addition, the neoliberal ideology confers the quality of a natural force on the inner logic of the market economy, claiming that the work of the market is self-regulating, and that its results are therefore beyond any human intention. With such claims to truth, this ideology asserts that people have to follow such supposedly objective market rules in order to survive and progress. Therefore, the ultimate purpose of the neoliberal ideology is to serve to produce, legitimize, and perpetuate a political-economic system that is based on the principles of private ownership of the means of production, market exchange, and free competition of property owners in the market for profit accumulation and maximization. This understanding of the proper political-economic structure as conceptualized by neoliberalism clearly points to its capitalist nature from a Marxist viewpoint.

The findings of my discourse analysis have shown that not only does neoliberalism play an important part in Karimov's and Nazarbayev's construction and interpretation of the post-Soviet capitalist order in Uzbekistan and Kazakhstan, but also serves as an important ideological tool, along with other ideas such as nationalism and patriotism, being used for the legitimization and justification of the post-Soviet capitalist order established in their countries. The national pride over freedom from the Soviet system and the national aspiration for a free and prosperous future have been matched with neoliberalism's central tenet of a free market and its ideological manipulation of the concepts of democracy and individual freedom. As a result, the neoliberal discourse became a powerful instrument to co-opt the state-building endeavors of both countries after they were thrown into independence by the fall of the Soviet Union.

Also highlighted is that the understanding of the influence of neoliberalism in the post-Soviet capitalist transformations of both countries should be historically contingent. The embrace of neoliberal ideas has been a gradual process for the leadership of both countries. To begin with, the influence of neoliberal ideas has to be discerned in a global context of the hegemony of the neoliberal ideology. It has been the context in which reforms in both post-Soviet Uzbekistan and Kazakhstan take place. This is an indispensable factor for understanding the processes of post-Soviet transformation in these two countries. Moreover, the market-based reforms and political liberalization introduced by Gorbachev in the last years of the Soviet Union had set in the motion neoliberal reforms in both countries well before their independence, and had continued to have an impact in their post-Soviet period. It was during this period that both former communist leaders Karimov and Nazarbayev became exposed to neoliberal ideas and started to subscribe to them. This whole reform process has not come all of a sudden; rather, as reflected in the findings of my discourse analysis, it developed in both countries gradually over time. For example, in the early period, the reform programs in both countries reflected a strong influence of their socialist past, particularly with regard to the socially oriented rhetoric of their reforms and their emphasis of social responsibilities of the state. In the later periods, as neoliberal ideas were taking root in both countries, the influence of neoliberalism on reforms policies have been getting more and more stronger as reflected through an increased focus on individual responsibilities in policy initiatives of both leaders.

Moreover, the influence of neoliberalism in both countries has been context-specific. I have demonstrated numerous ways in which neoliberalism

influences both leaders' representations of realities, articulations of their policy responses, and justifications of proper state actions in bringing about the post-Soviet capitalist transformations of both countries. Yet, as also shown in the findings, the adoption of neoliberal ideas, policies, and practices in both countries demonstrates distinctly local characteristics, not all of which have been realized in strict conformity to how they are manifested in the Western countries where they originated. Moreover, the two leaders' neoliberal reform policies vary in their specific foci and emphases in each of the three periods of the post-Soviet capitalist transitions identified in this study.

The successful operation of Karimov's and Nazarbayev's neoliberal policies in post-Soviet Uzbekistan and Kazakhstan have been contingent upon how well these policies have fit into their particular political agenda and their countries' conditions specific to a given historical time. This results in a selective and adaptive implementation of neoliberal economic and political ideas in the post-Soviet reforms of Uzbekistan and Kazakhstan. While the overall purpose is to preserve, protect, and expand the capitalist system, their neoliberal policies cannot always work in precisely the same way, because of the problems they face as well as the circumstances and conditions of the countries in which they carry out their reforms, which have been themselves incongruent and inconstant, and subject to continuous change.

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Conclusion

In concluding this book, I focus on three matters: the distinguishing features and the main findings of this research, the potential limitations of this research, and my suggestions for possible future directions for researchers of social sciences. The discourses of transition, neoliberalism, and the global spread of free market-centered capitalism are the major themes of this research. This book argues for the power of ideas in shaping the reality. With a focus on post-communism transformations of Uzbekistan and Kazakhstan, this book demonstrates that capitalist transitions in both countries as well as the global spread of neoliberal capitalism are inextricably connected; they are as much ideological practices as material processes. To consider these processes solely in materialist terms is to risk losing sight of the crucial role of neoliberalism—an ideology that has achieved global dominance in the past three decades.

The book also demonstrates the advantage of utilizing a comprehensive understanding of the concept of neoliberalism, which attends to both its ideational and its practical characters, in comprehending multifaceted impacts of neoliberalism on the post-Soviet systemic transformations of Uzbekistan and Kazakhstan. Aided by this approach, this book discovers a strong influence of neoliberalism in both countries' post-Soviet capitalist transformations that have been unfolding since 1991.

Adopting a cross-disciplinary approach is another contribution of this book to the literature of post-communism transition. The analytical framework draws on different methodological and theoretical perspectives, including political science, political economy, the Marxist critical school,

cultural studies, semiology, and critical discourse analysis (CDA). This cross-disciplinary approach, as shown in the book, helps to broaden our understanding of different ways in which neoliberal ideas and assumptions are implicated in the capitalist transformations of post-Soviet Uzbekistan and Kazakhstan.

This book approaches post-Soviet transformative processes as specific to time and place within the context of the global dominance of neoliberalism, which itself is a historical event. The global dominance of neoliberal capitalism and its underlying neoliberal ideology is the context under which processes of post-Soviet capitalist transitions took place in both Uzbekistan and Kazakhstan. Hence it is an indispensable factor conditioning these processes and therefore it deserves serious attention for better comprehending issues relating to post-Soviet transition. The strong influence of neoliberalism in both countries' systemic changes discovered in this research points to the inherent connection between the global and the local. However, the research also indicates that global imperatives take effect through local contexts; hence capitalist systems developed in post-Soviet Uzbekistan and Kazakhstan bear distinct national peculiarities.

The findings of the book point to the fact of the imperative of strong state in the materialization of neoliberalism's free market economy, echoing previous critics such as Harvey (2005, 2–4) and Steger (2009, 164) over the contradiction in the core claim of neoliberalism that sees minimalist state as the ideal condition of the proper working of free market's invisible hand. As the book demonstrates, processes of neoliberal projects in both post-Soviet countries have required frequent and extensive use of state power in their implementation, and democracy has been neither an outcome nor a precondition of neoliberal reforms in both countries. Moreover, this book highlights that democracy understood in the liberal tradition is devoid of democratic participation and deliberation in processes of economic decision-making, and it actually functions to maintain and justify a capitalist social order.

This book also finds a strong influence of American culture in both of these remote Central Asian countries since they began implementing neoliberal capitalist reforms. This finding points to the powerful role the United States played in the rise of neoliberalism and the spread of global capitalism. The United States as the leading Western state in the global political-economic system has shaped the forms and practices of global neoliberal capitalists in its own particular image. Again, the promotion of liberal democracy by the United States, whether through peaceful means

or otherwise, also serves as a tool by which the United States legitimates and maintains the dominance of its neoliberal capitalist system over the globalized market for the advancement of its economic interests.

There is one more contribution of this research that lies in its adoption of a critical perspective in its analysis, which brings into the analytical picture the factors of political-economy and the exercise of power as the crucial imperatives behind the dominance of neoliberalism and the post-Soviet capitalist transformations of both countries. As my findings show, the post-Soviet transformations of both countries are not processes that have resulted from democratic demands and aspirations of the masses as such; rather, they are processes that involve the exercise of power by national elites on behalf of the state with the intention of preserving and perpetuating the interests of the capitalist systems established in both post-Soviet countries. Following a similar logic, the opening up of markets and free trade around the globe most benefits the interests of the American capitalist economy, as the world's leading economy, in its drive to market expansion and capital accumulation; the dominance of neoliberalism coincides with the dominance of the United States, and continues the advancement of the interests of its capitalist system. One does not need the Marxist perspective to reach this understanding. *New York Times* columnist Thomas Friedman, an American neoliberal writer, also observed this point:

the hidden hand of the market will never work without a hidden fist. McDonald's cannot flourish without McDonnell Douglas, the designer of the U.S. Air Force F-15. And the hidden fist that keeps the world safe for Silicon Valley's technologies to flourish is called the U.S. Army, Air Force, Navy and Marine Corps. (Friedman 1999, 373)

Although the comprehensive conceptual framework and the critical discourse analysis method adopted in the research have made it possible for me to arrive at a meaningful understanding of the processes of the post-Soviet systemic transformations of Uzbekistan and Kazakhstan, this book is not without its limitations. The limitations of my framework for analysis stem in large part from the following facts. First, the book focuses mainly on neoliberal ideology and the political-economic system as the important reference points for understanding the influence of neoliberalism in the overall process of the post-Soviet transformations of Uzbekistan and Kazakhstan. While these factors are important, they are not the only ones that have an impact. There are other factors, such as culture, nationalism,

values, traditions and soviet legacies, among other social conditions, that may in their own right have impacts on the interaction between the global and the local. Second, the subject—post-Soviet capitalist transformations—is broad; it might have been possible to develop a more nuanced understanding of these complex processes if I had focused in depth on some specific aspect of the post-Soviet reforms in both countries.

Finally, this book points to a fact about the strong analytical power of a critical approach in unveiling structural imperatives that maintain or alter certain social orders and relations in a given society. While this is not something new in academia in light of the long existence of the critical tradition, it is ironic with regard to the fact of the increasing marginality of critical approaches and voices in the social sciences as a whole in the era of neoliberal dominance. It seems that critical theories, such as Marxist theories, are relegated next to the historical dustbin, if not altogether in it, by being discredited in everyday discourse. This situation suggests a future direction for an increased voice in critical approaches in the social sciences.

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