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Revolution in Kyrgyzstan

Around 20,000 protesters took to the streets in the Kyrgyzstan capital of Bishkek following parliamentary elections on October 4. Social media posts and news reports of alleged vote-buying and registration fraud sparked outrage when 107 out of 120 parliamentary seats went to parties loyal to President Sooronbay Jeenbekov, a surprising result compared to polls that suggested a competitive race.

Motivated by opposition parties who lost, protesters stormed and ransacked the presidential palace oft referred to as the “White House,” forcing the president to flee for his safety. The struggle for control resulted in protesters claiming to have taken over the building. The incident left 590 injured and one dead. In order to calm tensions, President Jeenbekov agreed to resign and put in place an interim government. As a result, presidential elections are expected to be held on January 10, 2021, while parliamentary elections are anticipated to take place by June 2021.

This is the third time in the country’s thirty-year history that a president was ousted from office following a contested election. This has not gone unnoticed by its biggest allies, China and Russia, which support the country with aid and services. Russia has expressed displeasure with the interim government, while China has yet to acknowledge it. Although the two compete for influence over the region, it is becoming clear they are

growing concerned with its frequent instability.

In this report, we will discuss the potential geopolitical ramifications of the recent events in Kyrgyzstan. We will start off with a brief overview of the history and geography of the region, followed by an examination of recent events in more detail and what is likely to happen over the coming months. As always, we will conclude this report by discussing how markets might be affected.

Geography

Formally known as the Kyrgyz Republic, Kyrgyzstan is a former Soviet state located in Central Asia. It is surrounded by four countries, Kazakhstan, Uzbekistan, Tajikistan, and China. The country is most known for its mountainous terrain; 90% of the country stands above 1,500m. The capital, and most populous city, is Bishkek.



(Source: [Shutterstock](#))

Kyrgyzstan has a diverse population of over six million people. The largest ethnic groups are the Kyrgyz (70.9%), who are a Turkic people, the Uzbeks (14.5%), and the

Russians (9.0%), with the rest being smaller minorities. There is a huge divide within the country between the more homogenous north consisting primarily of Kyrgyz and Russians and the more diverse south of Uzbeks and other smaller ethnic minorities.

Following the collapse of the Soviet Union, Kyrgyzstan gained its independence in 1991. The country has a unitary multi-party government in which the president acts as the head of state, while the prime minister acts as the head of government and is appointed by the president. In 2010, constitutional changes resulted in some of the powers of the president being transferred to parliament, the sole legislative body of the government consisting of 120 seats.

Brief History

Kyrgyzstan has a turbulent history as the country has been marked by tribal conflicts that began over a century ago. Many of these tensions exist to this day and have contributed to escalating tensions over the last two decades.

In the 19th century, the country was split between two major tribes, the Sarybagysh and the Bugu. Tribal conflicts that saw the Bugu ally with the Kokandi, modern-day Uzbeks, and the Sarybagysh with the Russians resulted in the tribes eventually being fully absorbed into the Czarist Russian Empire by 1876. The annexation of the country would add to strife between the two sides as they were forced to compete for scarce resources.

As a predominantly pastoral agriculture economy, the Kyrgyz frequently struggled to raise their standard of living. Farmers' livestock either died due to poor grazing conditions or were killed to provide meat or wool for the Russians. The situation eventually became untenable and the

Russians were forced to suppress a revolt in the region in 1916.

After the communist revolution, in order to placate the Kyrgyz, the Soviet Union granted the territory the designation of an autonomous region. This allowed them to distinguish themselves from their Central Asian counterparts and gave them the ability to elect their own officials. Additionally, it laid the groundwork for achieving independence in 1991 following the Soviet Union's eventual collapse.

Election Problems

Despite gaining its independence, the country has struggled to maintain stability due to political divides along the north and south regions. This geographic division reflects the tribal split between the aforementioned Sarybagysh-Russians and Bugu-Kokandi. This divide underpins much of the tensions we see in the region today.

In a country with scarce resources and few opportunities, it is common for those who gain power to allocate resources to their respective regions. As a result, it is difficult for each side to gain control of power without the use of force as both sides are reluctant to cede control peacefully. The dire need for patronage is likely the reason why elections often end in violence.

Three out of the last four elections have ended in unrest as each side alternated control over the executive branch. Former President Askar Akayev, representing the north, was removed in 2005 following unrest in the south. The next president, Kurmanbek Bakiyev, representing the south, was removed in 2010. His ouster resulted in the north's Almazbek Atambayev becoming the new president. He would later peacefully transfer power in 2017 to Sooronbay Jeenbekov, who is from the south. It is no

surprise that the person replacing Jeenbekov, Sadyr Japarov, is from the north. Hence, the current political situation reflects past tensions between the north and south.

The chaos in its elections has made Kyrgyzstan a target of international scrutiny and has begun to take a toll on its allies. The country has been criticized for its human rights violations following controversial elections. In fact, its reputation was so bad that the U.S. refused to sell weapons to it in 2010. This reputation has stained its image on the world stage and has likely scared away potential foreign investors. The most recent incident has made China and Russia reluctant to accept the transitional government. Russia has gone so far as to postpone aid that was previously granted, while China has rejected the request to defer its loan payments.

What to Expect Going Forward

Despite its history of election fraud, Kyrgyzstan is widely considered the most democratic country in Central Asia. It not only has a relatively free press that allows for open debate, but it has a reputation for having somewhat free and fair elections relative to its surrounding countries.¹ The peaceful transfer of power in 2017 from Atambayev to Jeenbekov further supported this sentiment. However, recent turmoil threatens to undermine the country's reputation and standing with allies.

The primary concern from outsiders is the legitimacy of the leaders. There have been rumors that a criminal mob has effectively taken over the government. Acting interim President Sadyr Japarov has been dismissive

of reports linking his rise to organized crime but has been slow to criticize threats made to reporters covering these stories. Prior to his ascension to power, Japarov was in jail for the kidnapping of a political opponent but was freed by protesters during the uprising.

So far, Japarov has shown a bit of an authoritarian streak. After being elected prime minister by members of parliament, some claiming that they were forced to do so, he has worked diligently to concentrate his power.² After becoming prime minister, he pressured his predecessor and speaker of the parliament to resign from their roles and chose him as president.³ In addition, he is looking to make constitutional changes that will allow him to run in the upcoming election.

At this time, there doesn't seem to be anything standing in Japarov's way of gaining power. The Kyrgyz people have passively accepted his role as president and prime minister. In some sense, the people may view his rise following the violent clashes as normal and therefore don't feel the need to contest the outcome. Meanwhile, China and Russia have not sought to undermine Japarov's legitimacy as they prefer for the country to remain stable, especially given the uncertainty with other countries in Central Asia.

Although China and Russia seem to be hesitant to embrace the current regime, it is clear they would like to preserve their spheres of influence within the region. The most likely reason is to prevent Kyrgyzstan from building closer ties to the West. Neither country wants to see Kyrgyzstan

¹ <https://www.electoralintegrityproject.com/the-year-in-elections-2017>

² Although the president generally picks the prime minister, the predecessor was in hiding during this meeting, so he was not able to appoint a president.

³ Under the constitution, when the president steps down, the speaker of parliament replaces him.

join the European Union or allow the U.S. to build a military base in the region. Additionally, both countries would like to maintain their access to Kyrgyzstan's mineral resources as the country is known for its gold mines.

does spark violence and Russia is forced to intervene, we expect the outcome to be bullish for commodities. Nevertheless, current conditions suggest the elections should go smoothly.

Ramifications

Given that Kyrgyzstan is a relatively small country, it is unlikely that a new election free of fraud claims will have any impact on developed markets. However, if the election

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