

CHAPTER 1

INTRODUCTION

"Our aim is a free and prosperous motherland" (President Islam A. Karimov)

The collapse of Uni-Soviet Social Republic (USSR) in the end of 19 century is indisputably one of the most astonishing geopolitical events of the century. USSR, where the world had grown accustomed to its presence for 75 years, suddenly collapsed and from it there are many independent states with unfamiliar names have emerged on to the international political scene. This emergence of multiple new states to the former USSR has already both literally and figuratively changed the map of Asia. There are six new states that shape a new geopolitical region, which is called Central Asia, namely Uzbekistan, Kazakstan, Turkmenistan, Tajikistan, Kyrgyztan and Azerbaijan¹.

Uzbekistan is one of the giants in Central Asia in terms of weight and influence to the regional culture². With the largest number of population and area in the Central Asia region, Uzbekistan played important role in determining the collapse of USSR. Starting on a willing to change an ideology of the state from communist to democracy by changing the main communist party into national democrat party, had brought the emergence of Uzbekistan as a new independent state and other five states.

An economic stability is one of the main purposes of the country. The stability in economic is generally measured by how consistent the growth and

¹ Ali Banu Azizi and Myron Weiner, *The New Geopolitics of Central Asia and Its Borderlands*, Indiana University Press, Bloomington and Indianapolis, 1994.p.19

² *Ibid*, p.29

development of national income compare to the total number of its citizen³. It needs the balance of its income and outcome. In addition, it also requires the role of government as a ruler and public representation to well manage all national sectors, namely people, natural resource, technology, and relation to other countries⁴. The country will do many strategies in order to gain its economic stability. The strategy that they will do is based on the interest and the ability that they have.

As a part of CISs, Uzbekistan was destroyed by the distortion of economy that attacked USSR at the past. At that time, Uzbekistan as the largest country of CISs had the lowest Gross National Product (GNP) among CISs. Besides that, they also had many problems dealing with its demographic, technology, and geopolitic. Moreover, the absence of a state system for developing personnel in the area of economic and policy, exacerbated Uzbekistan's condition in the beginning of its independence⁵.

International Monetary Fund (IMF) under United Nations tried to help Uzbekistan surpassing from the crisis that they had. They suggested Uzbekistan's government to implement the "shock therapy", which required the IMF intervention through liberalizing product's price and unleashing markets.

³ Gross Domestic Product, retrieved on September 1, 2008 at <http://www.investorwords.com/2186/GNP.htm>;

⁴ Regional Integration of the World, retrieved on September 1, 2008 at <http://www.unpan.org/Regions/AsiaPacific/PublicAdministrationNews/tabid/115/mctl/ArticleView/ModuleID/1467/articleId/17102/Default.aspx?ListType=Aggregated>

⁵ Uzbekistan Rejected Shock Therapy, retrieved on September 1, 2008 at <http://64.233.169.104/search?q=cache:12kDyNhlVMsJ:www.globalpolitician.com/2379-imf-world-bank-economics+imf+shock+therapy+uzbekistan&hl=en&ct=clnk&cd=1&gl=us> accessed on September 1, 2008

However, Uzbekistan rejected it, and chose to implement its own economic policy that derived its strategy of gradual transition to a market economy⁶.

Starting from this point, writer feels that it is necessary to discuss the strategy of Uzbekistan in solving its economic decline in the beginning of its independence without IMF help. The important thing that writer needs to emphasize is self determination of Uzbekistan government to solve its own problem by its own way. Therefore, having viewed the above phenomenon the writer agrees on writing the topic under the title: **“ THE FOREIGN POLICY OF UZBEKISTAN TO SUPPORT ITS ECONOMIC IN THE BEGINNING OF ITS INDEPENDENCE “**.

There are three purposes of this research. First is to explain the history and core problem of Uzbekistan economic decline in the beginning of its independence. Second is to explain the strategy of Uzbekistan government to solve its economic decline. The last is to explain the success of Multilateral foreign policy to support uzbekistan economic reformation strategy to solve its economic decline.

To start explaining its first necessary to describe the problem background of Uzbekisatan economic decline. The demographic problem was the first problem, that they had was dealing with the constituted of the largest children number of its populations. It influenced to the lack of human resources as one of the main developing factors. Besides the lack of human resources, they also lack of technology to proceed their huge natural resources. Moreover the existence

⁶ Country Paper 10th Series, *Main Stages of Economic Reforms in Uzbekistan*, International Policy Conference, Hanoi, May 31-June 1 2004, p.4

economic distortion as a result of USSR collapse, had been exacerbating their economic development and stability for first decades of independence. Therefore, they had many obstacles of economic in the first period of development.

In addition to the economic problems, as a new independence state, Uzbekistan faced a structural problem inside the state. As a consequence of having independence from USSR collapse, at that time they had a weak government, they were lack of state system to determine the resolution policy upon the rising problems, and the mentality during USSR also still influence the current government. Thus, they needed a strong role of government to bring them surpass the crises that they had.

The economic and structural problem were not the only problem that Uzbekistan had, for they also had a problem dealing with its geopolitic issues, in which its neighbouring states, namely Afghanistan and Tajikistan were in war at that time. Anytime, the war might enlarge into larger part, including Uzbekistan. These all conditions and situations were challenges, but also opportunities to Uzbekistan. Only if they can use it well, can they open an access to International politic, while just ignore it, and become the victim of the war. Therefore, in the beginning of Uzbekistan independence, it needed a stabil condition of which in the form of economic solutions.

There are many tools to improve economic stability, one of them is through foreign policy. According to Jack C. Plano and Roy Olton, foreign policy is a strategy or plan that is complied by decision makers of a country in dealing

with other countries or international units, and derived to gain national interests⁷. Politically, the foreign policy of a country will open the possibility of its political cooperation, and it also economically beneficial, for the foreign policy will also open the possibility of economic cooperation among countries, and additionally dealing with foreign investments. As a newly independence state that had huge numbers of challenges, especially in economic factors, Uzbekistan really need the proper foreign policy to open opportunities to the international access in order to support its economic stability.

In short, the decision that had been taken by Uzbekistan requires many consequences, such as challenges and obstacles upon all policies that dealing with its international political economy. For this case, the emerging research question is:

“How did Uzbekistan's Government set up its Foreign Policy to support its Economic in the Beginning of its Independence?”

The hypothesis, the tentative answer is *The Uzbekistan Government used Multilateral Foreign Policy to support its Economic in the Beginning of Its Independence.*

To start explaining and proving the hypothesis, it is first necessary to explain clearly about the strategic concept. According to Jack C. Plano and Roy Olton, *foreign policy is a strategy or plan that is complied by decision makers of a country in dealing with other countries or international units, and derived to gain*

⁷Jack C.Plano and Roy Olton, *Kamus Hubungan Internasional*, (Translated by Wawan Juanda), Putra A. Baradin, 1999,p.6

*national interests*⁸. In addition to the foreign policy understanding, John Lovell defines strategy is *any pre-designed set of moves, or series of decisions, in a competitive situation where the outcome is not governed purely by chance*⁹.

Based on this concept, the decision makers are autonomous and ideal actor in facing the international political problems. Besides that, the foreign policy behavior of one state is definitely directed to gain a single or more goals, and the actions that are only taken, exactly for the sake of gaining the goals. In this case, the decision makers always struggle to maximize the advantages for its state through examining many alternative actions of which fulfilled the effective and efficient requirements.

Multi problems that destroyed Uzbekistan in the beginning of independence need a sudden action and priority of resolution. President Islam A. Karimov determined that economic problem was the first priority that need to be solved, for it is the key point to start resolving the other problems. As a result, President Karimov decided the economic first as the main priority of all Uzbekistan national interests¹⁰. Moreover, all of policies were directed to achieve this goal.

In order to achieve Uzbekistan national interest and goals, the government created strategies, in which implemented into economic reformation. This economic reformation divided into four stages:

⁸ *Ibid*, p.6

⁹ John P.Lovell, *Foreign Policy in Perspective*, Holt, Reinalt & Winston, New York, 1970, p. 42, at Mochtar Mas'ood, *Studi Hubungan Internasional: Tingkat Analisis dan Teorisasi*, PAU UGM, Yogyakarta, p. 90.

¹⁰ Islam Karimov: Economic First, retrieved on September 4, 2008 at <http://2004.press-service.uz>

First stage is in 1992-1994. In this stage, the government more focus on the restructuring of governmental infrastructures, the preparation for transition to market economy and foreign trade policy.

Second stage is in 1994- third quarter of 1996. The government focus on emphasizing the stabilization of production, deepening market reforms, expanding the non-state sectors, strengthening the national currency, and promoting structural reform.

Third stage is in the late of 1996-1998. It was signed by the strengthening of macroeconomic level and the implementation of import substitution policy.

Forth stage is in the beginning of 1999. The declaration of liberalisation of all aspects of life opened the new stage of economic reforms. It also signed the declaration of foreign market liberalization as a major economic reform priorities, and develop the role of private entrepreneurship and particularly medium and small-sized enterprises (SMEs). It was run to open larger opportunity in order to attract more foreign investments.¹¹

To make perfect in analyzing, it is also really necessary to explain clearly about the theory of rational actor. According to Graham T. Allison, *foreign policy decisions are assumed to be rational responses to a particular situation, formulated by a single unitary state actor*¹². One of decision making models of Allison is rational actor. This model is based on an idea that there is a

¹¹ Country Paper 10th Series, *Op.Cit*, p.6-11

¹² Chris Brown, *Understanding International Relations*, Macmillan Press Ltd., London, 1997, hal.75.

comprehensive rationality by the ideal action. The decision maker will make a policy through finding the optimal and ideal alternative¹³.

In this rational actor theory, foreign policy is an impact of rational actions in order to gain a goal. The decision making process of foreign policy is drawn as an intellectual process. The government behavior is determined as an individual behavior that valid and coordinative. In this determination, this individual actor is struggling to decide the decision based on the existing alternatives. As a consequence, the making of foreign policy must focus on the understanding of national interest and national goal, alternatives that can be used, and calculations on advantage and disadvantage of each alternative. The foreign policy that they are going to use, must be the ideal alternative as a consequence of the national goals that have advantages for the national interest.¹⁴

In dealing with Uzbekistan's multi problems, there are two alternatives that they can take as a foreign policy. The first is preventive foreign policy and the other one is multilateral foreign policy. Both foreign policies required cost and benefit. Therefore, Uzbekistan government need to do rational action to choose the propest and beneficial foreign policy for the condition that they had.

According to Vladimir Petrovski, Multilateral foreign policy is often considered to be a type of superstructure over preventive foreign policy, in which it opens more opportunity of cooperation to any directions or any kinds of states¹⁵.

¹³ Mochtar Mas' oed, *Studi Hubungan Internasional : Tingkat Analisis dan Teorisasi*, PAU-UGM, Yogyakarta, 1989, p.62.

¹⁴ Mochtar Mas' oed, *Ilmu Hubungan Internasional: Disiplin dan Metodologi*, LP3ES, Jakarta, 1990, p.234

¹⁵ Multilateral Foreign Policy, retrieved on September 11, 2008 at <http://www.foreignaffairs.org/1982773/vladimir-petrovski/multilateral-foreign-policy.html>

Besides that, he argued that multilateral foreign policy also create a new pattern of political behaviour of the states¹⁶.

One salient characteristic of post-cold war international relations is the upsurge of multilateral foreign policy at the global, cross regional, regional, and subregional levels. Multilateral foreign policy according to Fei Ling Wang in his book, *In the Eyes of the Dragon* is defined as interactions among nation-states in permanent and ad hoc global and regional international organizations, conference, and talks in which more than two actors are involved simultaneously¹⁷. The seed of multilateral foreign policy was shown when the UN was established in 1945. However, the globalization of the cold war soon turned the UN into batleground for east-west confrontation. Consequently, the function of multilateral foreign policy was severely constrained by a rigid bipolar framework¹⁸.

The collapse of the bipolar world structure opens a new era for multilateralism. First, the relaxation of relations of relations among major powers revitalized the function of the UN Security Council in which the big five are more likely to reach consensus on important issues of international peace and security. Second, the end of the cold war gave momentum to the development of the regionalism in those areas that used to be satisfy demarcated by opposing political and military blocs, thus intensifying intraregional multilateral interactions. Third, multilateral solutions to interstate or even internal conflicts became feasible and

¹⁶ *Ibid*, p.2.

¹⁷ http://books.google.com/books?hl=en&lr=&id=HyAvO3u1zJMC&oi=fnd&pg=PA73&dq=multilateral+diplomacy&ots=FYx12JKVZ1&sig=mpl6aRZB_BIBrYnxWM1syIEDtJU#PPA73,M1, retrieved on January 28, 2009.

¹⁸ <http://isim.georgetown.edu/Publications/SSRussell/MultilateralDiplomacy.pdf>, retrieved on January 28, 2009.

more effective with the superpower competition abated in many geographic hot spots¹⁹.

According to Michael S. Lund, a senior scholar at the United States Institute of Peace, Preventive foreign policy refers to actions or institutions that are used to keep the political disputes that arise between or within nations from escalating into armed force. These efforts are needed when and where existing international relations or national politics appear unable to manage tensions without violence erupting. They come into play before a point of confrontation, sustained violence, or military action is reached²⁰.

The main considerations in determining this propest foreign policy were the domestic condition and international affairs of Uzbekistan. The propest foreign policy need to be accostumed to the condition of Uzbekistan, in which has big opportunity to develop and collapse. Therefore, the future condition of Uzbekistan is on the hand of its main actor, which is Uzbekistan government, whether they can think rationally or prepare strategically the most appropriate foreign policy for the future of Uzbekistan.

¹⁹ http://psweb.sbs.ohio-state.edu/faculty/jmitzen/selected/mitzen_habermas.pdf, retrieved on January 28, 2009.

²⁰ Underrating Preventive Diplomacy, retrieved on September 11, 2008 at <http://www.foreignaffairs.org/19950701faresponse5059/michael-s-lund/underrating-preventive-diplomacy.html>

Tabel 1
The Cost and Benefit Scale of Uzbekistan's Government Decision in determining its Foreign Policy.

Comparison Factors	Multilateral Foreign Policy	Preventive Foreign Policy
Benefits	<ol style="list-style-type: none"> 1. Has more chances and alternatives to make cooperations. 2. Can cover its weaknesses both domestic and international affairs. 	<ol style="list-style-type: none"> 1. They don't need to reform all its states sytem that dealing with foreign policy (still on status quo).
Cost	<ol style="list-style-type: none"> 1. The reformation in all system as the consequence of foreign policy orientation change. 2. The bad image in Commonwealth of Independent States (CIS) 	<ol style="list-style-type: none"> 1. The continuity of exacerbation of all crises.

The condition of Uzbekistan, where the interests of two powerful countries, namely US and Russia were crashed, might open a good opportunity for them to have many access to international affairs. It was shown by the using of Uzbekistan as the military base place of US at the Afghanistan crises. Besides being US military base, they also get a help from US in term of national development. In the same time, uzbekistan making a good relations to Turkey as one part of their national identity, and strengthening and maintaining together the new rising power of Commonwealth of Independent States (CIS).

All those strategical actions were done in order to open and access to international community, so they can resolve their weaknesses with their opportunity. As a result, they can achieve their national interests and goals, which is economic stability, by gaining their foreign policy orientation.

Those both concept and theory will be elaborated through relevant data from some literature resources: book, journal, magazine, newspaper, and internet. Library research is the main technique with the party level/ group of people level point of view. To avoid the research from being expanded, the writer limits the range of research. Timeline of the research is started in 1991 when Uzbekistan had its independence, and up to 1999 as the half phase of Uzbekistan independence range.

In order to systemize the research, the thesis will be divided into chapters, which are:

CHAPTER I: Introduction. It contains of writing objective, problem background, writing purpose, research question, theoretical framework, hypothesis and system of writing.

CHAPTER II: The History of Uzbekistan Independence and its Economic Decline. The writer will start by figuring the Uzbekistan condition in the USSR era. The next explanation will be in the time of USSR collapse and how it influence to Uzbekistan independence. After the collapse, the Uzbekistan life had been partially changed, and will be more elaborated about it. Those all phases description will be accomponied by the elaboration on influence and impact of each phase tradition to Uzbekistanian current cultures. The second chapter will be ended with the elaboration of the challenges and opportunity of Uzbekistan as a newly independence state, merely on economic problem.

CHAPTER III: Uzbekistan's Strategy to Solve its Economic Decline. The chapter will contain of the explanation about main five principles of

Uzbekistan government as the basic point of all policies, in which focus on the economic as the main goal of the state, economic first. Then, the writer will explain about the orientation of Uzbekistan foreign polciy as the reflection of its domestic and international affairs to be a strategical reflection to solve its economic decline. In the end of the third chapter will be elaborated more about the using of economic based foreign policy into Multilateral foreign policy as the economic and foreign policy strategies of Uzbekistan to support its economic by using the combination of the rational actor theory and the strategic concept.

CHAPTER IV: The Implementation of Uzbekistan's Strategy to support its Economic in the Beginning of its Independence. In this chapter, the writer focus on the multilateral foreign policy that used by Uzbekistan, including all direct relations to any kind of states, namely Russian, United States of America, the member of Commonwealth of Independent States (CIS), Middle Eastern Countries and some Indian sub-continent. The step and categorization of ties cooperation between Uzbekistan and its ties in 1991-1999 will be comprehensively elaborated to support the evidence. The chapter will be closed by the elaboration of economic cooperation that joined by Uzbekistan, and the succes of it to the economic stability.

CHAPTER V: Conclusion.