

Uzbekistan



Former Soviet Nation, Future Economic Leader

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“‘Uzbek’ is considered to come from two Turkish words: ‘uz,’ which means ‘genuine,’ and ‘bek,’ which means ‘man.’ The Uzbeks are a mixture of nomadic Turkish tribes and ancient Iranian peoples.” Worldatlas.com, 2004.

Uzbekistan is a country that has recently undergone massive changes in its economic and political system. It is the richest of the five Central Asian republics that broke free of Soviet rule in 1991, and the Uzbeks have been busy reforming their country ever since.

Most commonly known as Tashkent (though often spelled “Toshkent” or “Dashkent”), the capital of the province of Tashkent—and of Uzbekistan—now has a population numbering almost three million. The city, whose name means “stone fortress,” is the center of transportation for most of Central Asia, continuing its role as the mid-point in trade routes between Asia and Europe. The earliest known record of Tashkent as a city is in the ancient east chronicles of the second century BCE. Most of the famous architecture of the ancient city vanished in an earthquake in 1966, and has been replaced by Soviet-style buildings, yet the city retains a distinctive beauty.

Samarkand is the ancient capital city of Timur, named after the fourteenth-century conqueror, known in the West as the great Tamerlane. It is currently the second largest city in Uzbekistan. The ancient monuments of the city are some of the finest among Islamic art. The architectural and archaeological sites have been drawing tourists, and the city is preparing to invest in more facilities for increased tourism and to accommodate incoming businesses.

Bukhara, with a population of under 300,000, is known for its reputation as a holy city of the Islam culture. It was one of the great Muslim learning centers as far back as the tenth century. This is also an important tourist attraction for visitors following the Silk Road. Khiva, a much smaller town, is also located along the Silk Road. Its former glory is preserved by remarkably constructed mosques, minarets, and other landmarks.

The Country

Uzbekistan is located between the Amu-Darya and the Syr-Darya, the two largest rivers in central Asia. A scenic country with mountain ranges and valleys, the Republic is also quite large, with a total area of 453,250 square kilometers. Uzbekistan's highest point lies 4,643 meters above sea level. During the Soviet era, intensive production of cotton and grain led to overuse of agrochemicals and the depletion of water supplies, which have left the land overworked, and the Aral Sea and certain rivers nearly arid. The history of this region goes back more than 2,500 years. Before the institution of Islam, the territory now known as Uzbekistan gave birth to Zoroastrianism, which became a worldwide religion and an early influence on Judaism, Christianity, and Islam. Perhaps Uzbekistan is better known now for its instrumental role in the old Silk Road. For more than 1200 years, merchants have traveled the famous silk trade route that connects Europe to mainland China through what is now known as Tashkent. After the advent of sea travel from Europe to parts of Asia such as China and India, the major cities along the Silk Road suffered a decline. However, the introduction of train travel near the turn of the twentieth century and the laying of tracks across Central Asia has helped revitalize the area's economy.

By 1876, when the railroads had begun to reinvigorate the region's economy, Russian forces to the north already had annexed Uzbekistan. Internal struggles between the khanates during the nineteenth century left the country without a united front to face the Russian invaders. The people of Uzbekistan opposed the Russian rule, even establishing a Muslim government in 1917. Unfortunately, it was suppressed by the colonial government the following year.

Uzbekistan became independent when the Soviet Union disintegrated in 1991. Since then, the new government has been conservative and resistant to change. The country has made many advances, though, especially through the expansion of its trade base and growing economy. Trade relations with large economic powers, such as China and the United States, likely will turn into future profits for the Central Asian nation.

The People

The Republic of Uzbekistan is a temporal democratic republic. Current census results show that there are approximately 23 million citizens of Uzbekistan; the country has a high birth rate and an unusually large youth representation. Approximately half of the people in Uzbekistan are under age 25. The population is 85 percent Uzbek. Russian, Tajik, Kazakh, and Tatar groups make up the rest of the nation's ethnic background. Only one in four Uzbek nationals currently have some degree of higher education, and workers in Uzbekistan are undervalued by most industrialized nations' wage standards. But because of the age demographic, the region's labor potential is optimistic for the future. Over 60 percent of the Uzbek population resides in rural areas.

The national language is Uzbek, which is written in the Cyrillic alphabet. However, many residents still speak Russian, especially older people. English is taught in most Uzbek school systems, but may not be understood by the elder generation. If you can learn a few phrases in Uzbek, your efforts will be appreciated by the locals. Other languages spoken by Uzbeks include Kazakh, Karakalpak, Kyrgyz, Tajik and Turkmen. Uzbekistan promotes freedom of worship and expression under its constitution. Although the Republic is largely a Muslim state, there is no officially declared state religion. Muslims comprise 88 percent of the population, while Russian Orthodox Catholics constitute the only other sizable minority, at nine percent.

The Economy

Of all the territories of the former USSR, Uzbekistan has the second strongest economy, behind neighboring Kazakhstan. The Republic's policies include ranking economy above policy, with the state serving as the main legislative body. The Uzbeks are confident that they will soon complete their transition to a globally recognized market economy; however, the state continues to be a dominating influence in the economy, and reforms so far have failed to bring about much-needed structural changes.

In recent years the presence of foreign capital in the economy of Uzbekistan has intensified. In 1993, foreign investments formed less than one percent of the total volume of capital investments; by 2001, the number reached more than 20 percent. The government, while aware of the need to improve the investment climate, sponsors measures that often increase, not decrease, the government's control over business decisions. A sharp increase in the inequality of income distribution has hurt the lower ranks of society since independence. There are no official statistics available on unemployment from the government.

Uzbekistan has abundant mineral wealth, and developing the country's mining industry is an economic priority. The export of metals is now second only to cotton. Uzbekistan is among the world's leaders in gold production, extracting 90 metric tons in 2002. Almost all of the gold is exported. Uzbekistan's Muruntau gold mine, located in the Qyzylqum desert, is one of the world's largest open-pit gold mines. The country also produces quantities of copper, silver, tungsten, molybdenum, and uranium.

Uzbekistan has significant reserves of fossil fuels. The country produces sizable quantities of natural gas, some of which it exports. Its petroleum reserves produce enough for domestic consumption; however, unlike other countries in Central Asia, Uzbekistan has not engaged in trying to become a major oil exporter. Government subsidies keep domestic prices for oil and gas low. Uzbekistan also has noteworthy reserves of coal, about 33 percent of which is the especially prized anthracite.

Housing

Since there is so much red tape involved for expatriates, almost all foreign residents rent. However, renting is not authorized by the government, so home seekers need to deal directly with the owner. Rents generally are inflated for expatriates, but you will find that, even at these higher rates, living in the best neighborhoods in Tashkent is quite affordable.

It is expected that foreigners will be charged three to five times the regular amount for housing. Generally, bargaining is fairer for the expat, or the person making your housing arrangements, especially if the negotiator has a command of either Russian and/or Uzbek. This allows the owner and the potential renter to understand each other clearly on the terms of the lease. Otherwise, it is much more likely that the expatriate renter will pay much more than the standard price.

In the event that one cannot immediately arrange housing, there are a number of hotels available in the cities that can accommodate foreigners; however, the quality of service is not nearly as high as Western establishments. Amenities such as indoor plumbing, hot water, and on-site restaurants are difficult to find, especially if you are operating on a budget. There is a reasonably priced guest house in Bukhara known as Mubenjon that provides meals and Western-style plumbing facilities. The Hotel Orkanchi guest house in Khiva provides a decent meal and room at a low price, despite the inconvenience of the outhouses. Samarkand's Hotel Zerafshan is also inexpensive and provides a slightly more enjoyable atmosphere than other local hotels. Tashkent's most notable establishment, Hotel Uzbekistan, is expensive.

Downtown Tashkent experienced bombings in 2004, but, "Foreigners clearly were not targeted; the police were the obvious aims of the violence," according to one expatriate living in the country. Her firm did not change its business practices during the bombings and subsequent crackdown. She took a few extra precautions, such as not straying far from the office and/or home and avoiding meetings in large assembly areas. Simply due to its location (bordering Afghanistan, Kazakhstan, Kyrgyzstan) the threat of terrorism is constant.

The Uzbeks advocate an "open door" policy for foreign investments and encourage companies who specialize in the reorganization of economic affairs or in modern technology. In particular, they have strong business ties to other countries of the former Soviet Union.