

THINGS WERE BETTER IN COMMUNISM; DISSATISFACTION IN KYRGYZSTAN IN THE POST-COMMUNIST PERIOD

Author: Mustafa Seref Akin

Fatih University, TURKEY

Abstract

This study reflects the survey's results conducted among Kyrgyz people on their assessment on their satisfaction levels during capitalism and communism. Survey's results indicate that people have a great dissatisfaction due to harsh economic conditions, insecure labor market, poor education quality, and political instability during transition to capitalism. Moreover, they lost their hope for the future. Especially, age is a determinant factor for the reaction (angriness) against the current economic system.

Key Words : Communism-Capitalism-Post Communism-Kyrgyzstan

Introduction

Western economists argue that communism is a completely inhuman and an inefficient system given good intentions in the original communist faith. It was known that prior the collapse in the Soviet Union era, corruption, bribes, black market, and moral erosion existed. After the collapse, it was hoped that countries could succeed the transition thanks to democracy and capitalism. During the post-communist era, Eastern and Central European countries caught up to the western standard however, the Central Asian countries still remain far behind western countries (Economist 2005). Kyrgyzstan as a developing country, income per capita is \$350, majority population resides in rural areas and agricultural revenue consists of 35% of GDP (World Bank, 2005). There is a divergence between Soviet Union Central Asian countries and Eastern European countries. Kyrgyzstan failed to pass a market economy in the post-communist era. The survey has been conducted to analyze the comparison of the life standard between the communist past and the capitalist present. The research, except political freedom, mostly indicates that there is a serious reaction against capitalism and moreover people have lost their hope and have an envy to return to communism.

In Kyrgyzstan, the purchasing of power was declined so much that the young generation tries to escape with all means. Especially, Russian ethnic groups are disappearing very fast. Kyrgyz public servants are taking the second job because of financial difficulties. If they are police/soldier, they are especially employed in the security job. If they are not in security forces, they are involved in trade business. The prestige of public administration is constantly dropping. They can meet the ends by receiving bribes.

In this paper we try to answer the following questions: what are the problems that Kyrgyz people are facing during the transition? Are there differences between people based on socio-economic status -gender, ethnicity, education and wealth-?

This paper is organized as follows. Section 2 will deal with the methodology of the survey. Section 3 will present results and a conclusion will follow in section 4.

1. Survey Methodolgy

These following questions are asked to people to assess their opinions about communism and capitalism (table 1).

Table 1. Survey Questions

According to you	Yes	No
Kyrgyzstan in communism era was better in general than now		
Kyrgyzstan in communism era was better in job security than now		
Kyrgyzstan in communism era was better in economic prosperity than now		
Kyrgyzstan in communism era was better in political stability than now		
Kyrgyzstan in communism era was better in comfortable life than now		
Kyrgyzstan in communism era was better in education quality than now		
Kyrgyzstan in communism era was better in security (crime) than now		
Kyrgyzstan in communism era was better in free expression than now		
Kyrgyzstan in communism era was better in corruption than now		
Kyrgyzstan in communism era was better in equality of life standard than now		
Kyrgyzstan in communism era was better in job opportunities than now		
Kyrgyzstan in communism era was better opportunities in career than now		
Kyrgyzstan in communism era was better for young generation than now		
Kyrgyzstan in communism era was better in equality of opportunities than now		
Kyrgyzstan in communism era was better in future safety than now		
Kyrgyzstan in communism era was better for retired than now		

Social Status			
Your age			
Your gender a)female b)male			
number of brothers and sisters			
education a) primary b) high school c) university			
working place a) owner b) private company c) public company (government)			
Do you have a car			
Do you have a dish washer			
Do you have a cellular phone			
Are you retired			
Are you saving for your retirement			
Where are you from			
Bishkek			
North			
South			
Ethnic Origins			
Kyrgyz			
Russian			

The first part of the questions is related to the comparison between communism and capitalism. The methodologies that we will employ are descriptive statistics and correlation analysis (Gujarati, 2001).

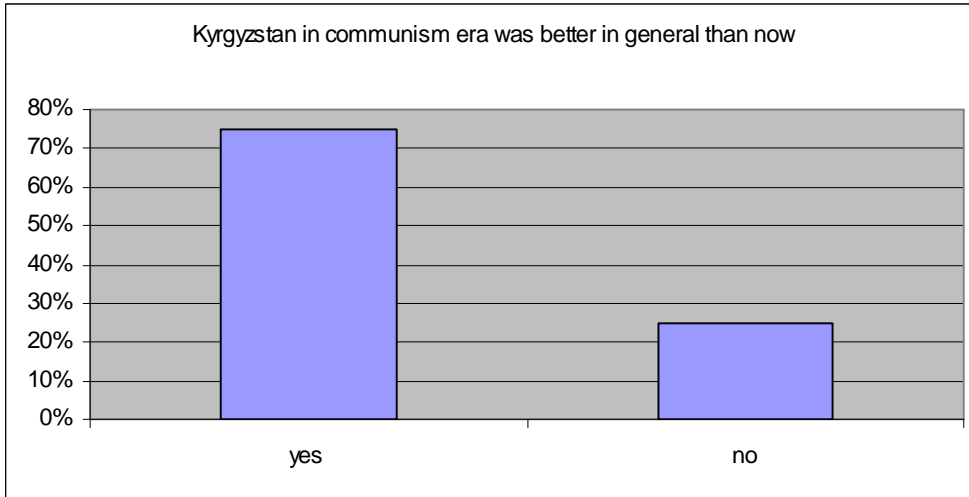
Particularly, the views about past, present and future of Kyrgyzstan public are the back points of the surveys.

The following questions are related to the social economic conditions and geographical/ethnic background. Due to the high existence of an informal sector in Kyrgyzstan, it is very difficult to identify the income level (World Bank, 2006). Therefore we question ownerships of durable goods. It is expected that people could manage well are more intent to favor capitalism. However, those who had fixed income such as retiree or public servants may have negative experiences for the market economy.

Descriptive

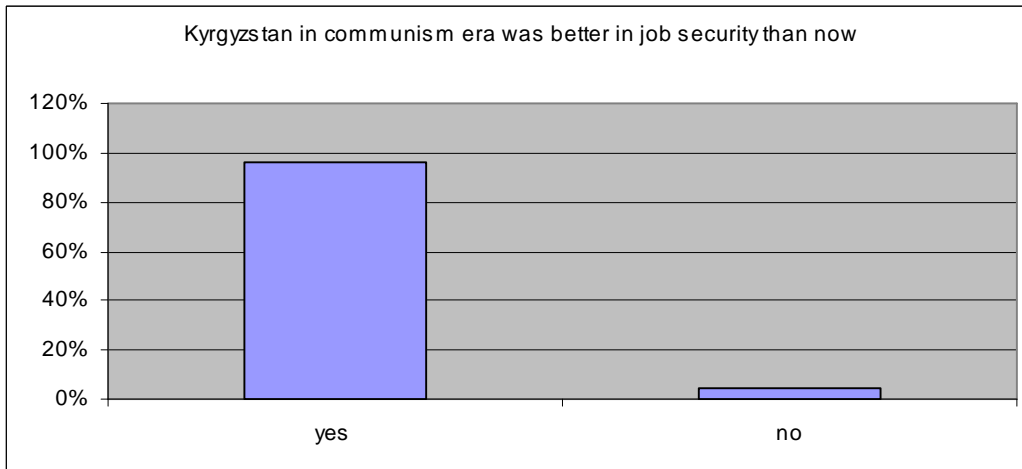
75% of people answered that Kyrgyzstan was better in general than the current conditions (Figure 1). The vast majority of the people favor communist past. Many hopes about the democracy and capitalism are declined due to unsuccessful transition path.

Figure 1. In general



Regarding the job security, almost unanimously think that communist era there was a job security (Figure 2). Apparently, the unemployment did not exist. Ex-communist societies met with unemployment at first time during capitalism. In communism there was a hidden unemployment; some people just pretend to work without a considerable contribution to the production.

Figure 2.



On the other hand, people's expectation for the future might be different. Public may carry a new hope for the improvement. However, the results contradict completely. Almost 75% of the surveyed people informed that they don't have a brilliant prospect for their country (Figure 3a). Additional regarding the future (political) safety, people think that in communism there was safer environment (figure 3b).

Figure 3a.

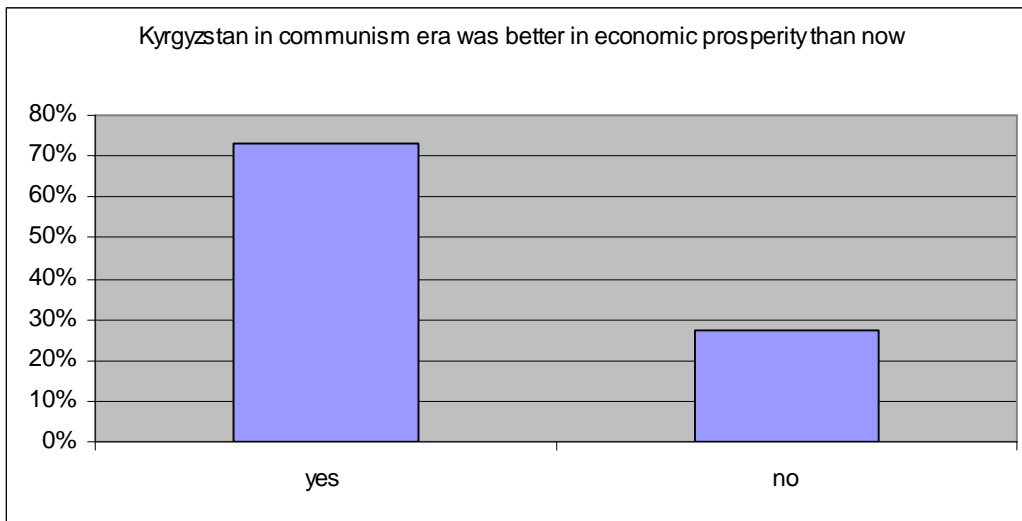
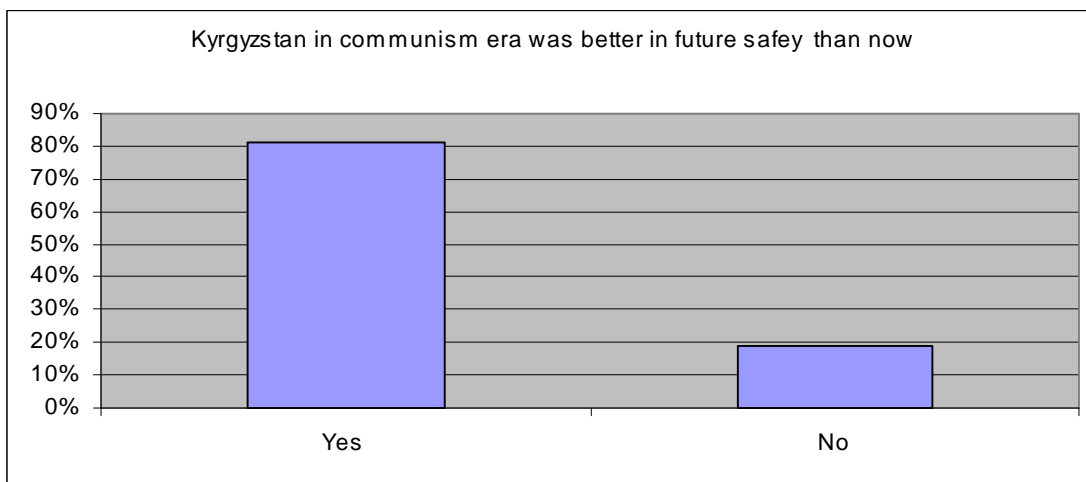
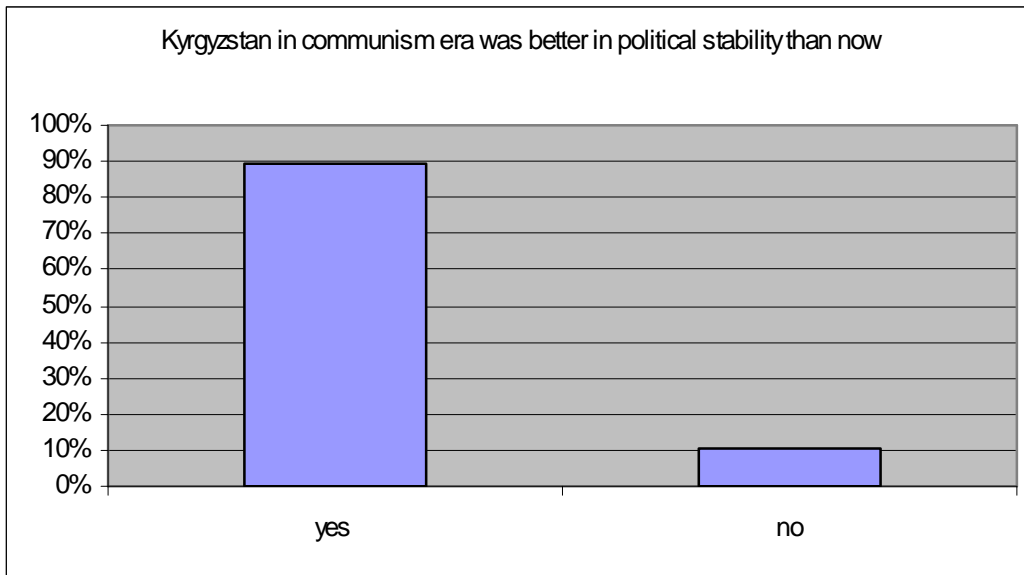


Figure 3b.



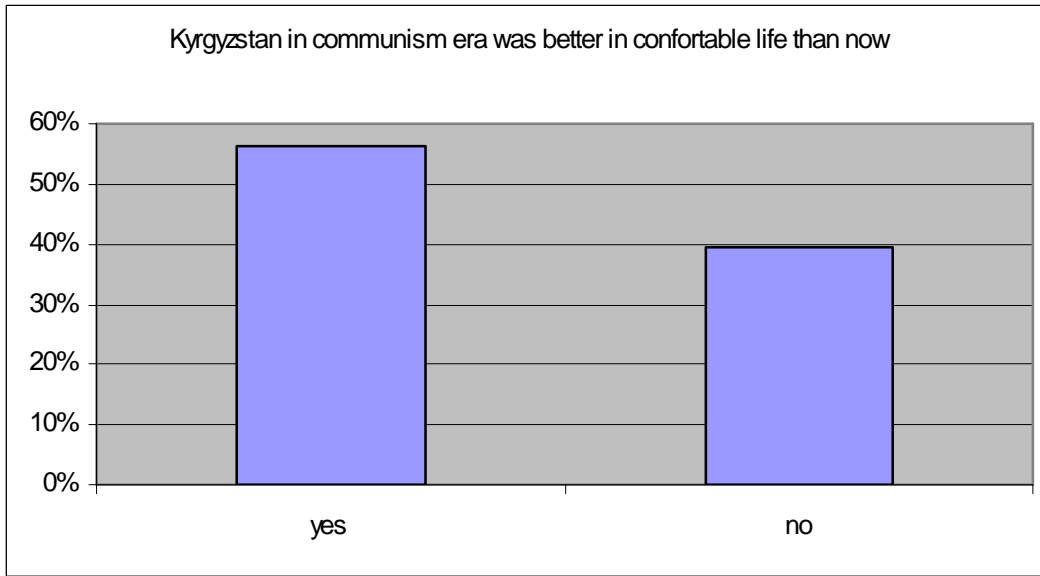
The following question is related to the political stability. People are pessimist since a coup d'état was happened in 2004 august. The stability of the communist era has disappeared.

Figure 4



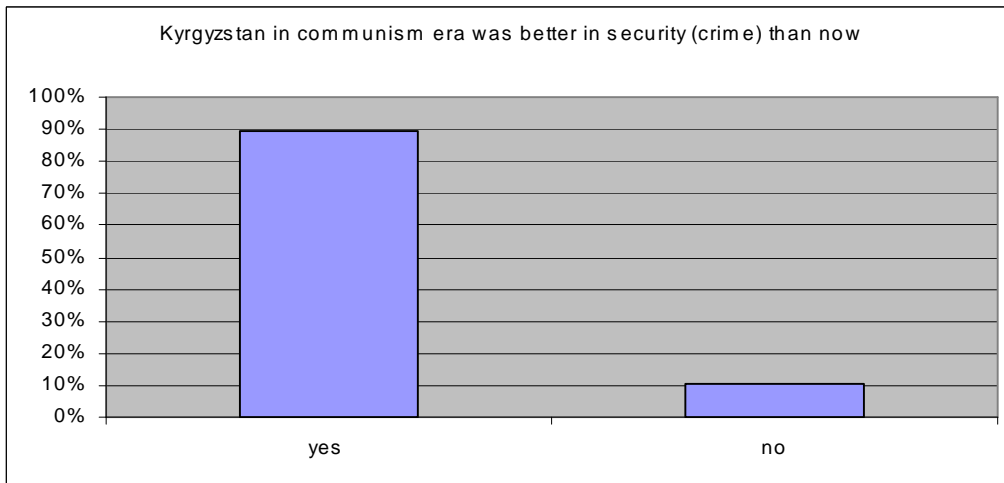
People think that life was more comfortable in communism (figure 5). Certainly, what people perceive from comfort is crucial. In capitalism, comfort has improved because of technological inventions. In communism, the idea behind comfort is to have more leisure, less work and secure income to buy large amount preliminary goods. In capitalism, it may be purchased many goods in terms of larger quantity and better quality but the buyers should pay the price by putting job efforts.

Figure 5.



The current crime rate is very high. In the communist period, the public security was very tight and controlled all over the country. However, the chaotic atmosphere emerged during transition leads strong powers to replace the government. The Kyrgyz public administration inherited the Soviet public administration. The main problem is widespread corruption. The lack of public administration is very apparent. Every day an assassination occurs with a political or economic dimension. Sometimes both dimensions are merged. The public administration cannot take required measures to prevent this chaotic environment (figure 6).

Figure 6.



The only favoring point about the current situation is the freedom of expression (figure 7). In the Stalin period, the terror against citizens caused obeying without interrogation and avoiding open debate and constructive criticism. The easiest way in public administration was to avoid from the duty responsibility and got approval from the supervisors (Kennedy, 1987).

Figure 7.

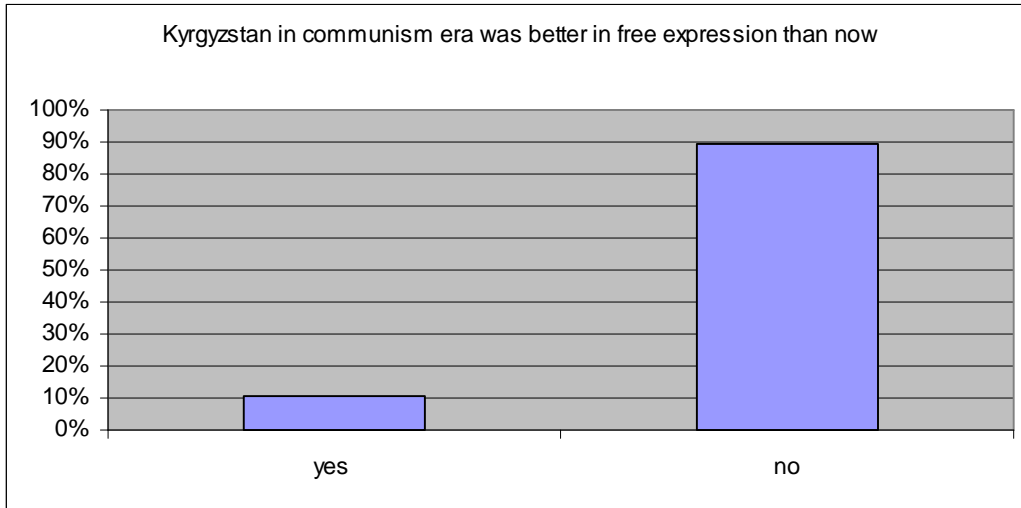
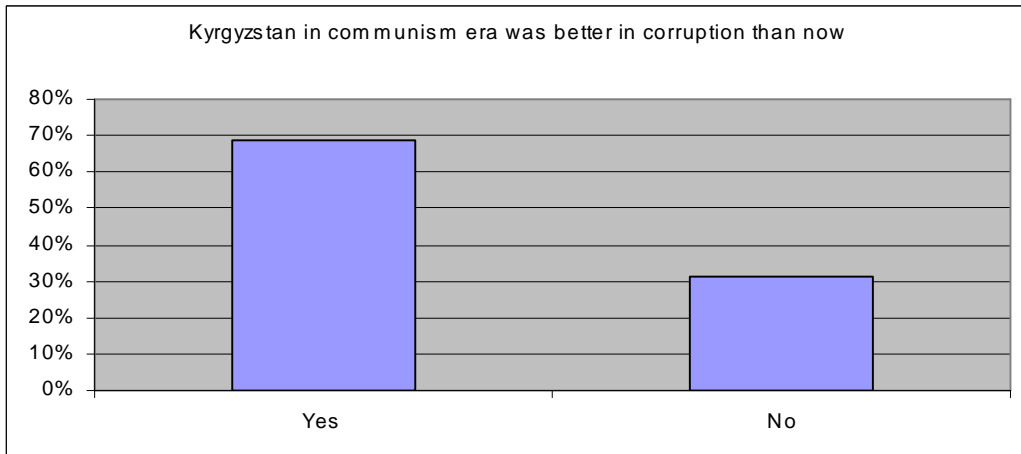


Figure 8 shows the corruption perception. There is a serious corruption in the poor region (table 1). Corruption is widespread throughout all levels of government and businesses are forced to pay bribes in order to deal with the government bureaucracy.

Figure 8.



Among 146 countries Kyrgyzstan places 122nd country (table 2). Bribes are frequently required to acquire government posts. Despite vigorous legislative reforms in the court system, the judiciary is still not independent and remains as an extension of the executive branch. Personal connections, corruption, organized crime, and widespread poverty limit business competition and equality of opportunity (Akin, 2005). Corruption is widespread throughout the educational system and bribes are commonly required to gain entrance into universities and obtain good grades (Freedom House, 2005 and Heritage House, 2005).

Table 2. Corruption Perception Index (2004)

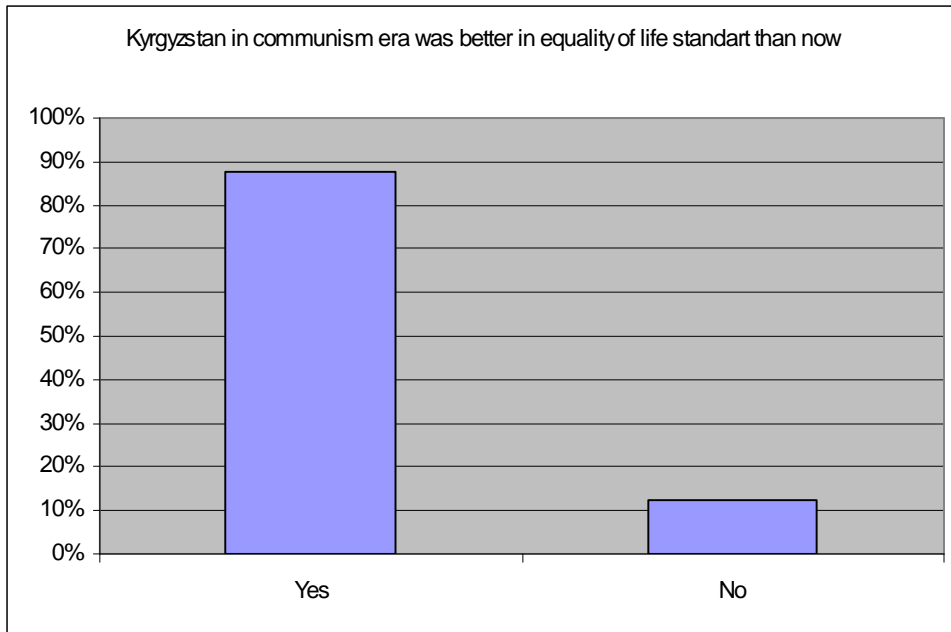
Countries	Index (146 countries)
Kazakhstan	122
Kyrgyzstan	122
Tajikistan	133
Turkmenistan	133
Uzbekistan	114

Source: Transparency International

Public administration has functions to strengthen institutionalization to make the market work, create confidence and enforce contract. To have a functioning market system, we need to strengthen property rights, regulation (i.e. enhance competition in market, protect minority rights), independent central bank, social securities and conflict resolution institution. The social, legal and political institutions are the main determinant of economic performance. Limiting politicians and elites and protecting against confiscation lead countries to reach a high investment ratio and more developed market institutions. As a result, citizens enjoy higher income per capita (North, 1996).

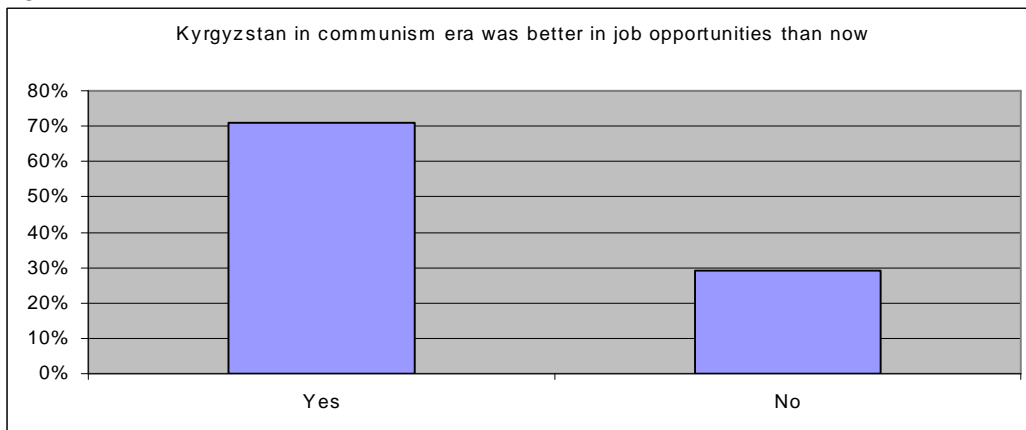
One of the successes of communism is to provide housing and primary consumption goods (gas, electricity, food) in a very affordable price. The middle income people can buy them; so there was an equality (figure 9). In capitalism, this works through the credit market such as mortgage. People borrow from the bank for a long time range and pay back as they pay for rent. However, in a developing country, banking system poorly developed to provide long-run credit and especially for the poor people.

Figure 9.



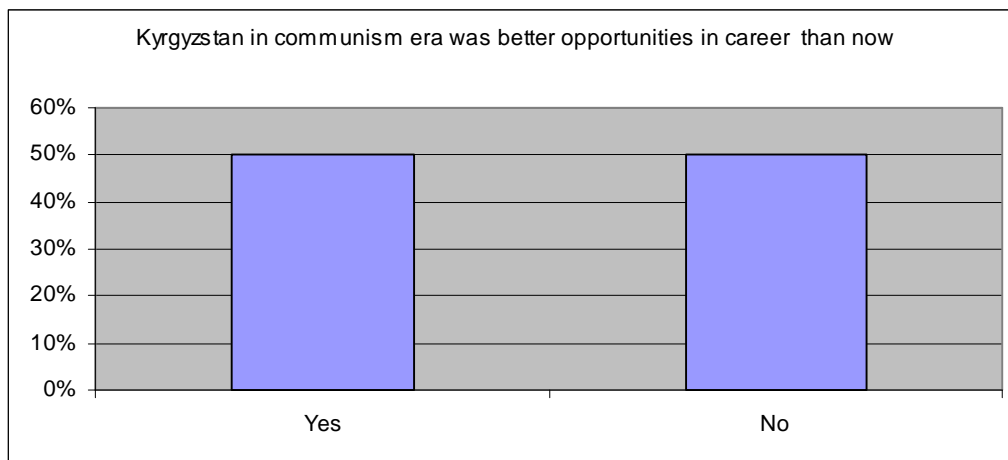
According to survey, in communism, job opportunities are vastly exist (figure 10). For instance, Kyrgyzstan's capital Bishkek was an industry city. There were many factories. However, after the collapse these factories were closed since factories cannot compete with the advanced technology level of developed countries. More over, many of factories managers and technicians were not Russian origin and they return to their home territories.

Figure 10.



In terms of career opportunities, both periods are equally voted. Although many factories existed in communism, the management was belonged to communist party affiliated. So, the career promotion was political rather than based on merit (figure 11).

Figure 11.



People think that for young generation communism was better (figure 12). It may have several reasons. First, salaries were higher and housing was affordable. Second, jobs were secure and there is no threat to remain unemployed. Third, education was vastly available and free corruption; so young people could get good quality of education. Fourth, under communism, people could keep their traditional values (respect to elder, be thoughtful to others, family oriented life style) stronger and now western values influence to young generation.

Figure 12.

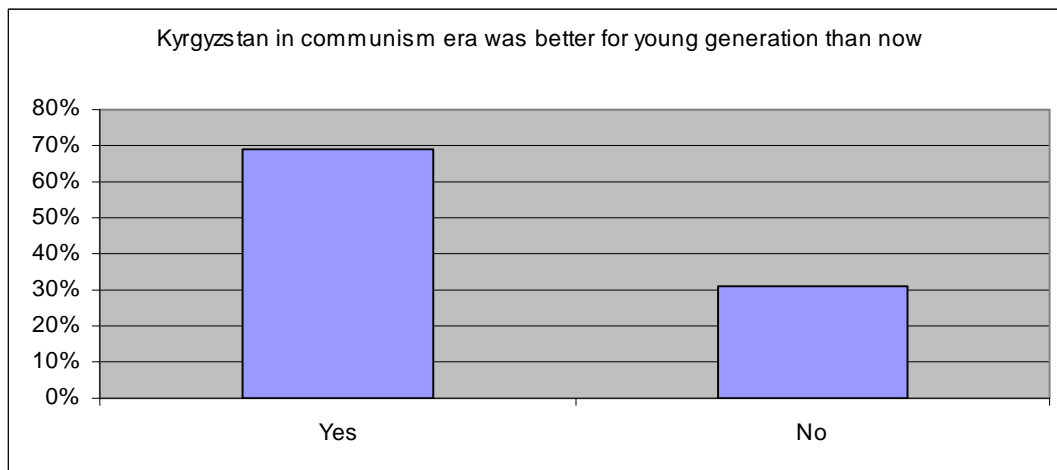
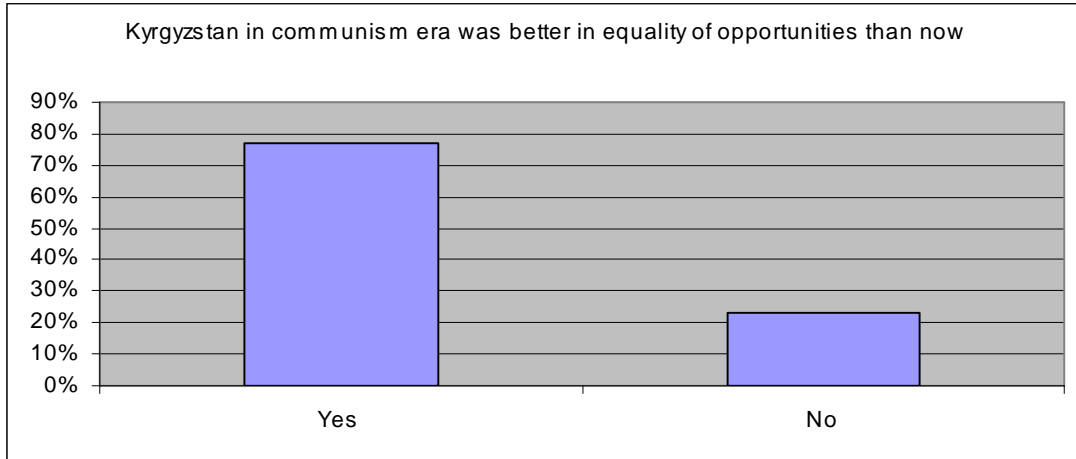


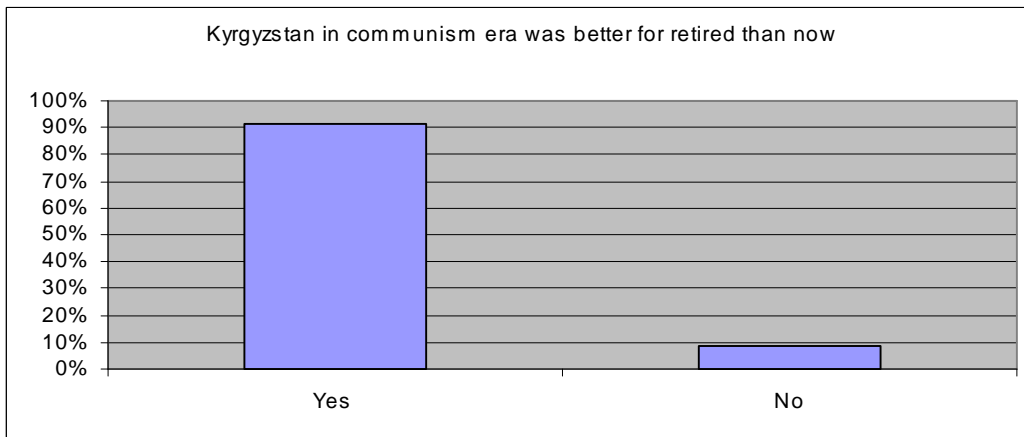
Figure 13 shows the equality of opportunities. With rising of capitalism, some people are getting rich suddenly. The neighborhoods are fragmented among different income group levels. These fragmentations exist in schools, hospitals, housing quality, and cars. Many new rich are getting rich without a serious production increase in Kyrgyzstan. Mostly, these new rich people have strong connections in politics. So, through political mechanism it was a reallocation of the resources.

Figure 13.



In communism era, the pensions were not only enough to buy necessary goods (including houses) but also to purchase luxury services (including tourist trips from the far east of Soviet union –Kyrgyzstan- to far west of Soviet Union –Leningrad-) (figure 14). However, in the current pension schema, salaries are so low that people are starving; it is just enough to buy very preliminary goods (just bread and some food). Currently, buying a house or making a trip is a dream.

Figure 14.



The majority of students are from Bishkek (45%). Students attending from northern and southern Kyrgyzstan follow by 25%. 55 % of participants of survey are Kyrgyz. The Uzbeks follow by 17%.

Table 3 indicates the means and standard deviations of all variables in the survey. 50% of families have a car and 65% of them own a laundry machine. Very rarely a dish washer exists at home.

Table 3. Average

	Mean	St. Dev
general	0.75	0.43
job security	0.95	0.2
economic prosperity	0.72	0.44
political stability	0.91	0.28
comfortable life	0.565	0.5
education quality	0.854	0.35
security (crime)	0.895	0.3
Free expression	0.106	0.31
corruption	0.702	0.46
equality of life standard	0.875	0.33
job opportunities	0.723	0.45
career opportunities	0.5106	0.5
young generation	0.687	0.46
equality of opportunities	0.7708	0.42
future safety	0.812	0.39
retired	0.916	0.27
Age	38.51	14.29
female	0.562	0.5
male	0.437	0.501
siblings	3.520	2.65
primary	0.104	0.308
secondary	0.145	0.356
higher	0.729	0.449
owner	0.229	0.424
private	0.208	0.41
public	0.312	0.468
Car	0.416	0.498
Dish washer	0.208	0.41
cellular phone	0.64	0.483
retired	0.16	0.376
retirement plan	0.36	0.485
Bishkek	0.66	0.476
North	0.187	0.394

South	0.145	0.356
Kyrgyz	0.729	0.449
Russian	0.16	0.376

The average age is 38 and 55% the surveyed people consists of female gender. The average number of siblings is 3.5. So, Kyrgyz people have a large number of families. The working places among own, private and public are equally distributed. 16% of them are retired and 36% of them have a retirement plan which is low; this means that saving ratio is low in Kyrgyzstan. 41% of them have cars, 20% have dish washer and 64% have a cellular phone. Majority of the people are from Bishkek and Kyrgyz. A substantial percentage of people have a higher education diploma.

Correlation matrix

Table 4a provides the correlation between the assessment of communism and social status/ethnic background (the bold numbers are indicating the strong relationship). Age is an important factor to favor communism and to hate the current economic system. Being female or male has little significant impact on assessment.

Those who have primary and secondary education prefer communism and those who have a tertiary education opt for capitalism since educated people have more job and career opportunities (table 4b).

Table 4a The correlation matrix

	general	Job security	economic prosperity	political stability	comfortable life	education quality	security (crime)	free expression
Age	0.3269	0.2495	0.0865	0.2906	0.2519	0.5015	0.318	0.4516
Female	-0.03303	-0.18116	0.07982	0.07398	-0.14184	-0.18977	-0.1453	-0.16025
Male	0.033029	0.181164	-0.07982	-0.07398	0.141844	0.189768	0.1453	0.160252
Siblings	0.088742	0.169257	-0.06562	0.114041	-0.02055	0.3094	0.0844	0.154384
Primary	0.057443	0.084395	0.2256	0.122536	0.047394	0.154303	0.1388	0.316667
Secondary	0.094967	0.093761	0.2507	0.136135	-0.03038	0.171429	0.1543	0.056578
Higher	-0.02656	0.103184	-0.389	-0.21151	-0.1678	-0.11467	-0.2397	-0.25172
owner	-0.1303	0.137126	-0.00606	-0.357	-0.21002	-0.21653	-0.1107	0.110782
Private	0.020328	-0.17422	-0.11858	0.161889	-0.28297	0.029729	-0.1926	0.004587
Public	-0.21542	-0.10318	0.026558	0.030844	-0.0472	0.114673	0.2397	-0.07592
Car	0.121162	-0.24368	-0.32	-0.18896	-0.3134	-0.16876	-0.1020	0.25155
wash disher	0.055144	-0.42701	0.188137	-0.02422	0.020175	-0.28057	0.0175	0.162506
cellular phone	-0.08777	-0.16307	-0.08777	-0.23676	-0.15346	-0.15262	-0.2683	-0.046
Retired	0.128457	0.102752	0.128457	0.14919	0.291683	0.187867	0.1691	0.623254
Retirement plan	0.033029	0.181164	0.145878	-0.07398	-0.05869	0.189768	0.1453	0.160252
Bishkek	-0.05771	-0.1543	-0.05771	-0.04739	-0.31789	0.014468	-0.0937	0.093761
North	0.128457	0.102752	-0.01784	0.14919	0.161694	0.187867	0.1691	-0.1691

South	-0.06078	0.093761	0.094967	-0.09643	0.246391	-0.21905	-0.0565	0.056578
Kyrgyz	0.040645	0.135049	-0.34392	0.004669	0.04167	0.086225	-0.0381	-0.30903
Russian	0.094967	-0.22659	0.250713	-0.09643	-0.03038	-0.21905	-0.0565	0.267459

	corruption	equality of life standart	job opportunities	career opportunities	young generation	equality of opportunities	future safety	retired
Age	-0.088	0.255156	0.066533	0.42582	0.380243	0.018511	0.052814	0.146112
Female	-0.226	-0.22478	0.07982	0.119548	-0.19242	-0.06187	0.058926	-0.22478
Male	0.221	0.224781	-0.07982	-0.11955	0.19242	0.061872	-0.05893	0.224781
Siblings	0.125	0.078695	0.04464	0.240751	0.091031	-0.15832	0.006909	0.00366
Primary	-0.0661	0.104713	-0.11078	-0.08365	0.128325	0.017568	0.197642	0.104713
Secondary	-0.0147	0.116335	0.094967	-0.0101	0.027954	0.052861	0.052861	0.116335
Higher	-0.2072	0.025103	0.094429	-0.09155	-0.26601	0.047381	-0.08213	-0.18074
owner	-0.069	-0.04125	0.118182	-0.06984	-0.1115	-0.07785	-0.07785	-0.25263
Private	0.079	-0.33433	0.020328	0.111116	-0.00935	-0.18496	-0.18496	0.138343
Public	-0.022	0.180743	-0.21542	0.091549	0.043431	-0.17689	-0.04738	-0.0251
Car	0.002564	-0.11453	-0.21002	-0.0716	-0.1065	-0.09799	-0.4525	-0.11453
wash disher	0.1089	-0.07726	-0.21084	-0.18977	0.035806	-0.14583	0.138889	0.14901
cellular phone	-0.04853	-0.20233	-0.20386	-0.08533	-0.11981	-0.00909	-0.13336	-0.20233
Retired	-0.10872	0.127491	-0.01784	0.183449	0.344642	0.084031	0.084031	0.127491
Retirement plan	0.0078	0.032781	0.145878	0.280571	0.19242	0.061872	0.061872	0.032781
Bishkek	-0.01374	0.009818	-0.176	-0.03581	-0.1911	-0.1081	-0.1081	0.211089
North	0.030578	0.127491	0.274755	0.313128	0.210068	-0.07257	-0.07257	-0.12142
South	-0.01447	-0.14865	-0.06078	-0.28621	0.027954	0.219578	0.219578	-0.14865
Kyrgyz	0.22327	0.058514	0.040645	0.127483	0.040264	0.110443	-0.02677	-0.15958
Russian	-0.16276	-0.14865	0.094967	-0.0101	-0.11531	0.052861	0.052861	0.116335

Table 4b (continued)

	equality of life standart	job opportunities	career opportunities	young generation	equality of opportunities	future safety	retired
age	0.255156	0.066533	0.42582	0.380243	0.018511	0.052814	0.146112
female	-0.22478	0.07982	0.119548	-0.19242	-0.06187	0.058926	-0.22478
male	0.224781	-0.07982	-0.11955	0.19242	0.061872	-0.05893	0.224781
siblings	0.078695	0.04464	0.240751	0.091031	-0.15832	0.006909	0.00366
primary	0.104713	-0.11078	-0.08365	0.128325	0.017568	0.197642	0.104713
secondary	0.116335	0.094967	-0.0101	0.027954	0.052861	0.052861	0.116335
higher	0.025103	0.094429	-0.09155	-0.26601	0.047381	-0.08213	-0.18074
owner	-0.04125	0.118182	-0.06984	-0.1115	-0.07785	-0.07785	-0.25263
private	-0.33433	0.020328	0.111116	-0.00935	-0.18496	-0.18496	0.138343
public	0.180743	-0.21542	0.091549	0.043431	-0.17689	-0.04738	-0.0251
car	-0.11453	-0.21002	-0.0716	-0.1065	-0.09799	-0.4525	-0.11453

wash disher	-0.07726	-0.21084	-0.18977	0.035806	-0.14583	0.138889	0.14901
cellular phone	-0.20233	-0.20386	-0.08533	-0.11981	-0.00909	-0.13336	-0.20233
retired	0.127491	-0.01784	0.183449	0.344642	0.084031	0.084031	0.127491
retirement plan	0.032781	0.145878	0.280571	0.19242	0.061872	0.061872	0.032781
Bishkek	0.009818	-0.176	-0.03581	-0.1911	-0.1081	-0.1081	0.211089
North	0.127491	0.274755	0.313128	0.210068	-0.07257	-0.07257	-0.12142
South	-0.14865	-0.06078	-0.28621	0.027954	0.219578	0.219578	-0.14865
Kyrgyz	0.058514	0.040645	0.127483	0.040264	0.110443	-0.02677	-0.15958
Russian	-0.14865	0.094967	-0.0101	-0.11531	0.052861	0.052861	0.116335

Conclusion

The main idea behind the end of history was that human history was ended by accepting liberal economy and parliamentary democracy by majority of the societies (Fukuyama, 1991). These results show that capitalism is not a magic solution to increase life standard. Capitalism serves mostly to import goods and to migrate from Kyrgyzstan as a brain drain.

One of the main outcomes of the survey was that political freedom is not enough while people are starving. My perception is that people will not willing to return back to the Soviet past in reality. The favoring answer for communism is more likely a reaction or a hope for a different type of socialism (granting more liberty in the mean time offering some type of job security)

It should be a delicate balance between job security and economic progress. The new type of jobs may need a labor movement hence a re-training for re-engineering and to adapt new economy. However, those who remain in the traditional sectors will experience a constant decline in their life standard. Plus, these people in Central Asia have never managed their business/education lives. The central authority already made every decision on the behalf of the people. A sudden shift in the economic mindset is another shocking factor.

An important factor while implementing market economy reforms is the social security (Rodrik, 2000). Improving social security reduced the risk of the financial, social, politic, and economic crisis and allows people support the reform programs. With the enlargement of the market institution lower the traditional institutions based on blood, relatives and village bonds. Therefore, traditional support and risk sharing institutions lost their importance. It needs some type of security reforms such as unemployment insurance and saving account insurance needs to reduce the risk.

References

- Akin, M.S. (2005), "Institutional Rankings in Politics, Civil Liberties and Economics in Central Asian Countries", Paper Proceeding Fall, Alma Ata International Economic Conference.
- Economist. (24 November 2005), "East, West, and the Gap Between."
- Freedom House (2005) "World Report" www.freedomhouse.org
- Fukayama, F. (1991) "The End of History" Free Press
- Gujarati, D.M. (2003), Basic Econometrics. McGraw Hill
- Heritage House (2005) "World Report." www.heritage.org
- Kennedy, P. (1987). "The Rise and Fall of the Great Powers." Random House, New York.
- Transparency Institute. (2005). "Corruption Perceived Index." www.transparency.org
- World Bank (2005, 2006). "World Indicator"- CD Rom.
- World Bank. (1993). "The East Asian Miracle: Economic Growth and Public Policy" (New York: Oxford University Press, 1993). Prepared by a team led by John Page and comprising Nancy Birdsall, Ed Campos, W. Max Corden, Chang-Shik Kim, Howard Pack, Richard Sabot, Joseph Stiglitz, and Marilou Uy.