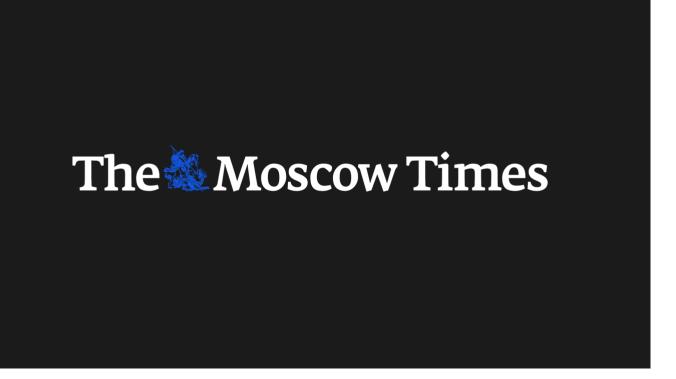


Kyrgyzstan Coalition Falls as Parties Exit Over Economic Woes

By The Moscow Times

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BISHKEK, Kyrgyzstan — Kyrgyzstan's coalition government collapsed on Wednesday after two parties withdrew in protest over a shrinking economy and alleged corruption in the volatile former Soviet republic.

As they left the four-party coalition that has governed the impoverished Central Asian country since December, deputies from the Ata-Meken and Ar-Namys factions called on Prime Minister Omurbek Babanov to resign.

"Not a single reform declared by the prime minister has been carried through to its conclusion," Ata-Meken deputies said in a joint statement announcing their withdrawal from the coalition. They also accused Babanov of failing to clean up corruption and of using "shadowy" organizations to handle money.

A parliamentary democracy unique in Central Asia, Kyrgyzstan's new model of government is

backed by the United States but viewed with suspicion by former imperial master Russia. Both countries have military air bases in the country.

The move may trigger a prolonged period of political turmoil, with Ata-Meken deputies warning that Kyrgyzstan risked defaulting on its foreign debt, which stands at \$2.8 billion, or more than half its gross domestic product.

Although the split leaves Babanov's Respublika party and President Almazbek Atambayev's Social-Democratic Party of Kyrgyzstan without the majority to form a government, there was disagreement about what happens next.

Some officials said it automatically triggered the fall of the government, meaning cabinet ministers would work in an acting capacity pending the formation of a new coalition, but Babanov's office said a ruling from the president was required.

Babanov's spokesman, Sultan Kanazarov, denied all allegations of impropriety against the prime minister and the government and said deputies should have organized a debate in parliament about their concerns.

"Deputies are free to say anything. If there were any documents saying the law had been broken, they could have presented them to law-enforcement agencies," he said. "If you think the government isn't working, show us an alternative way."

The coalition was formed after the election last year of President Atambayev, the first peaceful transfer of the presidency since the country's independence two decades ago.

The coalition had united four of the five parties in parliament and comprised 91 of 120 deputies.

"The disadvantages of this system are the constant scandals, resignations and crises," said political analyst Kadyr Malikov. "We have a personnel crisis and we're heading toward a national catastrophe."

The economy in Kyrgyzstan, a mainly Muslim country of 5.5 million, relies heavily on production from the Kumtor gold mine, the flagship asset of Canadian miner Centerra Gold, and remittances from hundreds of thousands of migrant workers.

Weak economic governance and a high level of perceived corruption are seen as key hurdles to development in Kyrgyzstan, which lies along a major drug trafficking route from Afghanistan and has suffered periodic bouts of ethnic violence.

Though the country is seeking to develop untapped mineral deposits, its reliance on Kumtor — where output has fallen this year — contributed to a 5 percentage-point contraction in gross domestic product in the first seven months of this year.

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