

«Joining the WTO represents a challenge and a test of the efficiency of not only for Uzbek enterprises and business community but also of the state and bureaucratic machinery»,
- said Farhod Mirzabayev, an independent analyst from Uzbekistan.

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Under the leadership of President Shavkat Mirziyoyev since late 2016, Uzbekistan has been able to shed, to a considerable extent, the negative image of being one of the most politically repressive and economically closed countries of the world which was shaped over the long period of difficult rule by the former President Islam Karimov.

Authorities undertook many positive steps which sent "right signals" and won the praise of the international community, however, most of these reforms in many cases remain incomplete.

Most prominent of these steps were liberalization of the foreign exchange, easing restrictions on pious Muslims, allowing greater freedom of speech and press freedom, taking measures to put an end to forced labor, engaging neighbors to ease inter-state tensions over border and water disputes, offers to host Afghan peace talks and others.

No less important of these commendable steps was the announcement by the Uzbek government of its serious intention to revive accession talks with the World Trade Organization (WTO) which were paused since 2005. This step is important as it means readiness, though only in words so far, of the Uzbek authorities to upgrade country's foreign trade and investment regulations, government administration and relevant laws in compliance with the international standards and the exiting best international practices. Therefore, joining WTO represents a challenge and a test of the efficiency of not only enterprises and business community but also of the state and bureaucratic



WTO accession plans announced by Uzbekistan government might be another such "PR exercise". Source: eeas.europa.eu

machinery.

For many years the Uzbek authorities completely lost interest in WTO and harbored skeptical attitudes towards all regional integrationist processes within the Commonwealth of Independent States (CIS), giving preference to bilateral frameworks for cooperation. Due to the long pause in the negotiations, Uzbekistan will most probably have to again start its accession talks with WTO from scratch.

According to some Uzbek experts, in the best of circumstances it might take at least five years before Uzbekistan can sign accession agreement with the WTO. So far, the government has not revealed any detailed study of the possible consequences of future WTO membership. In fact, such studies will be started only now with the technical and financial help of the likes such as the EU, the US, South Korea, Turkey and other partners.

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Besides making announcements about its plans to join the WTO, Uzbekistan is yet to formally launch its accession negotiations with this international trading body's secretariat. In any case, despite the current expert level debates in Uzbekistan about the pros and cons of the WTO membership, it is not certain yet that the country will be able to successfully achieve WTO membership in the future and if that ever comes to pass, by all likelihood, it is certainly not a matter of immediate future. It took 11 and 15 years respectively for the neighboring Tajikistan (2013) and Kazakhstan (2015) to complete their accession talks.

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Over such long periods of time there is no guarantee that Uzbekistan government's priorities might change again and the accession negotiations might get stalled halfway without completion. Such fears are based on various observations. In particular, so far, Uzbekistan has been undertaking all kinds of domestic reforms, whether it is stopping forced labor or easing restriction on pious Muslims, usually under pressure from international partners rather than out of principled and genuine desire to correct something which is wrong or not normal by internationally recognized values.

For instance, President Shavkat Mirziyoyev ordered to put an end to the forced labor during cotton harvesting season only after his visit to New York to attend the UN General Assembly in September 2017. During his trip to New York among others he was received by World Bank former President Jim Yong Kim who reportedly put pressure on Uzbek leader to end

forced labor practices during cotton harvesting period and conditioned future loan agreements in support of his reformist agenda on the success of government efforts to stamp out forced labor in Uzbekistan.

During the first meeting of the President of Uzbekistan Shavkat Mirziyoyev with the former President of World Bank Jim Yong Kim in New York in September 2017, the latter conditioned future loan agreements in support of the reforms programme in Uzbekistan on the success of the government's efforts to stamp out forced labor practices in Uzbekistan. "...so far, Uzbekistan has been undertaking all kinds of domestic reforms, whether it is stopping forced labor or easing restriction on pious Muslims, usually under pressure from international partners rather than out of principled and genuine desire to correct something which is wrong or not normal by internationally recognized values.

In a similar fashion, other reforms or international initiatives of President Mirziyoyev pursued other specific goals. By easing restrictions and repressions of pious Muslims, Uzbek authorities sought the removal of Uzbekistan from "the list of countries of particular concern" which are violating religious freedoms according to US State Department's estimates. Similarly, efforts to stop or to limit forced labor were aimed to achieve lifting bans on Uzbek cotton among the international apparel brands.

Following this logic, based on pragmatic calculations, Uzbekistan might have dropped its erstwhile strong opposition to the construction of large hydro-electric power stations in neighboring Tajikistan and Kyrgyzstan with the expectation that these cash-strapped countries will never be able to complete these hydro-power projects on their own and will continue to struggle in vain to find a suitable partner willing to invest into these projects. If these countries will never be able to finish these hydro-power projects then why should Uzbekistan spoil its relations with these countries over these phantom hydro-power stations?

In order to remain in the good books of the Western partners and donor organizations such as the World Bank and the IMF, Uzbekistan needs to constantly send so-called "right signals" that it is pursuing reforms and is trying to open up its economy and achieve greater integration to the world economy. Such measures are necessary to maintain the current positive momentum in Uzbekistan's relations with foreign partners.

WTO accession plans announced by Uzbekistan government might be another such "PR exercise" aimed at achieving certain economic or trade goals, in addition these efforts will definitely serve to further strengthening of the favorable reformist image of Uzbekistan among the international community.

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positive momentum in Uzbekistan's relations with foreign partners. More fundamentally, having raw materials and commodities such as gold, natural gas, copper, cotton fiber and agricultural products as its main exports to a selected few countries with which Uzbekistan already has convenient bilateral trade deals, there seems to be no urgent need for Uzbekistan to actively pursue WTO membership at this stage in its development. Therefore, the announced process of joining the WTO might drag for many years due to myriad of trade, economic and even political reasons.

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