

Chapter 12: AGRICULTURAL REFORMS

Agro-Industrial Complex (AIC) in the Republic - the basis for formation of a self-reproducing national economy of Kyrgyzstan.

AIC's main purpose is to achieve maximal self-sufficiency in staple food products for population of the Republic, in raw-materials for domestic light and textile industries. The other important task is to expand agroproducts export, which is, today, the core of foreign economic activities (FEA) in Kyrgyzstan.

So, what are those problems, which are to be solved by AIC today? Let us consider them by main AIC branches. Grain growing economy is one of the highest priority AIC's branches. This serves as the main source for formation of food and forage funds in the Republic. Republic's demand in cereals is about 2.5m ton annually against gross harvesting about 1.6m ton of area about 600 thous.hectare including irrigated and dry-farming lands. Taking into consideration that the level of yield about 30 centner per hectare is quite practicable to reach and we should set ourselves to keep cereals yield level stabilized at 1.8m ton over the immediate next years.

Cereals gross harvest can reach the level of up to 2m ton from the same area under crops provided radical arrangements taken in the future. This, seems, is a quite reasonable and workable from economic point of view objective which we are to pursue. This requires introduction of plants grades producing high yield, observance of agrarian technologies, usage of mineral fertilizers, land improvement works carrying out, reconstruction of irrigation systems and increase its efficiency by 15-20 points (today it is just 0.56).

The State must pursue policy of protectionism in respect of grain production stimulating it by means of procurement prices. For instance, base prices for grain of the next year harvest should be announced early autumn in order to stimulate extension of areas under winter crops. Certainly, the market will have those prices adjusted, nevertheless it is good for a peasant who would be out of price vagueness. This should become a rule for to give confidence to peasants to stick to production of grain.

I think it is clear and there is no need to explain to everybody that it is a matter of importance to extend areas under sugar beet crops, construct new small sugar refineries in Issyk-Kul, Jalal-Abad, Osh and Talas oblasts (provinces). The total need of the Republic in sugar products is 175 thous.ton in that number 105 thous.ton of eatable sugar and about 70 thous.ton for needs of food and confection industries. This year, altogether 11.2 thous. hectare area in the Republic has been sown with sugar beet in that number 8 thous.hectare in Chui valley. About 300 thous.ton of sugar beet is expected which would yield in about 30-35 thous.ton of sugar, in other word that covers 1/3 of population's need in eatable sugar.

Experts believe that it would be reasonable to set ourselves to enlarge areas under sugar beet crops up to 25 thous.ton in 1994-95 and afterwards working over ways to increase productivity and sugar content of a beet. This would allow, basically, to solve the problem of eatable sugar. As to the industries' need, it can be quite met with produce of Ak-Suu Corn Treatment Factory, which is going to be commissioned late 1993 and produce high-quality fructose, glucose, corn oil and other the most valuable products.

It is necessary as well to solve the problem concerning with satisfaction of population's need in vegetable oil (40-45 thous. ton), at least by half, within 1994-95, by means of extension of areas under oil-bearing crops.

Technical crops, first of all the cotton, are requiring new approach. Today, the cotton is grown on the area of about 20 thous. hectare and its gross harvest in raw-cotton makes about 20 thous.ton. The Republic's and cotton processing industry's needs are demanding to increase raw-cotton output up to 70-100 thous. ton annually. This target is quite realistic to be hit over the immediate next years moving along two ways. Firstly, it is imperative to expand areas under cotton up to 30 thous.hectare. Secondly, it is necessary, at the expense of foreign investments, to master advanced technologies on cotton cultivation giving considerable and stable growth in productivity.

Tobacco is one of most the advantageous agriculture crops for Kyrgyzstan in respect of its profit-making capacity being as a one of the main items of export. That is the reason why we should avoid lessening of attention devoted to development of tobacco-growing,

improved quality of Kyrghyz tobacco. The Government in partnership with local state administrations should speed up realization of projects on construction of the first sections of cigarettes producing factories in Osh, Jalal-Abad and Talas oblasts, there are already draft agreements with foreign companies (Turkish, American, etc.) in respect of these projects.

Thus, we must set ourselves the task to bring an output of cigarettes over the immediate next years up to 30-40 billion pieces per annum which would sharply increase the Republic's revenue gained from tobacco production.

In imitation of Kazakhstan it is necessary to master high yielding and efficient technologies on the "second bread" cultivation which is a potato, especially as Netherlands gives us grants - the free economic aid for agricultural sector. The Government must see to it that much more vegetables should be in the composition of food consumed by population, the more so, as we produce them in sufficient amounts. However, the bulk of vegetables harvest is lost, goes to waste because of unsolved problems concerning timely harvesting, processing, storage and delivery to sale outlets. Such situation can not be endured any more.

Seed growing is one of the most important reserves to increase productivity of agricultural crops and also its produce is an exportable item of the sector. The Government should support seed growing farms as a matter of the first priority.

Development of gardening, viticulture, wine-making, manufacture of concentrated juice, dried fruits will produce huge profits and open new export opportunities. It is high time now to stop talking and get down to the business, so, we should start to form industrial plantations of nut-trees, pistachio-trees, prunes-trees on dry-farming lands. Generally speaking, as a matter of fact, it would be worth to establish the special business project called "NUT". Kyrghyz nut and articles made of walnut could be sold well on the world's market in that way earning hard currency for the country.

Healthy ecology of mountains could also serve as a good and stable basis for apiculture development. Honey from Kyrghyzstan has already acquired a good reputation on the world's market and we should build up its production for export.

Since olden days the live-stock raising has been recognized as an honorable business the Kyrghyz engaged in, especially, horse-breeding and sheep-breeding. In these business the Kyrghyz has been possessing the standing reputation in all over Central Asia. Over the recent years the total amount of live-stock heads in the Republic had considerably decreased. Thus, in 1988-1990 we had neat cattle in amount of 1.2m heads, sheep and goats - 10.2m heads, horses - 311 thousand heads, pigs - 418 thousand heads and, currently, in 1993 we have : neat cattle in amount of 1.m heads, sheep and goats - 8.8m heads, horses - 320 thousand heads, pigs - 173 thousand heads. Today, our main task is to apply every effort to maintain this total number of live-stock and do not let it decrease without well-grounded reasons. To achieve that goal we should take especial care on improvement of forage quality given to cattle, improvement of cattle fattening technologies.

Especial attention, over the next immediate years, should be given to milk and dairy products output, maintaining and consolidation of dairy produce farms, social assistance and support rendered to dairymaids. We must retrieve the extent of milk yields we had in the past raising the sector's efficiency by means of improving the pedigree represented in milker herds.

Sheep-breeding needs to be given the paramount priority with a view to increase productivity and profitability of the sector for this very branch of economy is one of the most important ones and linked with the fortunes of thousands of rural area inhabitants, especially, the ones living in mountainous regions.

So, this is not only economic issue, but, also, in addition, it is the most huge social and political problem to be solved. Therefore, the Government must work out the national program on development of sheep-breeding in the country. It is necessary to pursue an active policy on social assistance rendered to shepherds - who are the custodians of our centuries-old culture - the live-stock raising.

The Ministry of Agriculture in partnership with the World Bank and International Fund for Development of Agriculture, where to Kyrghyzstan recently joined, are currently working out a project on promotion of agriculture and sheep-breeding development in Kyrghyzstan, which involves financing of assistance given to

population living in mountainous regions and people engaged in sheep-breeding. It is necessary to create favorable conditions for the activities made by this international institutions in the country.

Moving along this way, we would be able to maintain wool output at the level of 30-40 thous.ton, which makes 10% of total wool output in NIS countries. We should bar from decreasing of wool output which is the most valuable item of export.

Today, the agriculture is in the very difficult situation and it is the State's duty - to help it. In prevailing number of cases those difficulties can be explained. That is true that prices for agricultural machinery and equipment used in processing sector of agriculture, fuels, fertilizers, insecticides are far ahead of procurement prices for agriculture produce. Prices imbalance, today, which has a terrible asymmetry, is of no benefit to agriculture.

The countryside needs the state support by means of purpose-oriented preferential credits, subsidies. Maybe, it would be expedient that we abolish all types of taxes except VAT in rural areas and impose a common land tax for all commodity producers. We must promptly complete and have validated the Land Cadastre to effectively decide matters concerning with land ownership and tenure. The Republic's industry should be directed to manufacture agricultural machinery and equipment for use in farming, equipment for processing sector of economy, spare parts and make repair and service of the agricultural machinery.

Terms of credits granted to agricultural production should be enough to ensure reproduction process in it.

We must radically change existing state system of procurement by means of change over to the contractual system which would work on the basis of mutually beneficial agreements concluded with rural commodity producers. Delay in payments for commodities have been delivered should be completely eliminated from practice. The other option is to set up a mechanism of state procurement on the basis of competitive tenders both for specific consumers (army, miners, hospitals etc.) and clearing deliveries on wholesale markets, which would protect free commodity producers from state monopoly. To give full play to free market, it is urgent that at the start of the year the Government announces top amounts of the state procurement on competitive tenders, proceeding from specific consumers' needs and

clearing operations. Mandatory procurement, which ensures formation of the state foods fund and provides industry with raw-materials of strategic significance, maybe, could be given the status of the tax in kind over the immediate next years. The tax in kind should be imposed on a limited set of agricultural products, for instance, on grain, milk and cotton. Whilst, procurement amounts and procurement prices are announced by the Government at the start of a year. On stipulated time at the start of the year, procurement organizations, acting as the state's agents, are to pay advance to relevant productions, concrete commodity producers. We need to develop construction of facilities for storage, processing and packaging of agricultural products on its production sites.

In other words, it is very important that the Government makes the things concerning these issues completely clear before the new year, which would allow us to be a safe trading risk to the rural commodity makers.

The core of agrarian reforms is the land reform, which implies the radical changes in the system of land ownership, creation of favorable environment for co-existence of diverse types of efficient economic management undertaken on the land, so that the land could find its solid, zealous and thrifty proprietor.

The land reform in Kyrgyzstan has advanced considerably over the past recent years. A set of felicitous reforms implementation mechanisms has been found. The legislation as Land Code, the laws on land reform, peasants farming units, cooperatives have been created. The market-oriented structures as Agro Business Center, Agro Stock Exchange and Peasants' Bank were set up to promote the land reform. Though, the latter yet do not play considerable role in implementation of reforms. The land reform implemented in two phases (1991-92 and 1992-93) had formed a certain layer of peasants-proprietors. The number of independent peasant's farming units and farms has reached 16.7 thousand but they still did not turn into highly efficient large-scale commodity producers.

We must confess that a plenty of mistakes has been done along the process of the land reform realization. Spontaneous processes prevailed during the first stage of the reform, lands and social cattle had been handed out free and without any competition and this

resulted in split up of kolkhozes and sovkhoses into small individual natural peasant holdings.

There were cases when the aims and purposes of the reform has been deliberately distorted by local "big" and "small" bosses with a view both to make an easy profit, misappropriation and discredit the reforms maintaining an administrative power over peasants. In majority of cases many kolkhozes and sovkhoses had simply split up into certain number of smaller farms under the pretence of agricultural cooperatives setting up and still stick to the old administrative structure and methods of economic management, i.e. they turned into more number of mini-kolkhozes and appropriate number of smaller bosses fed by the same of peasants.

So, what kind of aims and purposes of the land reform should we have on current stage?

Today, a hundred year of capitalist history in agriculture had proven us that - the farming is an absolutely firm and stable way of economic management in rural areas. That is true, the process of agricultural production concentration goes all over the world and it goes along the way of real cooperation among independent farms and individual peasant holdings. A family farm, at the same time, still remains and serves as a basic production unit in the world's the most thriving agrarian economies. On the contrary, the experience of the world's socialist system had showed us, as well, that the socialist type collective enterprises are lack of vital capacity.

Therefore, Kyrghyzstan must go along the progressive way of agriculture development achieved by the world's civilization through much suffering and that means that we should establish large-scale commodity producing farms which would use up-to-date technologies and organize in a co-operative to small enterprises and huge associations.

Of course, it is another important issue when we speak about methods and pace of reforms to be put into practice. When forming the new structure of farming in agriculture on current stage we should not force the number of those farms to grow but reinforce them with material and technical supplies, support them financially and transform them into real commodity producing farms.

Convincing experience of the world tells us that in making of farmer type peasant economy the great role belongs to the initial co-

operation which are credit, supply, sale cooperatives as well as cooperatives on agricultural raw-materials processing. Peasants who hold an independent farms join these cooperatives. Therefore, the Government's immediate task, today, to help all small independent peasant farms in co-operation, particularly, in joint use of agricultural machinery, irrigation systems and other common infrastructure facilities.

New farming units should be set up as commodity producing farms only, solely on the basis of competition and severe selection of applicants to be made by a special rural local committee authorized to implement the land reform which allocates sufficient area of arable lands out of the special land fund. They should be allocated preferential credits to purchase machinery and equipment, seeds and fertilizers. If one of these conditions is found to be impracticable it is expedient to stop to set up new farms to eliminate the danger to discredit the land reform policy at large.

It is important to stress now and we have been talking about that along all stages of the land reform that it is not going to demolish well performing kolkhozes and sovkhoses.

On the contrary, we should find an optimum combination of the state and private sector in agriculture, start up their mechanism of competition and labor motivation, set up multi-structural agriculture of rational makeup. We should not set collective farms and private farms against each other, they should supplement each other. Collective farms, for instance, could provide processing industry with mass quantity and cheap products and private farms supplying high quality produce to municipal market directly.

When the necessity for reorganization of a collective farm (kolkhoze, sovkhose) occurs the following should be done at the first place, taking into consideration that major number of peasants are not ready psychologically to run an independent private farm and infrastructure of major number of our villages does for large collective farms. It is needed to go along the way of their transformation into real cooperatives by means of well thought-out division of kolkhozes and sovkhoses into independent smaller private enterprises which would jointly exploit common infrastructure and production assets, proceeding from co-operative principles. Intra-economic cooperation could be arranged on leasing principles. In

this option, private entrepreneurship makes for labor motivation of each person, personal interest and aspiration for profit and joint use of accumulated funds reduces costs.

In that way, the purpose of the third phase - bring off the land reform to the logic end, in the sense, that to complete with selection of methods and pace of farms set up, formation of a rational combination of collective and private farms in rural area, ensuring that a necessity to make additional pushes every year no longer arises and it could become natural and permanent process.

The most principle question of the land reform - the land market - still remains open.

Nobody doubts that the land is the common national property. That is why the organization of the use of land must meet requirements of equality of rights of all people for the land resources.

Though, it is possible and we must give a freedom of land use which could be compatible (juxtaposed) with the social aspect of land use issue. Our task is to unite these two objectives - freedom and social justice, unite the social organization of the use of land and market economy.

According to our new Constitution the "purchase/sale" of land is prohibited, therefore, only the right for use of land can be privatized but not the land itself. Is it possible to run market-type land economy management having all of these? Absolutely, yes! Because in the market economy, first and foremost, a rural entrepreneur needs land which he can use to strive for profit by means of production activities, where, ownership for use (possession of the right to use) gives to a user the same freedom and certitude in respect of investments into the land as it does the normal ownership. Moreover, farmers can obtain bank credits against pledge of land plots which is stipulated by the Law "On Pledge".

Therefore, we must introduce the system where the right for use is a subject of purchase and sale and that is to be the market of land which does not violate the Constitution. Since the land itself, to be more precise, an ownership for land plot, is not subject for sale it stipulates impossibility of division by privileged and infringed members of society in respect of land. The

market of land would have value and significance for those who want to and can work on it zealously.

To ensure the functioning of such land use system we need to introduce land shares which should be distributed among peasants according to a size of land plot they are due to be given. The land share, in essence, is the right to use a land plot of a certain size. It is the land shares which are to be subject of purchase and sale on the market of land. Development of this very market will have result in forming up of commodity producing peasant farms and that is the final target of the land reform implementation. This mechanism makes it easier to develop credit market for farmers. Provided this mechanism for introduction of market of land is approved and supported we should begin with organization of the Mortgage Bank.

To gain success on the new stage of the land reform and avoid spontaneous developments the matter on foundation of efficiently working structure on implementation of the reforms in rural areas is another important task.

Experience of two previous stages of reforms speaks in favor of the following scheme:

In the first place, it is necessary to hand over the State Inspectorate on Organization of the Use of Land and the State Property Fund's plenary powers to the Ministry of Agriculture representing agrarian sector and this Ministry should head further implementation of reforms in the Republic;

In the second place, we must restore to life activities to be made by renovated village committees which could serve as executive organs for land reform in rural areas.

In other words, for proper development of agricultural sector of economy we need drastic measures to be taken and new content of the land reform.

Chapter 13: INDUSTRIAL POLICY

Now the industry of Kyrghyzstan is perhaps experiencing the deepest crisis, especially the machine-building industry. It used to be an organic part of division of Labor in the former USSR and could successfully exist only in that planned, command-administrative economical system, in the presence of such a huge monopolistic internal market of the former Soviet Union and the states of the socialist camp.

The impossibility of preservation of the former production volumes in the major part of industrial enterprises is obvious for everybody, as there are many kinds of output, which have lost the commodity market; the output, the demand for which has sharply reduced owing to the thorough conversion in Russia; and the output, for which there are no completing articles, raw materials and half-finished products coming from the states of CTS on account of the breaking-off the economic relations. And neither friendship nor fraternity or solidarity can help. To construct a wise, realizable industrial policy we should proceed from the above-mentioned real facts and not from invocation or wish.

Now we have joined in the economic complex of CTS, which has already become unstable. The duality of our condition lies in this fact: on the one hand, the breaking-off the traditional economic relations can have ruinous consequences for the industry of the republic; on the other hand we are satisfied neither with the disposition of these relations nor with the system of economic bonds, in which we have joined. Our industry has a structure of dependence and inequality. An open technological cycle of production "raw materials-industrial processing-final product" is characteristic of our industry. For the Kyrghyz industry, especially for its machine-building, instrument-making, electronic, electronic branches to survive and to become a basis of the new wave of industrialization; for its output to be in demand in the new necessary to study thoroughly the change of demand and commodity markets, the tendencies of their development and having changed according to it the radical structural reorganization of the whole industry.

That is why the Government ought to have a concrete program of structural reforms in industry, a concrete plan for reorganization of

the key industrial enterprises in the priority branches. During the transitional period, when the market relations are still far from being perfect and have not become an effective regulation strength, the Government ought to pursue an active industrial policy.

What principles should the industrial policy of our Government be based on?

The first principle is - to give the enterprises free rein to find their own way out of the crisis, so that the industrial enterprises could adapt themselves to the market conditions. Before we have discussed how to do it and we have come to a conclusion the joint stock enterprises are the most acceptable variant.

The second principle is - exclusively selected financial support of enterprises and works form the basis of the production cycle in the priority branches, in order not to allow the growing number of enterprises to fall, as they are tied in one technological knot (for example, the Cable plant for electrotechnical industry in Kaindy)

The third principle is - when deciding the fate of an enterprise we should be ruled only by one criteria the present situation and the perspectives of demand and sale of the final output.

Chapter 14: DEVELOPMENT OF THE FUEL AND ENERGY SECTOR

As Kyrgyzstan is situated in a railway deadlock it is very important to create its own independent and fully autonomous energetic base: A stable rise in economy of the republic is possible only when we can successfully realize corresponding energy policy.

Today Kyrgyzstan does not produce the most qualitative forms of fuel - gaseous and oil: The oil deficit of 1994 may have its bad effect on our efforts in all spheres of National economy. A sharp decrease in oil acquisition and a new price increase of the oil products from January, 1994 is expected in Russia, hence difficulties in getting gas.

Hence, Kyrgyzstan now faces problems of a fuel-energy sector, the solution of which will effect the future of the economic reforms.

First of all, it relates to the increase in acquisition and use of oil wells, as well as stimulation of active discovery, search and drilling new oil wells. This will require large foreign investments and advanced technology.

The Government shall favor the construction and production of the oil-refinery plant (500,000 ton of crude oil) in 1994, Jalal-Abad region. It is necessary to force up productivity by more use of inner-layer hydro-blasts and other methods that increase layer productivity.

Second, it is necessary to eliminate the decrease in coal production through technical modernization of the functioning mines and rock-cuts, as well as rise in use of excavation of the coal deposits by open method.

We must immediately move toward new sites of coal, first of all Kara-Kechi, where we can excavate coal at less capital investments, and solve the transportation problem. It is necessary also provide prospective and economic feasibility studies for coal-chemical projects to create the industry in the Usgen coal basin.

It is necessary for Kyrgyzstan to achieve a firm rise in coal acquisition and fix it at the level of 4-5 million tons in the nearest future. The goal is to achieve self efficiency and some substitution of imported coal, natural gas, and residual oil.

The main point of energy generation in Kyrgyzstan is electricity, which not only meets the republican needs, but it also

can be exported. Electric consumption in Kyrgyzstan is less than the consumption in CIS by three times. It is important to transfer rural energy consumption to that of electric source, for heating, cooking, hot water supply. This will require increase in construction of high voltage overhead lines, transformer stations, and distribution network. Hence it is very economically and ecologically harmless to use electrical energy.

Increase in electrification of industrial units demands for increasing production of electricity, as the export of electricity will play an important role in payments of the foreign debt of Kyrgyzstan. That is why it is important to finish the construction of Shamaldy-Say and Tash-Kumyr HES (hydropower electric station) and make commissioning of the first unit of Kambartinsk HES (number) N 2, to reach production of electricity - 15 billion kW/hr. This will enable us to raise electricity consumption by 40-45 %, instead of today's 30 %.

It is also important to stimulate electric supply by the method of production an exact fulfillment of the national program based on a special law on " Efficient Consumption of Electricity and Increase in Effectiveness of Fuel Utilization". The state energy policy shall be based on the priority of fuel and energy utilization efficiency rather than discovery and production. Calculations have shown that the possibility to reduce costs are about 30% of the total volume of the energy consumption. We must not forget, that the countries of CIS are now on a long way to suffer from energy crises which can not be improved in the coming years.

A good support is needed for utilization efforts of nontraditional and renewable forms of energy generation to serve first of all resort and @8 recreational facilities, and also the people in the remote areas of the Republic.

Chapter 15: MINING INDUSTRY

Kyrgyzstan deposits rich and various mineral and raw material resources. Kyrgyz rare soil-elements, hydrargyrum, stibium and its combinations, plumbum, protoxide-oxide of uranium, are in demand on the world market in last decades. However, today, the market perspective of these products changed very much. We must take it into account for later development of corresponding industries.

The time has come to elaborate a state program of the progress and rational utilization of mineral and raw material resource. The first step for the Government is to organize a republican scientific and practical conference on rational utilization of the usable fossils. The purpose of this conference is to define contours of such a program, strategic purposes, according to the prognosis of the world market prices for the ten year period. Second, the government might shape a creative group of the active conference participants and entrust them with elaboration of this program. The Government Program shall contain a new organizational and economic mechanism of effective, comprehensive and ecological elaboration of mineral & raw material resources, principles of streamlining of the legal basis.

The strategy of development of mineral & raw material resources must be build upon foreign investments and industrial technologies for a deep and full processing of the raw materials. It is extremely important to attract international investors for utilization of the mining waists, a variety of ore rockfills at drilling sites.

The main reasons to attract foreign companies shall be:

- joint elaboration of deposits, with the attraction of investment funds, qualified personnel, modern technologies of raw materials elaboration, processing and getting a ready product;
- getting investment for construction of the rock enriching plants, and 3 its compensation by ready production;
- export of metals and enriched ores, using the good reputation of the partner firm in the world market.

Some problems demand immediate actions. They are given below. In Kyrgyzstan, we have a large-scale raw material base for extraction of stannic-wolfram concentrate. It is necessary to raise funds and enforce construction of Sary-Jaz rock enriching plant. Output of

stannic-wolfram concentrate allows our Republic to receive different forms of deficient production from Russia, Ukraine, Kazakhstan, Belorussia. This will become possible due to direct contracts with stannic and wolfram processing plants, i.e. plants in metallurgy, machinery production, chemical, etc.

It is important to find partners to accelerate production in the rock-mining and rock-processing industries, which will allow to arrange the export of granite facade plates, marble, lime-shell stones and try to enter the world market.

It is necessary to work more energetically to produce new structural, composite ceramic materials on the basis of extraction and processing of basalt and graphite.

The extraction of gold must become one of the first priorities in rock-mining industry. Creation of gold reserves may become a valuable factor of money and credit system stabilization, strengthening the national currency.

Chapter 16: REGIONAL DEVELOPMENT

The strategy of the regional development must be aimed at provision of the equal opportunities for the regions in economic, social, and cultural aspects, on the basis of the national correspondence between the republican and the regional interests, elaboration of the new principles of labor allocation, which would meet interests of the goods producers and the goods exchange between the regions, availability of the local labor and raw material resources.

The reasonable specialization of the regions is also necessary. For instance, the necessity in the accelerated industrialization of the Southern Kyrghyzstan through modernization of the light and silk industries, creation of the "silicon valley" on the basis of Tash-Komur semi-conductor factory is obvious.

Issyk-Kul oblast (area) might become the initiator of the international tourism industry in Kyrghyzstan, attracting foreign capital and prospective partners, who seem to be very interested in the possibility to create a multi-service recreation, combination of the mountainous tourism, climbing, and skiing with curing at the Issyk-Kul lake.

The backward regions must be supported by the budget subsidies to a definite extent, as well as by the tax and other benefits, and by prior allocation of the productive forces. However, to receive and utilize this assistance they need efficient local power.

To have a successful fight against diseases of the regional disputes it is necessary to constantly change the administering personnel at all levels.

Recently the regions caused numerous debates. Many people demand elimination of the regional authorities as excessive units of the governing power in this Republic. Hence, the following circumstances shall be taken into account.

First, we need administrative de-centralization to stream line the democratic development. This is also a demand of the market economy, since market might be thought of as the democracy of economy. The Oblasts may provide a powerful support for further regional development and growth. They may provide the ground for the economic decision making from below, in the regional level, and this

stimulates competition between them, enforcing to seek and adopt best decisions in the interests of the regions.

On the contrary, measures to eliminate regional power, centralization of the administrative system will lead to central autocratic governing mode, which tends to direct economical policy from the center. Of course, one should not state that such a mode is not acceptable for Kyrghyzstan at all. The question is which is the proper way to choose in this transition to the market economy, democratic, or command.

On the other hand, the local state administrative bodies have not yet become the true conveyors of reforms, and guarantors for the true legislative system.

**2. Presidential Decree on the Establishment of
the State National TV and Radio
Broadcasting Company**

DECREE OF THE KYRGYZ REPUBLIC

PRESIDENT

About the establishment of the Kyrgyz Republic State National TV and Radio Broadcasting Company.

To improve the Kyrgyz Republic TV and radio management system, to preserve and develop it as the unified republican structure, and also to strengthen TV and radio broadcasting role in the matter of objective and all-round coverage of the processes, taking place in the Republic, I decree:

1. To establish the Kyrgyz Republic State National TV and Radio Broadcasting Company (Gosteleradio) on the basis of the State TV and Radio Broadcasting Agency, which was under the Government of the Kyrgyz Republic.

2. To consider the Kyrgyz Republic State National TV and Radio Broadcasting Company as the successor to the Kyrgyz Republic State TV and Radio Broadcasting Agency under the Government of the Kyrgyz Republic and define it as the governmental institution on the issues of TV and radio broadcasting, which provides the elaboration, coordination and implementation of the policy in the sphere of TV and radio broadcasting over the territory of the Kyrgyz Republic.

3. To accept the proposal of the oblast TV and radio broadcasting companies concerning including them into the structure of the Kyrgyz Republic State National TV and Radio Broadcasting Company as its regional structural subdivisions and to entitle the managers of these companies and oblast governments to make reorganization of these organizations.

4. The Government of the Kyrgyz Republic must consider and adopt the Resolution about the State National TV and Radio Broadcasting Company to define its staff quantity and salary fund for its employees.

President of the Kyrgyz Republic

A. Akayev

Bishkek,

The House of Government

March 19, 1993

**3. Government Ordinance on the State
National TV and Radio Broadcasting
Company**

GOVERNMENT OF THE KYRGYZ REPUBLIC

RESOLUTION

May 5, 1993 #188

Bishkek, The House of Parliament

In accordance with the Kyrgyz Republic President Decree issued on March 19, 1993 "On establishment of the State National Broadcasting Company of the Kyrgyz Republic", the Government of the Kyrgyz Republic decrees:

1. To confirm the resolution on the SNBC of the Kyrgyz Republic (Gosteleradio) attached.
2. To confirm the chart of the SNBC leadership in accordance with the addendum.
3. To identify the maximum number of the SNBC staff as 24, (not including guards, service lending personnel) and the wages fund at the total amount 4463,3 ths. roubles per year.
4. To appoint in the SNBC 3 vice-presidents, one of them as the first one.
5. The president of the SNBC must confirm the structure of the central apparatus of the Company.
6. The SNBC is supposed to develop and confirm the Resolution on the oblast TV and radio companies together with the oblast administrations and to solve the organizational problems of their functioning.
7. The Ministry of Economy and Finance of the Kyrgyz Republic is supposed to make the coherent changes in the economic and social development budget's data, corresponding to the present Resolution.

8. The Resolution of the Government of the Kyrgyz Republic issued on April 17, 1992 #168 "The Items of the State TV and Radio Agency under the Government of the Kyrgyz Republic" lost its validity.

First Vice-Prime Minister of
the Kyrgyz Republic

G. Kuznetsov

Adopted by the Government
of the Kyrgyz Republic
May 5, 1993 #188

R E S O L U T I O N

About the State National TV and Radio Broadcasting Company of the Kyrgyz Republic (Gosteleradio)

I. GENERAL STATEMENT

1. The State National TV and Radio Broadcasting Company (SNBC), was established in accordance with the Kyrgyz Republic President Decree on March 19, 1993 "On establishment of the SNBC" and defined as an organization of state management on the issues of TV and radio, providing elaboration, coordination and implementation of the policy in the field of TV and radio broadcasting over the territory of the Kyrgyz Republic and is the successor to the State TV and Radio Agency of the Government of the Kyrgyz Republic.

2. The Company conducts its policy in accordance with the constitution of the Kyrgyz Republic, its laws, the Kyrgyz Republic President decrees and resolutions, regulations of the Government and the present law.

3. The main purposes of the company are elaboration, coordination and implementation of the governmental policy in the field of TV and radio broadcasting, collection and distribution of information concerning events taking place in the Kyrgyz Republic and in other countries, organization of wide relations with foreign countries' TV and radio organizations, implementation of state function on selection, systematization and keeping of TV and radio product as part of national wealth, influence on processes taking place in the society, creation of public opinion based on the principles of freedom of speech, democracy, strengthening of civil peace, concordance and public order.

4. In covering issues of state, social, economic and cultural development of the Kyrgyz Republic in all fields of social creative activity, the Company is guided by the principles of freedom, irrespective of nationality, viewpoints, religion.

5. The Company itself solves its organizational, economic, financial, personnel, creative, productive and other issues. Interference with these fields by public and political parties or movements, by religious or other organizations and unions or by individuals is not permitted.

6. The property of the Company is the property of the Kyrgyz Republic and legally it belongs to the Company in accordance with the acting legislation of the Kyrgyz Republic.

7. The operation of the Company is financed by state budget. To increase its financial resources, the Company is authorized to use all sorts of business activities both in TV and radio programme and financial processes. Additional finance sources might be:

- business activity of TV and radio broadcasting (advertisement, commercials, production of ordered TV and radio programmes and movies, plays and concerts, organization of TV-lotteries, music recording, sale of video and audio cassettes, tapes, etc.);
- grants and charitable deposits and donations of state and private organizations, institutions, enterprises, public funds, individuals;
- income from creating joint ventures;
- other business activity not contradicting legislation of the Kyrgyz Republic

8. The company is a juridical unit and is authorized to operate fixed assets and working capital, received from the State, has its own balance sheet and personal accounts in the banks, seal with its own emblem, own stamps, blank forms with its name both in Russian and in Kyrgyz, may come as a plaintiff at the court.

II. SNBC FUNCTIONS

9. The major functions of the SNBC are:

- provision of TV and radio programmes on a highly professional level, strengthening of their impact upon market relations development in the country;
- creation of favorable conditions for realization of creative and productive potential, provision of incentives for the employees for the results of their activity;
- elaboration of TV and radio future development concept, reconsideration of former approaches to the issues of creation and utilization of material and technical base;
- utilization in its activity of audio and visual equipment and technology of the world;
- together with the Ministry of communications elaboration of TV and radio broadcasting progressive systems, as well as their implementation, provision of technical facilities and trunk lines broadcasting control;
- creation of basis for all types of entrepreneurship;
- cooperation on a contract basis with other broadcasting companies of FSU (Former Soviet Union) and non-FSU countries, as well as with individuals, ministries, local governments, institutions and other organizations;

- defining of main directions of regular training, retraining and skill enhancement of the Company employees;
- creation and implementation of effective management forms for creative and productive activity, aimed at improvement of the system, providing progressive and harmonic development of national TV and radio broadcasting within state cultural policy and in accordance with human values.

III. RIGHTS OF THE COMPANY

10. In accordance with the obligations put on the SNBC, it has the rights:

- to get any necessary information without any obstacles from state and public organizations, institutions, enterprises and their employees for making material to broadcast through TV and radio;
- to conduct its activity in accordance with objective and open information principles;
- in accordance with the legislation, it has the right to do anything with its product, profit and other assets;
- to determine itself the quantity of its staff, to found special insurance, currency and other funds as well as social security fund;
- to establish forms, systems and sizes of labour payment, bonus payment within the amount of salary fund;
- to sell its product and services at its own or agreed prices;

- to create (eliminate) organizations, enterprises, unions, creative groups and departments (even abroad) with their full creative, financial, and economic independence and appropriate responsibility;
- to prepare within its competence drafts of laws concerning the activity of the Company, to participate in meetings and sessions of the Parliament.

IV. ORGANIZATION OF THE COMPANY ACTIVITY

11. The Company is created and eliminated by a President Decree, operates on the rights of a Ministry.

12. The SNBC is headed by the president, appointed by the President of the Kyrgyz Republic. The SNBC president has three deputies, appointed by the Government.

The SNBC president defines the responsibilities of his deputies.

13. President of the Company:

- supervises Company activity personally and is responsible for implementation of the tasks and functions of the Company;
- within its competence issues regulations and other documents, determining activity of the Company and controls their implementation;
- establishes the degrees of responsibility of the vice-presidents and heads of departments, divisions, and subsidiary organizations;
- adopts functions and terms of reference for the employees;
- adopts the list of the Company staff and regulates it in accordance with real operation volume;

- creates, restructures and eliminates organizations, units, departments and unions with their complete financial, creative and business independence and, if necessary, changes their subordination;
- adopts or changes the structure of subsidiary units, as well as the regulations on them.

14. The Company creates Collegium as a coordinating and consulting body, consisting of the president, his deputies, heads of major departments and other employees, appointed by the president.

The president of the Company is also the head of the Collegium.

Collegium meetings take place when necessary, and obligatorily once a month. At these meetings they consider the most urgent issues, connected with defining of the state policy in strategy and tactics of TV and radio broadcasting, and also with the improvement of Company activity. Resolutions of the Collegium are implemented through the orders of the Company president.

15. The Company in its everyday activity is guided by its inner time-limit.

16. The SNBC structure includes six oblast broadcasting companies, financed by local budgets. The SNBC coordinates their creative activities.

17. The heads of oblast broadcasting companies are appointed by the local administration heads with the consent of the SNBC president.

18. The Company conducts its own accounting, statistic and operative activity, compiles and presents reports on all sorts of its activities, provides its accuracy.

19. The Company provides complex auditing of the oblast and other branches activities.

20. The Company provides necessary financial and business operations, has its own accounts in banks, conducts external economic activity, established by the Kyrgyz Republic legislation.

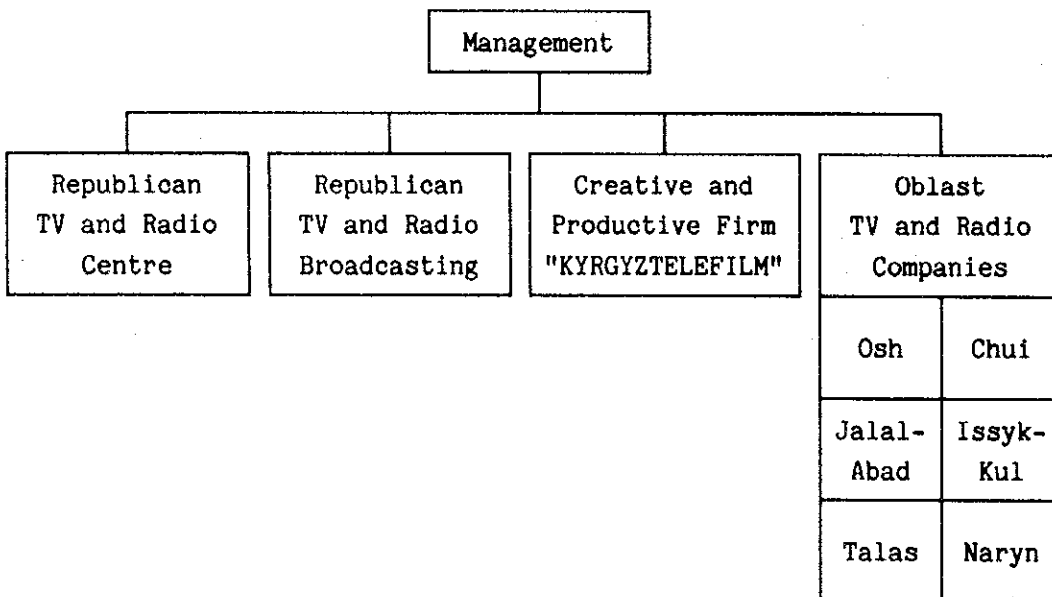
21. Control and audit of the Company activity is made by tax and other institutions, which are authorized to do that in accordance with the legislation.

ATTACHMENT #188

to the Resolution of the Government of
the Kyrgyz Republic

May 5, 1993

S C H E M E
of
the Kyrgyz Republic
State National TV and Radio Broadcasting Company



**4. Law of the Kyrgyz Republic on TV and
Radio Broadcasting**

LAW OF THE KYRGYZ REPUBLIC ON TV AND RADIO BROADCASTING

CHAPTER 1. GENERAL INFORMATION

Article 1. Main description and definition of terms, used in the present Law

The following descriptions and terms are used in the present Law.

TV and radio organizations are juridical persons or structural units, possessing the right for mass distribution of video and audio programmes, which are used by the population.

Organizations of State TV and Radio are creative and productive units, studios, departments and other organizations, making and broadcasting TV and radio programmes for the population and included into the system of the State National Broadcasting Company of the Kyrgyz Republic (SNBC).

Local TV and radio organizations are TV and radio organizations making programmes for local (oblast, rayon, city, village) broadcasting.

Organizations of institutional and public TV and radio are juridical persons or their structural units (enterprises, collective or other farms, higher schools, etc. broadcasting departments), created by State or public unions, enterprises, organizations in the order, defined in the present law for producing and broadcasting TV and Radio programmes with informational, commercial or other purposes within the appropriate territory.

Programme is the combination of materials, received directly or recorded, consisting of picture, sounds, or picture and sounds, used for further distribution or broadcasting.

Broadcasting is any transmission of signs, sounds or pictures by means of electromagnetic waves, radiated by transmitting station (studio) and received by arbitrary number of receiving systems, and then transformed into signs, sounds or pictures again.

Live broadcasting is transmission of TV and radio programmes without preliminary recording and editing, when participants of the programmes are not obliged to exactly follow the scenario, composed beforehand.

Advertisement is any public announcement, made for stimulating realization of any product or service, for support of any business or any idea, desired by customer, who ordered the advertisement, for which the advertiser is paid and finds the broadcasting time.

Sponsorship is participation of a physical or an official person, who is not engaged in TV and radio broadcasting activity, in direct or indirect (oblique) financing of programme for advertising his name, firm name or trade mark.

Article 2. The purposes and tasks of the Law on TV and radio broadcasting and its inacting field

This Law determines juridical, economic and social standards of TV and radio broadcasting organization in the Kyrgyz Republic, identifies status and competence of the Kyrgyz State National Broadcasting Company, its relations with the republican and local governments and authorities, political and public organizations, associations, enterprises and with citizens.

This Law covers all kinds of TV and radio broadcasting in the Kyrgyz Republic, irrespective of institutional ownership, except for special TV (industrial, technological, educational, official, etc.), radio (radio amateur: communication, radio sports, etc.) broadcasting and other forms of communication, acting on the basis of individual call or used for spreading special information or the one, faced by TV and radio organizations according to the items of this Law.

CHAPTER 2. STATE TV AND RADIO BROADCASTING COMPANY (SNBC)

Article 3. Status of the SNBC

TV and Radio Broadcasting Company of the Kyrgyz Republic is a governmental institution, which produces and broadcasts TV and radio programmes and co-ordinates TV and radio broadcasting system on the whole territory of the Kyrgyz Republic at the rights of a Ministry.

The SNBC independently decides organizational, financial, operational and other issues, concerning the sphere of the Kyrgyz Republic TV and Radio Broadcasting Company activity.

The activity of the SNBC is based upon the constitution and laws of the Kyrgyz Republic, decrees of the state Present, resolutions and decrees of the Government.

Any other governmental institutions of all levels, including ministries, public organizations, movements and parties have no right to interfere with SNBC activity.

Taking into account the importance of preservation and development of the common State TV and radio broadcasting system of the Kyrgyz Republic, all documents, adopted by oblast, city and rayon organizations, dealing with broadcasting issues without the consent of the SNBC are considered not to be valid.

Article 4. Structure of the SNBC

The SNBC consists of the following units:

- Creative, productive and editorial structures of the SNBC;
- Oblast and city TV and radio broadcasting organizations;
- TV and radio centre;
- Technical facilities (TV and radio stations, transmitters, cable and relay communication lines);
- Satellite and other facilities of TV and radio programme transmission;

- Kyrgyztelefilm movie studio;
- Groups of symphonic orchestra and the chorus;
- "Ether" newspaper

Depending on creative and productive necessity and reasonableness, the SNBC can independently restructure, eliminate or create new units, including oblast ones, as well as to found new units abroad.

Article 5. SNBC management

The president of the SNBC is appointed by the President of the Kyrgyz Republic and approved at the session of the Kyrgyz Republic Parliament (Jogorku Kenesh). The president of the SNBC must not be a member of any political party for the last three years before appointment.

The issue of the SNBC president's post vacated is decided by the session of the Kyrgyz Republic Parliament (Jogorku Kenesh). The president of the SNBC has three deputies, who are appointed by the President of the Kyrgyz Republic.

The SNBC has creative-administrative union (Collegium), which consists of the president, his deputies and other high qualified employees.

The staff of the Collegium is formed by the president of the SNBC.

Article 6. The main purposes and functions of the SNBC

Organization of TV and radio broadcasting for the Kyrgyz Republic inhabitants and for foreign countries.

The main purposes of the SNBC are:

- Guarantee of TV and radio programme of a highly professional level, strengthening of their impact on the Kyrgyz Republic social and economic development, strengthening of civil peace, international consent, protection of the national interests and human rights;
- Control of the TV and radio programmes content, which are transmitted by the departments of cable television and other non-state television and radio organizations on the territory of the Kyrgyz Republic, if all this is corresponding to the principles and conditions of this Law;

For these purposes the corresponding department is formed in the structure of the SNBC.

- Formulating of TV and radio broadcasting development strategies and trends, realization of the common state policy, coordination of TV and radio network development in the country, guarantee of cooperation between local and foreign TV and radio organizations.
- Implementation of the common technical and technological policy, elaboration and implementation of material and technical basis development plans, international cooperation on TV and radio broadcasting development directions;
- Rational allocation of TV, radio means, providing operation of common network of TV and radio distributing systems;
- Protection of consumer (TV-viewers and radio-listeners) rights and legal interests;
- Terms of reference, which are given to the SNBC by local authorities;
- Provision of international cooperation in the sphere of TV and radio broadcasting;

- Organization of TV and radio broadcasting to foreign countries, stimulation of foreign TV and radio companies broadcasting activity in the Kyrgyz Republic;
- On the governmental consent or on behalf of its own name it signs Agreements and Protocols.

Article 6-a. TV and radio broadcasting major principles

The SNBC is an independent state organization, fully and objectively covering events and processes, taking place both in the country and in the world.

Preparation and distribution of TV and radio programmes is made independently, no state or public organizations, institutions, political parties, movements or any individuals are allowed to interfere with these issues.

Monopolization of broadcasting time by any party, political movement or group as well as making the State Broadcasting Company the means of personal ideas propaganda is not permitted.

It is prohibited to use TV and radio for calls to enforced overthrow of the state President, Government, change of the constitutional system, violation of sovereignty and territorial unity of the Kyrgyz Republic, as well as propaganda of enforced interference with foreign countries' internal affairs.

It is not allowed to broadcast materials propagating separatism, national exclusiveness, violation of human rights according to political, religious or race signs.

Broadcasting time is given to political parties, public organizations and movements, corresponding to their quantity and meaning in the social and political life of the Kyrgyz Republic, as well as depending on productive abilities of the SNBC.

During election campaign of national and local representative and executive powers, utilization of TV and radio by political parties, organizations and movements is determined by the law about elections and other regulations and treaties, not contradicting the present Law.

Article 7. SNBC attitude to political parties, organizations and movements

It is prohibited to create in the SNBC any parties, political organizations or movements.

The SNBC employees can be members of parties, political organizations and movements, but registered not in the SNBC.

The SNBC employees, registered in any parties, political organizations or movements are prohibited to utilize TV and radio for propagandizing ideas, tasks and objectives of these political organizations.

Article 8. SNBC property

Radio and TV programmes, video materials, video films, movies, TV-films, produced in the SNBC are the property of the SNBC and can not be used by other organizations without the consent of the SNBC and without appropriate payment.

Materials of the "Ether" newspaper can not be used by other publishing organizations free of charge.

Article 9. Financing of the SNBC

Finance sources for the SNBC are budget donations, as well as money received from:

- production and broadcasting of advertisement, creation of information booklets, video-newspapers, production of ordered TV and radio programmes, TV-movies;
- operation of commercial channels, as well as cable, cassette, information and other types of TV and radio broadcasting;
- production, sale and renting of cassettes with video and audio product;
- activity of joint ventures;

- renting of TV-films, plays, concerts, etc.;
- external business activity;
- charity and other public funds and fees of state organizations, sponsors and individuals;
- lotteries;
- other business activities.

Article 10. Utilization of the money, received from SNBC extra activity

Money, received by the SNBC and its organizations and subsidiary units from different services, order fulfillment, other business cannot go to the Government or be taxed.

It goes to support all sorts of SNBC activities.

Article 11. SNBC productive, material and technical base

SNBC productive, material and technical base, which provides production and broadcasting of TV and radio programmes, includes enterprises and organizations (the Radio and TV Centre, a radio-house, studios, etc.), as well as technical facilities (TV and radio transmitters, cable and wave trunk lines, satellite and other forms of programme production and broadcasting).

Current and future plans of material, productive and technical base expansion and development are elaborated by the SNBC. Plans, programmes and schemes of public, institutional and other types of radio and TV broadcasting development must be linked a state programme of broadcasting development.

The SNBC is authorized to construct and utilize (beside permanent) temporary and mobile TV and radio communication constructions, necessary for TV and radio stations operation.

To develop its material and technical base, the SNBC may use the loans of state and other banks, placing agreements with them

The regulations on state trade are not valid for the SNBC.

TV and radio equipment and materials, imported from abroad, are not taxed.

Privileged tariffs and discounts envisaged for mail, telegraph and telephone, included into the system of communications, are valid for the SNBC.

Article 12. Utilization of spaces and equipment

SNBC buildings, constructions, equipment and other technical facilities, erected (obtained or constructed) on the account of state capital investments and providing broadcasting for domestic and foreign population are the property of the Kyrgyz Republic and must be used for their proper purposes and can not be used by non-governmental organizations without the consent of the President or the Government of the Kyrgyz Republic.

Article 13. Guarding of SNBC constructions

The Ministry of Internal Affairs of the Kyrgyz Republic is responsible for guarding the constructions, spaces, facilities and materials of the SNBC.

Article 14. SNBC operating and householding spaces

On the account of allotted money, loans and other sources the SNBC has the right to buy, lease, construct or hire operating spaces, blocks of apartments, rest homes, camps and other spaces.

Article 15. Labour agreements

The SNBC has a competitive contract system of labour agreements.

Hiring and firing of SNBC employees is made by a special competitive contract commission, headed by the SNBC president. The commission decisions are adopted by a majority of voices and can not be reconsidered by higher institutions.

Article 16. Salary payment to SNBC employees

The SNBC is independent in establishing forms, system and sizes of labour payment, as well as other employee incomes.

The SNBC uses formerly established tariff rates and salary amounts to base upon for establishing differentiated salary payment, depending on profession, skill level, complexity and conditions of the work. Salaries, established by the SNBC, can not be abolished by any higher state, trade union or court institutions.

CHAPTER 3. RIGHTS AND OBLIGATIONS OF TV AND RADIO PROGRAMME MAKERS

Article 17. Rights of TV and radio programme makers

TV and radio organizations have the right to permit or prohibit:

- broadcasting or rebroadcasting of their programmes;
- reproduction, copying or sale of programmes without their permission;
- public demonstration of their programmes, if this demonstration is paid.

Utilization of programmes without the opinion of TV and radio organizations is allowed in the following cases:

- to satisfy personal demands;
- in utilization of small fragments;
- in utilization exclusively for educational, scientific or information purposes.

Article 18. Rights of TV and radio creative staff

Rights of TV and radio workers, envisaged by this Law, do not depend on their viewpoints, religion, political or trade union ownership. They are employed or move in accordance with their skill level.

TV and radio creative employees have the right:

- 1) to find and get without obstacles information needed for making a programme;
- 2) to record any video, audio, film materials except for the cases envisaged by this Law;
- 3) to be accepted on his request by any officials or public organizations;
- 4) to be present in the areas of natural disasters, at meetings, demonstrations, folk festivals and other events;
- 5) to use pseudonym to be mentioned in titles;
- 6) to allow or to prohibit changes, reduction or addings in the prepared material, except for cases when this material is made an official task;
- 7) to take out responsibility for the materials, the content of which was distorted within the process of preparation.
- 8) to use other rights offered by the present Law, other laws of the Kyrgyz republic and international norms.

TV or radio journalist can not be punished for refusal to fulfill an editorship order if this order is not reasonable (non-objective) or contradicts the ideal, moral, religious or national convictions of the journalist, or his background, all that being mentioned in the contract.

In their activity TV and radio employees have the right to use privileges during business trips, access to sports and cultural events, in buying equipment needed for professional activity, as well as in getting assistance of state and public organizations if necessary.

Article 19. Obligations of TV and radio employees

TV and radio creative workers are obliged:

- 1) to implement activity programme of the TV and radio organization, with which he signed labour contract, to follow certain rules and norms;
- 2) to check the accuracy of broadcast information;
- 3) to avoid the information damaging pride and dignity, rights and legal interests of individuals, state and public organizations in the programmes;
- 4) to respect rights and legal interests of individuals and organizations;
- 5) to refuse fulfilling orders contradicting the Law;
- 6) to fulfill other demands, envisaged by this Law and SNBC activity regulations.

All the items of this Law are valid also for SNBC part-time employees.

If TV or radio journalist is nominated as a candidate to the elective office, he has the same rights to use radio and TV as other candidates. In this case he can make benefit of his position.

TV and radio organizations and employees are prohibited to receive any foreign payments, except for the cases envisaged by the rights for intellectual property.

CHAPTER 4. PROTECTION OF CUSTOMER RIGHTS

Article 20. Protection of TV-viewers, radio-listeners and other customers rights

Protection of TV-viewers, radio-listeners rights and interests is made by court, state and public organizations on customers rights protection.

TV-viewers and radio-listeners of the Kyrgyz Republic have the right:

- to get through TV and radio organizations true and objective information about the activity of state and public organizations, certain people, other information;
- to refute false information and the one discrediting pride and dignity of people, state and public organizations;
- to receive major programmes of the state TV and radio of the Kyrgyz Republic and the programmes of FSU (Former Soviet Union) countries;

TV and radio organizations have the right:

- to change completely broadcasting character and volume (programme policy) without previously (not less than two months before) informing audience in the programmes;
- to increase subscription fee or other fees, except for the changes adopted by tariffs.

Any work in a certain area must not deteriorate the reception quality. if so, the enterprise or institution must compensate expenses for repair.

Article 21. Public participation in the activity of TV and radio organizations

TV-viewers and radio-listeners have the right to apply to TV and radio organizations with their opinions, proposals concerning the quality and content of programmes (programme policy). The mentioned organizations in their activity must take into account these opinions and they must regularly study public opinion, letters and organize meetings with audience.

The audience has the right to demand report about following by TV or radio organization the items of this Law.

Article 22. Protection of teenagers and other customers rights

Programmes which can damage teenagers physical, mental or moral development, must not be broadcast at a time when they watch TV or listen to radio.

Commercials addressed to children must take into account peculiarities of their upbringing.

It is prohibited to show crimes and suicides committed by children and teenagers, if they can be recognized.

Article 23. Inadmissibility of information distort

The person interviewed has the right to demand showing him the final version of the programme preliminarily (including comments, etc.) and, in case he disagrees, to demand taking it out from broadcasting.

In case of a conflict it should be considered by the court.

Article 24. Right to response, refutation or own interpretation of the case

TV and radio organizations must give individuals or organizations the right to answer, refutation or personal interpretation of the case, when their interests are touched upon in the programmes.

In case the information is distorted in the programme it must be refuted within one month. The time and content of the refutation must be agreed upon with the customer.

Refusal to refute should be considered by the court.

Article 25. Obligations of TV and radio organizations

TV and radio organizations are obliged:

- 1) to promote understanding of the rights and obligations, envisaged by the constitution of the Kyrgyz Republic, and follow the items of the present Law;
- 2) to be maximally objective in broadcasting any information;
- 3) not to interfere with the broadcasting of any other TV and radio stations;
- 4) to keep identity of the nation;
- 5) to promote spiritual support of the national and world culture;
- 6) to form legal culture;
- 7) to promote active participation of citizens in the public activity and democracy;
- 8) to confirm social justice, democratic principles, humanistic values;
- 9) to keep hidden the name of an informer, giving any type of assistance;
- 10) not to open the investigation data without the permission of procurator;

11) to open the name of an accused person before the final decision of the court;

12) not to give any information about his individuality without his consent.

If the customer wins in the court, he is compensated for material expenses according to the Law.

Special state secret, coup d'état, any kind of violence or propaganda of war, racism and national exclusiveness, any criminality must not be broadcast by TV and radio organizations.

CHAPTER 5. TV AND RADIO BROADCASTING ORGANIZATION

Article 26. Outcoming data

At least three times a day TV and radio organizations are obliged to announce own name and symbols envisaged by the legislation.

Article 27. Distribution of radio frequencies and channels

Distribution of radio frequencies and TV channels, their control and abolishment of the interference is made by appropriate institutions in accordance with the Kyrgyz legislation.

Article 28. Satellite TV and radio broadcasting

Satellite broadcasting is made in accordance with state legislation.

Article 29. Utilization of TV and radio technical facilities

Technical facilities must respond to the demands of appropriate TV, radio and communications institutions.

Owners of TV and radio facilities can not offer them to any organizations without certain permission.

It is prohibited to install new parallel cable and other facilities if the existing ones are not utilized completely.

Article 30. Broadcasting language

TV and radio organizations broadcast in Kyrgyz and other languages for the country and in other languages for abroad.

The language is also agreed upon with other FSU countries.

The broadcasting language is also determined by local governments. Other broadcasting languages are defined by the treaties between foreign countries.

National minority have the right to be broadcast about in their native language.

Article 31. National and local TV and radio programmes

TV and radio programmes are broadcast for the sake of the nation. Their reception in the territory of the Kyrgyz Republic is not limited. Official organizations can not interfere with their activity without the consent of the Government or the President of the country.

Content, volume and order of broadcasting is determined by the SNBC and local governments.

All local programmes must support each other for the sake of the audience.

Article 32. Right to get the information

TV and radio organizations have the right to get any information from any state or public institutions. Those who offer information are responsible for the accuracy of information. Refusal to give information is given in oral or written form.

Refusal without reasons can be considered by court.

Article 33. Broadcasting of official and other obligatory information

Official information is broadcast by the SNBC. The population must get information about natural disasters and other things alike.

In this case the right to use TV and radio belongs to appropriate persons.

TV and radio organizations must broadcast any official events free.

Parliament and other official meetings are broadcast within the limits of state budget.

Article 34. Utilization of TV and radio by parties and other public organizations

Parties and other public organizations have the right to utilize TV and radio. This is valid in case of elections and other legal political events.

The air time for such broadcasting is determined by the SNBC and the Government.

Article 35. TV and radio commercials

Advertisement must be objective and true. The time for such broadcasting must not exceed 5% of daily broadcasting and 10% of the programme time if the company is supported by state budget. Such commercials must not exceed one hour per day.

A programme can be interrupted for not more than once within 45 minutes of broadcasting.

Announcers and anchors can not make any advertisement on behalf of themselves.

If commercial goes as information, journalists can not be paid for it.

Responsibility for inaccurate commercial lies upon the authors. Advertisement customer is responsible for the content.

Commercial broadcasting fee is defined by a certain tariff.

Article 36. Prohibition and limitation of advertisement programmes

Advertisement of tobacco and alcohol products, medication without prescription of the doctor or any sermon is prohibited.

It is prohibited to advertise anything in hidden form.

TV-journals, news programmes, religious and children programmes of less than 30 minutes can not be interrupted by commercials.

Political advertisement during election campaign is prohibited.

Any advertisement disturbing morally, spiritually or physically is prohibited.

Article 37. Sponsorship

Sponsored programme must mention the sponsor.

Sponsored programme must not advertise the product of the sponsor.

The products mentioned in the present Law can not be advertised in sponsored programmes.

Sponsorship in news programmes is prohibited.

Sponsored programmes must not be interrupted by commercials unless agreed upon with the sponsor.

Amount of sponsorship must not be taxed.

Article 38. Correspondent branches

The SNBC can open correspondent offices both in the country and abroad. In this case it represents the interests of the SNBC.

All of them are within the SNBC.

Their activity is agreed upon with local governments.

Article 39. Accrediting

TV and radio organizations may accredit their employees to state and public enterprises on the accrediting body conditions.

Press service (centres, agencies, etc.) can not prohibit accrediting of journalists if this fact has been announced before.

Article 40. Keeping of broadcasting material

TV and radio organizations must keep programme papers for one month after broadcasting. All programmes must be registered in the special book, including title, author, etc.

After one month the programme can be eliminated if there is no demand for refutation. In this case they can be eliminated after the court decision, etc.

The register book of live programmes are kept for one year.

The order of keeping programmes of special value is defined by the SNBC in agreement with the state archives.

CHAPTER 6. ORDER OF CREATION, ORGANIZATION AND ELIMINATION OF TV AND RADIO ORGANIZATIONS

Article 41. Order of TV and radio organization formation

The decision on creation of any National TV and radio organization is made by the President or the Government of the Kyrgyz Republic and is approved by the Parliament.

The decision about creation of a new local TV and radio organization is made in the order, determined by the SNBC.

The decision about creation of TV and radio organization of one Republic in the other one is made on the agreement between the two Republics.

The decision on creation of TV and radio organization with the aim to broadcast for the population of another Republic is made by appropriate organizations of the both Republics.

Article 42. Right for TV and radio organization foundation

The right for TV and radio organization foundation in the Kyrgyz Republic belongs to juridical persons, Regulations of which correspond to the items of the present Law with the guarantees of material, technical and financial supply of the new unit operation.

The application is handed to the SNBC. It should be considered within one month's period.

The Government of the country or SNBC can be founders of National TV and radio organizations.

The following information must be included into the application:
about the founder (copy of the agenda (regulation), legal and mail addresses, any accounts in the banks);
name, symbols, other information (musical symbol, emblem, trade mark, etc), allocation of TV and radio organization;
programme concept of the organization, grounding of its necessity for the public, broadcasting language, area, audience, frequency and volumes;
sources of finance, guarantees of material and technical supply.

Article 43. TV and radio organization registration

TV and radio organizations can operate only after registration. Application for registration is to be considered within one month's period.

Reasons for registration are:

- application for registration;
- order of juridical person about creation of TV and radio organization;
- charter (regulation) of TV and radio organization;
- permission of the Ministry of Communications.

TV and radio organizations pay registration fee and annual fee in the order and sizes determined by the Government and the SNBC.

After registration the organization is given registration Certificate, enabling its activity.

In the Certificate the following items are mentioned:

- type of broadcasting (radio, TV, cable, etc);
- programme form, its length;
- transmitting equipment;
- broadcasting area;
- information about registration number (code, index);
- certificate validity term (period).

All the registered TV and radio organizations are introduced into special State list of these sorts of organizations.

The order of managing such a list is determined by the SNBC.

Registration fee collected belongs to SNBC.

Article 44. Refusal in TV and radio organization registration

Registration can be refused in the following cases:

- 1) application is submitted by the institution, which is not a juridical unit;
- 2) registration certificate has been already handed to the organization with the same name and operating for the same sort of audience;
- 3) organization name or programme contradicts the items of the present and other Laws;
- 4) application is handed before one year's period after the legal decision to abolish this organization operation;
- 5) presupposed material and technical base does not correspond to demands of the State standards.

Refusal on registration is sent to the the applicant in written form, including reasons for refusal.

Refusal in registration can be appealed within one month's period in the higher State institution or in the court.

Article 45. Leaving of the application for registration without consideration

Application is not registered, if it:

- 1) is made by the enterprise or organization which is not considered to be a juridical person;
- 2) is handed by the person, who is not authorized to do that;
- 3) is handed without following the items of the present Law;

- 4) does not have documents, certifying the payment of the registration fee.

When these problems are solved, it should be considered according to the items of this Law.

Decision about refusal to consider the application is told in written form within the appropriate period of time. This decision can be appealed by the applicant in the court.

Article 46. Term of registrational certificate

Registrational certificate is given for the period, mentioned by the applicant, but not more than for 5 years. After that it can be extended in case there is the application on extension and registration fee paid.

It is necessary to start broadcasting within one year after receiving the certificate. Registration body must be informed of that 3 days before the operation starts. If the information about the beginning of broadcasting comes later than within 1 year, the certificate is considered to be not valid.

Article 47. Rights of registration bodies

In order to conduct control, registration bodies are entitled:

- to get from TV and radio organizations, their founders and authorities the appropriate information on following the rules of the present Law;
- to apply to legal institutions or court, if they find violation of the regulations and the Law;
- to recognize registrational certificate not valid, if the organization did not start operating within one year after receiving the certificate;
- to take out the certificate for systematic violation of these Law items.

Article 48. Supervision of TV and radio organization

TV and radio organization is supervised by the founder and the top manager himself (editor-in chief, editor, etc).

The founder adopts the programme of the organization, its regulations, presents financial, material and technical supply and abolishes its activity.

Relations between the founder and TV and radio organization are determined by regulations or treaty.

The regulation also defines the competence and responsibility of the top manager on distributing functions of the staff, planning issues, utilization of the property, other functions.

The top manager conducts his activity, based on the principles of collegial approach while programme and final decision making. For this purpose there can be formed Collegium. The founder defines the members and regulations of the Collegium.

The top manager gives the permission for programme broadcasting and is responsible for its content.

Only the citizen of the Kyrgyz Republic can be the top manager of TV and radio organization.

Article 49. Abolishment of TV and radio organization activity

TV and radio organization activity can be abolished only by founding bodies, and in cases, envisaged by the present Law, on the decision of registration body or court.

CHAPTER 7. RESPONSIBILITY FOR VIOLATION OF THE PRESENT LAW ITEMS

Article 50. Responsibility for violation of TV and radio Law items

Founders, TV and radio organizations, their management, editorial staff and others (directors, cameramen, etc) take civil, legal and other responsibility for violating the items of the present Law.

They take responsibility also in cases, when TV and radio organization is not properly registered, or its activity is abolished.

Article 51. Responsibility of TV and radio organizations

For violation of the items of the present Law or other laws as well for abuse of constitutional rights, e.g. freedom of word or information, the people, who are guilty, can be fined or punished, or the activity of the organization can be stopped for the period till 1 year.

For systematic violation (at least twice during one year) the activity of the institution can be stopped by the founder or by court and if imprisoned, the court can confiscate assets, constructions and other materials.

TV and radio organization employee, who was imprisoned for abuse of his position and of information distribution freedom, can be dismissed from this work and if imprisoned, he can be deprived of the journalist activity right for ever or for some period of time by court.

Legislation of the Kyrgyz Republic can establish other types of punishment for some other violation of the Law.

Any sanctions, including abolishment of the organization activity can be appealed in the court.

If in the court TV and radio organization wins, it can demand compensation of the expenses.

The body, abolishing activity of TV and radio organization must inform the State registration body of that within 3 days after making the decision, to include this fact into the special State list.

Article 52. Broadcasting of TV and radio programmes with rude violations of the established demands

Broadcasting of the programme:

in violation of the decision about broadcasting prohibition;
by non-registered TV and radio organization;
on the prohibited frequency;
with other violations, mentioned in the official permission for broadcasting, as well as violation of advertisement broadcasting means fining of the guilty organization.

Distribution of TV and radio programmes by any organization, utilizing TV and radio technical facilities and violating items of

this Law, as well as illegal stop or limitation of the broadcasting time is fined.

Article 53. Compensation of losses and moral damage

Losses and moral damage, as a result of violation of this Law, or contradicting truthfulness must be compensated in agreement with TV and radio organization and offended customer.

If the agreement is not achieved, the argument is decided by the court within one month's period of time.

In considering the argument on compensation of the damage the court has the right to blame additionally:

- 1) the author or another person, who made the programme make violations, mentioned in the first part of this Law;
- 2) founder or TV and radio organization supervisor, if before (during year) he was informed about non-proper operation of his organization;
- 3) owners of technical facilities, if they violate the items of the present Law.

Article 54. Responsibility for infringement of the rights and interests, defended by the Law on TV and radio organizations.

Interference in the activity of TV and radio organization, connected with production and broadcasting of programmes by State, public institutions or individuals, who are not its founders, as well as in violation of the present Law means fining of the guilty sides.

Article 55. Grounds to release from responsibility

TV and Radio organizations are not responsible for the content of the information:

distributed in the order, envisaged by the present Law;
published before by press, if there is reference to these sources;

broadcast in the live programmes, if it was uttered by participants, who are not representatives of the given TV and radio organization, or another information, which was broadcast in live programmes, if they could not be prevented.

CHAPTER 8. INTERNATIONAL COOPERATION IN TV AND RADIO BROADCASTING

Article 56. International cooperation of TV and radio organizations

Cooperation of TV and radio organizations of the Kyrgyz Republic with foreign counterparts is conducted on the basis of international treaties and the related legislation.

If international legal norms of the Kyrgyz Republic differ from the ones of international standards, the last is used for the cooperation.

External activity of TV and radio organizations is supervised by the Kyrgyz Government and the appropriate international treaties.

Article 57. Rights of foreign juridical and physical persons and the ones without citizenship

Foreign juridical and physical persons and the ones without citizenship can not found TV and radio organizations in the Kyrgyz Republic.

They can not possess more than 20% of TV and radio joint venture shares, except for the cases, envisaged by international treaties of the Kyrgyz Republic. Programme policy of TV and radio organizations must be under strict control of the Kyrgyz Republic.

Article 58. Order of TV and radio organization creation abroad

TV and radio organizations are created in foreign countries according to the legislations of both the Kyrgyz Republic and that country.

Article 59. Distribution of foreign TV and radio programmes on the territory of the Kyrgyz Republic

Citizens of the Kyrgyz Republic have the right to receive TV and radio programmes, transmitted through satellite or other facilities.

Foreign programmes can be broadcast in the Kyrgyz Republic only with the licence, delivered in the order, determined by the Kyrgyz Government. TV and radio organizations, which receive the licence, must arrange all the points (copyright, etc) with owners of these rights.

Article 60. Activity of foreign TV and radio organization representatives

Accreditation of foreign correspondents is made by the Kyrgyz Ministry of Foreign Affairs.

Their activity is regulated by the Kyrgyz Government.

Foreign journalists, who are not accredited in the Kyrgyz Republic, conduct their activity on the rights of foreign juridical persons.

**5. SNBC Letter on the Introduction of
Receiver's Fee System to the Vice Prime
Minister**

STATE NATIONAL TV AND RADIO

COMPANY of the KYRGYZ REPUBLIC

The abstract from the letter to
the Vice-Prime-Minister of
the Kyrgyz Republic
Mr. Koytchuev T.K.

3. The Kirghiz Republik is steadily striving to the market economy. Actually, the essential principles in this way ware self-support of any industry, self-financing and especially-payment for any produced goods or services. During the last years these principles have been implemented in all spheres of people activity, including education and health. The population using electroenergy, gas, water, telephone, visiting movies, concert halls, sport facilities etc. pays for these services.

And this is only TV which has become an integral part of the life and which needs huge amounts of money to produce programmes which does not have any compensations for the expenditures. At the same time every day millions of people watch many programmes, which include diversive information, movies, music and show programmes, which include diversive information, movies, music and show programmes. But not a penny is received by the State TV and Radio company for that.

We think it to be reasonable and legal for the Government to consider the question of introducing the fee payment system for TV-viewers. In non-FSU countries it has been experienced for tens of years. The same situation was in the former USSR some years ago. We quite realize that this measure does not seem to be popular, but sooner or later this must happen.

This money would contribute to the country budget, reducing State money to support the operation of the Kirghiz TV-company, possibly by 50 per cent.

The money, received from the TV-viewers might go to create the appropriate conditions for the production of diversive, interesting TV programmes, to increase their volume, to improve material and technical grounds of TV and radio broadcasting, which are in very poor positions.

Chief engineer of the
TV and radio center
M. Murzabekov