



Trip Report: Institutional Innovations to Improve the Viability of Equity Sharing Under Privatization and Farm Restructuring: Helping Land Reform Beneficiaries Gain Access to Land and Financial Resources in Central Asia and Southern Africa

Kyrgyzstan: 24-31 October, 2004

By Mike Lyne

Overview

Co-principal Investigator Mike Lyne from the University of KwaZulu-Natal, South Africa, traveled to Kyrgyzstan during the last week of October 2004 (see schedule in Annex A) to participate in the final conference of the BASIS CRSP dealing with land and agrarian reform. This regional policy conference organized by Roman Mogilevsky and Michael Roth followed a similar conference hosted by Mike Lyne and Michael Roth to present BASIS research findings and recommendations to policy-makers in Southern Africa.

Purpose

The purpose of the trip was to present a paper on best institutional practices for equity-share schemes at the BASIS conference "*Institutional Transformation and Agrarian Change in Kyrgyzstan: Bridging Legal and Economic Reforms for Agricultural Development*" and to enrich discussions with regional policy makers and local entrepreneurs with experiences from South Africa.

Accomplishments

The conference was attended by approximately sixty delegates including senior government officials from Kyrgyzstan, Khazakstan, Tajikistan and Uzbekistan, the Kyrgyz Agricultural Finance Corporation and entrepreneurs from the emerging enterprises studied by BASIS researchers. Conference facilities were excellent, as were the translation services. Speakers from USAID and Government Ministries described current policy and programmes, while BASIS researchers contextualised the discussions with results from farm surveys during the first two sessions. The afternoon sessions (3 and 4) were used to present two of the four BASIS case studies and research papers dealing with structural change in Kyrgyz agriculture, vertical coordination to deal with missing and incomplete markets for credit and insurance, and the legal framework governing property rights, contracts and organizational arrangements for business

entities. Discussion at the end of each session was lively and the tea breaks and formal dinner provided valuable opportunities to explore issues at a personal level.



Figure 1: Buses arrive at Cholpon Ata near the conference venue at Lake Issyk-Kul

The scene was set for the final sessions. Day two started with my own presentation followed by two more case studies, a bold paper dealing with gender issues and a comparison between institutions in South Africa and Kyrgyzstan observed by Roman Mogilevsky and Kanat Tilykeyev during their study tour of land reform projects in South Africa. Discussion was animated as the contrast with South African case studies revealed major flaws in local and regional institutions. For example, the realization that legislation preventing private companies from owning physical assets undermines growth in a firm's financial equity and therefore discourages investment by potential shareholders and lenders! Mike Roth wrapped up proceedings with a frank review of bad policy and obstructive tactics that constrain business opportunities in a region blessed with relatively high levels of human capital. Although this BASIS project is nearing its end, it is clear that the researchers will be engaged with regional governments for some time to come.



Figure 2: Michael Roth completes yet another successful synthesis of conference proceedings

Annex A: Schedule of Activities	
Date	Activities
24 October 2004	Lyne departs Durban for London
25 October	Lyne departs London for Bishkek
26 October	Lyne arrives in Bishkek, meets with Mogilevsky, Childress, Roth and Kearns.
27 October	Conference delegates meet at the Pinera hotel, board buses and travel to the conference venue near the town of Cholpon Ata at Lake Issyk-Kul. Delegates register at 17:00 hours.
28 October	Day 1 of conference followed by formal dinner.
29 October	Day 2 of conference. Proceedings end with lunch after which delegates bus back to Bishkek.
30 October	Roth, Childress and Lyne meet with BASIS external evaluator Kearns. Kearns and Lyne depart for airport after dinner.
31 October 2004	Lyne departs Bishkek for London and South Africa.

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