

KYRGYZSTAN IN THE INTERNATIONAL RATINGS (Dynamics for 2005-2013)

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ABSTRACT

This article presents an analysis of the changes in Kyrgyzstan's international ratings between 2005 and 2013. It also takes a look at the ratings pegged in Kyrgyzstan's National Sustainable Development Strategy for 2013-2017, in which the country should occupy a specific rank by 2017.

KEYWORDS: *international rating, index, development, indicators, investment climate, Kyrgyzstan.*

Introduction

In today's world, international ratings are used to determine a country's level of external appeal and development, while also defining its investment potential and reputation.

This article examines Kyrgyzstan's rank in various international ratings in order to assess its ability to achieve sustainable development (in the long and short term), as well as improve its image and external appeal. In so doing, efforts were focused on determining the relationship between the progress reflected in the dynamics of its rankings and the policy carried out by the country's government.

The ratings are calculated and compiled by such international organizations as the World Bank, World Economic Forum, Swiss Economic Institute, The Heritage Foundation, the U.N., UNDP, the Organization for Economic Cooperation and Development (OECD), the Boston Consulting Group (BCG), the European Institute of Business and Administration, the International Food Policy Research Institute, the Reporters Sans Frontières International Human Rights Organization, the Stock-

holm International Peace Research Institute, Economist Intelligence Unit, the Institute for Economics and Peace, the Save the Children Fund (Great Britain), the International Telecommunication Union, International Road Federation, and so on.

The analysis we conducted was methodologically based on periodic reports by international organizations that publish the research results for each rating. A comprehensive approach, statistical analysis of the data, and correlation method were used to examine Kyrgyzstan's rank in 43 world ratings in such main areas as the economy, politics, agriculture, education and innovations, health, society, the environment, technology, and so on.

Percentiles (measure of sample or distribution data) of the ranks Kyrgyzstan occupies were used for conducting the comparative analysis and compiling the graphs. We will note that the percentile values make it easier to compare the international ratings of countries.

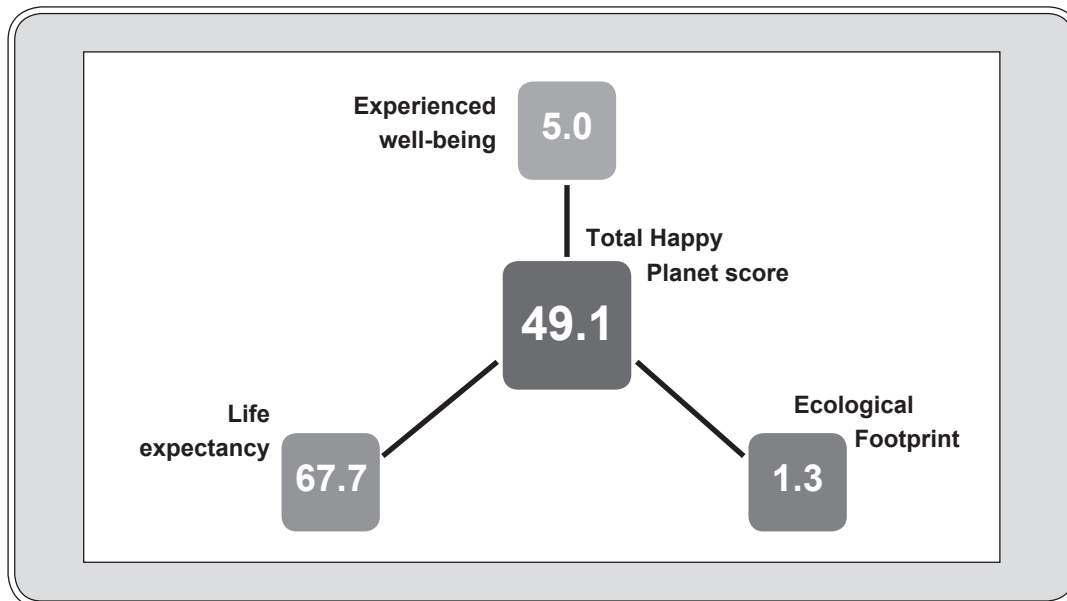
How Ratings are Calculated

Every rating consists of certain indicators, the combined scores of which determine the country's rank in it. A popular rating is the Happy Planet Index offered by the New Economics Foundation (NEF) in July 2006. It reflects the real prosperity of people and state of the environment in different countries of the world; it can be used to understand how international indexes are calculated.

The Happy Planet Index is based on general utilitarian principles implying that most people want to live long and happy lives, while governments try to do everything possible to achieve the maximum prosperity of their citizens, making rational use of the available resources and not causing detriment to the environment. Three indicators are used to calculate this index: experienced well-being, life expectancy, and Ecological Footprint (see the figure).

Figure

Kyrgyzstan's Rating according to the Happy Planet Index for 2012



Data on experienced well-being is based on the results of a Gallup poll, in which around 1,000 people aged 15 or older from each country included in the Happy Planet Index participated.

Ecological Footprint is a standardized measure that graphically illustrates human consumption of the Earth's resources; it is widely used by NGOs, the U.N., and the governments of several countries. Ecological Footprint represents the amount of biologically productive land and sea area necessary to supply the resources a human population of a given country consumes.

When calculating the components of the Happy Planet Index, the analysts of Britain's NEF research center gave Kyrgyzstan 5 scores out of a possible ten for experienced well-being; this is a little lower than the average world indicators (5.28).

According to the data of the center's analysts, life expectancy in Kyrgyzstan amounts to 67.7 years; in terms of this indicator, it occupies 103rd place among the 151 countries assessed. This figure is lower than all the countries analyzed (69.9), but higher than in India (65.4).

Kyrgyzstan's ranking for the Ecological Footprint indicator of the Happy Planet Index amounted to 1.29 global ha per capita. As the calculators note, if every person on the planet had the Ecological Footprint of an average citizen of Kyrgyzstan, the world could develop freely in sustainable ecological limits.

Thus, Kyrgyzstan's average for the three Happy Planet indicators amounted to 49.1 scores, ranking 38th among the 151 countries and placing it among the top 25% of countries with the best indicators.

Kyrgyzstan's Current Ranking in the International Ratings

An analysis to identify the country's current ranking in such areas as the economy, politics, agriculture, innovations in education, health, society, the environment, and technology showed that today Kyrgyzstan has good ranks in 14 of the 43 ratings and is among the top 50% of countries with the best indicators:

1. *The Global Hunger Index* is a multidimensional statistical tool used to describe the state of countries' hunger situation. It measures progress and failures in the global fight against hunger. In this rating, Kyrgyzstan ranks 9th among 187 countries.
2. *Protecting Investors* measures the strength of minority shareholder protections against directors' misuse of corporate assets for personal gain. Kyrgyzstan ranks 13th among 185 countries.
3. *The Environmental Performance Index* is a method of quantifying and numerically marking the environmental performance of a state's policies developed by the South Pacific Commission and the U.N. Environmental Protection Program, etc. Kyrgyzstan ranks 26th among 234 countries and territories.
4. *The Literacy Rate Index* reflects the percentage of the population who can read and write. The figures represent a mixture of data collected by the CIA World Factbook, and national self-reported data. Kyrgyzstan ranks 40th among the 176 countries on this list.
5. *The Happy Planet Index* reflects people's well-being and the state of the environment in different countries of the world. Kyrgyzstan ranks 38th among 151 countries.
6. *The Contract Performance Security Index* ranks the efficiency of contract performance and the judicial system by examining the progress of a commercial dispute on commodity quality and following the amount of time, expenses, and number of procedures involved be-

tween the time a complaint is filed in court and compensation is received. In this rating, Kyrgyzstan is in 47th place among 185 countries.

7. *The Inward FDI Performance Index* shows the ratio of the country's share in the global flows of foreign direct investments to its share in global GDP. Kyrgyzstan ranks 36th out of 141 countries.
8. *The Ethnic and Cultural Diversity Level* calculates the likelihood that two people from the same country are not representatives of the same group of its population (ethnic, religious, or any other). Kyrgyzstan ranks 42nd in terms of level of ethnic diversity among 159 countries.
9. *The Education Index* is calculated on the basis of the average and anticipated duration of school education. Kyrgyzstan ranks 50th among 181 countries.
10. *The Ease of Doing Business Index* is developed by the World Bank. High indicators point to the better (usually more simple) regulations for businesses and stronger protection of property rights. Kyrgyzstan ranks 70th among 189 countries.
11. *The Sustainable Society Index* measures the achievements of the world's countries and separate regions from the viewpoint of sustainability of social development. Kyrgyzstan ranks 59th among 151 countries.
12. *The Global Gender Gap Index* was developed by the World Economic Forum to track gender-based disparities in the world's countries and their progress over time based on generally available statistics in socioeconomic development. In this rating, Kyrgyzstan ranks 54th among 134 countries.
13. *The KOF Index of Globalization* is positioned as a combined index that makes it possible to assess the degree of a country's integration into the global arena and compare different countries according to its components. In terms of globalization level, Kyrgyzstan ranks 88th among 208 countries.
14. *Rating of Largest Producing Countries of Agricultural Commodities*. The production and consumption of agricultural produce have diverse geographical distribution. Along with climate and corresponding types of flora, the level of a country's economic development has a serious influence on its volumes. Kyrgyzstan ranks 34th among the 69 countries assessed.

In the other 29 ratings, Kyrgyzstan has average and poor results and is among the bottom half of countries with corresponding indices:

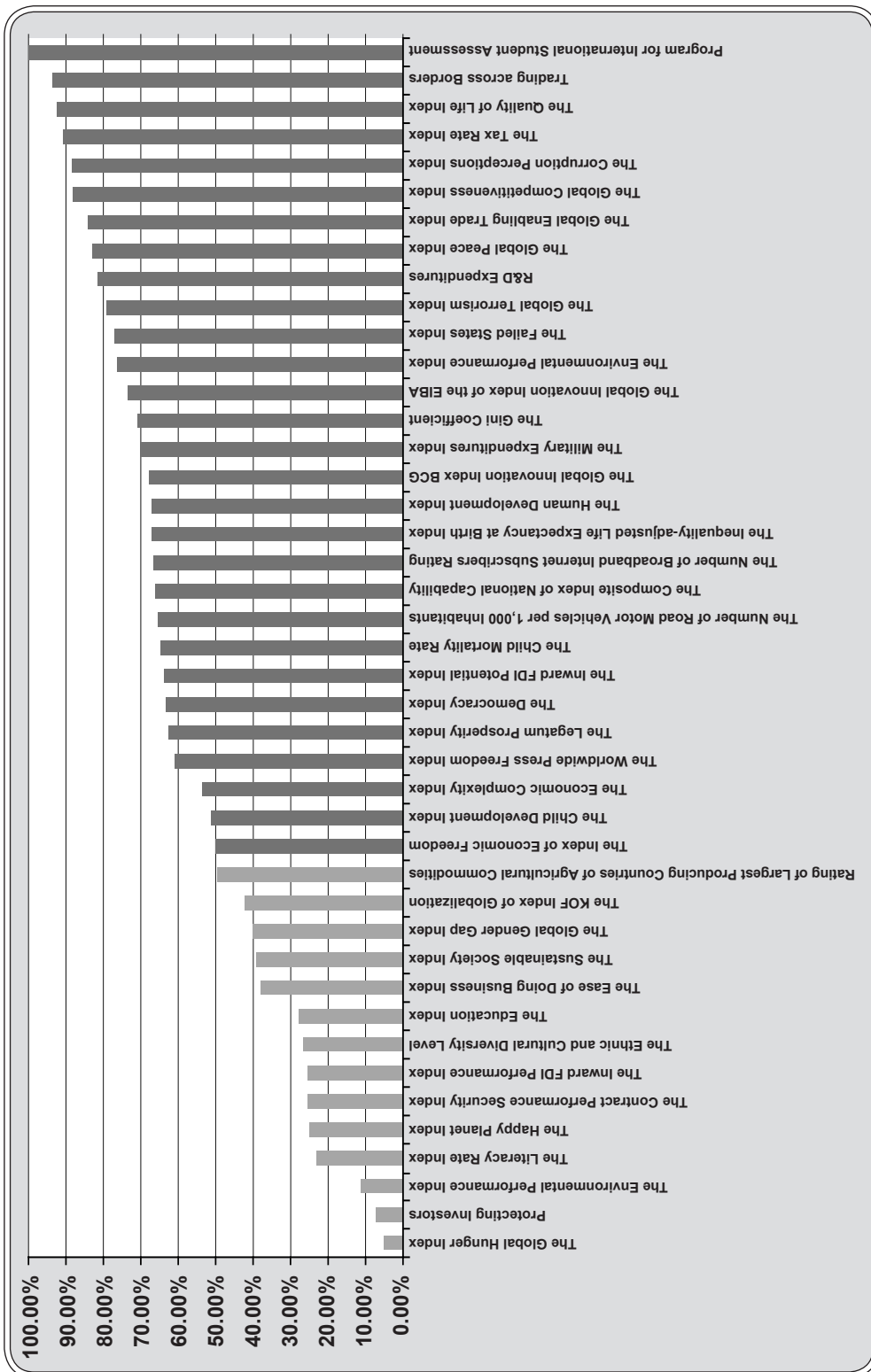
15. *The Index of Economic Freedom's* definition is "the highest form of economic freedom provides an absolute right of property ownership, fully realized freedoms of movement for labor, capital, and goods, and an absolute absence of coercion or constraint of economic liberty beyond the extent necessary for citizens to protect and maintain liberty itself." Kyrgyzstan ranks 89th among 177 countries.
16. *The Child Development Index* is an index combining performance measures specific to children—education, health, and nutrition—to produce a score on a scale of 0 to 100. Kyrgyzstan ranks 69th among 134 countries.
17. *The Economic Complexity Index* aims to explain an economic system as a whole rather than the sum of its parts. It is based on the knowledge accumulated during the development of social production and is an attempt to synthesize society's collective knowledge. Kyrgyzstan ranks 69th among 128 countries.

18. *The Worldwide Press Freedom Index* reflects the degree of freedom that journalists, news organizations, and netizens enjoy in each country, and the efforts made by the authorities to respect and ensure respect for this freedom. In terms of freedom of the press, Kyrgyzstan ranks 109th among 179 countries.
19. *The Legatum Prosperity Index* measures the achievements of the world's countries in terms of well-being and prosperity. In this index, Kyrgyzstan ranks 89th among 142 countries.
20. *The Democracy Index* is based on a rating according to 60 indicators grouped into five categories: electoral process and pluralism, civil liberties, functioning of government, political participation, and political culture. Kyrgyzstan ranks 106th among 167 countries.
21. *The Inward FDI Potential Index* reflects the capabilities of the receiving country with respect to other countries. Kyrgyzstan ranks 90th among 141 countries.
22. *The Child Mortality Rate* is based on the child mortality index under the age of 5. Kyrgyzstan holds 125th place among 193 countries.
23. *The Number of Road Motor Vehicles per 1,000 Inhabitants*. This index takes account of all commercial cars, land rovers, micro buses, and transportation vehicles (motorcycles and other two-wheeled vehicles are not counted). In terms of number of road motor vehicles, Kyrgyzstan ranks 120th among 183 countries.
24. *The Composite Index of National Capability* uses the average percentage of six different world indicators reflecting demographic, economic and military might. In terms of these indicators, Kyrgyzstan ranks 128th among 193 countries.
25. *The Number of Broadband Internet Subscribers Rating* refers to high-speed fixed (wired) access to the public Internet (TCP/IP) at downstream speeds equal to, or greater than, 256 kbit/s. Kyrgyzstan is in 124th place among 186 countries on this list.
26. *The Inequality-adjusted Life Expectancy at Birth Index* is the average level of human development in society, accounting for inequality. The greater the difference between the Inequality-adjusted Life Expectancy at Birth Index and the Human Development Index, the greater the inequality. This index is a component of the Human Development Index, accounting for inequality; the rating for specific components is not compiled or published. Kyrgyzstan ranks 125th among 187 countries.
27. *The Human Development Index* is a composite statistic calculated annually for making a country-by-country comparison and measuring the standard of living, literacy, education, and life expectancy as the main characteristics of human development in the territory being studied. It is a standard tool for carrying out an overall comparison of the standard of living in different countries and regions. The index is published under the UNDP in Human Development Reports. Kyrgyzstan ranks 125th among 187 countries.
28. *The Global Innovation Index* is a composite indicator that ranks a country's innovation level developed jointly by the Boston Consulting Group, the National Association of Manufacturers, and the Manufacturing Institute affiliated with it, which is an independent scientific research center. Kyrgyzstan ranks 81st among 110 countries in terms of this index.
29. *The Military Expenditures Index*. It is compiled keeping in mind the amounts spent in a year. In terms of military expenditures, Kyrgyzstan ranks 109th among 155 countries.
30. *The Gini Coefficient* is a measure of statistical dispersion intended to represent the income distribution of a nation's residents. This is the most commonly used measure of inequality. It is used in countries with a developed market economy and is compiled on the basis of U.N., WB, CIA, and OECD data. Kyrgyzstan ranks 96th among 136 countries.

31. *The Global Innovation Index of the European Institute of Business Administration* is an annual publication that contains, in particular, a composite indicator that ranks a country/economy with respect to favorable conditions for conducting innovation activity. Kyrgyzstan ranks 131st among 142 countries.
32. *The Environmental Performance Index* is a global study and its rating of the world's countries in terms of environmental load and rational use of natural resources. Kyrgyzstan ranks 101th among 132 countries.
33. *The Failed States Index* assesses a state's vulnerability to control over territorial integrity, as well as over the demographic, political, and economic situation in the country. Kyrgyzstan ranks 41st among 177 countries.
34. *The Global Terrorism Index* is a composite study that benchmarks the level of terrorist activity and shows which countries of the world are encountering a terrorist threat and to what extent. Kyrgyzstan ranks 92nd among 116 countries.
35. *R&D Expenditures*. These are current and capital expenditures (both state and private) on creative work done to systematically raise the level of knowledge (including human, cultural, and social knowledge), as well as its application in different spheres of human life. Kyrgyzstan ranks 74th among 91 countries in this area.
36. *The Global Peace Index* measures the level of violence in a state and aggressiveness of its foreign policy. Kyrgyzstan ranks 131st among 158 countries in this index.
37. *The Global Enabling Trade Index* is used to compile the rating of countries worldwide in terms of their engagement in international trade. Kyrgyzstan holds 111st place among 132 countries.
38. *The Global Competitiveness Index* is a study and accompanying rating of the world's countries in terms of their economic competitiveness (i.e. the ability of a country and its institutions to ensure stable economic growth rates that would be sustainable in the mid-term perspective) according to the version of the World Economic Forum. Kyrgyzstan ranks 127th among 144 countries.
39. *The Corruption Perceptions Index* measures the perceived level of corruption (frequency and/or amount of bribes) in the state and economic sectors of countries. Kyrgyzstan ranks 154th among 174 countries.
40. *The Tax Rate Index* makes it possible to assess the tax systems of countries worldwide; the study is carried out using a provisional small or medium business company. It examines the tax and mandatory deductions that it must pay or withhold in a given year. In terms of tax payments, Kyrgyzstan ranks 168th among 185 countries.
41. *The Quality of Life Index* measures the achievements of the world's countries and separate regions with respect to their ability to provide their residents with a good life. In this rating, Kyrgyzstan ranks 103rd among 197 countries.
42. *Trading across Borders* examines the procedural requirements for export and import of cargoes of standardized goods. Kyrgyzstan is in 174th place among 185 countries.
43. *Program for International Student Assessment* is a test that assesses the literacy of school children in different countries of the world and their ability to apply the knowledge they acquire in practice. Here Kyrgyzstan demonstrated the worst ranking, taking 65th place among 65 countries.

Diagram

Kyrgyzstan's Current Ranking in International Ratings



An analysis of the above ratings showed that Kyrgyzstan achieved **the best indicators** in the following international ratings:

1. The Global Hunger Index —9th place among 187 countries (2012) and in the top 5% of countries with the best indicators.
2. Protecting Investors —13th place among 185 countries (2012) and in the top 7% of countries with the best indicators.
3. The Environmental Performance Index —26th place among 234 countries and in the top 11% of countries with the best indicators.
4. Literacy Rate Index —40th place among 176 countries and in the top 23% of countries with the best indicators.
5. The Happy Planet Index —38th place among 151 countries (2011) and in the top 25% of countries with the best indicators.

Now we will give a list of Kyrgyzstan's *five worst* indicators:

1. Program for International Student Assessment —last place among 65 countries (2009).
2. The Global Enabling Trade Index —174th place out of 185 countries and in the bottom 6% of countries with the worst indicators (2012).
3. The Quality of Life Index —103rd place among 197 countries and in the bottom 7% of countries with the worst indicators.
4. The Global Innovation Index of the European Institute of Business Administration —131th place out of 142 countries and in the bottom 8% of countries with low indicators.
5. The Tax Rate Index —168th place among 185 countries and in the bottom 9% of countries with the worst indicators (2012).

Dynamics of Change in Kyrgyzstan's Rankings between 2005 and 2013

Between 2005 and 2013, the dynamics of change in Kyrgyzstan's ranking in the international ratings fluctuated. They were influenced by such factors as the reforms conducted in the economic, political, and social spheres, the internal political processes in the form of the March and April revolutions (which took place in 2005 and 2010, respectively), and so on.

Dynamics for 2005-2010

When identifying the dynamics of Kyrgyzstan's ranking in the international ratings, the difference between the indicators for 2005 and 2010 was calculated. As already noted above, both of these years were marked by political instability that led to significant changes in the country.

Between 2005 and 2010, Kyrgyzstan achieved perceptible improvement of its rank in three ratings, i.e. the FDI, Ease of Doing Business, and Environmental Performance indices. For example, between 2005 and 2010, the Inward FDI Performance Index improved by 42, Ease of Doing Business by 26, and the Environmental Performance Index by 12 percentage points.

A perceptible deterioration in Kyrgyzstan's rankings (for the same period) was observed in three indices: the Happy Planet Index dropped by 28, Freedom of the Press by 27, and Corruption Perceptions by 20 percentage points.

Dynamics between 2010 and 2013

In our view, the changes in the ruling regime and the policy conducted by the authorities in the main social spheres had an effect on the change in Kyrgyzstan's rankings between 2010 and 2013 (in the same way as between 2005 and 2010).

Between 2010 and 2013, there was a perceptible change in three indices: the Child Development Index increased by 51, the Worldwide Press Freedom Index by 28, and the Happy Planet Index by 15 percentage points.

A perceptible drop in this period was seen in three indices: the Global Innovation Index of the Boston Consulting Group by 35, the Global Innovation Index of the European Institute of Business Administration by 35, and the Environmental Performance Index by 28 percentage points.

Goals of Kyrgyzstan's National Sustainable Development Strategy for 2013-2017

The April events of 2010 that compelled Kyrgyzstan to adopt a new Constitution made it necessary to develop a new vision of the main vectors and priorities of the state's activity. This led to the approval of a National Sustainable Development Strategy (NSDS) for 2013-2017 by a Kyrgyz presidential decree on 21 January, 2013.

This document is to be an indicator of state development and "show how the government and society are moving in unison toward building a new country."¹

One of the main goals of the National Sustainable Development Strategy is for Kyrgyzstan to become a developed country with a high level of education, healthy environment, internal stability, favorable international image, sustainable economic growth, and high investment appeal.

The ranks the country occupies in the international ratings can serve as indicators of the degree to which it has achieved the set strategic goals. For example, improving Kyrgyzstan's rank (by 2017) in the enabling trade, economic freedom, and corruption perceptions indices, as well as in the ease of doing business index, is one of the specific goals designated in the NSDS. Another goal is to achieve a certain level of per capita GDP.

¹ National Sustainable Development Strategy of the Kyrgyz Republic for 2013-2017. Approved by Decree No. 11 of the President of the Kyrgyz Republic of 21 January, 2013.

Let's take a look at each of the above-mentioned ratings.

1. *The Ease of Doing Business Index*. According to the NSDS, Kyrgyzstan should become one of the top thirty countries with the best indicators. However, the data published in 2012 show that Kyrgyzstan occupied 70th place among 189 countries in this rating and was among the top 38% of countries. It should be noted that Kyrgyzstan's indicators have been fluctuating up and down at different times.
2. *The Global Enabling Trade Index*. In this index, Kyrgyzstan plans to rank no lower than 60th. According to the last studies (2012), Kyrgyzstan occupies 111st place among 132 countries. This shows that it is among the bottom 15% of countries with the worst indicators. Moreover, an analysis of Kyrgyzstan's position in this index over the past few years shows static dynamics.
3. *The Economic Freedom Index*. The NSDS aims to ensure that the country ranks no lower than 40th in this index. In 2012, Kyrgyzstan ranked 89th among 177 countries in this rating and was among the bottom 49.7% of countries. The dynamics of Kyrgyzstan's economic freedom index have remained relatively unchanged.
4. *The Corruption Perceptions Index*. Kyrgyzstan is planning to be among the first 50 countries in this index by 2017. In 2012, Kyrgyzstan was among the bottom 11.5% of countries with the worst indicators and occupied 154th place among 174 countries. However, the dynamics of the corruption perceptions index are showing some signs of improvement.
5. *Per capita GDP*. The NSDS aims to achieve a per capita GDP equal to \$2,500 by 2017. In turn, the indicators for the previous years make it possible to forecast that in 2017 the per capita GDP will amount to \$1,600, that is, \$900 lower than the desired level.

Ways to Improve the Ranks in the Main Ratings

After adopting the NSDS, the Kyrgyz government began implementing it, hoping in particular for an increase in the country's external appeal and improvement in the indicators in the four above-mentioned ratings. In keeping with this, a Program Implementation Plan for Kyrgyzstan's Transition to Sustainable Development for 2013-2017 was developed and approved.

As early as 2013, systemic work on implementing the NSDS produced certain results. For example, that year Kyrgyzstan improved its rating in the following indexes: Ease of Doing Business by 2 ranks, Resolving Insolvency by 23 ranks (from 155 to 132), the Economic Freedom Index by 4 ranks (from 89 to 85), the Worldwide Press Freedom Index by 9 ranks (from 106 to 97), the Corruption Perceptions Index by 4 ranks (from 154 to 150), the Global Competitiveness Index by 6 ranks (from 127 to 121), and the Legatum Prosperity Index by 9 ranks (from 89 to 80).

The improvement in Kyrgyzstan's ranks in the above-mentioned ratings promoted an improvement in the country's investment climate and business environment. As a result, the amount of investments in basic assets by means of all sources of financing increased by 2.3%.

Carrying out reforms aimed at simplifying the procedures for opening businesses and creating favorable conditions for conducting international trade and liberalizing bankruptcy legislation made it possible for Kyrgyzstan to improve its ranks in the Ease of Doing Business Index and move up from 70th to 68th place.

According to the research, in terms of ease of doing business, Kyrgyzstan ranks 12th in the world. This result was produced by implementing a project to introduce an automated registration

system for legal entities according to the so-called one stop principle. This made it possible to shorten, simplify, and make less expensive the procedures necessary for registering a legal entity.

As for the Corruption Perceptions Index, in our opinion, Kyrgyzstan was able to move up four places in 2013 due to the comprehensive efforts made by the country's president Almazbek Atambaev to intercept corruption. For example, on 12 November, 2013, he signed a Decree on Measures to Eliminate the Reasons for Political and Systemic Corruption in Government Bodies.

In addition, soon after he came to power, Atambaev issued decrees On the Formation of an Anti-corruption Service in the Kyrgyz Republic State National Security Committee (of 14 December, 2011, No. 27) and On the Kyrgyz Republic State Anticorruption Policy Strategy and Measures to Combat Corruption (of 2 February, 2012, No. 26). He also signed a Decision of the KR Defense Council on Measures to Combat Corruption in Society (of 2 February, 2012). The Corruption Perceptions Index formed by Transparency International was used as the reference point for implementing these documents.

It should be noted that Kyrgyzstan has already taken the first steps to combat corruption: corresponding organizational measures have been adopted, law-enforcement agencies have become more active, and renewal of the legislation base has begun.

In 2012, criminal cases to bring representatives of the highest government and administration bodies to account for corruption were instigated for the first time. The anticorruption struggle has also affected the judicial system; ten judges from local courts, including two court representatives, were removed from their posts.²

According to the assessments of experts from the Kyrgyz Ministry of Economics, the rise in the country's ranking in the Global Competitiveness Index was promoted by the reforms to stabilize the macroeconomic environment, optimize state institutions, and improve the quality of infrastructure by building new and restoring existing motor roads. Reforms in the social sector also play a significant role in this.

Moreover, the reforms being carried out in Kyrgyzstan in bankruptcy legislation envisage rationalization and optimization of demands on administrators and promote a significant improvement in the country's indicators in the resolving insolvency rating. So, according to the research carried out using the Doing Business methodology, resolving insolvency problems in Kyrgyzstan will take four years and cost 15% of an enterprise's assets.

All the same, despite the low positive dynamics, a deeper analysis of the components of the indices and ratings accompanying them is required to achieve the high goals designated in Kyrgyzstan's NSDS for 2013-2017. This also requires identifying the reasons for the low indicators and developing comprehensive measures to improve them. Per capita GDP growth rates must also be accelerated.

Recommendations for Improving Kyrgyzstan's Rankings in the International Ratings

According to the results of the study carried out by experts of the Kyrgyz National Institute of Strategic Research, the following recommendations are offered for improving the country's rankings in the international ratings:

² See: "Anticorruption Front of Almazbek Atambaev. Year Two," *Slovo Kyrgyzstana*, national newspaper, 29 November, 2013, available in Russian at [<http://slovo.kg/?p=27868>].

1. Adopt measures to prevent the degradation of human resources and ensure optimal functioning of the four basic factors of development (a favorable institutional environment, macroeconomic and political stability, developed infrastructure, and support of education and public health).
2. Focus on factors that promote an increase in production efficiency.
3. Intensify efforts to ensure ease of doing business in practice.
4. Develop the country's own policy aimed at raising competitiveness of the economy and the country's external appeal.

Recommended Short-Term Measures

1. *In order to prevent degradation of human resources and ensure optimal functioning of the four basic factors of development,³ the following is required:*
 - Improving the indicators of access to medical services, including by means of such indicators as the tuberculosis and AIDS morbidity rate, child mortality, and life expectancy.
 - Improving the indicators of school education by raising its quality and ensuring mandatory free education for all school age children.
 - Ensuring performance of existing legislation, particularly with respect to the protection of investor rights.
 - Giving absolute priority to the protection of property and creditor rights when drawing up new legal reforms.
 - Stepping up the fight against corruption in the executive power branch and judicial system.
 - Paying particular attention to the development of transportation and communication infrastructure.
 - Ensuring macroeconomic stability by optimizing government spending, reducing the budget deficit, lowering the inflation rate, cutting back the spread of interest rates, accumulating foreign exchange reserves, stimulating export, decreasing the external debt, carrying out an appropriate currency policy, and so on.
2. *In order to intensify efforts to ensure the ease of doing business in practice,⁴ the following is required:*
 - Simplifying the procedures of access to electric power and reducing the corresponding outlays.
 - Simplifying the procedures for paying taxes, the amount of which should be reduced.
 - Striving to cut back on outlays relating to carrying out foreign trade (meaning both export and import).

³ For more details, see: Analytical Note "Assessment of Kyrgyzstan's External Economic Appeal," National Institute of Strategic Research of the Kyrgyz Republic, 2012.

⁴ See: *Ibidem*.

- Introducing additional quality criteria into the system for ensuring quality control of state services (including deadline obligations) and carrying out regular monitoring of their performance.
 - Developing and introducing efficient mechanisms of creditor protection.
3. *The following is implied by developing the country's own policy for improving economic competitiveness and external appeal:*⁵
- Implementing a set of targeted industrial policy measures aimed at improving competitiveness within the strategy of long-term economic development. In so doing, there should be a high degree of coordination among the various spheres of the Kyrgyzstan leadership's economic and social policy.
 - Urgently creating a committee at the ministerial level called upon to keep tabs on drawing up policy to improve competitiveness and capable of assessing the efficiency and external appeal of the economy according to its own methodology on a regular basis.

⁵ See: Ibidem.
