





# Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING  
VOL. 11 NO. 12  
17 JUNE 2009

## Contents

### Analytical Articles

- NAGORNO-KARABAKH: CONTINUED LACK OF WESTERN INTEREST?** 3  
Fariz Ismailzade
- TURKMEN ELITE RESHUFFLES** 6  
Slavomír Horák
- UZBEKISTAN AND REGIONAL INTEGRATION IN CENTRAL ASIA** 9  
Umida Hashimova
- THE INCONSISTENCIES OF RUSSIAN MIGRATION POLICY:  
POLITICAL RISKS AND SOCIAL CHALLENGES** 12  
Marlène Laruelle

### Field Reports

- 'BLACK FRIDAY' IN TAJIKISTAN'S FOREIGN EXCHANGE MARKET** 15  
Suhrob Majidov
- ARMENIAN OPPOSITION SEEKS CONSOLIDATION** 16  
Haroutiun Khachatrian
- THE RUSSIA – AFGHAN FORUM: A RUSSIAN MARSHAL PLAN FOR AFGHANISTAN?** 17  
Roman Muzalevsky
- WEST FACES DIFFICULT CHOICES OVER ARMENIA** 19  
Gayane Sargsyan

- News Digest** 21

# THE CENTRAL ASIA-CAUCASUS ANALYST

**Editor:** Svante E. Cornell

**Associate Editor:** Niklas Nilsson

**Assistant Editor, News Digest:** Alima Bissenova

**Chairman, Editorial Board:** S. Frederick Starr

*The Central Asia-Caucasus Analyst* is an English-language journal devoted to analysis of the current issues facing Central Asia and the Caucasus. It serves to link the business, governmental, journalistic and scholarly communities and is the global voice of the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center. The Editor of the Analyst solicits most articles and field reports, however authors are encouraged to suggest topics for future issues or submit articles and field reports for consideration. Such articles and field reports cannot have been previously published in any form, must be written in English, and must correspond precisely to the format and style of articles and field reports published in *The Analyst*, described below.

The Analyst aims to provide our industrious and engaged audience with a singular and reliable assessment of events and trends in the region written in an analytical tone rather than a polemical one. *Analyst* articles reflect the fact that we have a diverse international audience. While this should not affect what authors write about or their conclusions, this does affect the tone of articles. Analyst articles focus on a newsworthy topic, engage central issues of the latest breaking news from the region and are backed by solid evidence. Articles should normally be based on local language news sources. Each 1,100-1,500 word analytical article must provide relevant, precise and authoritative background information. It also must offer a sober and analytical judgment of the issue as well as a clinical evaluation of the importance of the event. Authors must cite facts of controversial nature to the Editor who may contact other experts to confirm claims. Since *Analyst* articles are based on solid evidence, rather than rumors or conjecture, they prove to be reliable sources of information on the region. By offering balanced and objective analysis while keeping clear of inflammatory rhetoric, *The Analyst* does more to inform our international readership on all sides of the issues.

The Editor reserves the right to edit the article to conform to the editorial policy and specifications of *The Analyst* and to reject the article should it not be acceptable to our editorial committee for publication. On acceptance and publication of the edited version of the article, The Central Asia-Caucasus Institute of The Johns Hopkins University-The Nitze School of Advanced International Studies will issue an honorarium to the author. It is up to the individual author to provide the correct paperwork to the Institute that makes the issuing of an honorarium possible. The copyright for the article or field report will reside with the Central Asia-Caucasus Analyst. However, the author may use all or part of the contracted article in any book or article in any media subsequently written by the author, provided that a copyright notice appears giving reference to the contracted article's first publication by the "Central Asia-Caucasus Analyst, Central Asia-Caucasus Institute, The Johns Hopkins University, Nitze School of Advanced International Studies."

## **Submission Guidelines:**

**Analytical Articles** require a three to four sentence Key Issue introduction to the article based on a news hook. Rather than a general, overarching analysis, the article must offer considered and careful judgment supported with concrete examples. The ideal length of analytical articles is between 1,100 and 1,500 words. The articles are structured as follows:

**KEY ISSUE:** A short 75-word statement of your conclusions about the issue or news event on which the article focuses.

**BACKGROUND:** 300-450 words of analysis about what has led up to the event or issue and why this issue is critical to the region. Include background information about the views and experiences of the local population.

**IMPLICATIONS:** 300-450 words of analysis of the ramifications of this event or issue, including where applicable, implications for the local people's future.

**CONCLUSIONS:** 100-200 words that strongly state your conclusions about the impact of the event or issue.

**Field Reports** focus on a particular news event and what local people think about the event. Field Reports address the implications the event or activity analyzed for peoples' lives and their communities. Field Reports do not have the rigid structure of Analytical Articles, and are shorter in length, averaging ca. 700-800 words.

Those interested in joining *The Analyst's* pool of authors to contribute articles, field reports, or contacts of potential writers, please send your CV to: <scornell@jhu.edu> and suggest some topics on which you would like to write.

## **Svante E. Cornell**

Research Director; Editor, Central Asia-Caucasus Analyst  
Central Asia-Caucasus Institute & Silk Road Studies Program  
Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University  
1619 Massachusetts Ave. N.W., Washington, D.C. 20036, USA.  
Tel. +1-202-663-5922; 1-202-663-7723; Fax. +1-202-663-7785

# NAGORNO-KARABAKH: CONTINUED LACK OF WESTERN INTEREST?

Fariz Ismailzade

*The initial hopes that the change of administration in the U.S. would bring new momentum to the deadlocked Nagorno-Karabakh peace process are starting to fade. Although President Obama during the first months of his term in office pushed actively for the normalization of Turkish-Armenian and Azerbaijani-Armenian relations, not much has come out of this process. It is likely now that President Obama, just like his predecessor President Bush, will turn his attention to more global problems, like North Korea and Iraq, and thus forget the Armenia-Azerbaijan conflict for the rest of his term.*

**BACKGROUND:** When President Bush was elected, he was searching an opportunity for a foreign policy success. Officials at the State Department presented him with the Nagorno-Karabakh conflict as one of the world's ripest for a breakthrough. Urgent high level talks between the presidents of Azerbaijan and Armenia were arranged by U.S. officials in Key West in 2001 and a great push was made to convince both leaders to come to an agreement. Many analysts believe that the Key West talks were the closest the parties have ever come to a peace agreement in the past decade. Yet, both presidents felt hostage to their nationalistic home crowds and were unable to make compromises. Particularly, then Armenian President Robert Kocharian, fearing the fate of his predecessor Levon Ter Petrosian, shied away from committing to a step-by-step solution of the conflict, in which Armenia would first return the occupied Azerbaijani territories and only after that the final status of Nagorno-Karabakh would be determined.

The failed Key West talks, in which the US government invested heavily, including the personal involvement of then Secretary of State Colin Powell, led to a grave disappointment among the mediators. The conflict was put on the backburner for the rest of President Bush's term in office. The September 11 terror attacks and the

subsequent wars in Afghanistan and Iraq completely changed the foreign policy priorities of the U.S. and the Nagorno-Karabakh conflict was certainly not on the top list of urgent tasks for the State Department. Yet, much of the blame for the failure in the Key West talks can actually be placed on the US officials themselves. They rushed for a breakthrough without a proper understanding of the conflict's realities, without proper involvement of Russia, Armenia's key military ally, and without much change in the balance of power on the ground.

Without proper preparations, it would be very naïve to expect a breakthrough in the conflict.

A similar picture now arises with President Obama. Right after his election, he started pushing for the normalization of Turkish-Armenian relations. His agenda was clear: make a breakthrough in bilateral Turkish-Armenian relations and use this as an excuse not to use the "G" word when referring to the events of 1915 in the Ottoman Empire. It was clear that President Obama did not want to use the "G" word and thus ruin the important relations with strategic ally Turkey. But simultaneously he needed to either keep his campaign promise or get out of the situation with a very solid excuse. Therefore, a very heavy diplomatic push started mounting on Turkey to open its border with Armenia.

Many analysts believed that by opening the border, Turkey could engage Armenia more and thus reduce the latter's dependence on Russia. Others saw little practical change in the situation on the ground as Armenia's economy, military and security is practically in the hands of Russia. Thus, a one-sided opening of the border would only damage Turkish-Azerbaijani relations and cause a rift between the two strategic U.S. partners in the region. As a result, the balance of power in the region would shift and the fate of the Nabucco gas pipeline and other mega-projects would be put at risk. After April 24, when both President Obama and the Turkish government managed to avoid the potential disaster in U.S.-Turkish relations, things have calmed down. Turkish Prime Minister Erdogan traveled to Baku and assured his Azerbaijani friends that Turkey would never open the border before the occupied Azerbaijani lands are liberated. There also seems to be substantial progress in Turkish-Azerbaijan talks on the issue of transiting Azerbaijani gas to the European markets through Turkey. Thus, the Nagorno-Karabakh conflict is once again on its way down on the U.S. agenda for the region.

**IMPLICATIONS:** It is likely that President Obama, after his initial excitement over the potential normalization of Turkish-Armenian and Azerbaijani-Armenian relations, is going to pay less and less attention to this part of the world. In that respect, he will repeat President Bush's path. Initial diplomatic activity during both presidential terms would produce many hopes, but no concrete results. Thus, the Nagorno-Karabakh conflict would again be put on the shelf.

There are some clear signs of this trend already. In the latest peace talks in Prague, Azerbaijani President Ilham Aliyev and Armenian President Serzh Sarkisian made no breakthrough on the terms of an agreement, despite high expectations and hopes. On the contrary, the Azerbaijani side

came out of the meeting in a very frustrated mood, saying that Armenia makes no changes in its stubborn and unconstructive approach to the solution of the conflict. The hopeful remarks by U.S. mediator Matt Bryza also irritated official Baku, which accused Mr. Bryza of distorting the information and purposefully sending optimistic news to the State Department leadership whereas the real situation on the ground remained stagnant.

There are fears that the upcoming meeting of the Azerbaijani and Armenian Presidents in St. Petersburg will put a final end to all hopes for the peaceful resolution of the conflict in the nearest future. No major breakthrough is expected during this meeting and the Nagorno-Karabakh conflict is likely to enter another 4 years of boredom and stagnation. The U.S. administration has to shift its focus to the North Korean peninsula, and its relations with Russia, Iran and Iraq.

**CONCLUSIONS:** It has become a recurring pattern that after a change in the U.S. government, the new President rushes to score a foreign policy success by pushing for the resolution of the Nagorno-Karabakh conflict. This is usually done without much change on the ground and without a proper understanding of the conflict. The Nagorno-Karabakh conflict is very much an international conflict. Russia's role in it is huge and the U.S. administration will never be able to resolve it without properly addressing the role of Russia and without taking into consideration the factor of Armenia's dependence on Russia.

Pushing for an immediate breakthrough and desperately wishing to see immediate successes lead to quick disappointments, after which the US administration forgets about the conflict and hesitates to organize another high level push for its solution. It would be better if the U.S. administration would not push for quick

resolution of the conflict, for which the parties are not ready, but instead maintained a high level interest in the conflict throughout the whole presidential term and gradually prepared the ground work for a final resolution. This conflict can only be resolved through preparing a solid

ground work and shifting the balance of power in the region. Investing all hopes in the initial months of negotiation will inevitably produce disappointment in the end.

**AUTHOR'S BIO:** Fariz Ismailzade is a political analyst based in Baku, Azerbaijan.



## TURKMEN ELITE RESHUFFLES

Slavomír Horák

*Turkmenistan's domestic politics remain in the shadow of a new round of the "Caspian gas game," which in the last two years has centered on this energy-rich country. However, the external actors have thus far achieved few concrete results. A deeper look at the new regime in Turkmenistan makes evident the unpredictability of the regime, which arises very much from the personality of President Gurbanguly Berdimuhamedov himself. His manners increasingly seem reminiscent of the policies of his predecessor, Saparmurat Niyazov.*

**BACKGROUND:** Parliamentary elections were held in Turkmenistan on December 14, 2008, in accordance with the provisions of the new Constitution and the new Election Law. The September 2008 constitutional amendments significantly simplified Turkmenistan's overall institutional design, and the constitution brought about a new delineation of power. Nevertheless, all the changes were beneficial to President Berdimuhamedov, enabling him to remain Turkmenistan's president for life in an even simpler way than was the case of his predecessor, Saparmurat Niyazov (Turkmenbashi). The latest 2008 parliamentary election cemented a harsh authoritarian system based on the political culture established by Turkmenbashi. As a result, President Berdimuhamedov achieved exactly what he wished for – a completely obedient parliament. Although OSCE observers were invited to monitor the ballot for the first time in Turkmenistan's history, their presence served mostly as legitimization for the ruling regime.

The first session of the new Parliament in January 2009 left no doubts about who really rules the country. In disregard of the formal separation of the legislative and executive governmental branches under the new Constitution, president Berdimuhamedov

introduced his own candidate, Akja Nurberdiyeva, as speaker of parliament. He also formed all parliamentary committees, which, according to the Constitution, is the prerogative of the parliament itself.

**IMPLICATIONS:** Frequent purges and reshuffles in the government, state administration and major enterprises continue to be the key feature of the Berdimuhamedov regime. Large-scale changes took place in January/February 2009. About one third of the members of the Cabinet of Ministers were dismissed and others received severe warnings, which in Turkmenistan's political culture should be understood as a clear sign of their upcoming dismissal.

To a larger extent than under the previous president, the Ahal-Tekke (the leading tribe in Turkmen politics since Soviet times), particularly from the districts of Gökdepe, Baharly and Abadan, dominate the country. As of today, regional fellows of Berdimuhamedov, e.g. Minister of National Security Carymyrat Amanov, Prosecutor General Cary Hojamyradov, and Defense Minister Yaylym Berdiyev, as well as Berdimuhamedov's former medical colleagues, among them Minister of Health Care Ata Serdarov, occupy the most important posts within the government. By contrast, the position of representatives of the



(Kommersant)

western (Balkan) region who were previously in control of the key oil and gas industry – such as Annaguly Deryayev and Garyagdi Tasliyev – was undermined as a consequence of repeated cadre rotations in January and May 2009. In addition, the headquarters of the national oil company, Turkmennebit, were moved from the town of Balkanabat (former Nebit Dag) to Ashgabat in January 2009. This was intended to further decrease the status of the Balkan region in Turkmenistan's political life.

The case of Isgender Mulikow is telling of Berdimuhamedov's increasingly unpredictable cadre policy and of intra-clan skirmishes in today's Turkmenistan. This government official long worked in the Interior Ministry and reached the post of Deputy Minister. In February 2009, he was made head of the Police

Department in Dasoguz Welayat in northern Turkmenistan, only to be called back to Ashgabat as a new Defense Minister in May 2009 after the previous minister was sacked.

Not even people in the closest and, as one would think, untouchable circle around President Berdimuhamedov can be sure of their positions. Yusup Isangulyev, the former head of the Presidential Administration and, according to credible sources, a rival of the president's main advisor for ideology and propaganda Viktor Khramov, was fired on March 16, 2009. If this change was in fact engineered by Viktor Khramov, it likely reflects that Khramov has again become one of the most powerful allies of the President.

The President has not even shown mercy to his most loyal supporters during the stabilization period of the post-Niyazov regime. Long-term Defense Minister Agageldi Mämmetgeldiyev and Chief Commander of the Border Guards Bayram Alovov were until recently the last direct witnesses in government of Berdimuhamedov's enthronement. Mämmetgeldiyev quietly retired in January 2009 instead of the usual imprisonment which one would have expected, while Alovov was demoted in rank and released from the army. The new young Chief Commander of the Border Troops Myrat Yslamov, who replaced Alovov, comes from the eastern Lebap Region, but is considered to be absolutely loyal to President Berdimuhamedov. Personal loyalty to the president thus continues to be the most important precondition for a political career in contemporary Turkmenistan. Nevertheless, it provides no guarantee from being sacked.

In March 2009, President Berdimuhamedov publicly warned also the Prosecutor General Cary Hojamyradov, dismissing the city prosecutor of Ashgabat. However, Hojamyradov still remains in his position, remaining one of the most powerful figures in Turkmenistan and gathering compromising material on other members of the ruling elite. Nevertheless, remembering the fate of his predecessors, one can easily expect his dismissal in the near future. The latest developments in the Prosecutor General's office also provide evidence of the continuing "Turkmenization" of the government and state administration, since many non-Turkmen staff of the office were cleansed in February 2009.

Thus, Minister of Foreign Affairs Rasit Meredov and Vice Premier for the oil and gas sector Tacberdi Tagiyev, are the last remaining influential persons of non-Ahal-Tekke origin within the President's inner circle who have survived all the government purges under Berdimuhamedov. Both are considered to be real professionals in their respective fields. President Berdimuhamedov apparently needs them to foster relations with the rest of the world through the strategic oil and gas industry. Nevertheless, both of them were already warned by the President in January 2009. The long-term Deputy Foreign Minister for Caspian affairs, Hosgeldi Babayev, was dismissed in late 2008 and Tagiyev received a reprimand. Thus, both Meredov and Tagiyev can be sacked anytime.

**CONCLUSIONS:** The latest changes in Turkmenistan's government demonstrate all the key features and development trends peculiar to President Berdimuhamedov's cadre policy: personal loyalty, Turkmenization and "Ahalization" of the Turkmen elites. President Berdimuhamedov further consolidated his

position as the indisputable leader in Turkmen society. The power of Berdimuhamedov's patrimony has also strengthened in the last months. But even his closest relatives and countrymen as well as his most loyal officers face the risk of immediate removal. President Berdimuhamedov, just like his predecessor, is able to reshuffle any cadre according to his own judgment. As of today, the only powerful and intangible non-Turkmens in Berdimuhamedov's government are in the Presidential Administration.

On the ideological level, the opening ceremony of the Gurbanguly-hajji mosque in the city of Mary in March 2009, the gradual replacing Turkmenbashi's *Ruhnama* with books reportedly written by Berdimuhamedov himself in the educational process, as well as nationwide preparations for the forthcoming July celebration of the president's 52nd birthday are indicative of the growing personality cult of Gurbanguly Berdimuhamedov.

Thus, the obvious unpredictability of the Turkmen leader, continually dismissing and appointing ministers and other high ranking officials at will, and his growing personality cult are important features of Turkmenistan's regime that should be taken into account by anyone seeking to do business and foster political contacts with Turkmenistan. Berdimuhamedov's impulsiveness might well affect his foreign partners in the same manner as they already affect his officials.

**AUTHOR'S BIO:** Slavomír Horák is Research Fellow at the Institute of International Studies, Charles University in Prague, Czech Republic. He is co-author of the recently published *Dismantling Totalitarianism? Turkmenistan under Berdimuhamedov* (Silk Road Paper, March 2009).

# UZBEKISTAN AND REGIONAL INTEGRATION IN CENTRAL ASIA

Umida Hashimova

*Since independence, Uzbekistan has been known as a country with limited willingness for integration and great caution toward regional initiatives. Uzbekistan has suspended its membership in the Eurasian Economic Community (EURASEC) and has been absent from recent meetings of the Shanghai Cooperation Organization (SCO) and the Collective Security Treaty Organization (CSTO). Through publicly questioning the effectiveness of those regional organizations of which the country is a member, the Government of Uzbekistan is currently showing the lowest interest in regional structures since its independence. Due to its skepticism about the potentials of regional initiatives, Uzbekistan is at the moment more active in searching for bilateral and multilateral economic allies.*

**BACKGROUND:** After 1991, Uzbekistan became part of various regional integration initiatives both inside and outside the post-Soviet space - CSTO, SCO, Commonwealth of Independent States (CIS), Economic Cooperation Organization (ECO), Special Program for the Economies of Central Asia (SPECIA) and Central Asia Regional Economic Cooperation Initiative (CAREC). Uzbekistan also participates in regional organizations which have been renamed and merged in the process. The Central Asian Economic Union (CAEU), established by Uzbekistan and Kazakhstan in 1994, was renamed the Central Asian Economic Community (CAEC) in 1998 after Tajikistan joined it. Four years later, CAEC was renamed the Central Asian Cooperation Organization (CACO) and eventually merged with EURASEC in 2005.

The consensus supporting ambitions to create regional organizations in the early years after independence is now showing a serious fissure. For the last seven months, Uzbekistan has displayed a very low interest in regional initiatives. In December 2008, Uzbekistan suspended its membership in EURASEC, terming the organization ineffective and

lacking prospects. Uzbekistan participated neither in the SCO meeting on Afghanistan held in Moscow on March 27, 2009, nor in two CSTO meetings held in Kazakhstan in December 2008 and in Armenia in April 2009. Although the President of Uzbekistan did participate in a CSTO meeting between the ones missed (in Moscow on February 4, 2009), this did not stop speculations on a possible future suspension of its membership. Even if the Uzbek government does not suspend its membership - as the CSTO Secretariat asserted to "Interfax-AMN" on June 9, after receiving confirmation of the Uzbek President's participation at the Moscow meeting on June 14 - Uzbekistan's commitment to its membership is still rather fragile. The Uzbek President's proposal one year ago to merge EURASEC with the CSTO, to create one strong organization on the basis of the two, and calling one of the CSTO meetings from which the government was absent as "useless", indicates clear evidence of this fragility.

The UNDP Country Background Study described an Uzbek view of regional cooperation mechanisms as consisting of multiple regional organizations with similar

objectives that take overlapping agreements and as a result led to conflicting and confusing sets of policies. The Uzbek Government does not hide its dissatisfaction with the inability of these regional organizations to achieve their goals. For example, Uzbekistan's Ambassador to Russia complained during his meeting with the Chief of the Russian Federation Council on April 4 that the CSTO, CIS and SCO meetings have similar agendas and are represented by the same people. Various meetings held within regional initiatives are growing in number but do not have commensurate results.

**IMPLICATIONS:** These developments may signify Uzbekistan's changing foreign policy, which prefers bilateral relations to regional initiatives. The Uzbek Government throughout its independence considered bilateral approaches more effective and productive, explaining the government's limited enthusiasm for participation in regional initiatives. The expansion of bilateral economic cooperation, which the Uzbek Government has over the past several months been undertaking with Brazil, South Korea, Spain, Germany and other countries, and launching a Free Trade Zone in the city of Navoi indicates that the country is taking very active steps to diversify its economic partners and investment projects.

Regional integration could become a reality if each Central Asian country, Uzbekistan in particular, was ready to limit its independence and take joint decisions on regional issues at a supra-national body, and coordinate national legislation and foreign and domestic affairs. But there are several reasons why the regional states are reluctant to introduce such a body and give up certain elements of their sovereignty. One of them is that the boundaries of the Central Asian countries were artificially created and never existed as independent nation-states

before 1991, still trying to create their national ethos. These young nation-states gained their independence only 18 years ago and need to develop a strong feeling of nationhood. In these conditions, establishing any kind of union that usually intends to have a supra-national body is unrealistic. For example, the founding members of the European Steel and Coal Union (EUSC) in 1951 had existed as nation-states for at least a hundred years and more before they were ready to establish a regional body. They also had a bloody history of warfare, among other compelling reasons to limit nationalism.

Uzbekistan's strong resistance to the idea of conforming to a supra-national body resulted in the submission on June 4 of two out of four conditions for the creation of a joint Rapid Reaction Force within the CSTO. These conditions are that any decision on the deployment of these forces is taken by consensus rather than by majority voting and that deployment of the forces cannot contradict national legislation.

Other factors which are unfavorable for regional integration are the diverging levels of socio-economic development of the regional countries, the direction and pace of political and economic reforms, the orientation of foreign affairs and economic relations, as well as border, water and resource distribution issues. Therefore, it is quite understandable that the political elites of the young Central Asian countries are skeptical toward regional integration initiatives. Fears of what such initiatives could imply include potentially uneven distribution of revenues from regional projects; possible losses rather than benefits from regional integration; risks of economically powerful countries lobbying their interests and overstepping the national interests of less

powerful countries; and competition among the countries for regional leadership.

**CONCLUSIONS:** Uzbekistan is not dogmatically opposing integration initiatives, but rather considers the region to lack a sufficient basis for integration at the moment. Indeed, the current situation in Central Asia implies that the region has few or no objective conditions for creating effective integration organizations. The strong need felt for sovereignty and nationhood that are currently prevailing in the process of nation and state building impede the consensus necessary for

integration. The Uzbek Government's strategy of seeking benefits for the country's political and economic systems, rather than gaining political prestige by joining regional initiatives, has pushed the government to focus more on evolving bilateral and multilateral cooperation. As a result, in its future perspective Uzbekistan is relying on its long tradition of independence in policy-making that always chooses the "Uzbek way".

**AUTHOR'S BIO:** Umida Hashimova is an independent analyst based in Tashkent, Uzbekistan.



New Book:

*The Guns of August 2008*

Edited By Svante E. Cornell and S. Frederick Starr

M.E. Sharpe, New York, June 2009,  
290pp

This book is designed to present the facts about the events of August 2008 along with comprehensive coverage of the background to those events. It brings together a wealth of expertise on the South Caucasus and Russian foreign policy, with contributions by Russian, Georgian, European, and American experts on the region.

# THE INCONSISTENCIES OF RUSSIAN MIGRATION POLICY: POLITICAL RISKS AND SOCIAL CHALLENGES

Marlène Laruelle

*As the Federal Migration Service prepares to draw up new legislation on migrant workers, the Kremlin's policy on both migration and the rise of xenophobia remain contradictory. The Russian authorities' reluctance to take a clear position on these issues reinforces the tensions in Russia itself and worsens Moscow's image in the emigration countries, particularly in Central Asia. The failure to find a solution to this question could open the door to harmful forces of destabilization both domestically and in the emigration countries.*

**BACKGROUND:** In 2005, the Russian authorities finally began considering a long-term migration policy, observing that the Russian economy was starting to suffer a shortfall of labor power: the country's drastic demographical downturn has in fact been accompanied by an increase in living standards, permitting Russian citizens to be more demanding as regards working conditions. Millions of precarious jobs have therefore gradually been taken up by migrants from the Caucasus and, above all, Central Asia. Today, the latter occupy relatively circumscribed professional niches: construction site workers, sellers at the bazaars, but also, and increasingly, refuse collectors, waiters, cooks, supermarket checkout assistants, janitors, minibus drivers, domestic workers, baby-sitters, minders of aged persons, etc.

The absence of adequate legislation has made the working conditions particularly difficult for millions of migrants living in Russia. A bill passed in 2006 prohibiting foreigners from undertaking retail trade at markets in Russia has increased the illegality in which some of them work and reinforced the corruption of the administrative departments responsible for issuing or verifying work permits. This has

created a whole new range of profitable economic activities enabling Central Asian and Caucasian traders to be present, albeit more discretely, at Russian markets.

In addition, the proliferation of xenophobic discourses is growing. Migrants are accused of being directly involved in the rise of criminality, while a discourse relating to 'ethnic business' continues to prevail among the press and the security organs. The Russian justice system remains ambiguous in its handling of xenophobia: while more and more skinhead groups are being sentenced, numerous other less radical movements or establishment personalities are never troubled for their racist remarks. Thus, the leader of the Movement Against Illegal Immigration, Alexander Belov, was recently sentenced to one and a half year of prison after his entry into the ranks of the opposition to the Kremlin, but prior to this had spent many easy years free of legal complications.

If racist attacks seem to have increased only relatively little in 2008 compared to 2007, as estimated by associations such as SOVA, the anti-migrant operations organized by, for example, the Young Guard (the youth movement of United Russia)—which

orchestrated a campaign accusing migrants of refusing legalization—have reinforced the prevalent feeling that the authorities indirectly support anti-migration policies. In addition, supermarkets chains, in direct competition with the markets, whose products are better priced, weigh on the public authorities to close down the bazaars in the name of sanitary security or real estate pressures. The economic crisis currently weakening Russia is thus aggravating xenophobic sensibilities by focusing them on the theme of migrants stealing work.

**IMPLICATIONS:** In the legislation being drafted, the Federal Service wants to privilege migrants with a professional qualification and the invitation of an employer, to allow them to get their work permit rapidly and benefit from

certain social rights. Such cases are, however, in a small minority. The status for those neither arriving with qualification, nor guaranteed employment is currently obscure and will probably remain very precarious. Associations that defend the rights of migrants are concerned that this legislation will result in a situation of work without rights for the majority of migrants who, on the pretext that they have no diploma or invitation from an employer, will have no rights to health insurance or paid holiday leave, nor be able to bring their employers before the courts in case of the absence, or violation, of a work contract.

The Russian authorities' refusal to implement a comprehensive migration policy can be explained in part by the population's reticence,



(Daylife)

but also by the state's inability to implement the social policies required to manage the inflow of migrants serenely: the opening of Russian courses for non-Russian-speaking adults began only belatedly and they remain accessible to a small minority; the schooling of the children of migrants is not guaranteed; housing conditions are not combined in such a way that they provide these populations with normal living conditions and avoid processes of ghettoization. In addition, the massive corruption on which the security organs thrive in conjunction with migrants needs to be combated with a will which the Kremlin has never shown.

Lastly, the biggest bazaars, such as, for example, that of Cherkizov in Moscow – probably Russia's and Europe's largest open-air market – are managed by businessmen with close associates in decision-making circles. Telman Ismailov and Zarakh Iliev, both originally from Azerbaijan, own many markets and shopping centers in the capital and rank among Russia's top 100 wealthiest people. Today Cherkizov functions as a state within a state: the thousands of Caucasians and Central Asians that live in it have all the services they need on site (food, hair-dressers, Mosques, etc.) and are discouraged from leaving the grounds to avoid racist attacks and police controls. The networks that run Cherkizov thus control all the processes, from the transport of migrants from their place of origin to all aspects of their daily life at the workplace. This enables these networks to guarantee a certain security for individuals (guaranteed work, physical protection against attacks) but it accentuates

the migrants' ghettoization, such that the latter's integration into Russian society is hampered by the very system that assists their arrival.

The large profitability of these type of activities thus can indirectly explain the difficulties of the Russian state in promoting a migrant bill since its diverse administrations all have an interest in the illegality of the workforce from the Caucasus and Central Asia.

**CONCLUSIONS:** The question of migration and, with it, that of xenophobia, constitutes a major test for Russia. On this issue the ruling elites will have to demonstrate their ability to conceive of their country pragmatically, i.e. in a way which is devoid of the ideological sensibilities linked to nationalism. The Kremlin must in fact prove that Russia can accept the profound societal transformations resulting from globalization, of which massive migrations are only one of the most visible elements. The failure to find a solution to this question could open the door to harmful forces of destabilization both domestically and in the emigration countries.

**AUTHOR'S BIO:** Marlène Laruelle is a Senior Research Fellow with the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center. She is the author of *Russian Eurasianism. An Ideology of Empire* (Washington DC: Woodrow Wilson Press/Johns Hopkins University Press, 2008) and editor of *Russian Nationalism and the National Reassertion of Russia* (Routledge, 2009).

## FIELD REPORTS

### ‘BLACK FRIDAY’ IN TAJIKISTAN’S FOREIGN EXCHANGE MARKET

*Suhrob Majidov*

The foreign exchange market in Tajikistan fluctuates feverishly. In May alone, the Tajik somoni fell by 12 percent against the US\$, amounting to a total depreciation of 25 percent against the dollar since the beginning of the year. The drastic fall of the somoni results in significant losses for enterprises and ordinary citizens. Suddenly, after steady growth, the US\$ fell by 10% against the somoni in the last week of May. The National Bank of Tajikistan claims that this exchange rate has settled naturally, without intervention.

On May 29, in just a few hours the American dollar suddenly depreciated by 6% against the somoni. On that day almost all exchange offices suspended their operations. Since, the rate has started to increase again. Experts predict that this was not the last fluctuation of the Tajik national currency, claiming that in June, the value of the somoni will again fall considerably. Yusuf Zainidinov, an expert at the Institute of Economic Research in Dushanbe, predicts that in the next few months the national currency will continue to depreciate.

Experts explain the depreciation of the somoni by a sharp decrease in the country’s currency earnings. The main sources of the country’s income – export of cotton and aluminum – declined by 60-70% and currency remittances by labor migrants shrunk by 30%. Furthermore, experts explain the sudden surge of the somoni by the fact that the National Bank of Tajikistan intervened in May and spent about US\$2 million in an effort to stop the depreciation, managing to prevent it only for a week. According to the experts, this was a temporary stabilization of

the somoni. Now, the Bank has no means to keep the somoni at an acceptable exchange rate. The gold and foreign currency reserves of National Bank are only about US\$183 million. The debt burden is more than US\$1 billion and constitutes about 30% of Tajikistan’s GDP. Moreover, according to the State Committee on Statistics, the country’s import volume is three times higher than the export volume.

Experts predict social and political shocks in next few months. The depreciation of the somoni causes a boom in prices for import goods. For instance, despite the summer season, the prices on agricultural products have already increased by 20-30%. Gas prices went up by 20% in only two weeks. Thus, the depreciation of the somoni causes economic worries among ordinary citizens and business. Small and medium-size enterprises seem to be the most affected by this crisis. For instance, the two biggest markets in Dushanbe were closed.

Nevertheless, state officials keep saying that the national economy will avoid a considerable financial crisis. Tajikistan’s Minister of Economic Development Gulomjon Bobozoda even finds positive effects of the depreciation. He claims that due to the depreciation of the national currency, imports become less profitable as currency risks and costs increase. Such a situation contributes to the development of domestic production. Thus, according to the minister, the depreciation will result in “more working places, taxes and budget increases”. The head of the National Bank Sharif Rahimzoda explains the depreciation as “a compulsory measure” to adjust the somoni to the

falling currencies of its main trading partners Russia and Kazakhstan, which experienced a depreciation of their national currencies of up to 25-30% from last autumn. During a press conference, the head of National Bank promised that the depreciation appeared to top out at 4.6 somoni to the US\$ and will be held at this rate.

Taking into account the limited financial reserves of the National Bank, experts doubt the Bank's capability to impact the national currency's situation. Experts alert that without urgent measures to develop domestic production, the country will experience social tensions. Independent expert Khojimukhammad Umarov claims that it is almost impossible to saturate the market with domestic production in the short term. He says that measures had to be taken by the Government in

advance. Professor Umarov argues that the prices on consumer products will continue to increase, providing for a worsened social and economic situation in the country.

All in all, the situation shows that depreciation of the national currency cannot be an adequate measure to support domestic production as some state officials claim. On the contrary, according to experts, the depreciation of the somoni brings considerable losses to small and medium enterprises and ordinary consumers as the prices on import goods increase. Experts warn that only structural reforms and stimulation of domestic production can improve the economy and strengthen the national currency. Therefore, the current national currency crisis is yet another sign of the economically unsound policies of the government.

## ARMENIAN OPPOSITION SEEKS CONSOLIDATION

*Haroutiun Khachatrian*

On June 12, the leader of the radical non-parliamentary opposition of Armenia, the first President of Armenia Levon Ter-Petrosian, declared at a crowded rally in Yerevan that the political bloc led by him will not take active actions until September. The Armenian National Congress, a bloc composed of 18 parties and NGOs, was formed last year, after Ter-Petrosian's defeat in the presidential elections on February 19. ANC terms the February 19 vote as rigged and does not recognize Serzh Sargsyan as the legitimate president.

The summer time-out was initiated in an apparent effort to avoid further disappointment of the ANC's supporters after their formal defeat at the municipal elections of Yerevan on May 31, which ANC had declared as "the second round of the presidential elections." In his speech, Ter-Petrosian made a bid to further enhance the struggle against the administration of Serzh Sargsyan, and moreover, to consolidate the opposition parties around this goal.

To that end, he proposed a twelve-point "platform" for cooperation among the opposition parties. The document was addressed to every opposition political party, but its main targets are obviously the two most influential parties, Zharangutiun (Heritage, which until recently was the only one to have an opposition faction in the National Assembly) and the Armenian Revolutionary Federation Dashnakhsutiun (ARFD). The latter used to be a member of the ruling three-party coalition but left it on April 25 after disagreement over the alleged adoption of a Roadmap on Turkish-Armenian rapprochement two days earlier.

The twelve points of the platform, which were declared "preliminary and subject to amendments and additions during further discussion with interested forces," include various proposals, widely differing in their acceptability for different parties. The first category includes the points acceptable to the ANC only. These are the most radical points of the platform, namely those declaring the current

regime criminalized, demanding the resignation of Serzh Sargsyan, and organizing early parliamentary and presidential elections.

The points of the ANC platform which will most likely be supported by the Zharangutiun party include the enhancement of efforts aimed at revealing the truth about the tragic events of March 1 2008, and punishing the March 1 wrongdoers. Also, these two parties will certainly find common ground around the goals of releasing all political prisoners (i.e., supporters of Ter-Petrosian accused for participating in the March 1 events) and businessmen who are considered victims of “tax terror.”

As for the ARFD, this traditional nationalist party will support the items of the platform addressing foreign policy, opposing the alleged course of the authorities in Armenian-Turkish relations and in the Nagorno Karabakh settlement process, which they consider contradictory to Armenian interests (e.g., the creation of a joint Turkish-Armenian commission of scholars for studying the Armenian Genocide).

Finally, both opposition parties will inevitably support the proposals of the ANC platform on measures to increase the transparency of election procedures, in particular inking voters’ fingers to prevent multiple voting.

Hence, Ter-Petrosian managed to make proposals to both opposition parties which are impossible for them to refuse. The summer of 2009 is seen by all three parties as a preparation period for the next elections (be it the regular parliamentary elections set for 2012, or the early elections sought by the ANC), and will see contacts and negotiations between these three, and probably additional parties. This could result in a more powerful political attack in September.

Thus, rallies, which have been the only impressive tools of the ANC so far, are unlikely to take place in Armenia in summer. Tensions on the surface will recede in the coming three months. At the same time, the ANC will use this time to consolidate the political and organisational basis for a new attack on the Sargsyan administration later this year.

---

## THE RUSSIA – AFGHAN FORUM: A RUSSIAN MARSHAL PLAN FOR AFGHANISTAN?

*Roman Muzalevsky*

The forum bringing Russian and Afghan delegations together on May 14 in Moscow highlighted the need for Afghanistan to accelerate its economic development and engage Russia in its national politics. For Russia, the forum could become a platform for intensified involvement in regional economic development, more effective anti-drug trafficking initiatives, suppression of regional Islamic fundamentalism, and for limiting the U.S. and Chinese influence in Afghanistan and Central Asia. Since the U.S. increasingly views Central Asia as a source of development for Afghanistan and Pakistan, Russia is especially interested in vying for Afghanistan as a transit and

destination point for Caspian and Central Asian energy resources and as a strategic outlet to the Indian Ocean.

The Russian-Afghan forum, organized by Yuri Krupnov from the Russian Institute for Demographics, Migration and Regional Development and hosting 150 participants from the business, government, and public sectors, was dedicated to 90 years of diplomatic relations between Russia and Afghanistan. Deputy Prime Minister of Russia Igor Sechin and the secretary of Russia’s Security Council Nikolai Patrushev headed the Russian delegation. Vice-president Karim Halili

represented Afghanistan. Sponsored by Gazprom and Vneshekonombank, the forum discussed the possibility of Russian companies expanding their presence in Afghanistan in the field of production and distribution of energy resources, infrastructure development and trade, among others. It also proposed to utilize the capabilities of the SCO, CIS, EurAsEC, and CSTO to promote economic cooperation between Russia, the Central Asian states, and Afghanistan.

Krupnov believes that Russia, bordering Central Asia, lacks a coherent strategy in Afghanistan and proposes a Marshall Plan approach to the extensive national economic development. According to him, the Afghans, many of whom speak Russian and criticize the U.S. and NATO for building only military bases, welcome Russia's presence in Afghanistan, especially considering the extensive infrastructure once built by the Soviet specialists in the country. Somewhat echoing the competition of development schemes during the Cold War, Krupnov has further suggested "exporting development" to Afghanistan in the context of the U.S.-promoted but "bankrupt doctrine of 'exporting democracy'" in the country. Sechin, for instance, stressed that 142 business projects representing 60% of the Afghan economy speak of the previously productive economic relations between Russia and Afghanistan that should be more vigorously cultivated to promote national and regional development.

The President of the National Coalition on Dialogue between the Afghan Tribes, Prince Ali Seradj, emphasized the emerging positive investment climate in Afghanistan, noting that national economic development would also promote regional stability. Ismail Yun, the director of the Cultural Department under the Afghan National Security Council, encouraged Russian businesses to enter the country's market now in order to gain an early advantage. Afghan Senator Kamar Khosti, in his turn, invited Russia to help Afghanistan with its collapsed infrastructure: "We need Russia to help

rebuild destroyed facilities and roads in Afghanistan, which were built by Soviet specialists."

The forum also emphasized the national and regional security situation. In this regard, Viktor Ivanov, the director of Russia's Federal Service for Narcotics Control, underlined that Afghanistan "critically requires a Marshall Plan." Patrushev invited the Afghan counterparts to work within the SCO to address the threats of regional terrorism and narcotics trafficking.

The forum concluded with a decision to consider creating an intergovernmental Russian-Afghan commission on trade and economic relations and utilize the capabilities of the regional Russia-led economic and security institutions, as well as respective parliamentary assemblies, to promote economic relations and development in Central and South Asia.

Russia's revitalized focus on Afghanistan is primarily driven by energy-related considerations and an understanding of a potential strategic loss of Afghanistan and Central Asia. Although Russia might correctly identify its regional strategy in Afghanistan, the question remains whether it has the means to pursue the ends. No doubt, Russia continues to enjoy geopolitical leverage over countries in its extended neighborhood and its slowly depleting currency reserves still give it room for maneuver. Moreover, the military security in Afghanistan is being provided by NATO forces rather than Russian troops, relieving Russia of a substantial burden in providing security in its own backyard. But Russia will have to compete with the development agenda increasingly set by China and the U.S. in the region where stability is also subject to positive relations between India and Pakistan. The global financial and economic downturn will not work to Russia's absolute advantage either. It remains to be seen whether Krupnov's Marshall Plan will translate into extensive and effective regional development scheme and bring a strategic asset rather than a liability to Russia.

## WEST FACES DIFFICULT CHOICES OVER ARMENIA

*Gayane Sargsyan*

In Armenia domestic politics and foreign policy aspirations are closely interconnected and the most recent mayoral elections in Yerevan on May 31 were indicative of this.

Both in Armenia and abroad, political observers ascribed a broader significance to the Yerevan City Council elections. Free and fair elections would first and foremost have produced a new system of administration in the capital, marking the start of a new electoral/political culture and would have indicated serious progress towards reinforcement of democratic mechanisms in Armenia. Such elections could also have reduced the political tension that has exasperated political life in Armenia following the highly questionable presidential elections of February 2008, including the killing of peaceful demonstrators and the arrest of hundreds of opposition activists. Unfortunately, as local observers noticed, this opportunity was lost and the electoral system of Armenia was finally ruined after the May 31 vote. "We witnessed the most illegal, amoral and cynical elections in Armenia's history" declared Amalia Kostanian, head of the local office of Transparency International in Yerevan.

The quantity and, perhaps more important, the quality of infringements achieved new heights; and unsystematic and fragmented attempts by the political opposition and civic activists to prevent or hinder such infringements were simply ineffective. The main opposition group, the Armenian National Congress (ANC) charged that the ruling regime not only used vast administrative and criminal resources (such as ballot stuffing, rigging in vote counting, violence against observers and journalists) but also implemented a very dangerous strategy of manipulating the fears and hardships of an economically traumatized population by the systematic buying of votes. In official results, the ANC was placed third following two pro-government lists and declined to take up the seats

assigned to in the City Council, rejecting the results based on election fraud.

Interestingly, in this inequitable and decisive 'battle for democracy', the most dramatic role was again ascribed to the international community. The Congress of Local and Regional Authorities (CLRA) of the Council of Europe was the only international observation mission monitoring the municipal elections on May 31 in Yerevan. From May 3 to 6, a three-member CLRA pre-election mission visited the capital. The actual observation mission was organized from May 27 to June 1, including nine members of the Congress and three members of the European Union Committee of Regions, from the United Kingdom, San Marino, Poland, Italy, Hungary, France, Estonia and Belgium.

Despite the evident, openly executed, and serious violations, the initial assessment of this group regarding the conduct of elections was positive; their preliminary report asserted that with these elections, Armenia had proceeded toward the implementation of local democracy; that the overall organization of the elections had been broadly carried out in compliance with European standards, and that the May 31 elections had constituted a step forward compared to the local elections which took place in Yerevan in September 2008. As *Iragir.am*, one of the most popular on-line newspapers commented, the conclusions of the European observers regarding the Yerevan Mayor Election deeply angered the Armenian people. The intention of the European observers to issue their final conclusion in October 2009 will likely provide further frustration. It is surprising to learn that the Europeans need five months to reach a final conclusion, the periodical continued. This means that they will continue engaging in politics as usual during these five months – the final result will be determined by their political and other interests and

not by what they witnessed and learned in Yerevan on May 31, [ragir.am](http://ragir.am) concluded.

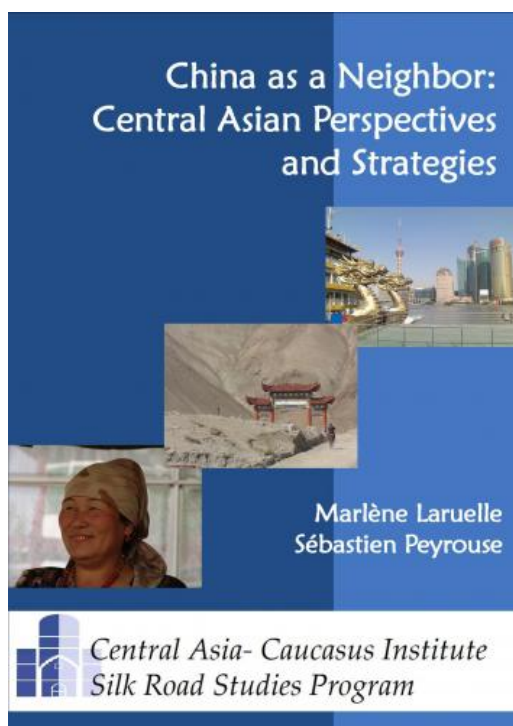
It seems that Armenia's foreign policy is considered part of a bigger geopolitical plan at this point. As Philip Gordon, the new U.S. Assistant Secretary of State for Europe and Eurasian Affairs, stated during his official visit "I have only been in office for two weeks, but it seemed to me that there are such important and even historic developments going on in Armenia and the region that I should try to come out here as soon as possible." According to official Armenian sources, Turkish-Armenian relations and the resolution of the Nagorno-Karabakh conflict were high on the agenda during his Yerevan visit. During the follow-up news conference, Gordon reaffirmed Washington's strong support for progress on both issues.

In the meantime, Gordon indicated that the U.S. does not consider the recent polls in Yerevan free and fair. "The results were only tallied up a couple of days ago, and so we don't have a formal statement or judgment right now," he said. "But I have heard reports of irregularities and problems with the election. That wasn't up to the standard that we would like to see."

Marie Yovanovitch, U.S. ambassador to Armenia, stated that a more detailed U.S. assessment of the polls based on the findings of U.S. Embassy

observers will be released shortly. "We saw a number of instances of irregularities, fraud, and intimidation not only in one or two districts but throughout the city during voting and also during the count," she said.

One could easily notice that Washington's stance is more promising and honest. But while criticizing official Yerevan and suspending U.S. economic assistance (under the Millennium Challenge Account program) due to the country's poor record on democracy and human rights, the U.S. continues to talk to the regime on the two most critical foreign policy issues and hoping for solutions from it. This paradox has led many to conclude that the regime has made or is making otherwise unacceptable concessions on these issues in return for acceptance of the regime and its widely undemocratic domestic policies. The West and the international community seem to face a choice here: Either continuing the push for geopolitical interests through endorsing illegitimate and repressive regimes, a scheme that has brought no results as yet; or to support the promise of a liberal democracy representing pro-democracy forces in general that is more likely to produce solutions to the larger issues that can be supported by the people and have enduring impact.



New Book:

*China as a Neighbor: Central Asian Perspectives and Strategies*

By Marlène Laruelle and Sébastien Peyrouse

This Book provides a regional viewpoint on the expansion of Chinese economic, political and cultural influence in Central Asia.

The book can be downloaded free at [www.silkroadstudies.org](http://www.silkroadstudies.org). Hardcopy requests should be addressed to Marion B. Cherry at [caciz@jhu.edu](mailto:caciz@jhu.edu).

## NEWS DIGEST

### NEW WAVE OF ARRESTS REPORTED IN KAZAKHSTAN

**3 June**

More officials and company heads have been arrested in Kazakhstan, RFE/RL's Kazakh Service reports. Financial Police spokesman Murat Zhumanbai has said that police on June 2 detained KIIK company executives Serik Turzhanov and Aleksandr Nisanov, as well as Statistics Committee Chairman Birlik Mendybaev. Last week, the chief of the Environment Department in Astana, Abdinur Bataev, and Statistics Agency Deputy Chairman Nurman Bayanov were arrested. An investigation of ex-Environment Minister Nurlan Iskakov and his former deputies, Zeynulla Sarsembaev and Alzhan Braliev, were announced and the three have been brought to court for hearings. An international search warrant was also issued for Environment Ministry department director Tatyana Savitskaya and Mercury Plus company director Viktor Lais. All of those arrested face charges of corruption and financial crimes. Early last month, leaders of Kazakhstan's main uranium producer, Kazatomprom, were detained and accused of financial crimes. Prominent banker and politician Mukhtar Ablyazov left Kazakhstan with his associates earlier this year after the authorities took over his BTA bank and launched an investigation into his business activities. Relatives of some of those detained say the charges are baseless and opposition leaders and activists insist the wave of arrests is politically motivated. (RFE/RL)

### NO IRAN FOR NABUCCO, WASHINGTON SAYS

**8 June**

Washington opposes Iranian involvement in the Nabucco gas pipeline to Europe based on the provisions of economic sanctions on Tehran, officials say. Richard Morningstar, the top U.S. official on Eurasian energy affairs, said Iranian involvement in the Nabucco pipeline violated the terms of the Iran Sanctions Act. "We don't want to change our policy unless Iran changes its policy," he

said. He also ruled out including Syria in the project, despite Damascus signing recent energy agreements with Iraq and Iran on energy transit. Iran and Iraq have been mentioned as possible Nabucco suppliers amid concerns over meeting the project's gas requirements. Turkish Energy Minister Taner Yildiz discounted claims Ankara had dropped plans to purchase 15 percent of the Nabucco gas at a discounted price, saying negotiations were still under way, Turkish daily Today's Zaman reports. Nabucco would travel from Central Asia to markets in Europe through a predominately Turkish route. Parties to the project in May signed declarations of support, though several outstanding diplomatic issues remain, notably Turkey's bid to join the European Union. Meanwhile, Morningstar called on Turkey to reach bilateral agreements for Nabucco with Azerbaijan with the goal of signing formal declarations June 25. (UPI)

### FM: 'TBILISI WAITS FOR MOSCOW'S RESPONSE ON LARSI BORDER CROSSING'

**8 June**

Georgia is ready to immediately launch talks on reopening the Zemo Larsi border crossing point with Russia, Georgian Foreign Minister Grigol Vashadze said on June 8. He said that the Georgian side had already offered the venue of possible talks - "neutral zone between Kazbegi and Larsi, but neither the Swiss Embassy nor the Ministry have received any response so far." "After the Russian Federation notified us through the Swiss Embassy about its readiness to launch talks and got a positive response from the Georgian side, we are expecting further development of events, but nothing happens so far," Vashadze said. Switzerland represents Russia's diplomatic interests in Georgia, as well as Georgia's diplomatic interests in Russia amid cut diplomatic ties between the two countries after the August war. Land traffic between the two countries was closed with the closure of Zemo Larsi border crossing point by Russia in July, 2006; two others are located in breakaway Abkhazia and South Ossetia. Russia cited reconstruction of the border crossing infrastructure in Zemo Larsi as a reason

behind its closure. Grigol Vashadze was speaking on the matter at a joint news conference with his Armenian counterpart in Tbilisi. With two other border crossing points in breakaway Abkhazia and South Ossetia regarded as illegal by Tbilisi, Zemo Larsi border crossing point is the only closest land route through which Armenia can reach Russia. The Georgian Foreign Ministry said on May 26 that it had been notified by Swiss embassy that the Russian side completed reconstruction works and was ready for holding talks on "technical issues" of its reopening. (Civil Georgia)

### **ISLAMIC CORPORATION FOR DEVELOPMENT LOANS THREE UZBEK BANKS \$42 MLN**

**10 June**

The Islamic Corporation for the Development of the Private Sector, which is part of the Islamic Development Bank, has opened credit facilities for a total of \$42 million to three banks in Uzbekistan for the financing of private business activities, a source in the Uzbek government told Interfax. The National Foreign Economic Activity Bank and Asaka Bank will each be given \$15 million in funds, while Uzpromstroibank will receive \$15 million. Representatives of the three banks and ICD officials signed an agreement on the loan in Tashkent on Tuesday. The loans are being issued for up to six years under guarantees of the banks themselves. The funds will be spent on setting up new production facilities as well as the development of farms, transport infrastructure and information technologies. The agreement stipulates that the maximum size of a loan for one project cannot exceed \$2 million. Other terms of the agreement were not disclosed. The National Foreign Economic Activity Bank ranked 56th by assets among CIS banks and first among 29 Uzbek banks at the end of the first half of 2008 in the Interfax-1000: CIS Banks ranking. Asaka Bank ranked 152nd and second, while Uzpromstroibank ranked 176th and fourth, respectively. (Interfax)

### **INGUSHETIA PRESIDENT: 26 MILITANTS KILLED IN SECURITY OPERATION**

**10 June**

Twenty-six militants have been killed in a security operation along the border between Russia's republics of Ingushetia and Chechnya that began last month, Ingushetia's president said on Wednesday.

"Twenty-six militants have been liquidated in the course of this special operation since May 16. This operation will go on until the entire republic has been cleared of terrorism," Yunus-Bek Yevkurov told

a roundtable in Magas that brought together security officials and religious figures among others. Additional police and Interior Forces posts are being set up in the villages of Datykh, Arshty and Alkun in Ingushetia's Sunzha district, which are the principal sites of the operation, Yevkurov said. These

posts will be on permanent alert for possible attacks by militants, he said. The operation is a joint effort by the Ingush and Chechen interior ministries. (Interfax)

### **BLASTS NEAR GEORGIAN-ABKHAZ BORDER HALT RAIL TRAFFIC**

**11 June**

Explosions in the western Georgian city of Zugdidi overnight have halted trains on the Zugdidi-Tbilisi railway, RFE/RL's Georgian Service reports. Three explosions occurred early on June 11 at the local railway station and near a police department over a three-hour period. One person was reportedly injured.

Zugdidi is 4 kilometers from the Inguri River, which is Georgia's de facto border with the breakaway region of Abkhazia. Explosives experts and sappers are currently searching for other possible mines and bombs in the area. Interior Ministry spokesman Shota Utiashvili said the blasts were the work of "forces that do not want stability in the region," Reuters reported. He said they appeared to have been caused by around 8 kilograms of TNT. Officials initially said no one had been hurt, but the Interior Ministry later announced a railway worker had suffered "serious injuries" and was hospitalized. Officials say that the explosions must have been intentionally set off by unknown individuals, but that the exact types of devices used are still unknown. (RFE/RL)

### **ANKARA DELAYS NABUCCO SIGNING TO JULY**

**11 June**

Signing of intergovernmental agreements on the Nabucco natural gas pipeline to Europe could be pushed back to July on domestic supply concerns, Ankara says. Suppliers, hosts and other parties to the Nabucco gas pipeline emerged from a May summit on the project with declarations of support,

calling for a signing on intergovernmental meetings by June. European Energy Commissioner Andris Piebalgs told reporters Monday during a meeting in Romania that "we are close" to agreements on the pipeline, but pushed the date into "early July." Turkish Energy Minister Taner Yildiz backed the July date, saying his country had not seen provisions related to demands of discounted prices for 15 percent of the gas transiting through the 2,050-mile pipeline, Turkish daily Hurriyet reports. Europe sees the \$10.7 billion project as the answer to its push away from Russian energy dependency. Nabucco would travel across Turkish territory before turning north to European markets. The project faces criticism over the lack of secure commitments from major Caspian suppliers. Only Azerbaijan committed to final documents on the project during the May summit. The Western-backed Nabucco is at the center of diplomatic rows in the regional energy sector. With Europe pushing hard for energy diversity, Russia is lobbying potential hosts for its Nord Stream gas pipeline through the Baltic Sea to Germany and its South Stream project for southeast Europe. (UPI)

#### **EX-SOVIET REPUBLIC GEORGIA QUILTS CIS**

**12 June**

The Georgian parliament unanimously ended the former Soviet republic's membership in the Commonwealth of Independent States Friday. Georgia had informed the CIS of its desire to quit the Russian-dominated organization on August 18, 2008, after a five-day war with Russia over the Georgian breakaway republic of South Ossetia, RIA-Novosti reported. The CIS currently comprises Russia, Belarus, Kazakhstan, Kyrgyzstan, Azerbaijan, Armenia, Moldova, Tajikistan and Uzbekistan. Ukraine is a founding and participating country but technically not a member state. Turkmenistan holds associate status. (UPI)

#### **U.S. TO FUND RECONSTRUCTION OF TAJIK BORDER GUARD TRAINING ACADEMY**

**13 June**

The United States will donate \$2.5 million for reconstructing Tajikistan's only border guard training academy, the U.S. embassy in Dushanbe said. "The total budget for the project is \$2.5 million, which will cover the demolition of old buildings, construction of a new dining facility, gym, heating system, toilets, garages, a new ID checkpoint, and the full refurbishment of an existing dormitory for

the cadets studying at the Academy," it said. The U.S. intensified humanitarian assistance to Tajikistan after Dushanbe agreed to provide air corridors to aircraft involved in Operation Enduring Freedom in Afghanistan in 2001. The U.S. assistance to Tajikistan amounted to \$33.7 million in 2008, which makes about one third of all aid Tajikistan received from abroad in that period. (Interfax)

#### **KAZAKHSTAN SUSPENDS WTO TALKS, SEEKS JOINT MEMBERSHIP**

**13 June**

Kazakh President Nursultan Nazarbaev says his country has suspended talks on membership in the World Trade Organization (WTO), RFE/RL's Kazakh Service reports. Speaking at a session of the Foreign Investors' Council in the Kazakh city of Qostanay, Nazarbayev said the talks were suspended because of Kazakhstan's decision to seek WTO membership together with Russia and Belarus as a single Customs Union. The prime ministers of Belarus, Kazakhstan, and Russia reached the decision on June 9 to seek joint membership of the WTO. (RFE/RL)

#### **U.S. CONDEMNS ASSAULTS AGAINST PARLIAMENTARIANS**

**14 June**

The United States has condemned "the attacks by protesters on members of Parliament, including the Speaker" in an incident that took place outside the Parliament on June 12. The statement released by the embassy in Tbilisi says that the United States "regrets the decision of some protest leaders to endorse these assaults on both people and property." "These actions undermine the protest leaders' prior statements calling for non-violent action. These attacks both interfered with official activities and crossed a line from free expression of opinion to criminal activity. We ask all those who support a wider political dialogue and responsible governance to condemn these attacks and urge the leaders of the protest actions to stop these attacks immediately. The United States calls on both the Government and the leaders of the non-parliamentary opposition to reengage in constructive talks and dialogue without delay," the statement reads. (Civil Georgia)

## IRAN COURTS TURKMENISTAN FOR PIPELINES

15 June

Turkmenistan should consider Iranian pipeline operators for exporting natural gas to Iraq, officials say. Reza Almasi, the managing director at the Iran Natural Gas Transmission Co., said alternative options to deliver gas to Gulf nations are too expensive, Iran's Petroenergy Information Network reports. "The required investment for pipeline construction under the sea is three times more than the land," he said. "Not to transit its natural gas through Iran, Turkmenistan has to sign a contract with Azerbaijan, Turkey and Armenia." Almasi noted pipeline transits were among the safest and most reliable ways to transfer natural gas, adding Iran would work to develop its gas pipeline grid to entice future developments. The Iranian company currently exports natural gas to Turkey and Armenia and imports gas from Turkmenistan. Iran has lobbied for a role in regional energy security, pushing for participation in the planned European Nabucco gas pipeline. Iran and Syria, meanwhile, had signed a memorandum of understanding in April for the construction of the Persian Pipeline. Iranian, Syrian and Turkish officials also signed a trilateral package of deals that included the development of upstream activities, drilling and exploration. (UPI)

## TALIBAN SAY THEY DO NOT HIDE AMONG CIVILIANS

16 June

Afghanistan's Taliban has denied that its fighters hide among civilians while they fight foreign troops, and dismissed claims that the majority of its fighters were foreign. On June 14 a district Taliban commander from western Farah Province said there was some truth in the allegation that Taliban fighters retreat to homes where their families live in villages where they operate. But a spokesman for the Taliban denied the militants hide among civilians during battles with foreign troops. "We have never put civilian lives in danger, but instead we are fighting for their protection, dignity and independence," Qari Yosuf Ahmadi, a spokesman for the Taliban, said by telephone from an undisclosed location. According to Afghan officials, a U.S. air strike in Farah Province in early May killed 140 civilians. The U.S. military says 20-35

civilians were killed along with about 60 people it believes were Taliban fighters. U.S. officials say the Taliban had deliberately hidden among local villagers to put them in harm's way, but Ahmadi said fighters were no longer in the area by the time of the strikes. "On that day the Taliban killed some foreign troops who then retaliated by killing civilians. We should have asked them why they killed the civilians. During the bombings not even one Talib was present," Ahmadi said. Ahmadi also dismissed reports that most of the Taliban in Afghanistan were foreigners from countries such as Saudi Arabia or Pakistan. "It's illogical to say 60 percent of Taliban are foreign fighters, that is propaganda from the West," Ahmadi said. "Those who fight among us in the front line are Afghans." (Reuters)

## TALIBAN ATTACKS MUSICIANS AT AFGHAN WEDDING

16 June

Taliban fighters beat musicians, shaved their heads, and left them tied to trees overnight because they performed at an Afghan wedding, a village tribal chief has said, a sign of the militants' growing influence.

While in power from 1996-2001, the Taliban banned music as un-Islamic. The militants have returned to areas in the east and south of the country, where violence has sharply spiked in recent years. They attack government officials, Afghan police, foreign troops, and schools that teach girls, another practice they forbid. "A party was going on when a group of Taliban grabbed five musicians and started beating them and smashing their musical instruments," said Rahmatullah Khan, a head of Merke Khel village in the east of the country. "The musicians were tied up with rope to trees last night and villagers found them in the morning when going out for prayers," Khan said. Khan said Taliban fighters shaved the heads of the musicians and made them take oaths in the presence of villagers that they would not sing or play music at weddings again. Afghan weddings and engagement parties in rural areas are traditionally celebrated with hundreds of guests, music, and singing that often continues until late at night. (Reuters)

## IRAN CANCELS FOREIGN MEDIA ACCREDITATION

16 June

Iran has banned foreign media journalists from leaving their offices to cover protests on the streets

of Tehran following the country's disputed presidential elections. The Culture Ministry said journalists could continue to work from their offices but that it was cancelling press accreditation for all foreign media. "No journalist has permission to report or film or take pictures in the city," a Culture Ministry official told Reuters. The announcement came after three days of streets protests against Iran's election results, during which at least seven people were reported to have been killed. The demonstrations have riveted world attention on the world's fifth-biggest oil exporter, which is locked in a nuclear dispute with the West. Presidential candidate Mir Hossein Musavi cancelled a planned rally on June 16 in a move he said aimed to protect his supporters' lives. Backers of hard-line President Mahmud Ahmadinejad planned a counter-rally at the same site. (Reuters)

#### **SCO FINANCE MINISTRIES, CENTRAL BANKS TO WORK ON IDEA OF SUPRANATIONAL CURRENCY**

**16 June**

The leaders of the Shanghai Cooperation Organization member states have instructed experts to work on the idea of introducing a SCO supranational currency. "This is not a ready decision, the idea needs to be worked at, and now it is not clear how it will function, but the idea itself is very interesting," Russian presidential aide Arkady Dvorkovich said in the wake of the SCO summit. "The leaders instructed deputy finance ministers and representatives of central banks to tackle this," he said. As soon as the experts prepare something we will discuss it, he added. (Interfax)

#### **UZBEKISTAN CURBS GAS DELIVERY TO TAJIKISTAN BY HALF**

**17 June**

Uzbekistan has decreased its flow of natural-gas supplies to neighboring Tajikistan by 50 percent over a debt dispute, RFE/RL's Tajik Service reports. The deputy head of TajikTransGaz, Shavkat Shoimov, told RFE/RL that Uzbek authorities cut supplies after the Tajik gas distributor failed to pay a reported \$17 million debt by June 15. Shoimov said the current volume of gas delivered from Uzbekistan is barely enough to sustain the operations of Tajik aluminum-producer Talco. Many other industrial facilities have reportedly had to suspend their operations. Tajikistan's major

cement-producing plant has sent all its workers on an unpaid holiday. (RFE/RL)

#### **GEORGIAN PARLIAMENT SPEAKER APPOLOGIZES TO JOURNALISTS**

**17 June**

Georgian Parliament Speaker David Bakradze has publicly apologized to journalists who were beaten by police on June 15, RFE/RL's Georgian Service reports. Several journalists were beaten when plainclothes police destroyed several mock jail cells that had been set up by opposition activists in front of Georgia's State Chancellery as part of a months-long protest against President Mikheil Saakashvili. Bakradze also urged the two opposition TV channels -- Maestro and Kavkasia -- to resume their broadcasts. The two stations had suspended their operations in protest of the beatings. The stations partially resumed their operations on June 16 after Bakradze's apology. The Georgian parliament is dominated by Saakashvili supporters. (RFE/RL)

#### **OPPOSITION ALLIANCE REPORTS ARRESTS OF ITS ACTIVISTS**

**17 June**

An opposition Alliance for Georgia said on June 17, that ten of its activists had been arrested in last few days in various parts of Georgia mainly with charges related to illegal possession of firearms and one with drug-related crime. The Alliance, which unites New Rights Party, Republican Party and a political team of Irakli Alasania, said that apart of Tbilisi, arrests were conducted in Gori, Lanchkuti, Chokhatauri, Chiatura, Tkibuli and Adigeni. According to the Republican Party most of the arrested persons are its activists. "Lots of people are behind these [arrested] persons - their families, friends and supporters and the authorities should stop challenging the people; otherwise they will receive an adequate response. I declare it with full responsibility," Tina Khidasheli of the Republican Party said on June 17. "Saakashvili should choose - how he will go [from his post]: whether he will go like his teacher [ex-president Eduard] Shevardnadze, or like dictators in some European countries did," she added. In a written statement on June 17, Irakli Alasania, leader of Alliance for Georgia, who currently visits the U.S., said that the June 15 "violent crackdown" on the peaceful protesters and beating of Zurab Abashidze, his close ally, outside the Tbilisi police headquarters "has to be assessed as the terror attack on politicians having different points of view." He said that the trend

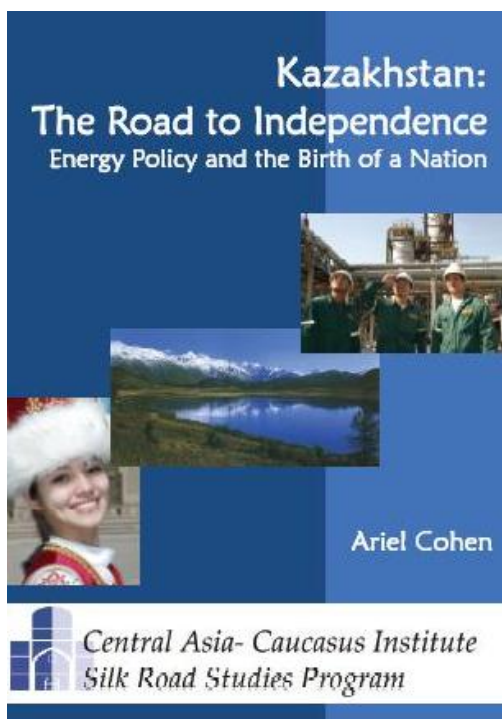
“indicates that the authorities have chosen violent 7 November 2007 path for resolving of the acute political crisis.” “This is the road to inevitable civil confrontation, the responsibility for which has to be fully borne personally by Mikheil Saakashvili,” Alasania said. “We consider the numerous violent acts by the authorities as their response to our multiple calls to urgently start the dialogue to resolve the current political crisis.” (Civil Georgia)

### TEHRAN UNIVERSITY AMID CRACKDOWN

17 June

Iran said Wednesday it is investigating reports of violence at a Tehran University dormitory in the wake of rallies sparked by last week's disputed election. Tehran University students told a CNN iReporter that government forces staged a massive crackdown early Monday at the university's dorm. Some students were detained in the raid. Students jumped out of windows to escape the Iranian police forces who threw tear gas and beat students,

according to the iReporter, a former Tehran University student who now lives outside Iran. He did not want to be identified for security reasons. CNN has been unable to confirm the account because of restrictions on international media in Tehran. Parliament speaker Ali Larijani on Wednesday called for an "unbiased report" by the team of lawmakers appointed to look into the "unfortunate incidents" at the university dorm, according to Iran's government-funded Press TV. "There has been news of unfortunate incidents taking place in parts of the city such as the Tehran University dormitory, and it appears that hidden hands are at work to feed foreign media outlets with propaganda," Larijani said. The investigating lawmakers have spoken to Tehran University students and other officials and are demanding the release of the detained students, Press TV reported. The lawmakers are also calling for the arrest and punishment of those who perpetrated the violence and for students to be compensated for their loss, according to Press TV. (CNN)



New Book:

***Kazakhstan: The Road to Independence  
Energy Policy and the Birth of a Nation***

**By Ariel Cohen**

This book examines the geopolitical interplay over Kazakh energy, and the emergence of Kazakhstan as a key player in Central Asia

The book can be downloaded free at [www.silkroadstudies.org](http://www.silkroadstudies.org). Hardcopy requests should be addressed to Marion B. Cherry at [caci2@jhu.edu](mailto:caci2@jhu.edu).