

BIWEEKLY BRIEFING

Wednesday, November 19, 2003

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Wednesday/November 19, 2003

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After many years of protracted negotiations, the Uzbek Government and IMF recently declared that all measures envisaged under the Action Plan to Achieve Current Account Convertibility of the local currency have been implemented. As of October 8, 2003, all multiple currency practices and exchange restrictions were abolished. However, the IMF Mission Leader De Vrijer called the currency reform an important move, "but not the only step needed to make a transition to a working market economy." The next very important step would be lifting trade restrictions imposed during 2002-2003, which significantly worsened the circumstances of the poor and the business environment in the country.

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EDITORIAL PRINCIPLES

The Analyst is an English language global Web journal devoted to analysis of the current issues facing the Central Asia-Caucasus region. It serves to link the business, governmental, journalistic and scholarly communities and is the global voice of the Central Asia-Caucasus Institute, The Johns Hopkins University-The Nitze School of Advanced International Studies. The Editor of the Analyst solicits most articles and field reports however authors may 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 (www.cacianalyst.org) and described below.

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Analytical articles require a three to four sentence 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.

Analytical article structure:

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

BACKGROUND: 200-300 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: 200-300 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.

Specifications for Field Reports:

Field Reports focus on a particular news event and what local people think about the event, or about the work of an NGO. Field Reports address the implications the event or activity analyzed has for peoples' lives and their communities. Field Reports do not have the rigid structure of Analytical Articles, and are shorter in length, averaging ca. 500'700 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: svante.cornell@pcr.uu.se and suggest some topics on which you would like to write.

Svante E. Cornell, Editor Central Asia-Caucasus Analyst Central Asia-Caucasus Institute The Johns Hopkins University Paul H. Nitze School of Advanced International Studies 1619 Massachusetts Ave. N.W. Washington, D.C. 20036 Tel. +1-202-663-7712; 1-202-663-7721 Fax. +1-202-663-7785; 1-253-550-4390

UZBEKISTAN'S TRADE POLICY AND ITS IMPACT ON THE POOR STRATA OF POPULATION

Jahangir Kakharov

After many years of protracted negotiations, the Uzbek Government and IMF recently declared that all measures envisaged under the Action Plan to Achieve Current Account Convertibility of the local currency have been implemented. As of October 8, 2003, all multiple currency practices and exchange restrictions were abolished. However, the IMF Mission Leader De Vrijer called the currency reform an important move, "but not the only step needed to make a transition to a working market economy." The next very important step would be lifting trade restrictions imposed during 2002-2003, which significantly worsened the circumstances of the poor and the business environment in the country.

BACKGROUND: The Uzbek Government in December 2001 agreed to an IMF staff-monitored program (SMP) with a number of key economic reform policies to be carried out, including reforms of the agricultural sector, enhancing market competition, and narrowing the gap between the over-the-counter (OTC) exchange rate and the parallel market rate. Some analysts argue that the implementation of the SMP was not quite successful. The main goal of SMP – achieving foreign exchange convertibility by eliminating the gap between OTC rate and black market rate was de facto attained by mid-2003. However, the narrowing of the spread was not reached solely by improvements in access to official foreign exchange. In fact, it was partly a result of reduced demand for foreign exchange on the black market due to external trade restrictions.

These ad-hoc restrictive measures include regulations requiring the mandatory use of cash registers; prohibition on sales of goods imported by others; and prohibitive licensing requirements for wholesalers. In addition to the recent border closures, external trade restrictions include a large list of goods for which conformance certificates are required and limited acceptance of internationally recognized certification; higher unified tariffs on goods imported by individuals than imports by legal entities; a surcharge on goods produced in third countries and reexported to Uzbekistan from contiguous countries; and onerous labeling requirements. The measures have particularly affected "shuttle" traders who engage in smallscale cross-border trade.

The Government argues that the measures undertaken by the Government in the area of trade policy are directed against smuggling, tax evasion, and low-quality and potentially dangerous products. While there is no doubt that these are valid reasons, benefits of such actions should be compared with the impact of these measures on the poor and the economy in general. The indirect cost of these actions was worsening the conditions of impoverished and aggravation of business environment in the country.

Also, according to the Government, these measures are temporary. They were introduced because it was deemed impossible to liberalize foreign exchange policy simultaneously without restricting the relatively liberal trade environment for shuttle trade that existed before 2002. The Government feared that a liberal foreign exchange regime combined with a liberal trade environment could wash away foreign exchange reserves and have far-reaching consequences on the current accounts situation in the country.

IMPLICATIONS: The policy aimed at restricting trade, (first of all shuttle trade) launched last year had a negative impact on business environment and severely hit the poorest strata of population. As the clamp-down on shuttle traders intensified, the costs of importing goods through this trade channel inevitably increased. The traders had to pass on these additional costs onto consumers. Since the products imported by shuttle traders were cheaper than those imported by legal entities, and the majority of the poor bought these goods, the impoverished consumers took the hardest blow of these actions.

The first reaction of many of the consumers was to go on shopping tours to neighboring countries (Kazakhstan, Kyrgyzstan and Tajikistan) themselves and buy goods that they needed there. However, in the end of the last year Uzbekistan effectively closed its borders with neighboring countries. For instance, although the visa free regime with Kazakhstan is still valid, crossing to Kazakhstan by car, bus, or on feet is possible only if an Uzbek traveler has an invitation to a wedding, funeral, any other family ceremony or with business trip authorization. Another way out is to bribe the corrupt customs officials and border guards on both sides of the border. This, however, increases the costs for shoppers and deters them from shopping trips.

Restrictions imposed on shuttle trade and border closures were later aggravated by so-called "tight monetary and fiscal policies", which, in practice, meant no more than withdrawal of cash from the monetary system accompanied with lowering the Central Bank's refinancing rate. It seems that the main aim of this policy was to squeeze cash available for imports through shuttle trade in order to comply with the IMF requirement to decrease the difference between the official and black market rate. This resulted in bottlenecks in availability of cash and had a negative effect on the execution of the budget. In turn, this inflicted another damage on the poor. In addition to the increased prices and closed borders, they started having problems with getting their salaries in cash.

Furthermore, the authorities send police from time to time to throw out small traders from bazaars who had small stalls or just space on the ground, and their goods are "confiscated". Allegedly, these traders are thrown out because they sell smuggled goods without paying taxes. After such raids, the supply of some cheap and essential consumer goods disappears temporarily.

CONCLUSIONS: Overall, the drive to retain control over the trade and business environment is evident from Uzbekistan's recent trade policy actions. This could stem from the endeavor to reach consensus with IMF, or it could be an ambivalent attempt to balance the pace of reforms vis-à-vis powerful interest groups. Whatever the reasons, the poor suffered most of these actions. To avoid further escalation of social tensions and alleviate the lot of the poor, the Government should consider gradual easing of the trade environment and reversing some of its trade policy actions.

AUTHOR BIO: Mr. Jahangir Kakharov earned his Masters Degree from School of International and Public Affairs of Columbia University. He has also carried out postgraduate research in economics at Oxford University (St. Antony's College). Having been a lecturer at the Faculty of Economics of the National University of Uzbekistan, he is presently the Representative of the Business Information Service of the U.S. Department of Commerce in Tashkent. Views expressed in this article are his own, and not those of the U.S. Department of Commerce.

LEADING WESTERN FINANCIAL INSTITUTIONS LEND MONEY TO BTC PIPELINE

Following the presidential elections in Azerbaijan, leading western financial institutions including the World Bank/IFC and the European Bank for Reconstruction and Development (EBRD) have approved their loans for the financing of the Baku-Tbilisi-Ceyhan (BTC) pipeline. The 1,760 km long pipeline, currently under construction, is a major regional project, linking Azerbaijan and Georgia to Turkey and the West and creating East-West energy corridor. Each bank has agreed to issue \$250 million in loans to help finance the project.

"The EBRD financing will be used for portions of the pipeline in Azerbaijan and Georgia; Part of the EBRD loan for BTC will help the State Oil Company of Azerbaijan (SOCAR) fund its 25 per cent stake in the pipeline", said the bank's press release on November 11.

Along with BP and the State Oil Company of Azerbaijan (SOCAR), other pipeline sponsors are TPAO (Turkey), Statoil (Norway), Unocal (USA), Itochu (Japan), Amerada Hess (USA), Eni (Italy), TOTAL (France), INPEX (Japan) and ConocoPhillips (USA). Ex-President of Azerbaijan Heydar Aliyev last year signed a decree on allocating money from the State Oil Fund of Azerbaijan to finance the SOCAR's share in the pipeline.

The BTC pipeline, at a total cost of \$3.6 billion, has long been under doubt regarding its commercial profitability. Opponents of the project have been arguing that the pipeline threatens the environment of the region. The supporters, on the other hand, have emphasized the geopolitical benefits of the pipeline, which links Caucasus to the European markets and thus secures the independence of Azerbaijan and Georgia. Both the US administration and the local governments of Azerbaijan, Georgia and Turkey strongly lobbied for the pipeline's realization despite Russian and Iranian objections.

The construction of the pipeline is expected to finish in early 2005 and the first oil from the Azeri-Chirag deepwater field in the Caspian Sea will be delivered to the Mediterranean port of Ceyhan. Overall, the pipeline will have the capacity to deliver 1 million barrels of oil a day.

The decisions of the international financial institutions were long overdue. Local analysts argue that the western financial institutions took a careful approach, waiting to see if the succession of power in Azerbaijan would shake the fragile stability in the country or not. As the presidential elections in the country resulted in the continuation of the previous regime's policies, the IFC and EBRD felt safe to approve the decisions.

Together with financing the project, EBRD and British Petroleum, the main operator of the project, have each earmarked up to \$25 million in grants and loans for the creation of long-term jobs and sustainable economic development after pipeline construction is complete. The initiative will foster private sector growth through a broad range of grassroots initiatives such as loans and grants to micro-businesses, training programs and infrastructure. Other members of the BTC consortium are expected to join with target funding overall of around \$100 million.

In the press release of EBRD, it says that "the bank conducted a thorough examination of the projects' financial, legal, environmental and social impacts. They were shaped to meet EBRD, EU and World Bank standards, particularly with regard to environmental concerns and land compensation. As part of its deliberations, the EBRD met with many NGOs from the region and abroad, and together with the IFC held public meetings in Azerbaijan, Georgia and Turkey to hear the views of local communities."

These decisions effectively put an end to the arguments over the fate of the project. Earlier this year, a group of environmental and human rights NGOs, including Amnesty International and Friends of the Earth, advocated for a halt to the construction works due to its alleged danger to the environment. Some economists also expressed concerns that the pipeline might lose its commercial attraction due to the war in Iraq and falling oil prices.

Nevertheless, at this point, it is clear that the project will be completed and that there will be enough financing for the pipeline's construction. According to some estimates, the BTC project and subsequent export of oil from ACG fields will bring \$30-40 billions in revenues for the Azeri Government. Georgia, in its turn, is expected to make 15% of its GDP from transit fees when the pipeline is operating at its full capacity. Should these revenues be carefully collected and spent, they are able to significantly improve the socioeconomic situation in the region and boost the welfare of the impoverished populations of these countries. On the other hand, if transparency and accountability over revenues stay weak and corruption and embezzlement of oil money is widespread, growing gaps between the "haves" and "have-nots" could bring internal instability to the region.

Fariz Ismailzade

PRO-RUSSIAN POLITICIAN ACTS AS POWER-BROKER IN GEORGIA'S POST-ELECTION CRISIS

Blanka Hancilova

As the post-election crisis unfolds in Georgia, Aslan Abashidze, the President of Adjara Autonomous Republic, gains increased prominence and visibility. As President Eduard Shevardnadze's political power wanes, the Adjaran leader emerges as a regional power-broker and one of the pillars of Shevardnadze's power. Skewing of the political influence towards the provincial leader with an authoritarian track record and close ties with Russia may endanger Georgia's stability and even lead to a revision of its foreign policy course.

BACKGROUND: While the Georgian opposition leads public protests against the rigged November 2 parliamentary elections, President Eduard Shevardnadze keeps ignoring calls for his resignation. Besieged in the capital city, Shevardnadze instead chose to seek the backing of regional strongman Aslan Abashidze, leader of the Adjara Autonomous Republic in southwestern Georgia.

The call on Abashidze's support is not an unprecedented development – in a significant move, Shevardnadze visited Abashidze in Batumi in November 2001 as he was challenged by street protesters who demanded the resignation of several members of his government.

Following talks with the president on November 11 of this year, Abashidze was dispatched to Armenia, Azerbaijan and Russia to solidify regional support for Shevardnadze's crumbling power and his waning control of the situation. Aslan Abashidze's power in his own province is absolute, having suppressed the opposition in Adjara and forced dissenters into exile. The Abashidze-backed Revival Union was the chief competitor to the pro-presidential Citizens Union of Georgia in the two last parliamentary elections. Abashidze also managed to carve a considerable degree of independence from the central authorities for his province, especially in taxation and economic relations.

While Abashidze wields considerable political power in his province and aspires for a nation-wide influence, his international profile has, so far, been limited. One reason is that Abashidze's comfortable relations with the Russian administration and, especially, the Russian military did not fit well with Georgia's overwhelmingly pro-Western foreign policy course.

Presently, however, Shevardnadze is facing unprecedented public resistance, orchestrated by his former political trainees: Mikheil Saakashvili, Zurab Zhvania and Nino Burjanadze, who rally under pro-democratic banners. Although the opposition front remains fragmented, two opposition parties alone, the New National Movement led by Saakashvili and the Burjanadze Democrats, have managed to bring around 25-30,000 people on Tbilisi's streets, launching permanent protests there as well as in other major cities. The protesters demand Shevardnadze's resignation and new elections. Faced with this challenge, Shevardnadze is forced to seek allies. **IMPLICATIONS:** Among Georgia's political leaders, only Abashidze can offer sufficient muscle to make a difference in the ongoing power struggle, and only Abashidze can afford to openly side with the unpopular president. Due to obvious manipulation of the Adjaran election, Abashidze's Revival Union is likely to be the single largest party in the new Parliament, second only to Shevardnadze's own For New Georgia (FNG) bloc.

Shevardnadze's decision to seek Abashidze's support has deepened the cleavages between Shevardnadze and the opposition in two major directions: firstly, the opposition interpreted the decision as a move towards authoritarianism at the expense of democratic development. Secondly, its indicates a pro-Russian tilt at the expense of a pro-Western orientation. Neither of these decisions is popular and they discredit the cornerstones of Shevardnadze's tenure.

The pitfall is that both national and international observers claim the elections in Adjara were even further from freedom and fairness than the grossly disorganized political process in the rest of Georgia. The voter turnout and Revival Union support figures both exceed 90%, which are believed to have been inflated at a major scale. Thus, Shevardnadze's opting for political alliance with Abashidze undermines his prodemocracy credibility even further, giving birth to fears of an anti-democratic backlash if the alliance of two figureheads succeeds in weathering the current storm.

Even more significant, however, is Abashidze's new regional political role. He is widely rumored to have been the initiator of a sympathizing phone-call from President Vladimir Putin to the troubled Shevardnadze on the second day of the protests. Abashidze's visit to Armenia coincided with the visit of the Russian Defense Minister Sergei Ivanov, who later stated that the Russian military bases may engage into the crisis 'if attacked.' Thus, implicitly, the power of the Russian military bases in the Adjaran capital Batumi and Armeniandominated Akhalkalaki was thrown behind Shevardnadze.

It is also noteworthy that Abashidze emerged as a powerbroker with Russian support. The level of his reception has been extremely high – at the level of the secretary of Putin's presidential administration and the foreign minister. The details of the talks were not disclosed; however Russia is likely to be interested in the growing influence of the proRussian politician in Georgia's legislature, which has traditionally been a nest of anti-Russian sentiment in Georgia.

Analysts believe Abashidze may be headed for the position of the parliamentary chairman, who according to the Georgian constitution is to succeed the President if he resigns or is incapable of pursuing his duties. Should Shevardnadze decide to support his candidacy for the post of the Parliamentary Chairman, this move is likely to further alienate wide quarters of the Georgian elite, the opposition and wide public. Abashidze is rather disliked by the Georgian elite for his openly pro-Russian stance. His relations with the major opposition figures are particularly cold, especially after he accused Zhvania and Saakashvili of attempting his assassination in 1999.

Abashidze's rise to prominence may reinforce a trend of Shevardnadze's policy of rapprochement with Russia at the expense of the pro-Western orientation and democracy. The willingness to find compromises with Russia was most recently manifested in the mid-2003 transfer of significant chunks of Georgia's energy infrastructure to the Russiancontrolled Unified Energy Systems and Gazprom.

If the Revival Union attempts to further its pro-Russian agenda, it may face strong popular discontent orchestrated by the opposition. In the elections, none of the contesting political parties except Revival Union advocated for closer political and security ties with Russia. Thus, even by the preliminary election results, pro-Russian policy have no more than 18% of the popular support.

CONCLUSIONS: Georgia's crisis has already moved to threaten the foundations of the state's institutions and policy. The stakes of the game for all participants are high, especially for the opposition, which in case it loses will be marginalized.

The failure of the government to hold free and fair, well organized elections has far-reaching consequences as it demonstrates that the popular vote does not translate into a representative government. The parties which have popular support seem to be about to be excluded from political participation, while parties such as FNG and Revival, drawing almost exclusively on administrative potential of executive authorities, managed to manipulate the election results in their favor.

Western powers are currently reluctant to express a clear position on the political crisis, as it could be interpreted as interfering with the election results. Yet they are not indifferent, as demonstrated by consultations with Shevardnadze by the U.S. Ambassador and an Assistant Secretary of State. Failure to react proactively to this crisis could nevertheless risk letting the situation escalate to open conflict.

AUTHOR'S BIO: Blanka Hancilova earned her doctoral degree from Charles University, and now serves with the OSCE Mission to Bosnia and Herzegovina.

INDEPENDENT PRINTING PRESS OPENED IN KYRGYZSTAN

On November 14, 2003 the first ever independent printing house opened in Bishkek. Freedom House says it "represents a potential improvement in the freedom of expression in Central Asia". According to Mike Stone, Project Director for the Freedom House printing press project, "the opening of the press marks the culmination of almost two years of Work by Freedom House". The Independent Printing House is funded by the U.S. State Department's Bureau of Democracy, Human Rights & Labor. The Open Society Institute and the Ministry of Foreign Affairs of Norway provided additional support.

The new printing press will be an alternative to the monopolistic power of the state-owned printing press Uchkun and will provide services at competitive prices. The printing press enjoys Value-Added Tax-free regulation that allows cutting 20% of the costs for circulation services.

Uchkun had repeatedly refuted opposition newspapers for its negative publications about the government and the presidential administration. As the opening of the independent press was nearing, the director of Uchkun printing press, Kanybek Imanaliev, told the media that "Uchkun has decreased prices up to 20% and Uchkun will take measures to provide better services for its clients in terms of circulation period and other terms". The editor of MSN (previously Moya stolitsa, pressed to be closed under lawsuits) Rina Prijivoyt stated that the "IPH will foster the development of independent media in Kyrgyzstan. The new printing house will be used by those editors, to whom Uchkun's prices and terms are not suitable".

Jennifer Windsor, Executive Director of Freedom House, shares the viewpoint of the journalists. "We hope that the new press will contribute to freedom of expression and the sustainability of the print media in Kyrgyzstan and throughout Central Asia," Jennifer Windsor said during the Printing House's opening ceremony.

The editor of the "Litsa" newspaper, Bermet Bukasheva, claims that "the opening of a new printing house will help journalists of nongovernmental media to elude censorship and provide freedom of speech".

The Independent printing press will be run by the Kyrgyz non-profit organization "Media Support Center Foundation". Freedom House reports that "a broad-based Board of Directors, chaired by U.S. Senator John McCain (R-AZ), directs the foundation. The board also includes former U.S. National Security Adviser Anthony Lake, Kyrgyz Foreign Minister Askar Aitmatov, and other distinguished individuals from the U.S., Central Asia and Europe.

Ms. Windsor noted the positive support given to the new press by the Kyrgyz government, which also participates on the Foundation's board. "We believe the press is an encouraging symbol of the partnership between the people of Kyrgyzstan and the international community to promote the free flow of information within the region," she said.

Many experts and local journalists think that the opening of an independent printing house will have a positive impact on the development of mass media in Kyrgyzstan, in an economic sense. However, some are not sure about the duration of this positive impact.

The Head of the Security and Defense Department of the presidential administration, Bolot Januzakov, told Akipress that "competition is always welcomed. As for the political consequences, it's too early to talk about that".

Ms. Bukasheva noted that "in the short term, the impact of opening an independent printing house will be positive. However, it's hard to speculate about the long-term impact".

Aziz Soltobaev

'IVANOV DOCTRINE' REFLECTS MOSCOW'S GROWING CONFIDENCE IN THE CIS AND BEYOND

Denis Trifonov

A draft of Russian new military doctrine, made public in early October, places a heavy emphasis on Moscow's ability to further its interests in the CIS by military means. Russian Ministry of Defense has been tasked with planning for pre-emptive strikes against terrorist targets and 'failed' states in the region. The stated policy, however, is at variance with Russia's economic and military capabilities.

BACKGROUND: On October 2 2003, Russian Ministry of Defense (MOD) released a blueprint for the development of the armed forces. The 73-page document presented by Defence Minister Sergey Ivanov is widely believed to be a draft of Russia's new military doctrine. While not representing a radical departure from the military doctrine of 2000, the draft updates it in several respects. While the former was a product of the military's preoccupation with NATO expansion, the new doctrine reflects Russia's focus on terrorism and other 'soft security' threats, and its renewed ambition to dominate the post-Soviet space. The draft also re-affirms Russia's commitment to transforming its military into a professional force that can fight in asymmetrical conflicts.

With regard to force posture, the MOD draft incorporates Russia's own lessons in Chechnya and the U.S. and British post-9/11 combat experience. Its strategy sections point to a visible shift from combined arms operations to more up-todate forms of applying military force. A new emphasis on the independent role of air power as a policy instrument is accompanied by a pledge to develop and acquire modern long-range precision-guided missiles. With regard to land warfare, Russian military planners want a lighter and more flexible infantry force and greater strategic airlift capabilities. The draft also calls for more Special Forces troops fit for asymmetrical warfare as well as for raising standards of individual combat training in the army as a whole.

All these changes, the draft makes it clear, are required to protect and further Russian interests in the CIS. This notion feeds into the geopolitical and threat assessment presented by Ivanov. There is a renewed emphasis on employing military force to defend Russian economic interests abroad and to protect Russian-speaking minorities in the CIS. This clearly reflects President Vladimir Putin's growing confidence that the West is on the brink of acknowledging Moscow's special role in maintaining stability and security in the region. Attempts are made to establish linkages between terrorism and other 'soft security' threats on the one hand, and the need for Russia's military presence in the CIS on the other. The MOD document calls for an offensive posture to combat threats emanating from weakness of regimes in the neighboring states. To neutralize these threats, the MOD says it will structure its armed forces for pre-emptive missile strikes and special operations, a provision which has caused an uproar in Georgia and may create tensions in Russia's relations with other post-Soviet states. The draft also contains a thinly disguised warning to NATO not to seek for itself a more pro-active role in the CIS. It states that 'if NATO is preserved as a military alliance with its existing military doctrine, this will demand a radical overhaul of Russian military planning, including changes in Russian nuclear strategy'.

An aspect of the new doctrine that has been grossly misrepresented is its nuclear policy provisions. Contrary to press reports, the MOD draft reiterates principles guiding the use of nuclear weapons contained in the 2000 doctrine. These include a pledge to deploy nuclear weapons in response to a chemical or a biological attack, and a threat to use nuclear weapons in response to a conventional attack in 'situations that are vital for the survival of Russia and its allies'. While some have argued that the latter provision is an attempt to extend Moscow's 'nuclear umbrella' to its CIS allies, the threat of nuclear strikes against a conventional aggressor is more likely to be a veiled warning to China that Russia will not tolerate military pressure in the Far East.

IMPLICATIONS: Many priorities mapped out by the draft doctrine represent Moscow's wish to realize the opportunities posed by the U.S.-led 'war on terror', and what the Kremlin views as America's diversion from the CIS. The draft makes it clear that there are limits to the rapprochement between Russia and the West, and that Moscow will not back down on its assertive policy in the Caucasus and Central Asia. However, the question of whether the new doctrine signals Moscow's willingness to employ armed force to further its interests in the CIS is quite another matter. The answer, at least in the short-term, would be in the negative. Firstly, the remit of the doctrine is too broad and its ability to serve as a useful guide for action is questionable. Secondly, the stated policy with regard to Russian interests in the 'near abroad' is at variance with Moscow's actual capabilities.

It is not unreasonable to suggest that for many years to come, Russia will lack both economic and technical means needed to project military power in the CIS and beyond. Following in the US footsteps and fighting enemies on their soil is a seductive but unattainable goal. The Russian armed forces lack capabilities to fight long-range wars and perform preemptive strikes. The army is bogged down in Chechnya and is currently only in the beginning of a lengthy process of modernization and professionalization. The Russian military can deploy a very limited number of mostly outdated precision-guided weapons. Most of Russia's ageing Tu-160 and Tu-95M strategic bombers are not combat ready. At the tactical level, the Air Force fields very few aircraft equipped with multi-purpose radars that can guide "smart" bombs and missiles on target. This gap between plans and resources calls into question Russia's ability to become a CIS 'policeman'.

CONCLUSIONS: The released document is a doctrine for the government that seeks to balance better relations with the U.S. and NATO with a neo-imperialist policy in the CIS. At the level of policy implementation, however, the doctrine is unlikely to have a short-term impact on Russia's policy in the 'near abroad'. Like previous military doctrines, the new draft lacks clarity and fails to rank priorities, containing vague and contradictory passages about Russian security interests and military strategy. Clearly having numerous authors, some in favor of a traditional anti-Western posture and some advocating radical reforms and tighter co-operation with the West, the doctrine aims at offering 'something for everyone': threats to re-think nuclear strategy and take on 'weak' CIS regimes to appease conservatives and the left-wing opposition; and pledges to build a modern and mobile army for the liberals' consumption. In practical terms, the doctrine's ambiguity will give President Putin enough flexibility to continue to change policy direction as and when he sees it fit.

AUTHOR BIO: Denis Trifonov (BA, MSc Oxon) does research in International Relations at Lincoln College, Oxford. He teaches international history and politics, and works as a Russia/CIS analyst for several political risks consultancies.

UZBEKISTAN'S MAHALLA - A DEMOCRATIC TOOL FOR AUTHORITARIAN RULE?

Mahalla, the Uzbek traditional community structure, has received great attention since the country's independence. This traditional community structure was a way for Soviet dictatorial politics to rule the people; today it is called a rudiment of democratic civil society by the government and foreign forces. With recent protests of the opposition party in October in Tashkent and international concern for democracy, the government of Uzbekistan inaugurated a new program to 'satisfy' the calls for democracy.

With the proclamation on February 7th 2003 this year by the Cabinet of Ministers as "The Year of the Mahalla," the government of Uzbekistan incorporated Uzbekistani communal structure, which has also been called the basis for civil society in the country by many international observers, into the official state discourse. Furthermore, with the demonstration of the Erk opposition party on October 15th 2003, the government had to uphold at least some appearances of efforts towards democracy. Thus, the elections of ogsogol (elders) of mahallas during November and December this year will inaugurate about 10 000 ogsogols to be chosen by the members of these mahallas. The elections are not, however, to be observed either by local or international observers.

Mahalla are neighborhood community structures, and the public space in which neighbors or residents of a district regulate their economic and social relations. An individual, however, does not choose to live or become part of this structure; one is simply born into it. The basic unit of a mahalla is a family, not an individual; therefore it is not individuals or individual freedom that is the concern of mahalla, but family issues. Families help each other organize birthdays, weddings and funerals, but also deal with social issues such as unemployment, household infrastructure, and education.

This neighborhood structure has attracted attention from different groups worldwide, including social scientists, economists, Islamists, human rights activists, women's groups and now, in a more assertive way, the government of Uzbekistan. The international interested parties see the mahalla respectively as a mechanism for civil society, small business entrepreneurship, Muslim community, human rights awareness, and gender issues. Yet debates regarding this structure seem to benefit the government. By making people select its local leaders, the government argues that it 'tries to realize the constitutional rights of citizens for local governance' and according to Akmal Saidov, the chair of Olii Majilis' (Uzbekistan's parliament) Committee on democratic institutions, NGOs and local government bodies have 'put on trial the progress of the contemporary political culture in Uzbekistan.'

Already in 1999, the Uzbekistani government made mahalla officers state-paid agents, and their regulations legally obligatory for all members of the mahalla community. The adoption of mahalla structure for political purposes dates to the Soviet years, when the Soviet government realized that the eradication of this structure would be impossible. Incorporating the structure into government proved to be an efficient strategy by which people had to rely on the mahalla network to access state resources, thus making state and mahalla mutually interdependent. The aim of the contemporary government policy is similar: to incorporate the community structures under its supervision and control. It is able to do it, however, under a discourse of democracy and local governance.

So far, there has not been any public resistance to the elections of community leaders in Uzbekistan. There are nevertheless dissatisfactions with the policy, especially by the young, who regard the current policy to increase the powers of the elders and limit theirs, to increase corruption and control. Thus, a reader from Uzbekistan of a governmental article 'Nation's Word' (15 Nov. 2003), which praised the democratic credentials of the new policy, asked 'Why do mahalla leaders need to collaborate with the government and bring their laws into force? Was it not the moral principles and respect of leaders that designed the relationship between the young and the elders? What are the next steps? To issue the law on living in mahalla, putting in detail all the responsibilities of each citizen? Is this not an implicit threat to civic rights?'

In this context, there is a concern that the current step of the government of Uzbekistan to appropriate local governance under its control marginalizes the members of local communities and harms the institute of mahalla as the people's public space as opposed to the state's.

Botagoz Kassymbekova

DAGESTAN'S POLITICS OF MURDER: THE UNSURPRISING DEATH OF NADIRSHAYKH KHACHILAYEV

Andrew McGregor

The latest victim of Dagestan's roughshod politics is ethnic Lak leader Nadirshaykh Khachilayev, who was brutally murdered in August 2003. The post-Soviet political integration of reformed Communists and ethnic gangsters in the Dagestani power structure established corruption, kidnapping and assassination as mainstays of the republic's political process. With the addition of the regional tradition of 'blood-revenge', murder has become an every-day tool of politics. Since 1998 power has become increasingly concentrated in the hands of a mere half-dozen families, disenfranchising many formerly powerful clans.

BACKGROUND: Nadirskhaykh Khachilayev's car was approaching his home in Makhachkala when a passing Lada motorcar opened fire with machine-guns, killing the 44-yearold leader of the Lak community. Police claimed their investigation led to three unidentified Chechen suspects after finding a burnt-out Lada on the outskirts of Makhachkala. While it is possible the Lak leader was the victim of a political assassination, he may have been the victim of a blood feud, arising after the deaths of several ethnic Dargin policemen in the 1998 Islamist assault on Parliament.

The Khachilayev brothers seized on ethnic politics to build their political base during the years of uncertainty following the demise of the Soviet Union, providing the muscle for the Lak community's *Tsubarz* movement. Using the revenues of their criminal activities, the Khachilayevs armed and equipped the Lak national movement during the Novalakskii dispute. The land belonging to Akkin Chechens, deported from Dagestan's Aukhovskii *rayon* in 1944 had been given to Laks and Avars, and the area renamed Novolakskii *rayon*. The resettled Laks became the victims of a 1991 Russian policy to resettle internally exiled peoples, including the Akkin Chechens. Following a brief armed confrontation, the Khachilayevs proposed a compromise that was accepted by all parties. The settlement served to propel the Khachilayevs to the leadership of the Lak movement.

The Laks are an indigenous Caucasus group, believing themselves to be descended from an eighth century Syrian Arab governor of Dagestan. They were the first group in the area to convert to Islam after the conquest of Abu Maslama in 733. This early conversion may be only legendary, but by the 15th century the Laks were spreading Islam throughout Dagestan, becoming known as *Ghazi-Ghumuqs*, 'warriors for Islam'. The Lak are one of 14 ethnic groups receiving equal representation in the Daghestan State Council.

In 1994 the Dargin group succeeded in having their nominee, Magomedali Magomedov, appointed to the post of Chairman of the State Council. Charges of corruption and ethnic favoritism began almost immediately. Ironically, some of the strongest charges came from the leaders of Dagestan's powerful ethnic mafias, including the Khachilayev brothers. Publicly, Khachilayev posed as a corruption-fighter, and had embarrassed the government in recent years by collecting incriminating documents. When nothing came of his campaign, he declared himself retired from politics. After his acquittal on charges of illegal arms possession in March 2002, Khachilayev re-entered politics, alleging government responsibility for 35 unsolved political murders.

Despite having only scant knowledge of Islam, Nadirshaykh took the leadership of the Union of Muslims of Russia (SMR) in 1996 and embarked on an ambitious program to promote himself as the leader of Russia's Muslim community. In the same year he became a member of the Russian Duma. Dagestan's religious community, deeply divided by schisms between various tariqas (Sufi orders) and Salafist reformers, has failed to generate any widely accepted leaders, allowing populist politicians such as Khachilayev to assume roles as 'Islamic' leaders. As the Khachilayevs and other Laks gained prominence in Dagestan's political system, Nadirshaykh began to dabble in separatism. In May 1998 Magomed and Nadirshaykh joined forces with the Avar national movement and others to seize the Daghestan Parliament building in Makhachkala in the name of Islam. The leaders described the event as a protest against Daghestan's corruption and feudalism rather than a coup d'état. These few hours under arms led to the dissolution of the SMR and criminal charges for the Khachilayevs. Though found guilty, the brothers were given suspended sentences and later amnestied. Magomed was murdered by one of his bodyguards in 2000.

IMPLICATIONS: After 1991, Lak resentment of Avar and Dargin domination of official Islamic structures increased. Khachilayev was instrumental in arranging the 1996 peace negotiations that ended the first Chechen conflict, one of many times in which the Khachilayevs were used as mediators by Moscow. Following the war, Khachilayev established contacts with figures like Muammar Khadafi, Saddam Hussein and Louis Farrakhan while calling for an Islamic state in Dagestan.

Beginning in 1998, there were attempts to establish autonomous 'Wahhabi' enclaves governed by *shari'a*. Dagestan relies overwhelmingly on federal subsidies from Moscow that would be endangered by any local separatist movement. The radicals of the Jama'at al-Islamiyun al-

Daghestani led by Bagauddin Kebedov were opposed not only by traditional Sufis, but also by elements of the Dagestani mafia, who had suffered from local Wahhabi anticrime campaigns. The Jama'at declared *jihad* against Daghestani authorities in 1998. Though there were reports Khachilayev was actively involved in fighting on the Wahhabi side during the 1999 incursion by al-Khattab and Shamyl Basayev, he vigorously denied them. Criminal charges of armed insurrection were eventually dropped for lack of evidence, but there were reports that Basayev sentenced Khachilayev to death for failing to rally Daghestani Muslims to their cause. It is unlikely, however, that Basayev now has the time to indulge himself in assassinations that have no effect on the Chechen conflict.

CONCLUSIONS: In an interview done shortly before his death, Khachilayev was in a pessimistic mood regarding the

future of Islam in Dagestan: "The people are not ready yet to accept a Shari'a state, they are afraid of the word 'Shari'a', they think that it is something very harsh and scary."

Though Khachilayev's political influence had waned greatly, he was reported to be contemplating another run at the State Duma despite warnings not to do so. Khachilayev himself often said that Russian security forces were preparing to kill him. Chechen rebel sources report that the Russian-backed Chechen national guard leader Sulim Yamadayev fulfilled a four year old contract on Khachilayev's life, in an attempt to instigate fighting between Laks and Chechens in the still volatile Novalak *rayon*. Lak leaders have already promised revenge for Khachilayev's death, ensuring Dagestan's cycle of political murder will continue.

AUTHOR'S BIO: Dr. Andrew McGregor, Director, Aberfoyle International Security Analysis, Toronto

AZERI SYNDROME OF MONARCHISM IN KAZAKHSTAN?

It is only a couple of months ago that the public movement "Asar", the brain-child of the daughter of the president of Kazakhstan Dariga Nazarbayeva came into the focus of the political scene. "Asar", which struck the most sensitive chords of public feelings, such as bridging the widening gap between the rich and the poor, has now proclaimed itself a political party.

In a general context, the transformation of a public association into a political party is not an unexpected development. That is the route almost routinely followed by many political forces striving to ascend the power. But the sudden twist in the development of "Asar" gives rich food for speculation for at least two reasons. First, Dariga Nazarbayeva, an ardent patron of the national television channel 'Khabar" and the "Caspionet" media group, has never disclosed publicly her genuine interest in politics. A holder of a doctorate in political science from Moscow State University, she is more known as a passionate lover of opera than a politician. Secondly, the unanimous election of Dariga Nazarbayeva as chairwoman of the newly-born "Asar" party at its founding congress on October 25 almost coincided with the presidential elections in Azerbaijan, which led to transfer of power to the son of the president.

That may, of course, be a pure coincidence. Talking to journalists after the party congress, Dariga Nazarbayeva brushed aside the suspicion that she has the intention to succeed her father as the president after he leaves his post. "I think there is nobody to replace the currently functioning president. Political opponents would be well advised not to squander their financial resources in election campaigns. They will lose" she said, and added: "I have to thank the opposition. They did much for my gaining such a prominence. The more they criticize my family and me, the more I grew hardened". She said the society needs the opposition, 'those guardians of healthy spirit'".

Whether Dariga Nazarbayeva's affection for the opposition is sincere or not, she appears to be the incarnation of an authoritarian ruler. "Street demonstrations and pickets do not solve the problem. Our people do not possess a political culture, she told journalists a short while ago. Strictly speaking, there is hardly a political force in Kazakhstan to prevent her from grabbing the presidential power to succeed her father if she wishes to do so. Many analysts agree that Kazakhstan may follow the Azeri pattern of monarchy legalized by formal elections. In the current situation, opposition forces, emaciated by internal strife and inter-party rivalry, and harassed by pro-presidential parties, cannot offer an effective resistance to authoritarian demarches.

"Asar" causes problems not only for the opposition. The pro-government "Otan", Civic Party, Agrarian Party also have grounds to be alarmed for their political prospects. "Asar" makes no bones about its intentions to participate in next year's elections to lower house of parliament (majilis). That makes a close alliance between these two parties, otherwise pursuing common political goals, inconceivable. But it is hard to predict the development of relationships in coming months.

The political platform of "Asar" party, in essence, does not differ greatly from the stated program of the president "Kazakhstan - 2030". As an important precondition for modernizing the country, the party stresses the need to strengthen the presidential power, guarantee democratic liberties, the development of civic institutions, effective public control of the activities of state bodies, fighting corruption, and shifting the economy from export of natural resources to industrial production. None of these statements are new, however. They have been reiterated by nearly all parties before.

The real power of "Asar" party lies in the personality of Dariga Nazarbayeva, who, hardly a charismatic leader, is nevertheless an enigma to the majority of population. Full of contradictions, she speaks Kazakh poorly, while appealing at the same time to the patriotic feelings of her nation. She uses her position of a daughter of the president to her best advantage in mobilizing local government offices to work for "Asar". Surrounded by security guards, loudly cheered by crowds of handpicked admirers during her tours of the regions, she leaves an impression of an old-style party functionary.

Not long after the founding congress, local branches of the "Asar" party were set up in practically all regions of the country within a few days. Reportedly, in Kyzylorda region in South Kazakhstan, 13,000 people applied for party membership. People do wonder how a party that is not yet registered could gain such an enormous popularity in such short time. Only few doubt that the 50,000-membership threshold needed to register a party will be passed by "Asar" without much effort.

Karim Sayid

NEWS BITES

REGIONAL PARTY TAKES DISPUTED LEAD IN GEORGIAN PARLIAMENTARY ELECTION 6 November

Georgia's Central Election Commission (CEC) announced late on 6 November that with some 90 percent of the ballots counted, the Democratic Revival Union (DAK) headed by Adjar Supreme Council Chairman Aslan Abashidze had taken the lead with 23.5 percent of the vote, followed by the pro-presidential For a New Georgia (AS) bloc with 21 percent and the opposition National Movement (EM) with 19.2 percent. Reuters on 6 November quoted a CEC spokeswoman as saying that the final results would not be made public on 6 November as planned, noting that the election law stipulates that final results are to be made public within 20 days of the ballot. The increase in support for the DAK was based on the returns from Adjaria, where 98 percent of the approximately 269,000 votes were cast for that party. Observers in Tbilisi earlier questioned the accuracy of updated voter lists that gave the present number of voters in Adjaria as 289,000 compared with only 170,000 in 1998. Earlier on 6 November, Tsotne Bakuria, who heads the DAK branch in Tbilisi, had demanded a recount of all ballots cast, claiming that votes cast in Tbilisi for his party were attributed during the count to the EM. (Caucasus Press)

KYRGYZ MEDIA COUNCIL APPEALS TO PRESIDENT ON CRIMINAL LIBEL ISSUE 6 November

The recently created Media Council of Kyrgyzstan issued an appeal to President Akaev and the country's journalists on 6 November, focusing on the charge of criminal libel as one of the main hindrances to journalistic activity in Kyrgyzstan. The appeal stated that this conclusion is the result of a poll of journalists taken as the council's first action after its creation, and asked the president to try again to persuade the parliament to drop imprisonment as a punishment for libel and to introduce a fee for filing lawsuits against the media. Akaev has already tried twice to persuade the legislature to decriminalize libel. Government officials and others have frequently used the charge to silence critical media and journalists by bankrupting them with huge fines. The independent Kyrgyz media has been suspicious of the Media Council because it was created under government auspices.(akipress.org)

INDIA TO HELP KYRGYZ MILITARY LEARN ENGLISH

7 November

Indian Defense Minister George Fernandez met with his Kyrgyz counterpart Colonel General Esen Topoev in Bishkek on 6 November to discuss Indian assistance to the Kyrgyz military, particularly in teaching the English language. English teaching is to be provided at a special language laboratory in the town of Tokmok near Bishkek and in several locations in India. The ministers also agreed that Indian specialists in mountain fighting would provide theoretical and practical training in Kyrgyzstan. Fernandez also met with President Askar Akaev, who called for closer Indian-Kyrgyz military cooperation. The proposed areas of cooperation are covered by a 1997 bilateral agreement. (RFE/RL)

SKINHEADS SUSPECTED OF KIDNAPPING, MURDERING CAUCASIANS, CENTRAL ASIANS 7 November

A group of drunken skinheads allegedly broke into the home of an ethnic Azeri family in a small city in Moscow Oblast and kidnapped their 2-1/2-year-old child. The youths have been arrested and the baby was recovered unharmed. An Interior Ministry spokesman told ITAR-TASS that this was not the first time that extremist youths have attacked people from the Caucasus. Meanwhile, in Volgograd, the trial of a group of eight alleged skinheads accused of killing three people from Uzbekistan and Tajikistan opened on 6 November, but was postponed until 11 June, polit.ru reported. The killings were committed last year. Eleven youths were involved in the incident, and three were charged with hooliganism. (RFE/RL)

TURKMENISTAN FINALLY SIGNS UP TO CASPIAN SEA ENVIRONMENTAL ACCORD 9 November

Turkmenistan has added its signature to a landmark environmental accord signed in Tehran on November 5 by the four other Caspian Sea states, officials said. After requesting more time before inking the Convention for the Protection of the Marine Environment of the Caspian Sea during what was supposed to be its formal signing last week, officials said Turkmen Environment Minister Matkarim Radzhapov returned to Tehran Saturday to sign up. The convention now becomes the first legally-binding treaty on any subject signed by the five Caspian Sea states -- Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan. The aim of the United Nations Environment Programme (UNEP)-sponsored convention is to halt mounting damage to the world's largest freshwater lake from industrial pollution, sewage inflows and leaks from oil extraction and refining. Once ratified by each country in a process that could take several years, it will commit signatory governments to preventing and reducing pollution, restoring the environment, using the Caspian's resources in a sustainable and reasonable manner, and cooperating with one another and with international organisations to protect the environment. In the past decade, the Caspian has come under increasing stress from waste dumping and an upsurge in oil and gas exploration. Other problems include the overfishing of caviarproducing sturgeon, despite strict controls on the trade. (AFP)

EXXON STARTS CASPIAN'S DEEPEST WELL OFF AZERBAIJAN 10 November

U.S. oil giant Exxon Mobil said on Monday it had started drilling an oil well of a depth of 6.8 km (4.25 miles) off Azerbaijan, the deepest yet in the oil exploration of the Caspian Sea, The move by the world's biggest oil firm came just weeks after Ilham Aliyev won an election to take over the country's presidency from his father, Haydar, sparking a bloody riot. Aliyev sealed the first dynastic succession in a former Soviet Union republic and reassured investors keen for continuity in the oil rich state. Exxon has invested around \$1 billion in Azerbaijan since the collapse of the Soviet Union. The consortium led by Exxon said it would take 240 days to drill the well on the Zafar-Mashal oilfield, located 100 km (62.5 miles) offshore from the Azeri capital of Baku. The well's platform will be installed in waters as deep as 620 metres, also a record for Caspian exploration. An official for the international consortium, which also includes U.S. third largest oil firm ConocoPhillips, said the group hoped to discover two deposits during the drilling. Exxon was among the main investors in a \$250-million oil drilling rig Lider, one of the world's most powerful. The rig was completed in July. (Reuters)

FORMER KAZAKH AMBASSADOR BECOMES OPPOSITION PARTY LEADER 10 November

The third congress of the Kazakh opposition party Ak Zhol (Bright Path) on 9 November elected Altynbek Sarsenbaev, the recently recalled Kazakh ambassador to Russia, to the post of party co-chairman, along with four others. Before he represented Kazakhstan in Moscow, Sarsenbaev served as secretary of the Kazakh Security Council. He has reportedly described his return to Kazakhstan as the return of a "heavyweight" to the domestic political scene. Ak Zhol was formed in early 2002 by members of the opposition coalition Democratic Choice of Kazakhstan. It is legally registered as a political party, while its parent organization is not. (centrasia.ru)

TAJIK FOREIGN MINISTRY RAISES LATEST LAND-MINE INCIDENT WITH UZBEKISTAN 10 November

The Tajik Foreign Ministry has sent a note to the Uzbek Embassy in Dushanbe expressing concern over the latest incident of Tajik citizens being killed and wounded by land mines planted on the Tajik-Uzbek border by the Uzbek military. Two Tajik citizens were killed by Uzbek landmines on 4 November and three others were wounded. In its note, the Tajik ministry pointed out that since Uzbekistan mined the border with Tajikistan's Sughd Oblast in 2000, more than 80 Tajik citizens have been killed or injured, and appealed to the Uzbek authorities to take the necessary measures to prevent further incidents. Tajikistan has previously made it clear that it wants the land mines removed. (RFE/RL)

NEW LAW ON RELIGION GOES INTO EFFECT IN TURKMENISTAN 10 November

A new, more restrictive law on religious activities went into effect in Turkmenistan on 10 November. The new law formally criminalizes religious activities by any confession that is not registered by the Justice Ministry -- in effect, any confession other than Sunni Islam and Russian Orthodoxy. Violators may be sentenced to one year of corrective labor. Previously, unregistered religious groups were subject to administrative sanctions. The new law also requires that any religious group seeking to register must prove that it has 500 members in Turkmenistan, and only clergymen with Turkmen citizenship and a higher education in theology may lead a congregation. Formation of political parties or movements on a religious basis is prohibited, along with private teaching of religion, which is also criminalized. (turkmenistan.ru)

GEORGIAN OPPOSITION LEADER CALLS FOR CIVIL DISOBEDIENCE

11 November

Addressing several thousand supporters congregated outside the parliament building in central Tbilisi on 11 November, Saakashvili warned that if Shevardnadze does not make unspecified concessions to the opposition, the people will paralyze the functioning of local and national government and force the president to resign. Several opposition parliament deputies began a hunger strike outside the parliament building late on 10 November, according to the website of the independent television station Rustavi-2, while 10 members of Saakashvili's National Movement have begun a hunger strike in the western Georgian town of Zestafoni. (Caucasus Press)

EBRD APPROVES \$250 MLN LOAN TO BAKU-CEYHAN OIL PIPELINE 11 November

The European Bank for Reconstruction and Development has approved a total loan of \$250 million for a multibillion dollar Caspian oil export pipeline. The EBRD's loan comes in addition to a \$250 million financing package from the World Bank's International Finance Corp., which was approved Nov. 4. The Caspian is a key source of oil supply growth outside the Middle East. At its peak by the end of the decade, the pipeline will supply international markets with 1 million barrels a day of Azeri crude. The U.S. administration, which is eager to reduce U.S. dependence on Middle East oil and reliance on Russia for export outlets, has been a staunch supporter of the project, which involves oil majors BP PLC, Statoil ASA, Unocal Corp. and ConocoPhillips. The EBRD's board has also approved \$60 million in financing for the Azeri, Chirag and Gunesli offshore oil fields in Azerbaijan's sector of the Caspian Sea and which are being developed by a BP-led consortium that will be using the Baku-Ceyhan pipeline for exports. Once the multilateral lending institutions are on board, export-import banks and other commercial lenders are likely to jump in. Debt will make up 70% of the project's funding with the other 30% coming from the oil companies involved in the Baku-Ceyhan pipeline company. Construction of the pipeline began earlier this year thanks to a bridging loan. The pipeline is intended to be ready in 2005 to handle early exports of 400,000 barrels a day from the Azeri, Chirag and Gunesli offshore oil fields being developed by the BP-led Azerbaijan International Operating Company. Azerbaijan is expected to earn revenues of \$31 billion to \$42 billion over the life of the pipeline and the development of the ACG fields, depending on the oil price, the EBRD said in the statement. Georgia is to make some \$508 million from transit tariffs over 20 years, or 15% of its annual GDP when the pipeline is at full capacity, the EBRD estimates. Turkey is to earn around \$1.5 billion from pipeline and terminal operations, transit fees, and upstream investments, the World Bank has said. (Dow Jones)

ARMENIAN PARLIAMENT GUNMAN AGAIN EXPLAINS MOTIVES

12 November

In his final court speech on 10-11 November, Nairi Hunanian said he and four accomplices charged with shooting eight senior officials in the Armenian parliament in October 1999 intended only to remove Prime Minister Vazgen Sargsian and his "brutal" cabinet, RFE/RL's Yerevan bureau reported. Hunanian said that by killing Sargsian, he helped to "restore constitutional order" and strengthened the position of President Robert Kocharian and Armenia's international reputation. Hunanian said he never intended to force Kocharian's resignation. He did not mention in his final speech the fact that he initially implicated Kocharian's then chief of staff Aleksan Harutiunian in the killings but subsequently retracted that testimony. Nor did Hunanian address the still open question of whether he acted on his own initiative or at the behest of others. (RFE/RL)

INHABITANTS OF UZBEK EXCLAVE DEMAND REMOVAL OF KYRGYZ BORDER POST 12 November

About 100 inhabitants of the Uzbek exclave of Sokh, located in Kyrgyzstan's Batken Oblast, gathered at the Kyrgyz border post on the road from Sokh to Uzbekistan on 11 November and demanded that the post be removed, RFE/RL's Kyrgyz Service reported the same day. The protesters were met by the deputy governors of Batken Oblast and Uzbekistan's Ferghana Oblast, who explained that the post is legal and persuaded the crowd to disperse. In recent years, Uzbekistan has tried to persuade Kyrgyzstan to cede land for the creation of corridors linking the Uzbek exclaves to Uzbekistan, but the Kyrgyz side has refused. (RFE/RL)

UN LAND-MINE EXPERTS ARRIVE IN TAJIKISTAN TO MAP UZBEK MINEFIELDS 12 November

A group of UN land-mine experts has arrived in Tajikistan to identify areas on the Tajik-Uzbek border where the Uzbek military has planted land mines. According to the Tajik Center for Land-Mine Problems, the UN group will also investigate the 4 November incident in Sughd Oblast in which two Tajik citizens were killed and three others injured by one or more suspected Uzbek land mines while gathering wood on the Uzbek side of the poorly marked border. (Asia-Plus Blitz)

CENSUS RESULTS CHALLENGED ON RELIGION, NATIONALITY TOTALS 13 November

Council of Muftis head Ravil Gainutdin told reporters on 11 November that he disagrees with the preliminary conclusion of the Russian census that there are only 14.5 million Muslims in Russia, "Izvestiya" reported on 12 November. According to Gainutdin, there are no fewer than 20 million Muslims in Russia. Part of the problem is that the census-takers did not count all segments of the population, such as illegal immigrants. He estimated that there are no fewer than 4 million people living and working in Russia from Azerbaijan, Kazakhstan, Uzbekistan, and Tajikistan. Aleksei Malashenko of the Carnegie Moscow Center told the daily that he also believes that Russia has significantly more Muslims than the census suggests. However, Malashenko said he does not think the issue will affect relations between different religious groups and the matter in the end is one for scholars and statisticians. The daily also reported that the number of ethnic Chechens has increased 1.5 times in recent years. According to "Trud" the same day, a number of unidentified experts are skeptical of the purported rise in the Chechen population. (RFE/RL)

BRITISH COURT THROWS OUT RUSSIAN REQUEST TO EXTRADITE CHECHEN OFFICIAL

13 November

A London magistrates' court rejected on 13 November a demand by the Russian Prosecutor-General's Office for the extradition of Akhmed Zakaev, vice premier in Chechen President Aslan Maskhadov's government, British media reported. Judge Timothy Workman said there is "a substantial risk" that Zakaev would be subjected to torture if he were sent back to Russia to face what are widely regarded as fabricated charges of terrorism, hostage taking, and murder. The Russian Prosecutor-General's Office condemned the court decision as an example of "double standards," while Russian presidential aide Sergei Yastrzhembskii described it as an attempt to justify terrorism. (Interfax)

GEORGIAN ELECTIONS RESULTS INVALIDATED IN KUTAISI 13 November

A district court in Kutaisi, Georgia's second-largest city, ruled on 13 November in response to appeals by the opposition Labor Party and Democratic Revival Union to annul the elections results for the city for both the proportional and majority vote. Burdjanadze was widely expected to win election from a Kutaisi constituency. As of 10 November, the vote had been declared invalid in 27 constituencies and repeat elections scheduled for 16 November. A poll of 325 people summarized on 13 November in the newspaper "Alia" found that 79.4 percent believe new elections should be held. (Caucasus Press)

KAZAKH OPPOSITION ACCUSES GOVERNMENT OFFICIALS OF UNDERMINING REFORMS 13 November

Bolat Abilov, co-chairman of the opposition Ak Zhol Party, on 13 November told a correspondent from the Kazakhstan Today news agency that reforms in Kazakhstan are being "torpedoed" by the entourage of President Nursultan Nazarbaev and members of the government. Abilov said that the officials opposing economic and political reform do not want Kazakh society to become more open and transparent. Thus, they do not want honest elections, competitive media, decentralization of power, or for heads of regional government administrations to be elected rather than appointed. Abilov said the officials are also opposed to openness in the rawmaterials industries. Abilov's remarks were part of his account of the recent congress of the Ak Zhol Party, at which preparations began for parliamentary elections in 2004. (gazeta.kz)

U.S. IMPRESSED WITH DEMOCRATIZATION IN TAJIKISTAN 13 November

Lorne Craner, the U.S. assistant secretary of state for democracy, human rights, and labor, told journalists after meeting with Tajik President Imomali Rakhmonov on 13 November that the U.S. State Department finds Tajikistan's progress in democratization to be "impressive,"

especially considering the country's long civil war (1992-97). Craner, who is on a visit to Tajikistan with Assistant Secretary of State for European and Eurasian Affairs Elizabeth Jones, cited as top priorities for Tajikistan the adoption of new legislation on elections and on the media. Jones praised the level of cooperation that has developed between the United States and Tajikistan in dealing with Afghan issues, and named the development of Tajik civil society and economic reforms as areas for further cooperation. She also stressed the importance of regional integration, and promised U.S. assistance to Tajik border forces in

countering the illegal drug trade. (RIA-Novosti)

ASIAN DEVELOPMENT BANK TO LOAN UZBEKISTAN UP TO \$150 MILLION ANNUALLY 13 November

The Tashkent representative of the Asian Development Bank (ABD) told RIA-Novosti on 13 November that under the bank's revised program for Uzbekistan for 2004 to 2006, the country will receive loans of \$100 million to \$150 million annually for the next three years. The loans are intended to stimulate economic growth and the development of human resources, focusing particularly on maternal and child health, publication of textbooks, entrepreneurship, agricultural development, and modernizing energy-delivery systems. The ADB loaned Uzbekistan \$695.5 million from 1996 to 2002. (RIA-Novosti)

FOUR RUSSIAN POLICEMEN DIE IN BLAST NEAR CHECHNYA 14 November

14 November

Four elite Russian policemen were killed in an explosion on Friday when their team was called to a house near the separatist region of Chechnya, a police source said. The police source said two other members of the OMON police unit summoned to the house in Ingushetia, on Chechnya's western border, were in serious condition. "Information was received that representatives of illegal armed groups were in the house and an OMON group was sent there," the source told Reuters. "For the moment, it is not clear just what exploded and different versions are being examined, including gas. But the main version is that of a planned attack." Clashes between security forces and armed guerrillas occur frequently in Ingushetia. Russian forces are subject to constant attack in Chechnya itself, despite a Kremlin plan to end a decade of separatist violence based on last month's election of a regional president. Russian media earlier reported that forces had freed in a "special operation" two prosecutors, held for about a year in Chechnya. Russia sent back troops to Chechnya in 1999, three years after it withdrew in humiliation from the region on its southern flank and allowed a separatist administration to take over. Moscow says it controls most of the mountainous area and has systematically refused to include separatists in any peace plan. (Reuters)

PROTESTERS DEMAND GEORGIA LEADER QUITS IN TENSE CITY 14 November

Thousands of Georgians, watched wearily by troops, marched to the heavily guarded steps of embattled President Eduard Shevardnadze's office Friday to demand he step down. Up to 20,000 protesters, ignoring the veteran president's emotional appeal to stay at home, responded to calls from the main opposition leader to take to the streets to press Shevardnadze to resign over a November 2 election dispute. "We are within 15 meters of Shevardnadze's offices. If he does not have the courage to walk this distance, it will be up to you to cast your verdict on his criminal regime," opposition leader, Mikhail Saakashvili, told protesters. "This man stole everything from us and he is not going to take notice of his own people." The crowd moved from parliament along the main Tbilisi thoroughfare to outside his offices. Interior Ministry troops watched as protesters chanted "step down" and "traitor." Earlier five armored vehicles, four trucks and three buses with soldiers in body armor were seen outside the Interior Ministry by Reuters correspondents. The ministry says it would not use force unless protesters switched their action to government buildings. The political crisis was triggered by a disputed parliamentary poll almost two weeks ago, when the opposition said authorities stole its victory. Attempts at talks were launched Sunday, but ended Wednesday when Saakashvili walked out. (Reuters)

UK ENVOY BACK TO WORK IN TASHKENT 15 November

The British ambassador at the centre of a storm of controversy, Craig Murray, is expected to return to his post in Uzbekistan on Saturday. Mr Murray, a vocal champion of human rights, left in September for London provoking speculation that he had been removed for political reasons. The British Government has said only that he was unwell and went to London for medical treatment. Mr Murray made waves with a sensational speech to Uzbek leaders and diplomats. Uzbekistan was not a functioning democracy, he said, nor did it appear to be moving in the direction of democracy. There was worse, he went on there were believed to be 7-10,000 people in detention considered to be political and/or religious prisoners. No ambassador had spoken out so bluntly before, and the timing made the speech even more startling. It was 2002. When Mr Murray flew to London unexpectedly six weeks ago, rumour had it that he had been recalled, possibly under US pressure. The British press picked up the story, some papers making a hero of him. The British Government has said only that Mr Murray was receiving medical treatment and it was true that he had been in a London hospital. Mr Murray's return may put an end to the story in Britain but it still resounds in Uzbekistan, where various groups have taken sides. One human rights group has been marching up and down outside the British Embassy shouting: "Craig Murray, we love you." A rival group also staged a small demonstration against the ambassador. (BBC)

GEORGIA'S OPPOSITION VOWS MORE ANTI-GOVERNMENT ACTION 16 November

Georgia's main opposition leader vowed on Sunday he would press protests, strikes and a campaign of "total civil disobedience" to demand President Eduard Shevardnadze quit or acknowledge he fixed an election. Mikhail Saakashvili told Reuters he would give Shevardnadze a little more time to come up with a compromise but warned the veteran leader he could be stirring up passions by refusing to acknowledge his people's demands. "We are talking about peaceful protests, and rallies and constitutional means of expression...while Shevardnadze's response has all the time been about civil war," Saakashvili said. "His wording has been menacing...and this kind of stand-off could lead to violence." Shevardnadze, in his first comments since Friday when up to 20,000 Georgians took part in the country's largest protest in a decade, said he wanted more talks with the "radical opposition" before time ran out. But he also warned the opposition against appealing for state sector strikes. "These actions are punishable by law...(but if) they refuse to renounce their

plans, then we have to enforce the law," he was quoted as saying by Russia's Itar-Tass news agency. The more than weeklong protests were triggered by a disputed parliamentary election on November 2 that the opposition said the authorities stole. The so far peaceful protests have developed into a wider call for Shevardnadze's ouster over alleged corruption, poverty, misrule and the loss of territory. The opposition, which stalled mass meetings outside parliament over the weekend, called for a change of tack to "total civil disobedience." Saakashvili, who has led the protests, said he was united with Georgia's other opposition bloc to push demands that either Shevardnadze recognizes their election victory or leaves. But he admitted most people had set their sights beyond the poll and would not be happy with anything other than a change of power. "The population knows that he is the cause of problem. He not only cannot solve the problem but he is the problem himself for many Georgians," he said. (Reuters)

PRESIDENT BACKERS MASS IN GEORGIA 18 November

An estimated 10,000 people have marched in the Georgian capital, Tbilisi, to back President Eduard Shevardnadze. The move follows more than two weeks of opposition-led protests in the city, after flawed elections in which results remain undeclared. Opposition parties have been demanding Mr Shevardnadze's resignation during street protests in Tbilisi. Tuesday's gathering by pro-Shevardnadze demonstrators was the first of its kind since the 2 November election. Most of those attending had been brought in by bus from Black Sea area of Ajaria, where Shevardnadze ally Aslan Abashidze is regional governor. Mr Abashidze is leader of the Revival Party, a former opponent of Mr Shevardnadze who has backed the president's attempts to face down the opposition protests. The protesters marched to the capital's parliament building, focus of much of the opposition action. The BBC's Chloe Arnold in Tbilisi says most of the people who crowded into the Palace of Sport at the start of the march were not actually Mr Shevardnadze's supporters. They were members of the Revival Party, and appeared unclear what they were doing there, she said. "I'm not interested in politics," a man called Kakha told the BBC after he had been handed a banner, which read: "We support the Georgian Government." "I'm just here to

defend my country," he said. Mikhail Saakashvili, the leader of the largest opposition bloc, the National Movement, has repeatedly demanded Mr Shevardnadze's resignation. (BBC)

U.N. AGENCY PULLS STAFF FROM AFGHANISTAN 18 November

Unable to protect its staff from Afghanistan's cascade of violence, the U.N. refugee agency on Tuesday pulled international workers out of the volatile south and east and suspended all aid to refugees returning from Pakistan. The decision, taken after the weekend slaying of a 29-year-old French refugee worker, could affect tens of thousands of Afghans. A group of international aid organizations also said Tuesday it was considering a pullout from the south, raising fears the desperately poor region could become even more isolated. "We are taking today a painful decision to temporarily reduce staff in the eastern and southern provinces," said Filippo Grandi, the chief of mission in Afghanistan at the U.N. High Commissioner for Refugees. Some 30 foreign staff members were being withdrawn, and refugee centers in the provinces of Nangarhar, Paktia, Khost and Kandahar were being closed, he said. The agency said Monday that it had withdrawn its surviving international staffer out of Ghazni, where Bettina Goislard was gunned down as she traveled Sunday through a bazaar in a clearly marked U.N. vehicle. That same day, a remotecontrolled bomb went off beside a U.N. vehicle in Paktia province. And on Nov. 11, a car bomb exploded outside U.N. offices in Kandahar, wounding two people. Maki Shinohara, the UNHCR spokeswoman, said that to minimize the effects of the pullout, a limited number of Afghans will keep the agency's offices open, and it will work with other aid organizations to try to keep support flowing. "Operations will be scaled down, inevitably. The biggest impact will be on refugees returning from Pakistan because we can't operate the reception centers," Shinohara said. Some 2.5 million Afghan refugees have returned to the country, in addition to 500,000 internally displaced people, since the fall of the Taliban regime in late 2001, mostly from Pakistan and Iran. UNHCR said the few remaining Afghan staff would help keep aid flowing to more than 220,000 Afghan returnees affected by the decision. (AP)

