

# Central Asia-Caucasus Analyst

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## ANALYTICAL ARTICLES:

WHOSE CONDITIONALITY? ON THE  
FAILURE OF SANCTIONS ON UZBEKISTAN  
Andrea Schmitz

MIGRANTS' REMITTANCES FARE BETTER  
THAN EXPECTED IN CENTRAL ASIA  
Erica Marat

THE ARMENIA-TURKEY PROTOCOLS:  
TACTICAL COOPERATION IN THE  
SHADOW OF EURASIAN STRATEGIC  
COMPETITION  
Roman Muzalevsky

ARMENIA TO CUT ITS BUDGET  
NEXT YEAR DESPITE EXPECTED  
ECONOMIC RECOVERY  
Haroutiun Khachatryan

## FIELD REPORTS:

FIRST OFFICIAL VISIT OF TAJIK PRESIDENT  
TO RUSSIA YIELDS LITTLE PROGRESS  
Bek Boriev

KYRGYZ PRESIDENT ENTRUSTS THE  
COUNTRY'S ECONOMY TO HIS SON  
Joldosh Osmonov

TAJIK AUTHORITIES PRESS AHEAD WITH  
CONTROVERSIAL DAM PROJECT  
Alexander Sodiqov

THE RESULTS OF TAJIKISTAN-RUSSIA  
NEGOTIATIONS  
Suhrob Majidov

## NEWS DIGEST



*Central Asia- Caucasus Institute*  
*Silk Road Studies Program*



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## Contents

### Analytical Articles

- WHOSE CONDITIONALITY? ON THE FAILURE OF SANCTIONS ON UZBEKISTAN** 3  
Andrea Schmitz
- MIGRANTS' REMITTANCES FARE BETTER THAN EXPECTED IN CENTRAL ASIA** 6  
Erica Marat
- THE ARMENIA-TURKEY PROTOCOLS: TACTICAL COOPERATION  
IN THE SHADOW OF EURASIAN STRATEGIC COMPETITION** 9  
Roman Muzalevsky
- ARMENIA TO CUT ITS BUDGET NEXT YEAR DESPITE  
EXPECTED ECONOMIC RECOVERY** 12  
Haroutiun Khachatrian

### Field Reports

- FIRST OFFICIAL VISIT OF TAJIK PRESIDENT TO RUSSIA YIELDS LITTLE PROGRESS** 15  
Bek Boriev
- KYRGYZ PRESIDENT ENTRUSTS THE COUNTRY'S ECONOMY TO HIS SON** 16  
Joldosh Osmonov
- TAJIK AUTHORITIES PRESS AHEAD WITH CONTROVERSIAL DAM PROJECT** 18  
Alexander Sodiqov
- THE RESULTS OF TAJIKISTAN-RUSSIA NEGOTIATIONS** 19  
Suhrob Majidov

- News Digest** 21

# THE CENTRAL ASIA-CAUCASUS ANALYST

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**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.

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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.

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# WHOSE CONDITIONALITY? ON THE FAILURE OF SANCTIONS ON UZBEKISTAN

Andrea Schmitz

*On October 27, the European Union at its General Affairs and External Relations Council Meeting in Luxembourg decided, as expected, not to renew the sanctions imposed on Uzbekistan in the aftermath of the Andijan uprising in 2005. Ultimately, the case has revealed a profound lack of strategic thinking on the side of the EU and recalls an important lesson for European diplomacy: that sanctions are an instrument for gaining compliance, and that the latter is a matter of leverage – for both sides involved.*

**BACKGROUND:** In November 2005, the EU imposed sanctions on Uzbekistan in response to the Government's reluctance to allow an independent investigation of the uprising in Andijan in May the same year, where reportedly hundreds of civilians were killed by security forces. The EU sanctions, mostly symbolic in nature, did not hit the Uzbeks very hard. This is especially true with regard to the arms embargo, as trade in military equipment or even "dual use" technology, has never played a significant role in the EU's relations with Uzbekistan. The second part of the sanctions, the suspension of the Partnership and Cooperation Agreement, had no immediate impact either, as it did not impede the implementation of projects already approved. The only part of the sanctions of more than just symbolical value was the visa ban on officials deemed by the EU to be directly responsible for the use of force in Andijan.

The visa ban, however, was suspended in October 2007 and ultimately abandoned in October 2008. The remaining part, the arms embargo, was to expire in October 2009 – unless the EU agreed on a new package of sanctions. It did not, however, and this is due above all to a more or less outspoken confession that the sanctions have been a complete failure.

Instead of making Uzbekistan comply with international law and EU demands, the sanctions have turned into an instrument for the Uzbek regime to play hardball with the Europeans. The main reason for this is the growing strategic importance of Uzbekistan, which has been supporting the NATO-led operation in Afghanistan since October 2001 by granting over-flight rights and leasing military bases to the United States and Germany. In July 2005, however, following the State Department's criticism of human rights abuses, Uzbekistan terminated the agreement which had previously permitted U.S. Forces to use the Karshi Khanabad (K2) airbase in the country's south. The step severely reduced NATO's room for maneuver, but Germany was still allowed to use the base at Termez for logistical support to ISAF in Afghanistan. This provided the Uzbek regime with powerful leverage, which it did not hesitate to make use of after the sanctions had been imposed, for example by restricting overflight rights for those European NATO members that took a more principled stance with regard to the sanctions and criticized the Uzbek regime for continuing human rights abuses.

The stalemate of Uzbek-American military cooperation, together with the sanctions imposed by the EU, led to a temporary strategic



Islam Karimov

reorientation of Uzbekistan towards Russia and raised Uzbekistan's bargaining power vis-à-vis the Western alliance. Instead of complying with the demands the sanctions were tied to – to allow an independent investigation into Andijan and to make serious efforts to improve the human rights situation – the Uzbek Government demonstrated a heightened assertiveness which has made substantial discussion on disputed issues virtually impossible. The subsequent freezing of relations stood in stark contrast to the EU's intentions, which had just been laid out in the "Strategy for a New Partnership with Central Asia". The document, developed under the German EU-presidency and adopted by the European Council in June 2007 envisages an enhanced engagement in virtually all policy areas and has become the overall framework of reference in the EU's dealings with Central Asia.

**IMPLICATIONS:** Thus, it was clear from the onset that the consequences of the sanctions imposed on Uzbekistan would come much more at the expense of the Europeans than of the target country. From the beginning, therefore, some member states (among them Germany, France and Italy) were ready to lift the sanctions as soon as possible, and they were willing to accept even the slightest signal for compliance with some of the demands concerning human rights issues.

Among the steps made by Uzbekistan, which intended to meet the Europeans half way, were the release of several prominent human rights defenders, the abolition of the death penalty, the ratification of conventions against child labor, the introduction of habeas corpus and the resumption of ICRC prison visits. Last but not least, a regular Human Rights Dialogue has been established. Its contents and modalities have remained opaque, however, and its impact is at best doubtful. As independent monitoring of the implementation of the commitments made by Uzbekistan, for example the banning of child labor but also the much-touted habeas corpus, is actually impossible, it is hard to say whether they signify any progress in the country's human rights situation. In addition, the core condition to which the sanctions were tied – an independent international investigation into the Andijan uprising – has



Uzbek FM Vladimir Norov and Javier Solana

not been met, implying that it is still unclear what precisely happened in May 2005.

Instead of leading to a visible improvement in the field of human rights and rule of law in Uzbekistan, the sanctions have become a demonstration of the ineffectiveness of EU human rights conditionality. To a certain amount this is due to the increased strategic importance of Central Asia, a trend which was most favorable to the Uzbek Government's politicking. But it is also due to the lack of clarity about the priority given to human rights with regard to other policy fields in the EU's dealings with Central Asia. The promotion of human rights and the rule of law are among the seven areas of engagement in the EU Central Asia Strategy. But these areas are not explicitly prioritized among each other, which unavoidably leads to trade-offs between the more principled goals of EU foreign policy

(such as the promotion of good governance and human rights) and the short term interests of individual actors inside the EU, including those individual member states which had favored a "pragmatic" approach towards the Uzbek regime for military-strategic and other considerations.

**CONCLUSIONS:** The sanctions imposed on Uzbekistan have been completely unproductive – not necessarily for the Uzbek regime, but for

the EU. Instead of making Uzbekistan comply with international law, the sanctions have turned into an instrument for Uzbekistan to actually set the conditions for cooperation with the Europeans. Given that the war in Afghanistan will remain a strategic priority for both for the U.S. and the EU member states, the trade-off with regard to human rights will persist, making the defense of European norms and values vis-à-vis authoritarian regimes a major challenge in the years to come.

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## MIGRANTS' REMITTANCES FARE BETTER THAN EXPECTED IN CENTRAL ASIA

Erica Marat

*In the fourth quarter of 2008, Tajikistan reported a sharp decline in remittances sent by labor migrants living in Russia and Kazakhstan. Many experts rushed to predict a massive return of migrants to Tajikistan, Kyrgyzstan and Uzbekistan – all three being major migrant sending countries. But as recently released World Bank data show, while there was indeed a decline in remittances among Tajik migrants, the level of remittances increased in Kyrgyzstan. Overall, remittances fell only 6.1 percent world-wide as opposed to the earlier expected 7.3 percent. This trend demonstrates that labor migration has proved to be a stabilizing economic force in some regions, including Central Asia.*

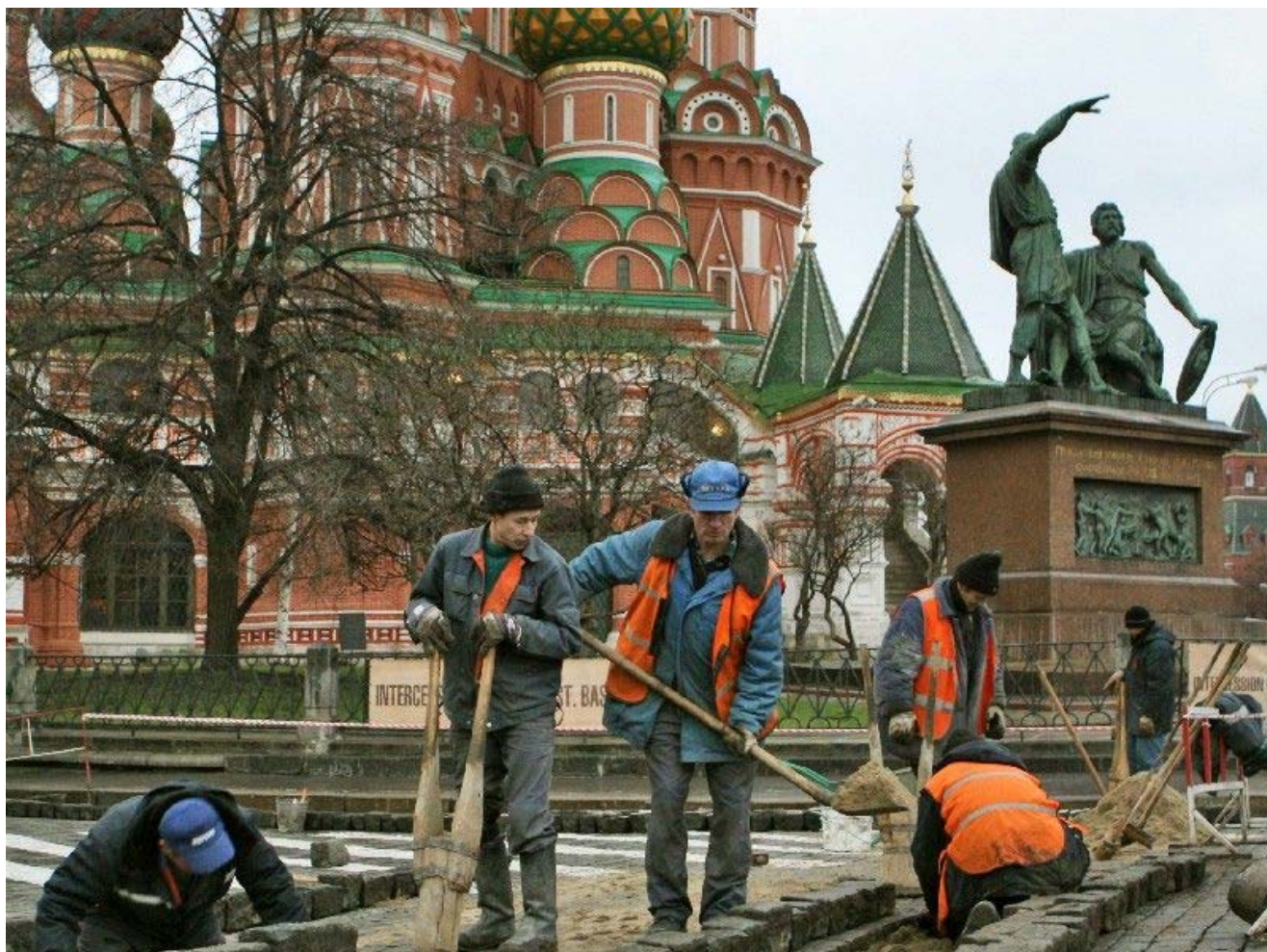
**BACKGROUND:** Experts estimate there are between 600,000 to over one million Tajik migrants, 500,000 to over one million Kyrgyz migrants, and over 2 million Uzbek migrants residing in Russia and Kazakhstan. According to the World Bank, in 2008 migrants' remittances made up to 50 percent of the GDP of Tajikistan and 28 percent in Kyrgyzstan. Early this year, regional experts unanimously believed that returning migrants would shake the very economic foundation of Tajikistan, Kyrgyzstan and Uzbekistan. Some even worried that migrants would overburden local infrastructure, join radical religious groups and cause national destabilization. Finally, a number of Central Asian experts predicted at least a 15-20 percent drop in the number of labor migrants who travel to Russia and Kazakhstan in spring 2009 and braced for the corresponding drop in capital.

However, the World Bank's November 2009 data on migration and remittances showed that compared to other capital flows, labor migration trends remained fairly unaffected during the economic crisis. Although remittances did shrink in 2009, it did so at a different speed throughout the world. In South Asia, for example, the economic crisis only

slowed down the overall increase in remittances, but did not cause a decline. The World Bank economists expect the remittances to return to their 2008 level already by 2010.

The bank's data also indicated that the decreased volume of remittances did not affect the number of migrants seeking jobs abroad, while the number of migrants living abroad during the crisis remained stable. Unlike earlier predictions, most migrants were unwilling to travel to their country of origin – mainly due to fears of not being able to return back due to tighter immigration regulations. Indeed, remittances decreased due to the loss of jobs and employers' delays with payments to guest workers. But the sharp drop in remittances to Tajikistan in late 2008 could also reflect the general trend of remittance flows. Summer months usually constitute the peak of productivity for labor migrants and most of them remit money home before the school year begins. Finally, a large number of returning migrants attracted the attention of regional experts despite the known tendency of the majority of migrants to travel home during the coldest months. Remittances to Tajikistan continued to decline by roughly 30 percent in the first half of 2009, but remittances to





(RFE/RL)

Kyrgyzstan increased by 2 percent in the first half of 2009. Partly, this is explained by the growing number of Kyrgyz labor migrants in the past few years compared to Tajik migrants who left Tajikistan en masse already in the 1990s.

The Russian government's efforts to stop the devaluation of ruble affected the volume of remittances as well. As of the fall of 2008, migrants could transfer money only in rubles, but Uzbek banks do not accept deposits in rubles. As a result, the remittances' real value has dropped as the ruble's value suffered a 25-30 percent decline between fall 2008 and winter 2009. The exchange rate inevitably affected the

real volume of remittances sent from Russia. Therefore, Tajikistan's 30 percent loss in U.S. dollar equals a 10 percent decrease in rubles. A similar comparison between the U.S. dollar and the ruble shows a 17 percent increase of remittances in Kyrgyzstan. Importantly, the overall volume of remittances in 2009 in Tajikistan was still higher than in 2007. In Kyrgyzstan the volume of remittances in 2009 rose by almost 50 percent compared to 2007.

**IMPLICATIONS:** The global economic crisis has shown that labor migrants represent a powerful stabilizing force for the Central Asian states. Because the Central Asian governments are not able to create jobs at home, the number

of migrants seeking jobs abroad continues to grow. While a lack of jobs in winter months could have forced more migrants to return home in late 2008, it was hardly a reason for worry. When jobs are scarce at home and future possibilities for return to Russia or Kazakhstan become uncertain because of tougher immigration regulations, migrants prefer to work abroad at lower paying jobs instead of traveling home.

2009 was certainly more difficult for Central Asian migrants in their search for earnings abroad. According to the World Bank, migrants today are facing increased risks. Their ability to work and send remittances largely depend on the availability of jobs, strict immigration controls, and unpredictable exchange rates. The lives of labor migrants have become more difficult due to these risks. Migrants increasingly compete among themselves for jobs rather than competing with locals.

Especially during the crisis, Central Asian countries and Russia must seek to come up with bilateral and multilateral agreements to ease the migrants' amplified burden. But receiving countries prefer to take unilateral decisions, disregarding the implications for sending countries. Likewise, migrant-sending countries are mostly concerned with the political implications of potentially large flows of returning migrants, trying to further centralize their power. To amplify the positive effect of labor migration, the governments of Kyrgyzstan and Tajikistan must actively encourage the investment of remittances, foster interstate collaboration on labor migration, train public servants dealing with migration issues, invest into vocational education, and fight corruption in law-enforcement structures.

Predicting remittance patterns through 2010 is complicated, as the economic downturn affected both migrant-sending and migrant-receiving countries. Fluctuating oil prices and exchange rates complicate forecasting as well. In the Central Asian context Russia's sharp cut in the guest worker quota is the most damaging factor regarding the outlook for 2009-10. Central Asian migrants prefer to remain in Russia to fill menial jobs outside the construction sector, which has been hardest hit by the Russian government's slashed quotas in major cities. But to date Central Asian governments continue to take migrant remittances for granted without seeking to maximize social and economic returns.

**CONCLUSIONS:** Unless domestic economies in poor countries like Kyrgyzstan, Tajikistan and Uzbekistan create enough incentive for the labor force, current levels of out-migration will continue to increase. Contrary to regional experts' prediction, returning labor migrants are unlikely to become a cause of political changes simply because they are unlikely to return to their homelands unless they see appealing opportunities. Millions of Central Asian migrants residing in Russia have already built extensive connections there, and these contacts help more people emigrate. Active Central Asian diasporas across Russian cities, the possibility to travel by air and ground, and general knowledge among the region's population of ways of travel and living in Russia make labor migration a process difficult to overturn by mere decisions of governments.

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# THE ARMENIA-TURKEY PROTOCOLS: TACTICAL COOPERATION IN THE SHADOW OF EURASIAN STRATEGIC COMPETITION

Roman Muzalevsky

*It would have been difficult to imagine the signing of protocols on the normalization of Turkish-Armenian relations on October 10 without coinciding interests on the part of major stakeholders. While a testament to cooperation between the regional parties, the protocols are also a reflection of global and regional strategic competition in Eurasia among small, medium and great powers. Placing the interests of the actors in proper context is therefore necessary when assessing the transformations in Eurasia in relation to power reconfigurations, unresolved conflicts, and energy security.*

**BACKGROUND:** On October 10, 2009, Armenian Foreign Minister Edward Nalbandian and his Turkish colleague Ahmet Davutoglu signed protocols in Zurich on the establishment of bilateral diplomatic relations and the opening of their land border. Turkey closed the border after Armenia occupied Azerbaijan's Nagorno-Karabakh and surrounding areas in 1992-1993. Armenia, on its part, has long demanded Turkey to recognize the massacre of over a million Armenians in 1915 as genocide. The role of Russia, the U.S., France, and Switzerland was crucial in brokering the agreement.

No statements were made following the ceremony. This was perhaps part of a compromise during the negotiations, which could have failed had it not been for U.S. Secretary of State Hillary Clinton's active intervention and words of encouragement to both sides: "...This has to be seen through. You've gone too far." Russian Foreign Minister Sergei Lavrov was very pleased with the outcome, adding that "it is essential that they [the protocols] be swiftly ratified and implemented." Nationalist forces in Armenia and Turkey, however, pose substantial

challenges. But the very fact that the deal took place points to a convergence of interests on the part of regional actors.

Armenia did not press Turkey to recognize the 1915 massacres as genocide during the signing ceremony, while Turkey's previous rhetoric on Nagorno-Karabakh was muted. Through this deal Armenia, the U.S. and the EU each seeks to reduce Russia's leverage and bring Armenia out of the isolation imposed by the Turkey-Azerbaijan relationship. The protocols help Turkey and Armenia enhance their trade relations and influence in the region, as well as diversify energy routes in the future. Russia's advances after its war with Georgia and its ability to threaten the BTC pipeline made Turkey substitute rhetoric for pragmatism in the Caucasus, even if it entails establishing relations with Armenia.

Azerbaijan and Georgia, however, missed out on the deal and convergence of interests. The deal delivered a blow to the "one nation, two states" concept of relations between Turkey and Azerbaijan. The latter has pushed the former not to improve relations with Yerevan until the Nagorno-Karabakh issue is resolved. Azerbaijani President Ilham Aliyev already

warned that Azerbaijan would look for alternative energy routes and increase the price of gas for Turkey, stressing: “It is not a secret to anyone that for many years Azerbaijan has been selling its gas to Turkey at one-third of market prices.” Several days after these warnings, Davutoglu stated that “Azeri soil is as sacred for us as our own” and “liberating this soil from occupation is one of our primary national issues.”

Georgia’s Deputy Foreign Minister David Jalagania welcomed the agreement: “We consider the step necessary for enhancing regional security.” However, Georgia will lose transport fees from Armenian importers if the border is opened, and its importance as an energy bridge and focus of the attention of great powers could diminish, especially if Armenia-Azerbaijan relations improve.

The deal helps Russia expand trade and energy ties with Turkey, facilitate the transportation of supplies to its military base in Gyumri (Armenia), draw Azerbaijan closer into its orbit, and use a more “active Armenian card” in the region. Russian Deputy Foreign Minister

Grigori Karasin expressed Russia’s readiness to complement the protocols with energy and transportation projects. Russia has about US\$2.5 billion-worth of economic interests in Armenia, including in strategic assets such as nuclear and power stations. Recently, Nalbandian emphasized that Russia is Armenia’s “strategic ally” and will be its partner in a new nuclear project.

**IMPLICATIONS:** How could the interests of so many actors bring about the deal? The key is that the major parties treat tactical cooperation, resting on a coincidence of short-term interests at this particular juncture, as part of their long-term strategies for competition in Eurasia. Transformations are already underway in the Caucasus and will only intensify in the future, making regional actors keen on seizing the initiative now. Three regional and global features of these transformations stand out in the context of competition in Eurasia: power reconfiguration, “frozen” conflicts, and energy security.

The Russian-Georgian war made the West and Turkey pursue more assertive policies to halt



(Fabrice Coffrini/AFP — Getty Images)

Russia's advances and support pro-democratic aspirations in the Caucasus. The dwindling U.S. global power leaves it no choice but to work through proxies – Turkey and Western Europe – to influence relations between Armenia, Azerbaijan, and Turkey. Thus, the West treats the protocols as a way of shrinking Russia's "zone of privileged interests" through Turkey's policies.

Their plans, however, may backfire if Russia keeps Azerbaijan and Georgia in line more effectively after changes in the balance of power and improvements in Russian-Turkish-Armenian relations. Russia can also promote its image of a peace- rather than trouble-maker in the Caucasus, while reaping short-term benefits in the course of negotiations, and then choosing to derail them at any time.

For now the protocols will help Russia get Turkey's support on energy projects and put a wedge in the relations between the U.S. and Turkey. Currently, two-thirds of Turkish gas needs are met by Russia. Turkey, in turn, wants to strengthen the bilateral relationship as an end in itself and as a means to push the EU to play fair when it comes to Turkey's EU membership plans. The EU demands that border conflicts among its member states are eliminated, and many EU members have also pressed Turkey to recognize the 1915 massacres as genocide.

The regional changes might positively impact the resolution of the region's unresolved conflicts. The evolution of the trilateral Azerbaijan-Armenia-Turkey relations will show if this could prove a possibility, but the improvement of ties between Armenia and Turkey could imply far-reaching implications for regional security and the resolution of conflicts in light of ensuing economic interdependence.

Furthermore, the improvement of relations between Armenia, Turkey, and Azerbaijan may literally open their borders to more pipelines and enhance energy security. "Turkey has prospects in the Caucasus both in terms of Turkey-Armenia and Armenia-Azerbaijan relations," – said Ahmet Davutoglu. For now, however, the protocols have undermined Azerbaijan's position, making it easier for Russia to enlist Azerbaijan's support for its South Stream scheme and halt the Western-backed Nabucco project. Azerbaijan already agreed to sell Russia 500 million cubic meters of gas annually, beginning in 2010, after the protocols were signed. Aliyev also stated there was "no upper limit" to gas amounts in the future.

**CONCLUSIONS:** While the converging interests of the involved actors made the deal possible, the agreement points to long-term strategic competition in Eurasia and globally. Russia's advances after its war with Georgia prompted the EU, U.S., and Turkey to become more assertive in the Caucasus. Improving relations between Turkey and Armenia may be a key here, including in the field of conflict resolution and energy security, but it comes with a short-term cost to the West. The enhanced Russia-Turkey-Armenia partnership draws Azerbaijan closer to Russia, undermines Georgia's influence, and might yet weaken EU's energy diversification plans and make Turkey-West relations more vulnerable. Transformations in Eurasia are well under way. So is long-term strategic competition among powers of all sizes to shape them.

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# ARMENIA TO CUT ITS BUDGET NEXT YEAR DESPITE EXPECTED ECONOMIC RECOVERY

Haroutiun Khachatryan

*The Armenian government's draft budget for next year is reduced by over five percent compared to that of 2009. It envisages cuts in most important public expenditures (including military ones), but leaves social payments and salaries intact. A twelve percent cut in the military budget is unlikely to disrupt the military balance in the region, although Azerbaijan, Armenia's only military adversary, will keep its military expenditures high. In addition, the 2010 budget provides enough funds for stimulating the economy, which was badly damaged in 2009.*

**BACKGROUND:** On October 30, discussions about Armenia's draft budget started at the National Assembly permanent Committees. Its adoption in the first reading is scheduled for November 15. The budget proposed by the government for next year will be smaller than in 2009, although the government and international financial organizations expect that the economy will grow by 1.5 percent next year, whereas it is expected to have shrunk by at least 15 percent in 2009. In January-September, Armenia's GDP shrunk by 18.3 percent compared with the same period in 2008, one of the worst economic performances in the world.

In the pre-crisis year 2008, the state budget of Armenia accounted for around 822 billion Armenian drams in expenditures (nearly US\$3 billion). The expenditures of the current year are expected to be 900 billion drams (US\$ 2.43 billion), with US\$ 554 million borrowed abroad to compensate the sharp decrease in tax collections. Among the creditors are the IMF, the World Bank, the Asian Development bank, and Russia, which provided an interstate credit. In 2010, the government plans to reduce expenditures to the equivalent of US\$2.3 billion with the deficit reduced to US\$495 million. Thus, Armenia's state budget will be smaller next year than in 2009, although the economy is

expected to grow by 1.5 percent in 2010 compared with the catastrophic decrease in 2009.

Hence government expenditures in 2010 will be at least 5 percent lower than the real expenditures in 2009 or 9 percent lower than the official budget for 2009 (which will be only partly fulfilled). Accordingly, most expenditure items will be reduced compared with the planned level of the 2009 budget. State pensions and salaries of the budgetary sector employees will be kept unchanged; while the social protection expenditures will be cut by 3.9 percent. The largest cuts will be in health care expenditures (16.7 percent), education (12.4 percent) and defense expenditures (22 percent). In all these spheres, salaries will be kept constant and the reduction will be achieved through construction restrictions and some reform projects. Among the cut items are also some expenditures of secondary importance such as cars and furniture for state offices. As for the defense budget, the Government claims that its planned reduction, 116.2 billion drams (US\$314 million), down from 149 billion (US\$402 million), will not damage the fighting efficiency of the Armenian army. No detailed breakdown of these expenditures is available, but evidently the construction of new barracks



Armenian Finance Minister Tigran Davtyan (Arka)

will be postponed, while the defense needs will not be affected.

In parallel with the efforts to reduce foreign borrowings and curb the state debt, the Government implements a range of measures aimed at improving tax collection and reducing the shadow economy.

**IMPLICATIONS:** The Armenian Government makes energetic efforts to overcome the strongest economic decline since 1993. At the same time it faces challenges related, first, to the political crisis following the presidential elections of February 2008 and second, to possible difficulties which can arise from its normalization of relations with Turkey, if the Turkish-Armenian protocols signed on October 10 are ratified by the two parliaments.

The opening of the Turkish-Armenian land border may, along with positive effects, result in new challenges to Armenian business and the Government implements an extensive set of reforms to enhance economic efficiency. On the other hand, keeping the military balance with Azerbaijan remains an important task for Armenia. The two countries are involved in a long dispute over the status of the Armenian-populated enclave of Nagorno-Karabakh, and

fought a war in 1991-1994. A ceasefire has since then been effective in the conflict region through a balance of military forces. While Armenia has a defense budget equivalent to US\$402 million in 2009, the defense budget of Azerbaijan is equivalent to US\$1.5 billion (1.2 billion Azerbaijani manat). This difference is usually explained by several factors, which force Azerbaijan to retain a much larger military budget. First, Armenia needs troops only on its borders with Azerbaijan, as its borders with Iran and Turkey are protected by Russian troops, and Georgia is a friendly country, while Azerbaijan needs to keep troops along the long borders with Iran and Russia, besides its borders with Armenia and the cease-fire line with Karabakh and Armenian-controlled territories surrounding Karabakh. Second, Azerbaijan needs a military fleet in the Caspian Sea, which is rather expensive. Third, as a member of the Collective Security Treaty organization, Armenia buys weapons from Russia at much cheaper prices than does Azerbaijan. Fourth, the defensive arms Armenia needs to protect its positions against Azerbaijan are cheaper than the offensive arms Azerbaijan needs in a possible recapture of Karabakh, which is now under Armenian control. Low efficiency of Azerbaijani military expenditures is also often mentioned among the reasons of this unbalance.

For the next year, crisis-hit Armenia plans to reduce its military expenditures by 22 percent while Azerbaijan, whose economy has been growing in 2009, does not plan any reduction of military expenditures for the next year, maintaining a stable budget. While this is unlikely to disrupt the existing military balance

with Armenia, the risk of resumed violence still remains. In Armenia, two scenarios of such a relapse into war are considered. First, the Azerbaijani leadership could order attacks on Armenian positions to prevent a Armenian-Turkish rapprochement, and eventually reach a breakthrough in Karabakh. Second, the increased tension caused by the new developments could create uncontrolled local conflicts which could grow into a new war.

Another serious problem for the Armenian government is providing new impetus for the economy. In July-September, the economy stopped declining, and the government is likely successful in its efforts to prevent a sharp decline in living standards under the severe crisis. In addition, the government has managed to initiate a number of infrastructure projects during this crisis year, such as the motorway Iran-Armenia-Georgia and commissioning a new block of the Medzamor Nuclear Power Plant. In parallel, the government expects its measures aimed at improving the business climate and stimulating the economy to provide results next year, which would allow the country to face a potential opening of the

Turkish border with a more competitive economy.

**CONCLUSIONS:** With one of the worst economic downturns in the world, Armenia has managed to keep its public expenditures high to prevent an extensive decrease in living standards and keep its defense potential high. Next year Armenia will reduce its budget, and among other cuts, military expenditures will be reduced by 22 percent. Although the military expenditures of Azerbaijan will then exceed those of Armenia more than fourfold, this decrease will hardly disrupt the military balance in the region. In any case, a risk of resuming violence between Armenia and Azerbaijan next year is not completely disregarded in Armenia. The Armenian government also takes steps to help the economy recover after the deep recession during the current year and to enhance its competitiveness ahead of the expected opening of the Turkish-Armenian land border.

**AUTHOR'S BIO:** Haroutiun Khachatrian is an analyst on political and economic issues based in Yerevan, Armenia.



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.



## FIELD REPORTS

### FIRST OFFICIAL VISIT OF TAJIK PRESIDENT TO RUSSIA YIELDS LITTLE PROGRESS

*Bek Boriev*

Tajikistan's president Emomali Rakhmon has completed an official visit to Moscow, where he met with the Russian president Dmitry Medvedev. The meeting between the two heads of state was the first official rendezvous of this kind. Local media anticipated complicated negotiations since the Tajik government expressed a straightforward intention of charging Russia for the 201<sup>st</sup> military base in Tajikistan – local newspapers indicated the sum of US\$ 300 million per year for the presence of Russian troops. At least two more hard topics were dealt with: Russian investment into Rogun hydropower project and the status of Russian language, which has been removed from any official use. The talks between the two presidents could be taken to imply that bilateral relations between Russia and Tajikistan have never been as cold as they are now, with few prospects of improvement.

The Tajik side anticipated that the presidents would reach a new agreement on the status of the military base, and the introduction of payment for its presence was one of the primary requests of the Tajik authorities. Russian authorities made an immediate reference to the bilateral agreement of 2004, where it was stipulated that the Russian military base will be deployed in Tajikistan without fees until 2014. Therefore, discussions on this issue were postponed, with no rearrangements agreed on. It should be noted that the 201<sup>st</sup> military base is the largest Russian land force outside its territory.

Another sensitive aspect in Tajik-Russian relations is the economic participation of the Russian Federation in hydropower projects in Tajikistan. One of the largest hydropower projects in Central

Asia, the Rogun plant, was left out of the discussions. Russian minister of energy Sergey Shmatko said that he is fascinated by the efforts of the Tajik government to build such an energy giant on its own behalf, regardless of the world economic crisis. He also pointed out that Russia never refused to participate in the project, but that a plan for Russian participation is still missing.

One of the factors preventing the Russian side from investing into the energy sector of Tajikistan is the inability of the latter to fulfill its economic obligations. The two states are stakeholders of the Sangtuda hydro plant, with 75 percent Russian and 25 percent Tajik ownership. To this date, Tajikistan's debt for utilizing Sangtuda stands at US\$30 million. While negotiations have finally brought some results, it may well appear to international investors that Tajikistan is not prepared to carry the economic burdens related to the high cost investment projects.

Rakhmon has also expressed his concern over the criticism in Russian media on the adoption of the law on state language. The president said that it is unclear what may have caused such a controversy, as the law only regulates the status of the state language. However, the previous version of the law not only regulated the use of state language, but also identified Russian as the language of international communication, stipulating the citizens' right to submit any official documents in both languages. The new version allows citizens to apply to state bodies only in Tajik.

This law creates significant barriers not only to the Russian-speaking population, but also to the Tajik speakers. An important problem in the use of Tajik is the absence of widely recognized terminology. In the judicial, political and social sectors both Tajik and Russian were practiced, which created a certain linguistic balance. Nowadays, Tajik scholars would face a strong pressure to come up with various kinds of terminology. The issue would also require changes in educational programs and extra funds are needed in order to fulfill the adopted regulation.

Prior to Rakhmon's visit to Russia, some experts assumed that the Tajik government would not adopt the law, keeping it as an instrument to pressure Russia. Yet, its adoption indicates that the issue lacked significance in the eyes of the Russian government. The Russian minority in Tajikistan

constitutes only 0.6 percent of the population and Russian officials were apparently prepared to sacrifice their language rights for a better negotiation position.

Overall, the Tajik president's visit to Moscow hints at uncertainty in the relations between Tajikistan and Russia. The fragile strategic partnership between the two states is the result of continued distrust. The unchanged basis of the Russian military base in Tajikistan caused frustration, which is exacerbated by the US\$30 million energy debts. A disregard of the position of the Russian minority implies that the Russian government firmly seeks to avoid weaknesses in its position. Progress in relations between Russia and Tajikistan in the near future is therefore unlikely.

## KYRGYZ PRESIDENT ENTRUSTS THE COUNTRY'S ECONOMY TO HIS SON

*Joldosh Osmonov*

On October 29, President Kurmanbek Bakiev signed a decree on the appointment of his youngest son, 32-year old Maxim Bakiev, as head of the Central Agency on Development, Investments and Innovations (CADII). The agency was established under the President's Institute which has replaced the former Presidential Administration as a result of the recent wide-ranging reform of state institutions.

According to the law on the agency's creation, CADII will be responsible for "structural reorganization of the country's economy, support for business, attracting foreign investment, and most importantly, preparation of the country's budget and national economic programs". In other words, the President's son will deal with all foreign investors and control all large business projects where the state is involved on behalf of the government. Moreover, with the management of the National Development Fund (NDF) handed over to the agency, the disposal of all foreign credits,

including Russia's US\$ 300 million, as well as the state share's in the biggest state-owned companies were entitled to the CADII.

It is evident that the emergence of such a strong financial institution has diminished the status of the cabinet of ministers. The fact that the Prime Minister will have a position with the Board of Directors of the NDF as an ordinary member while the head of the CADII will be the chair, makes clear who is in charge of controlling the "big money".

Maxim Bakiev graduated with honors from the Law Department of the Kyrgyz-Russian Slavonic University in 1999. His professional career began in the international legal company "Interpravo". For the last five years, he presented himself as an international consultant and an expert on strategic planning, geo-economics, marketing, legal and financial issues. Prior to his last appointment, he was on the list of the members of the Board of Directors of the Latvia-based conglomerate "Maval

Aktiviti". It is also known that the President's son controls shares in Blackpool Football Club, a soccer team in the English Championship League.

Despite his supposed disengagement in anything related to Kyrgyzstan, Maxim Bakiev is publicly known as a "shady general" and "successful businessman" for his ostensibly direct involvement in the take-over of businesses that flared up after the Tulip Revolution. However, information on his possible connection to leading businesses in the country remains no more than rumors. It is notable that one year ago, the President's son was implicated in a huge political scandal, when the Central Electoral Commission chair Klara Kabilova made a public statement saying she was threatened by Maxim Bakiev for her refusal to falsify the results of the local elections.

In the meantime, this appointment evoked various opinions in the public. Some politicians and political experts consider it to be a right decision. The former Prime Minister and rival to the President Felix Kulov stated in the Russian newspaper "Vremya Novosti" that the appointment will be useful for the public. "Many believe that Maxim rules over the country in a shadow. Now, he is "legalized" and will have certain responsibility", Kulov concluded. Local political analyst Mars Sariev believes that Bakiev can contribute to the country's economic development by attracting foreign investments, due to his personal connections in international business circles.

On the other hand, opposition leaders emphasize the contradiction of this appointment to the state law on "state service" according to which relatives of the President cannot hold a position subordinate to him. They view the decision as a concentration of power in the hands of the Bakiev family, providing it with total control of state resources.

Moreover, many agree that the President opens doors to his son with an aim to make him the successor. Leader of the opposition United People's Movement Topchubek Turgunaliyev claims that Kyrgyz authorities aim to follow the Azerbaijani scenario - to transfer the presidency from father to son. "By the time of the next presidential elections the son should prove himself as a professional manager", Turgunaliyev stated to the "Azattyk" news agency.

In the meantime, Maxim Bakiev has already made loud statements regarding the economy's reorganization. He has managed to surround himself with young professionals. The involvement of young people with good reputation in the CADII administration was widely welcomed by the public. Maxim Bakiev's team has already announced the launch of four initial projects, such as the creation of a state mortgage company, a state micro-credit company, a state leasing company and further development of the existing Agricultural Corporation.

Despite ambiguous reactions to this appointment it should be noted that the President places a huge responsibility on his son's shoulders and a failure on his part will directly damage the image of the head



of state.

## TAJIK AUTHORITIES PRESS AHEAD WITH CONTROVERSIAL DAM PROJECT

*Alexander Sodikov*

On October 28, Tajik president Emomali Rakhmon confirmed Tajikistan's resolve to complete the massive Rogun hydroelectric power station (HEPS), suggesting that the construction of the power plant was "not only a matter of survival [for Tajikistan] but also one of ensuring the country's energy independence." Addressing a gathering at the power plant's construction site, the Tajik leader said nearly US\$ 150 million was earmarked for the Rogun project in the country's 2010 state budget, which is a 22 percent increase from the US\$ 120 million during this year. President Rakhmon also suggested that the partial blocking of the Vakhsh River to fill up the Rogun reservoir will begin early next year, and the first unit of the power station will be commissioned in three to four years.

Tajikistan's plans to complete the giant Soviet-planned Rogun HEPS project have long been a source of serious tensions with downstream countries, notably Uzbekistan. Uzbek authorities fear that in order to fill up the Rogun reservoir, Tajikistan will begin withdrawing significantly larger volumes of water from the Vakhsh River, a major tributary of the Amu Darya River which is heavily used to irrigate Uzbek cotton fields. With water shortages already affecting agriculture in the region, there are concerns that increased water withdrawals by Tajikistan will put Uzbek cotton production at serious risk. Uzbek authorities are also concerned that the massive Rogun dam located in an area of high seismic activity would pose a significant threat to the security of the entire region.

Dushanbe has persistently attempted to address the downstream countries' concerns and convince them to support rather than fear the construction of the dam. Speaking on October 28, the Tajik President said "Tajikistan will never build reservoirs and power plants to the detriment of its neighbors or that to limit water supply to them." Many regional and international experts agree that the completed

Rogun dam would perform the function of a multi-year water flow regulator, thus helping minimize the risks of disastrous fluctuations in water flow levels in Central Asia. Tajik specialists also argue that the completion of the dam would help improve water supply to over 4.5 million hectares of land, mostly in downstream countries.

Despite reassurances from Dushanbe, it is very unlikely that Uzbekistan would change its stance on the Rogun power station because of political and security considerations. Tashkent opposes Dushanbe's hydroelectric power development projects because an enhanced ability to harness its water reserves would potentially give Tajikistan considerable negotiating leverage in its dealings with Uzbekistan. Tajik political analyst Holmamad Samiev argues that Uzbek authorities frequently cut natural gas or electricity supplies to Tajikistan as a means of exerting pressure on Dushanbe. According to the analyst, Tashkent fears that Tajik authorities would in a similar fashion use the giant Rogun dam to control the flow of water to Uzbekistan.

So far Tashkent has successfully prevented Tajikistan from attracting foreign investments to finance the US\$3.2 billion Rogun HEPS project. Authorities in Dushanbe have accused Uzbekistan of exerting pressure on the Russian aluminum giant Rusal which had not built the power station despite an agreement signed to that effect in 2005. Tajikistan's efforts to create an international consortium to build the Rogun power station have been equally unsuccessful in the face of fierce opposition from Uzbekistan. Therefore, Dushanbe has resorted to using state funds to finance the construction while other crucial budget sectors, notably the social sector, remain severely underfunded.

Tajikistan will most probably have little other option but to continue focusing its efforts on

completing the Rogun power station. Uzbekistan, which has long acted as a transit point for electricity supplies between energy-rich Kazakhstan and Turkmenistan and power-starved Tajikistan, announced in October that it would not allow for power transits to Tajikistan this winter. Moreover, Uzbek energy officials suggested that Uzbekistan would withdraw from the Central Asian unified power grid, citing “misappropriation” of electricity

from the unified grid by Tajikistan as the primary reason for the decision. Uzbekistan’s withdrawal from the regional power grid would put an end to all power transit schemes to Tajikistan, thus leaving the country exposed to unavoidable power rationing and complete blackouts in the winter. In such a situation, the completion of the Rogun dam would become a matter of necessity rather than choice for Tajikistan.

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## THE RESULTS OF TAJIKISTAN-RUSSIA NEGOTIATIONS

*Suhrob Majidov*

During the state visit to Moscow in the end of October, Tajikistan’s President Emomali Rakhmon was planning to solve some tense issues in the relationship between Dushanbe and Moscow and turn these to Tajikistan’s advantage. The major issues Rakhmon aimed to address include the agreements on the continued deployment of the Russian military base in Tajikistan and the fulfillment of a promise to invest US\$2 billion in the construction of the Rogun hydroelectric power station, which the Russian Government made several years ago. None of the issues addressed by the Tajik President attained expected results, however experts claim that as a result of the visit, the relationship between Tajikistan and Russia will normalize temporarily. Still, President Rakhmon essentially returned back to Dushanbe empty-handed.

The primary issue on the agenda for the Tajik delegation was to discuss the “equal rights military cooperation”. As was reported earlier, Dushanbe demands that Moscow changes the format of military cooperation between the two countries and starts paying for its military base in Tajikistan. Surprisingly, in the joint statement neither side mentioned the issue. The 201<sup>st</sup> Russian military base was mentioned only once, when both sides noted “the contribution of the Russian military base to the process of guaranteeing security in the Central Asia region”.

Thus, experts claim that Dushanbe failed to reach its objective, as both sides conceded that the base would continually remain on Tajik territory for free. Tajikistan’s Minister of Foreign Affairs Khamrokhon Zarifi stated that “according to the agreement between the two countries signed in 2004, the Russian military base will stay in Tajikistan on this basis until 2014”. Russian Minister of Defense Anatolii Serdyukov confirms that a new agreement on the military base can be signed only after the current agreement will terminate, and only then will the sides decide if the base will stay under the previous conditions or whether Russia will have to pay for it.

Another urgent issue for Tajikistan is the construction of the Rogun hydropower station project, which became a “national idea” for the Government of Tajikistan. Experts expected that the Tajik President would address the issue of the ‘Russian promise’ to invest US\$ 2 billion in the development of hydropower industry in Tajikistan at point blank. Vladimir Putin stated the promise in 2004 in exchange for Rakhmon’s consent to provide the 201<sup>st</sup> division with the status of Russian military base and to transfer “Window”, a station for tracking extraterrestrial objects, to Russian possession.

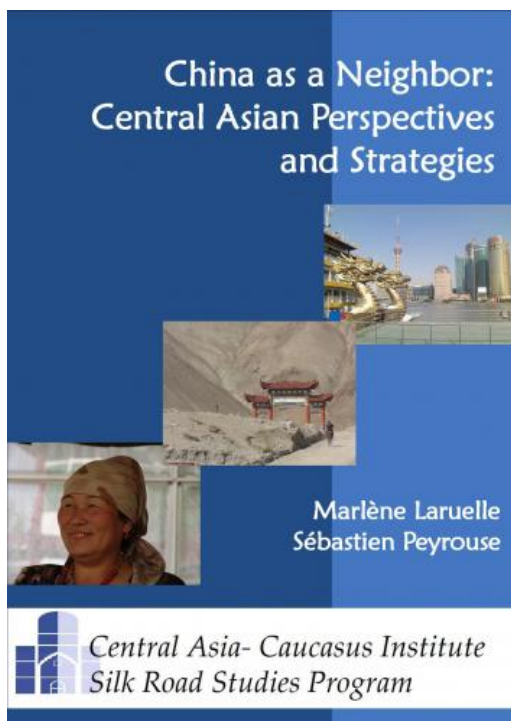
However, the issue of joint construction of the Rogun hydropower station was not even discussed

during the negotiations. Instead, “mutual interests in the realization of hydropower projects in Tajikistan were reaffirmed”. As the Russian Ministry of Energy stated after the meeting with the Tajik President, Russia has never refused to participate in the construction, but “for the time being, a concrete formula for Russia to participate in the construction of this object is absent”. Meanwhile, Khamrokhon Zarifi informed journalists that “an international consortium for the construction of the Rogun station will be created very soon, where any country can take part...”.

In general, very little came out of the three-day state visit of President Rakhmon to Russia, although he left Moscow in high spirit. The state visit was organized with the highest level of state ceremony, and the Tajik President was awarded the title of honorary professor of the most prestigious Russian University – Moscow State University. In addition, Russian President Dmitry Medvedev promised his Tajik counterpart to adopt new migration rules, which will improve the status of the Tajik labor migrants in the Russian Federation. However, this

promise of Medvedev still seems more like a political declaration, since it is practically impossible to implement a ‘selective’ approach specifically to labor migrants from Tajikistan, as opposed to the large numbers arriving from other countries.

Intrinsically, the content of the visit seems quite poor. Suffice it to say that neither side managed to prepare any document to sign as a result of the negotiations. The joint communiqué did not even provide space for the questions. Such practice is usual in cases where both parties want to avoid discussion of critical issues. In this case specifically, these critical issues seem to have been taken out of the joint statement completely. Therefore, all the issues contributing to tension in the relationship between the two countries remain open. Some experts predict the beginning of a “cold period” between Tajikistan and Russia, and consequently a decreasing influence of Russia in Central Asia, which could in turn imply new opportunities for the United States.



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 [caciz@jhu.edu](mailto:caciz@jhu.edu).

## NEWS DIGEST

### LATE GEORGIAN PRESIDENT'S SON SENT TO CUSTODY

**30 October**

Court sent Tsotne Gamsakhurdia, a son of late President Zviad Gamsakhurdia, to a two-month pre-trial detention on October 30. Gamsakhurdia was arrested on October 28 and charged with a murder attempt and illegal possession of firearm. Police said Gamsakhurdia shot and wounded his neighbor. Gamsakhurdia's attorney lawyer said her client denies the accusation; she also said that unknown person hit Gamsakhurdia into his head on the night when the crime was committed close to his house in Tbilisi, as a result of which he lost consciousness and does not remember what happened afterwards. Tsotne Gamsakhurdia was arrested in September and charged with espionage in favor of Russia and for alleged conspiracy to overthrow the government; he was then released on GEL 20,000 bail, but these charges have not been dropped since then. (Civil Georgia)

### NAZARBAYEV TO PAY OFFICIAL VISIT TO JORDAN

**2 November**

The head of state, Nursultan Nazarbayev, will pay an official visit to the Jordanian Kingdom. The official representative of the Ministry for Foreign Affairs, Yerzhan Ashikbayev, informed at a briefing, the agency reports. "The President of Kazakhstan, N. Nazarbayev, will pay an official visit to the Jordanian Kingdom on November 2-4 by the invitation of Abdullah II, King of the Kingdom of Jordan," Y. Ashikbayev informed. "During the planned negotiations, the officials will discuss the course of realization of the arrangements reached during the visit of the Jordanian leader to our country." The officials also plan to discuss the current condition and perspective directions of cooperation of two countries in political, trade and economic and cultural-humanitarian spheres. The officials, following the results of the meeting, will sign some bilateral agreements. N. Nazarbayev, during his visit, plans to participate in the opening ceremony of Days of Culture of Kazakhstan in

Jordan. The third session of the Kazakhstan-Jordanian Business Council will also take place during his visit. (Kazakhstan Today)

### TAJIK HEALTH CARE WORKERS TO WORK IN SAUDI ARABIA

**4 November**

Saudi Arabia's Trade Chamber and the Tajik Interior Ministry's Migration Service have signed an agreement allowing Tajik labor migrants to work in Saudi Arabia, RFE/RL's Tajik Service reports. Tajik officials said the agreement signed on November 3 will allow some 1,000 Tajik physicians and nurses to work in Saudi Arabia next year. Tajik Migration Service chief Safialloh Devonaev told RFE/RL that future Tajik labor migrants would take English and Arabic courses before traveling to Saudi Arabia. Saudi Employment Commission chief Saad Nahar al-Baddah said Tajik labor migrants must bring their spouses and children with them to Saudi Arabia. He said first-time migrants will receive round-trip tickets and free hostel rooms and that the average monthly salary will be about \$350, far more than the average wage for health-care workers in Tajikistan. A 23-year-old Tajik man told RFE/RL that he would not marry just to be eligible to work to Saudi Arabia, though he admitted he would like to work there. A Tajik woman told RFE/RL that she is also concerned about the family requirement because she said the majority of female migrant workers are widows. Meanwhile, Dushanbe-based analyst Qosim Bekmuhammad said the newly signed agreement provides better conditions for Tajik labor migrants than agreements signed with Russia, adding that the deal should also regulate conditions for labor migrants' children.

### TURKISH OPPOSITION MPS INVITED TO AZERBAIJAN

**5 November**

Turkish opposition MPs have been invited to Azerbaijan. "While staying in Turkey, we invited a group of opposition MPs from Nationalistic Movement and People's-Republican parties to Azerbaijan," Ana

Veten party chairman, MP Fazail Agamali, told Trend News today. Turkish and Armenian foreign ministers Ahmet Davutoglu and Edward Nalbandian signed the protocols on restoration of diplomatic relations between Ankara and Yerevan in Zurich on October 10. Diplomatic relations between Armenia and Turkey have been broken due to Armenia's claims of an alleged genocide, and its occupation of Azerbaijani lands. The border between them has been broken since 1993. The conflict between the two South Caucasus countries began in 1988 when Armenia made territorial claims against Azerbaijan. Azerbaijan lost all of Nagorno-Karabakh except for Shusha and Khojali in December 1991. In 1992-93, Armenian armed forces occupied Shusha, Khojali and seven districts surrounding Nagorno-Karabakh. Azerbaijan and Armenia signed a ceasefire in 1994. The co-chairs of the OSCE Minsk Group - Russia, France, and the U.S. -- are currently holding peace negotiations. Agamali said that MPs promised to arrive in Azerbaijan. "I think that this visit can be held on the eve of discussion of the protocols, signed between Ankara and Yerevan, in the Grand National Assembly (Parliament)," MP said. He said that the Turkish opposition parties oppose approval of these protocols in the parliament. So, it is very important to discuss this issue with parliamentarians of the fraternal country again. "I would like to stress I am cautious with the promises made by Turkish officials that the protocols will not be approved without solving the Nagorno-Karabakh problem. Our ties with the opposition parties in Turkish parliament must be more intensive," Agamali said. A delegation of 11 people, led by the Milli Majlis Committee for Foreign and Inter-Parliamentary Relations chairman, visited Turkey in October. A delegation headed by the Turkish Parliament Commission for Foreign Relations, Murad Marjan arrived in Azerbaijan in late October. (Trend News)

## **GEORGIA PLANS RUSSIAN-LANGUAGE REGIONAL TV CHANNEL**

**5 November**

Georgia plans to launch a Russian-language television channel targeting ethnic minorities across the Caucasus, in its latest challenge to Moscow's influence in the strategically important region. Russia and the West are vying for influence over the region, a strategic crossroads at the threshold to Central Asia and criss-crossed by pipelines carrying oil and natural gas to the West. The head of

Georgia's public broadcaster, Gia Chanturia, said the company planned to launch the first regional channel in the Caucasus. "Its main goal is to talk about national minorities living in this region," he told Reuters. Moscow is unlikely to look kindly on a Georgian-run channel broadcasting to its southern republics, where it has fought two wars against Chechen separatists in the past 15 years and faces a growing threat from Islamist insurgents. Chanturia said the plan was in its early stages, and was spurred in part by the situation after pro-Western Georgia's five-day war with Russia in August last year. "In a way the creation of this channel is linked with the processes in our country after the war last year and in the region in general," he said. He said the channel would probably begin broadcasting via the Internet before moving to satellite. Chanturia flatly denied media reports that fugitive Russian tycoon Boris Berezovsky would finance the project, saying the claims were, "if not strange, then very stupid." Berezovsky wielded huge political influence in Moscow in the 1990s before falling foul of then-Russian president and now Prime Minister Vladimir Putin. He now lives in self-imposed exile in London. Berezovsky also denied involvement, telling Reuters by telephone: "This is not true. I repeat, it is not true." Chanturia said the channel would be funded from the Georgian budget and would contain news from across the region. (Reuters)

## **KYRGYZSTAN NEW GOVERNMENT SWORN IN**

**6 November**

A new government of Kyrgyzstan has been sworn in at the parliament of the republic on Friday. "We formed the government on a new basis, now it is much more mobile," Kyrgyz Head of State Kurmanbek Bakiyev stressed during the ceremony. As the president said, the new government has not undergone big changes in comparison with its previous composition. According to Bakiyev, it is done to enable leaders of ministries and departments to carry the started affairs through. He also stressed that "in conditions of the world crisis the main aim is to preserve economic stability and ensure stable development." The president described ensuring of favorable conditions for onward development of the entrepreneurship activity, culture, society and available potential of the county as the chief tasks of the new cabinet of ministers. The previous government of Kyrgyzstan headed by Igor Chudinov voluntarily resigned on October 20



after Bakiyev announced his intention to begin a large-scale reform of the state bodies of power. On the basis of the president's decision approved by the parliament, the government's structure was reduced to 14 ministries, seven agencies and six services. Former head of the presidential administration Daniyar Usenov was appointed to the post of prime minister. (Itar-Tass)

### **GEORGIAN FOREIGN MINISTER RENOUNCES RUSSIAN CITIZENSHIP**

**6 November**

Georgian Foreign Minister Grigol Vashadze has renounced his Russian citizenship, RFE/RL's Russian and Georgian services reports. Vashadze, who had dual citizenship, said on November 4 that after he heard that Russian Duma deputies raised the issue of his Russian citizenship, he decided to give up his Russian passport. He said he sent a letter to Russian President Dmitry Medvedev renouncing his Russian citizenship. Vashadze has spent most of his life in Russia. His wife, Nino Ananiashvili, is a ballet dancer in Russia's Bolshoi Theater. He and his wife came to Tbilisi in 2004 at the invitation of President Mikheil Saakashvili, and were later granted Georgian citizenship. Vashadze was appointed culture minister and became Georgian foreign minister in 2008. He had previously said he would not give up his Russian citizenship after being criticized by Georgian politicians for continuing to hold it. (RFE/RL)

### **SEVEN AFGHANS KILLED DURING MISSING U.S. TROOPS SEARCH**

**7 November**

NATO forces mistakenly killed seven Afghan soldiers and police in an air strike during a battle while searching for two missing U.S. soldiers in Afghanistan, the Afghan Defense Ministry said. The NATO-led force said none of its troops were killed but five were wounded, along with at least 20 Afghans, in a battle that took place on November 6 during a manhunt for the two soldiers missing since November 4. "Yesterday, in a NATO air strike, seven Afghan [soldiers and police] were martyred in Badghis Province," Afghan Defense Ministry spokesman General Zaher Azimy said, adding that other members of the Afghan security forces were wounded. Lieutenant Todd Vician, a NATO press officer, confirmed that NATO had launched air strikes during the search operation but said the force was still investigating whether its strikes were responsible for friendly casualties. The November 6

battle took place during a search-and-rescue operation for two soldiers from the U.S. 82nd Airborne Division, who went missing after a resupply mission. The Taliban and provincial officials in Badghis say the two missing Americans drowned in a river. A Taliban spokesman has said the militants recovered their bodies. NATO says the search is still under way.

Reports of missing soldiers in Afghanistan are extremely rare and immediately prompt a large-scale military response. Troops from more than 40 countries are members of the nearly 110,000-strong NATO-led force, two-thirds of them American. (Reuters)

### **KAZAKHS TO MAKE HAJJ WHILE TURKMEN WILL STAY HOME**

**9 November**

Some 2,000 Kazakhs are planning to go on the hajj -- the holy pilgrimage to Mecca, Saudi Arabia -- despite the swine flu epidemic, RFE/RL's Kazakh Service reports. Ongar-Haji Omirbek, a spokesman for the Spiritual Administration of Muslims in Kazakhstan, told RFE/RL that the first group of Kazakhs left for Saudi Arabia on October 20, while a mass departure is expected on November 11. Omirbek said a swine-flu vaccination is compulsory for all Kazakh hajj participants. But a tourist agency worker who organizes hajj pilgrimages told RFE/RL that Kazakhs going to Mecca will only get a vaccine against ordinary flu. A Kazakh Health Ministry spokesman told RFE/RL that a swine-flu vaccine has not yet arrived. He said the World Health Organization told the ministry that the vaccine is still being tested. There have been 17 confirmed swine-flu cases in Kazakhstan so far. Meanwhile, in Turkmenistan, authorities have banned people from making the hajj this year, even though swine flu has not been detected in the country. RIA-Novosti reported earlier that some 200 Turkmen will have to make do visiting Islamic holy sites that are in Turkmenistan instead of going to Mecca. In Uzbekistan, some 5,000 people are expected to go to Saudi Arabia this year for the hajj. An Uzbek Muslims Committee spokesperson told RFE/RL that virologists will accompany them and they will be vaccinated in advance of the trip. In Tajikistan, some 5,000 Tajiks are expected to make the hajj, though Tajik officials said they have not yet purchased any swine-flu medicine. Marataly Aji Jumanov, Kyrgyzstan's mufti, told RFE/RL that hajj visitors will be given a compulsory swine-flu vaccination and that a special

center for pilgrims has been established in the country. He said some 4,500 Kyrgyz are expected to make the hajj. (RFE/RL)

### **GEORGIAN FM: TEENS WILL BE RELEASED SOON**

**9 November**

Four under aged Georgians, held in Tskhinvali since November 4, "will be released soon," Grigol Vashadze, the Georgian foreign minister, said on Monday. "Abduction of these juveniles has showed once again whom we have deal with," he said. "Forcing under aged [detainees] to enter plea of guilt and linking them with TNT and hand-grenades is simply disgraceful; it goes well beyond immorality." Four teenagers, between 14 and 17 years old, were accused by the authorities in breakaway South Ossetia of "illegal crossing the border and possession of explosives." An announcement posted on the breakaway region's governmental website on November 9, says that the teenagers have denied possession of any explosives. According to the same announcement representatives from Tskhinvali office of International Committee of the Red Cross (ICRC) visited teenagers in the detention center. (Civil Georgia)

### **EU DIPLOMATS TO MEET GEORGIAN OPPOSITION**

**9 November**

During their Georgia visit, diplomats from 26 EU countries will meet government and opposition representatives, Georgian Deputy Foreign Minister Nino Kalandadze said at a briefing today. According to the official, Georgia went to great effort to organize the meeting. The EU diplomats were unable to arrange a visit to the occupied territories for security reasons, Kalandadze said. They will visit Tbilisi on Nov. 12-14. (Trend News)

### **CUSTOMS UNION TO BE PUT TO WORK NEXT YEAR**

**10 November**

The mechanisms of the Customs Union of Russia, Belarus and Kazakhstan will kick into action on January 1, 2010, Russia's Prime Minister Vladimir Putin stated today while opening a session of the state border commission. He stressed that the regulatory framework for this should be finalized and the controls shifted to the external border of the unified customs territory. From January 1 until July 1, 2010, the unified foreign trade regulation

mechanisms are to be put into place, the union's customs code enacted, and the controls moved to the Belarusian border.

According to the PM, such integration calls for a higher level of interaction between regulators and law enforcement agencies of the participating nations. (RBC)

### **SIX RUSSIANS DETAINED IN KAZAKHSTAN OVER BORDER VIOLATIONS**

**10 November**

Kazakh border guards have detained six Russian nationals for border violations, the Central Asian state's National Security Committee said Tuesday. "A Kazakh border guard detail detained six nationals of the Russian Federation who were traveling by car from Kazakhstan to Russia on November 9," the committee said in a statement. "They tried to illegally cross the border," the statement said, adding that they had also been trying to smuggle "200 kilograms of fish." An investigation is underway. (RIA Novosti)

### **AFGHAN PRESIDENT TO BE SWORN IN NEXT WEEK**

**11 November**

Afghan President Hamid Karzai will be sworn in for a second term on November 19, an official said, after being returned to power despite a fraud-tainted poll in which more than a quarter of his votes were invalidated. "On the 19th of November, we will have a swearing-in ceremony of the president and a commission, led by the minister of Defense, will lead this inauguration ceremony," Afghan Ministry of Defense spokesman General Zaher Azimy told reporters in Kabul. Officials from several Afghan ministries would attend the ceremony, Azimy said, but he did not say whether any foreign dignitaries would be there. A spokesman for the U.S. Embassy in Kabul would not say whether any U.S. officials would attend. Karzai is expected to announce his new cabinet later this month but no firm date has been given. Karzai was returned to power after election officials canceled a needless runoff vote that was to be held on November 7. A UN-backed probe had earlier invalidated tens of thousands of his votes from the August 20 ballot. World leaders have since congratulated Karzai on his win, but the fraud-marred poll has hurt his reputation among Western countries that have nearly 110,000 troops defending his government from a growing Taliban insurgency. U.S., European and U.N. officials have said Karzai

must do more to tackle corruption and improve his government's performance in his next term. Kabul has complained about such remarks, describing them as inappropriate meddling. In an interview with U.S. television at the weekend, Karzai said the practices of Western countries -- which spend billions of dollars in Afghanistan mainly through private contractors -- were partly to blame for corruption in Afghanistan. (Reuters)

## **KYRGYZSTAN LAWMAKERS REJECT DEATH PENALTY BAN**

**11 November**

Lawmakers in Kyrgyzstan voted Wednesday to reject a United Nations protocol banning the death penalty in a move sharply criticised by human rights activists. The decision not to adopt the optional protocol to the 1989 UN covenant on civil rights signals that the former Soviet nation may be set to reverse recent reforms that led to the removal of the death penalty from its statute books.

Kyrgyzstan, an impoverished, predominantly Muslim Central Asian nation, imposed a moratorium on executions in 1998 and abolished the death penalty in its 2007 constitution. But the rejection of the UN protocol could lead to reinstatement of the death penalty. Backers say capital punishment would help combat crime and save the government money spent on prisoners serving life sentences.

Proposals to reinstate the death penalty have picked up steam in Kyrgyzstan in recent months, with one top-ranking security official suggesting that executions could be carried out in public.

Government-backed Ak Zhol party lawmaker Askar Salymbekov said his faction's decision to vote against the UN protocol reflected public opinion. "Around 80 percent to 90 percent of our population is for imposing the death penalty," he said. Rights activists say the move is unconstitutional and could lead to backsliding on democracy. "The introduction of the death penalty would be a threat to everybody who lives in our country," said Tolekan Ismailov, executive director of the Citizens Against Corruption rights group. "If Kyrgyzstan takes this step, it will be condemned by many international organisations." While the death penalty remains on the books in some other former Soviet nations, Belarus is the only one in which it is still carried out. Others, including Russia, have banned it or imposed moratoriums to meet requirements for membership in the Council of Europe, a human rights body. (AP)

## **SUPPORTERS OF JAILED KAZAKH ACTIVISTS SAY CASE POLITICALLY MOTIVATED**

**11 November**

Supporters of leading Kazakh human rights activist Yevgeny Zhovtis say his case is politically motivated, RFE/RL's Kazakh Service reports. Yevgeny Zhovtis, the director of the Almaty-based Kazakh Bureau for Human Rights, was sentenced to four years in jail in September for his role in a deadly traffic accident. His lawyers and prominent independent journalist Sergei Duvanov said on November 10 in Almaty that the behavior of Kazakh authorities proves the political character of the verdict against Zhovtis. They point out that a Kazakh Supreme Court judge told the weekly "Vremya" in Almaty recently that he did not read Zhovtis's verdict but still commented that it was correct. They added that Kazakh authorities made several political statements recently while stating that Zhovtis's case was not politically motivated. They also said that Zhovtis's imprisonment in a remote province in northeastern Kazakhstan -- more than 1,300 kilometers from his native Almaty -- also shows that the authorities are trying to "punish him for his professional activities."

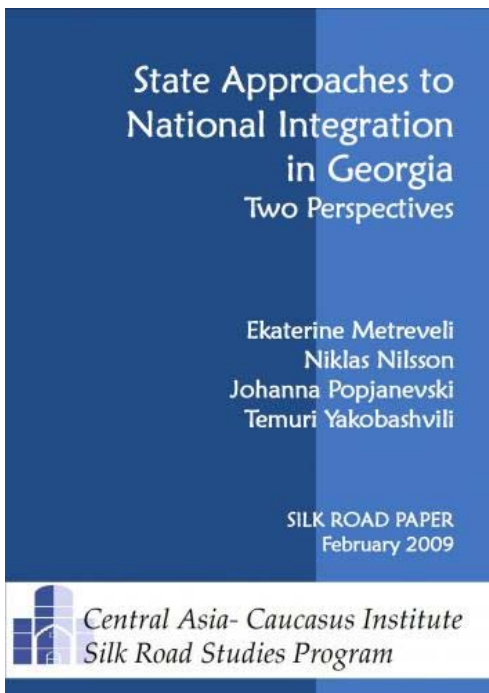
## **DETENTIONS SET TO DOMINATE RUSSIA, GEORGIA TALKS**

**11 November**

Russia and Georgia embark on fresh talks in Geneva Wednesday set to be dominated by the arrest of Georgians in South Ossetia, the breakaway Georgian region at the centre of the war between the two countries. Delegations from the two sides, as well as from South Ossetia and the second breakaway Georgian region Abkhazia, will meet at the United Nations in the Swiss city for talks dedicated to security and displaced people. It will be the eighth round of the discussions which started after the five-day war between Russia and Georgia in August 2008. The negotiations are resuming after a pause of almost two months. The talks are backed by the European Union, the UN and the Organization for Security and Cooperation in Europe. High on the agenda will be "repeated detentions", notably by South Ossetia, a European diplomatic source told AFP. Questions will be raised about the fate of four Georgian teenagers held in South Ossetia since November 4, said head of the Georgian delegation Giga Bokeria ahead of the

discussions. The four youths, aged 14 to 17, were arrested in South Ossetia's main city Tskhinvali allegedly armed with grenades and other explosives, according to the separatist region's administration. The four have been charged with carrying explosives and crossing the border illegally. Georgia has accused the separatist administration of "kidnapping" the boys from a village near the de facto border with South Ossetia. European Union ceasefire monitors also expressed "profound concerns" over the arrest of the youths. Bokeria said

the detention of the boys was "alarming and tragic" and added: "This is part of the security issues we are dealing with." "The existing security architecture provides no possibility for protecting human rights," he said. Two similar incidents occurred at the end of October. In the separate incidents, Russian border guards arrested 21 Georgians who had allegedly crossed into South Ossetian-controlled territory. They were eventually released after talks with Georgian and European officials. (AFP)



New Silk Road Paper:

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