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*Central Asia- Caucasus Institute
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THE CENTRAL ASIA-CAUCASUS ANALYST

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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.

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

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NORTH OSSETIA: JIHADIZATION IN THE MAKING?

Emil Souleimanov

On May 26, the beheaded body of Shamil Jikayev, a venerated Ossetian poet and dean of the Department of Ossetian Philology of the North Ossetian State University was found in a village near the republic's capital city of Vladikavkaz. Three days later, in a fierce shootout with North Ossetian police forces, Jikayev's alleged murderer, David Murashev, was shot dead. As Murashev, himself an Ossetian, is said by authorities to have turned to "radical Islam" few years earlier, this incident stirred up talks about the increasingly uncomfortable coexistence of Christian and Muslim communities within North Ossetia, renewing fears of the "jihadization" of a part of North Ossetian Muslims.

BACKGROUND: Common wisdom has it that North Ossetians have historically made up the last bastion of Christendom in the predominantly Islamic North Caucasus. In fact, back in the 18th century when the Russian advance into the Caucasus began, the shares of Sunni Muslims and Orthodox Christians are believed to be roughly equal among North Ossetians, even though the religious divide had long been rather formal due to the strong prevalence of the local pagan cults among Ossetians, just as is the case among the vast majority of their neighbors across the North Caucasus. Nevertheless, the concentrated efforts of Russian Orthodox missionaries supported by colonial authorities proved successful as increasingly large numbers of Ossetians occupying the strategically important crossroads of the North Caucasus linking the region to Georgia and the South Caucasus converted to Christianity. This fact ensured Ossetians' generally neutral or even positive stance to Russia's often ruthless incursion into the area, turning masses of Ossetians into the agents of Russian colonial rule and gradually alienating them from some of their neighbors, mainly the Ingush, as well as Kabardey Circassians.

Yet as of today, around one fifth of this 500,000 strong people still remain formally Muslims, Islam being the predominant religion of the Digoron, one of three sub-ethnic groups of Ossetians inhabiting the republic's western areas. The religious split ensured that religion was never historically emphasized by Ossetian intellectuals as the cornerstone of national identity, the bloody conflict with the neighboring Ingush over the Prigorodny rayon in 1992 and subsequent local warfare and terrorist acts widely associated with Islam contributed to an increasingly negative attitude toward the Muslim religion and its adherents among many Ossetians. This gradually led to equaling Ossetian Muslims to the Ingush, with the latter being often represented as the Ossetians' main ethnic adversary. Moreover, in the internal North Ossetian post-Soviet discourse, Islam was considered alien to the fundamentals of a "civilized", Christian, and liberal Ossetian society as it started to view itself in stiff distinction to the highly traditionalist areas of the Muslim Northeast Caucasus. The 2004 attack at a school in Beslan, by an irony of fate a Muslim village historically, was another turning point in this regard as Islam began to be identified as a direct



Vladikavkaz bombing 2010 (RIA Novosti)

existential threat. Subsequent years boosted that self-perception of a frontline of “civilized” Christianity vis-à-vis “backward” Islam as North Ossetia, being regarded as the ideological, military and political holdout of Russia in the North Caucasus, became a frequent target of indiscriminate and highly lethal terrorist attacks carried out by Islamist insurgents.

IMPLICATIONS: According to North Ossetian authorities, the reason for Jikayev’s murder was his recent poem entitled “Wolf cubs go to hajj”; prior to being assassinated, Jikayev is said by the investigators to have received threats from local Muslims who found the poem to be insulting to Islam. Whatever the cause of the murder, soon after the tragic incident, a massive crackdown on the parishioners of the Vladikavkaz mosque was carried out by members of local security forces, and 18 people were detained as a result. One detainee was released, while the rest of the predominantly young males including the imam of the mosque were taken away to jails scattered across North Ossetia. Similar processes are said to be underway in other parts of the republic where the hunt for alleged

regional campaign of fighting “radical Muslims”.

In this context, the case of the once-famous Ossetian jamaat as part of the Caucasus Emirate-led Islamist insurgency is being increasingly emphasized. Qataib al-Khoul (Battalions of Power in Arabic) was the name of an organization that is believed to have established itself back in 2005-2006 by North Ossetian Muslims as part of the regional jihad. Some claim the group never existed while others argue its members were primarily recruited from among ethnic Ingush as part of their anti-Ossetian strategy. This unit was reportedly led by prominent Jihadi fighter Aslan Digorsky, and gained publicity in the 2005-2008 when it attacked casinos and gambling houses in Vladikavkaz, and engaged in a series of assassinations of high-ranking military and state officials, reaching a peak in 2008 with the murder of the mayor of Vladikavkaz, Vitaly Karayev, who was accused of harassing Ossetian women wearing the hijab in public. However, following Karayev’s murder, for reasons that are not entirely clear, the activities of the Ossetian Jamaat came to

“Wahhabis” often identified as observant Muslims is gaining momentum. According to some eyewitnesses, drugs and bullets have been planted to the houses of the suspicious Muslims to allow for their detention, which is a widespread practice used by local police both in North Ossetia and throughout the region as part of the

nothing. This likely served as a ground for Doku Umarov, head of the Caucasus Emirate, to abolish the “vilayet of Iriston (Ossetia)” and to formally incorporate it into the Emirate’s “vilayet of Galgaychö (Ingushetia)” in May 2009.

CONCLUSIONS: Given the religious composition of North Ossetia, this North Caucasian republic has with some remarkable exceptions been regarded as rather immune to the manifestations of homegrown militant Islam. Facing an increasingly negative attitude of their fellow countrymen toward the religion of their forefathers that has being associated with their ethnic adversaries, some Ossetian Muslims have recently choose to convert to Orthodoxy with others stressing their general indifference to religion.

Yet for a demographically smaller, yet politically significant portion of local Muslims their religious identity gained in importance in the decades following the dissolution of the Soviet Union, even though their ethnic identity still prevailed. Insensitive attacks against observant Muslims coupled with a generally negative stance of mainstream North Ossetian society to observant Muslims as a fifth column of the Ingush and a culturally alien element to Ossetians enhanced the feeling of isolation to which Ossetian Muslims have been exposed. Over time, a small group of them, influenced by the developments to the west and east of North Ossetia’s borders, came under the influence of Jihadi ideology, and increasingly began to see themselves as part of the ongoing jihad. Yet as their numbers were low and – unlike in neighboring republics of the North Caucasus – they lacked popular support, tackling them proved to be easier for Ossetian

authorities compared to Dagestan, Ingushetia, and Kabardino-Balkaria. Yet the wave of indiscriminate and large-scale reprisals directed at in practice against the republic’s Islamic community that is now underway in North Ossetia seems to be breaking the elusive balance of recent years. This development may lead the republic along the path of Kabardino-Balkaria, where a massive crackdown on observant Muslims largely contributed to the jihadization of a portion of the population.

The potential danger of radicalization of the North Ossetian Muslims is all the more tangible given the fact that they would not have to necessarily look back to retaining – and obtaining – supporters in their homeland, unlike Dagestani and Ingush insurgents who have been generally cautious to avoid civil casualties among their ethnic and religious kin. Importantly, according to some sources, a sort of cooperation between cells of Digoron-based insurgency in North Ossetia and the Kabardino-Balkaria-Karachay jamaat has been established in recent years. From the insurgents’ perspective, North Ossetia is presently a wedge breaking down the North Caucasus insurgency into two parts; spreading the insurgency to the republic would restore the link. That could lead to a much more difficult task for both local authorities and Moscow to tackle the unified North Caucasian Islamist insurgency.

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MONGOLIA'S RARE EARTH RESERVES DRAW FOREIGN INVESTOR INTEREST

John C.K. Daly

China's announcement earlier this year that it would restrict the export of rare earths caused a wave of anxiety among manufacturers, as the elements are used in the construction of everything from iPhones to cruise missiles. China's sole source for the rare earths is a mine complex in Inner Mongolia near Baotou city. Beijing's announcement has intensified efforts to find alternative sources of the vital minerals, with neighboring Mongolia quickly becoming a focus of international interest. Adding to Mongolia's attractiveness is that its government has striven to become more investor friendly, with its Parliament amending the country's Mining Law to take account of foreign investor concerns.

BACKGROUND: Seventeen metals are classified as rare earth elements (REEs), which are used in eco-friendly industries to mass-produce everything from wind turbines, solar cells and low-energy light-bulbs as well as iPhones and X-ray machines. REEs are also a strategic component of U.S. weapons systems, being used in the guidance systems of missiles and laser-guided munitions.

According to a 2009 estimation by the U.S. Geological Survey, Mongolia has 31 million tons of rare earth reserves, or 16.77 percent of the world's total, exceeded only by China, currently the world's largest producer of rare earths. Within Mongolia six REE provinces have been identified: the Altai, North Mongolian, Hentii, Hangai, Southeast Mongolian, and South Mongolian provinces. Recent restrictions by Beijing on rare earth exports have combined with the liberalization of Mongolia's Mining Law to focus foreign investors ever more closely on Mongolia's mining sector, which had previously been dominated by its gold and copper reserves.

Among the most useful REEs is neodymium, an essential element of neodymium-iron-boron magnets used in hyper-efficient motors and

generators with every wind turbine using up to two tons of neodymium. Lanthanum is a major ingredient for hybrid car batteries, terbium is a key component of low-energy light bulbs and cerium is used in automobile catalytic converters.

Nearly all of China's REE supply is produced by a single mine near Baotou city in Inner Mongolia, with the remainder being produced by small and frequently illegal mines in the south of the country, often causing massive pollution from the poisonous and sometimes radioactive ores.

Western concerns over possible Chinese export bans on rare earths, whose mines account for 97 percent of global supplies, began last year. Since 2003, China has reduced the amount of rare earths available for export by 40 percent. Over the past decade global demand has tripled from 40,000 tons to 120,000 tons.

In early 2011, however, China curtailed its total output of rare earth oxides to 93,800 tons, up only 5 percent from 2010 production levels, and has also raised taxes on rare earth elements for the second time in recent months, increasing foreign concerns that cheap rare earths are



becoming a thing of the past. China posted a 568 percent year-on-year surge in the value of rare earth exports to US\$ 314 million in the first two months of 2011. The price for rare earth materials has increased for 15 months straight, breaking through the US\$ 1,000 per ton mark at the beginning of 2011.

In the course of industrialization, China has gone from exporting 75 percent of the raw ore it produces to shipping just 25 percent. Analysts speculate that that by 2012 China is likely to be producing only enough REE ore to satisfy its own increasing domestic demand, creating a potential crisis as Western countries struggle to find alternative supplies and mining companies rush to open new mines in locations from

South Africa to Greenland to satisfy international demand.

IMPLICATIONS: In light of Chinese restrictions, Mongolia has become a leading contender in the new rush for REE resources. Mongolia's mining sector has some of the world's richest deposits of gold and copper, uranium, coal and fluorspar as well as RREs such as tantalum, niobium, thorium, yttrium and zircon.

In 2006, Mongolia's Mineral Law was amended to increase government royalties and licensing fees, reduce tax incentives, set duration terms for exploration licenses, and provide for up to 50 percent government ownership of strategically important resources when jointly funded by the state and private investors. On 25

August 2009 the Ulsyn Ikh Khural (State Great Hural, or Parliament) finally repealed the 68 percent windfall profit tax, effective from January 1, 2011, setting the stage for massive foreign investment.

At present, Mongolia trucks its output into China. Mongolia is already laying in a massive increase in its transportation infrastructure, planning to quadruple its rail network in order to ship coal, copper and RRE production via 3,542 miles of new railway track across the country to Russia's Far East. This will allow it to reach markets further afield such as Japan and South Korea while reducing its dependence on the Chinese market and boost economic development. Later this year, Mongolia will begin the construction of a 300 mile railway spur link from the Tavan Tolgoi coal basin and Oyu Tolgoi copper deposit, two of the world's largest untapped resources, which will join up with an existing rail line running northwards to Russia and southwards to China. The expanded railway network will eventually run directly from Tavan Tolgoi to both China and Russia and extend the railroad west and north to link with untapped metal deposits according to Eurasia Capital, Mongolia's biggest investment bank. In December 2010, Russia wrote off about 98 percent of Mongolia's US\$ 172 million debt. Russian Railways owns a stake in Mongolia's national operator AO UlanBator Railways and in October 2010 underwrote a loan for it from the Russian state-controlled VTB Group to buy locomotives.

CONCLUSIONS: Since April 2010 Mongolia's benchmark MSE Top 20 Index has been the world's best performer and its currency, the

tugrik, the fifth-biggest gainer against the dollar. The International Monetary Fund says that Mongolia's economic growth may surge to 23 percent in 2013, more than twice the forecast expansion in China, as large mining projects such as the Oyu Tolgoi copper and gold facility begins production.

In February, California-based Green Technology Solutions (GTSO) and Rare Earth Exporters of Mongolia formed a joint venture to exploit Mongolia's RRE potential. GTSO President and CEO John Shearer said, "Stable supplies of rare earths are vital to the security and economy of the U.S., Japan and South Korea ... We are not waiting for 2012 or 2013 to help solve this worldwide supply crisis in rare earths."

The joint venture intends to truck its RRE ore output to a railway hub in Ulaanbaatar, for transport to Russia's Pacific Vladivostok port. GTSO's first shipment of ore reached Vladivostok in April, where the ore was put up for auction, with South Korea submitting the winning bid.

The question now is how Mongolia will reconcile the conflicting agendas of its giant neighbors, particularly China. China remains Mongolia's largest trading partner, accounting for around 80 percent of Mongolia's export revenues, predominantly copper and coal, and 43 percent of imports. If Beijing feels its de facto RRE global monopoly is threatened, then Ulaanbaatar should expect some consequences from its primary trading partner.

AUTHOR'S BIO: John C.K. Daly is an international correspondent for UPI.

THE MAY PROTEST AND THE PROSPECTS OF POLITICAL NORMALIZATION IN GEORGIA

Svante E. Cornell

The suppression of violent demonstrations in Tbilisi on May 26 once again led to images being beamed out of a Georgia plagued by unrest and instability, complete with allegations of excessive use of force by the police. Meanwhile, bombings and other acts of sabotage with clear linkages to the Russian special services keep being reported. Yet the picture may be misleading: under the surface, Georgia's politics are showing signs of normalization. The recent violence may just be the death spasms of the legacy of radicalism in Georgia's post-communist politics.

BACKGROUND: Sixteen years ago, leading Georgian intellectual Ghia Nodia observed the triumph of a “radical ethos” in Georgia’s post-communist politics, adding that its features included, among other, “disdain for compromise, lack of interest in solutions to economic and other mundane problems, disregard for political reality, rejection of gradualism, and admiration for heroic-aesthetical gestures.” Indeed, Nodia noted, Georgia was notable “not only for having all the problems and conflicts that other postcommunist countries have, but for displaying them in highly dramatic and sometimes even bizarre ways.”

On the surface, these words might seem equally valid today. Since the Rose Revolution, to be sure, the Georgian authorities have come a long way toward issue-based politics and governance. Arguments differ on the accomplishments and failures of the administration of President Miheil Saakashvili; yet it is clear that it has not yet succeeded in alleviating the sharp polarization of Georgian politics. While Saakashvili’s government and the president personally are increasingly popular, recovering from a dip in approval in 2007-08, considerable segments of the political and intellectual classes are irreconcilable

opposed. In fact, much of the opposition to Saakashvili has been highly emotional and visceral. This has been the case especially for some of Saakashvili’s former associates: former speaker of parliament Nino Burjanadze, former Minister of Defense Irakli Okruashvili, and former Prime Minister Zurab Noghaideli have competed in their radicalism and denunciations of Saakashvili’s government as a criminal, fascist or terrorist regime.

This radicalism was first at display in November 2007, when social and economic dislocations resulting from Saakashvili’s market reforms generated widespread disaffection among segments of Georgia’s population. Large demonstrations in Tbilisi were eventually suppressed by riot police, a crackdown that caused considerable damage to Georgia’s international reputation. Only months after the devastating Russian invasion of August 2008, the opposition launched a season of street demonstrations that nevertheless failed to provoke the authorities to a crackdown. Indeed, aside from minor scuffles, the Georgian authorities gathered well-deserved credit for the restraint showed in their handling of the protests, which included the setting up of mock jail cells that closed Tbilisi’s main thoroughfare for weeks on end. Seeing



(Vano Shlamov/AFP/Getty Images)

weakening public support, protest leaders eventually dissolved the demonstrations.

The protests in May 2011 nevertheless did turn violent. When protestors sought to block the route of the planned independence day parade – a location where they had neither sought nor obtained a permit to hold demonstrations – a police crackdown led to the arrest of over a hundred demonstrators. At least two people, including one policeman, were killed by speeding cars belonging to the protest leaders, and human rights groups and foreign diplomats have alleged that excessive force was used by the police to break up the protests.

IMPLICATIONS: The standoff between the government and the opposition remained under control in 2009 because the demonstrations were jointly organized by the radical as well as

moderate groups of the Georgian opposition. As such, the more level-headed leaders of the opposition were able to influence the course of events to avoid provocations. For example, at one stage in the 2009 protests, radical leaders planned to cut the main transportation artery connecting Western and Eastern Georgia, something that would surely have generated a crackdown; but moderate forces prevented that from happening.

Since 2009, however, the radical and moderate forces in Georgia's opposition have parted ways. Moderate forces including the Free Democrats led by Irakli Alasania and the Republican Party led by Davit Usupashvili have formed a "Group of Eight" parties seeking to achieve power through elections, and have engaged in negotiations with the government

on electoral reform. These groups have distanced themselves from street politics, hitherto a favorite tactic of Georgian politicians, in favor of normal political dialogue and debate.

This decision has been entirely pragmatic. To begin with, the pro-Western forces that dominate in the “Group of Eight” have realized that street politics will not provide the opposition with legitimacy in Western circles. Quite to the contrary, their western interlocutors keep stressing the importance of working within the system. Much more importantly, Georgia’s moderate opposition – as well as the government – have come to realize that the Georgian population no longer either supports or rewards radicalism.

The art of opinion polling is developing rapidly in Georgia, thanks mainly to the support of Western donors. And the polls, produced by organization such as the Caucasus Research Resource Centers, the International Republican Institute, and the National Democratic Institute, all concur in their conclusions: Georgians, overall, want their politicians to work together to solve the country’s problems. Thus, government officials perceived to perform well are rising in the polls: aside from Saakashvili, whose approval ratings are over 60 percent, Tbilisi Mayor Gigi Ugulava and Interior Minister Vano Merabishvili are increasingly popular.

Likewise, the moderate opposition has been rising in the polls, while the radicals have rapidly lost legitimacy. The Christian Democratic movement, led by George Targamadze, was the first to identify this trend in the electorate already ahead of the 2008 parliamentary elections. The CDM is represented in parliament, never supported the 2009 protests, and has as a result established

itself as the most popular opposition force. Similarly, Alasania’s Free Democrats are the second most popular opposition party. Targamadze and Alasania regularly receive the highest approval ratings among opposition leaders, being seen positively by between 40 and 60 percent of the electorate.

By contrast, the radicals have continued to exhibit exactly the characteristics identified by Nodia in 1995, and thus, radical parties and leaders poll in the low single digits. Burjanadze’s grouping has argued that only a “revolutionary scenario” can lead to regime change in Georgia. Misreading polls that suggest most Georgians want an improved relationship with Russia, Burjanadze has been a frequent traveler to Moscow, where she has appeared with Vladimir Putin and other Russian leaders. Her approval ratings in Georgia have collapsed as a result, because few Georgians support a sellout to Moscow. Similarly, Noghaideli practically moved into the error margin in polling after his party struck a deal with Russia’s ruling party, United Russia.

Audio and video recordings of conversations between Burjanadze’s associates, released by the Georgian Interior Ministry and whose authenticity has not been denied by Burjanadze, similarly suggest the extent to which the radical opposition is out of touch with today’s Georgia. Burjanadze and her son discuss how the sacrifice of a few hundred lives would be acceptable for an “Egypt-style scenario” in Georgia, and how Russian GRU special forces may come to their assistance. Similarly, Burjanadze’s husband and his friends discuss over dinner how a paramilitary band could be mobilized and how it would be unstoppable with “mass support” even in the face of riot police.

Thus, in the recent demonstrations, Burjanadze and her associates purposefully sought a violent confrontation with the authorities. They nevertheless maneuvered themselves into a position where not even the other radical forces supported their tactics, and where participants dwindled into the hundreds. It remains unclear whether the organizers, most notably Burjanadze husband Badri Bitsadze, actually believed they would be able to overthrow Saakashvili – or if their aim was simply to sow instability and damage Georgia’s international image. The latter case would rhyme very well with Moscow’s agenda; Burjanadze ties with Russia certainly do raise the possibility that the protests were planned in conjunction with Moscow. Moreover, the events coincide with repeated acts of sabotage and bombings across Georgia that both Georgian and western investigators have concluded to be traceable to Russian special services, which might not be a coincidence.

In either case, the May violence most likely amounted to Burjanadze’s political suicide. Having long lost legitimacy in Georgia, she nevertheless maintained a level of international credibility as a result of her earlier position in government and the network she built during that time. Now, her movement and tactics are likely to be entirely marginalized.

Could this also mean that the “radical ethos” in Georgian politics is in its death spasms? It may be too early to draw this conclusion, given the propensity for radicalism on behalf of other Georgian opposition leaders such as Levan Gachechiladze, the runner-up in the 2008 presidential elections; Shalva Natelashvili, the

Labor Party leader; as well as the aforementioned Okruashvili and Noghaideli. But the conclusion is inescapable that Georgia is, in spite of appearances, developing a more normal political climate, and that radicals are being increasingly marginalized.

CONCLUSIONS: For that process to continue, and Georgia to become a normal European democracy, much maturity and goodwill will be required from both the government and the opposition. Opposition forces must continue to focus on real concerns and make demands that are realistic; similarly, the government must do its part. To begin with, an inquiry into allegations of excessive force in the May 26 crackdown would go a long way in upholding the government’s democratic credentials both at home and abroad. Crucially, the government must work harder to ensure that the incentive structure for the Georgian opposition continues to favor engagement and moderation rather than theatrics and radicalism. The best way to do this would be twofold: first, to address some of the opposition’s legitimate concerns, such as the issue of property rights violations; and second, to restart in good faith the negotiations with the Group of Eight on reforms to the electoral code ahead of the 2012 parliamentary elections, which will be decisive for Georgia’s democratic evolution, but also for the historical legacy of the Rose Revolution.

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ARMENIAN GOVERNMENT TO START DIALOGUE WITH RADICAL OPPOSITION

Haroutiun Khachatryan

The Armenian government and the radical opposition Armenian National Congress have declared that they will engage in dialogue as some of the ANC's demands have been satisfied. This improves Armenia's chances of escaping destabilization despite its difficult situation due to the global economic crisis, rising food prices and the risk of spillover from events in the Middle East. While the government is unlikely to meet remaining demands regarding early elections, the ANC hereby enhances its position as Armenia's primary opposition movement and will likely secure a significant portion of the seats in parliament in the elections scheduled for next year.

BACKGROUND: The Armenian National Congress (ANC) was created in 2008 as a radical opposition movement seeking to revise the results of the presidential elections on February 18, 2008. It includes over 15 different political parties and organizations and is led by Levon Ter-Petrosian, Armenia's first president. The members of ANC share the position that Ter-Petrosian, then one of the presidential candidates, had won the presidential election and that the ruling Republican Party's supporters violated Armenian election law to declare its candidate, then Prime Minister Serzh Sargsyan, as the winner. The ANC's demands also include a new and thorough investigation into the violent events of March 1, 2008. None of those guilty for killing ten people on that day have so far officially been prosecuted or punished so far. In particular, the ANC claims that Sargsyan and former president Robert Kocharian are responsible for the bloodshed.

The ANC has further demanded that those of its supporters who were detained after the events of March 1 and sentenced to different terms in prison, which ANC considers to be political prisoners, are released. Finally, the ANC has continuously criticized the

government for the failures of its economic and social policies. The winter of 2010-2011 was an especially beneficial period to voice such criticism due to the consequences of the worldwide increase in food prices for Armenia's poor, and allowed the ANC to increase its number of supporters.

During a rally on March 1 in memory of the tragic events three years earlier, the ANC presented its latest list of demands containing 15 points concerning both domestic and foreign policy issues with the problem of Nagorno-Karabakh in first place, and as usual demanding Sargsyan's resignation and early parliamentary and presidential elections.

The government's previous policy to ignore the ANC and its demands has failed. It is backtracking on its previous statements about turning the page on the March 2008 events and is gradually meeting several of the ANC's demands. This primarily concerns the issue of political prisoners. Many of these were released after the amnesty declared on June 19, 2009, another six were released during 2010 and four were freed this year, leaving five people in detention of the several dozen arrested in March 2008. Also, the government has increased its efforts to curb the rise in food



prices and to protect vulnerable citizens. On May 20, President Sargsyan declared a General Amnesty. It was confirmed by the National Assembly on May 26 and allows for the release of around 400 people, including the remaining arrested ANC supporters including two key persons, former MP Sasun Mikaelian and Nikol Pashinian, editor of the *Haykakan Zhamanak* daily.

IMPLICATIONS: The tense first months of 2011 seemed a suitable period for the ANC to push through its main demand, early elections. However, Ter-Petrosian preferred to quench this movement – at the expense of losing some of his supporters – because he feared that a destabilization of Armenia would have negative consequences for the resolution of the Nagorno-Karabakh conflict. As early as March 17, Ter-Petrosian stated that the fulfillment of three out of the 15 demands earlier declared would be

enough to convince the ANC to engage in dialogue with the authorities. Thus, Ter-Petrosian is considerably softening his stance from his previous comparisons of Kocharian's and Sargsyan's governments with foreign aggressors who had usurped the country.

As a result of the amnesty declared by Sargsyan, all individuals the ANC declared political prisoners have been released. The increasing prudence of the conflicting sides may well allow Armenia to escape continued social unrest, and the ANC will most likely enter parliament as a result of regular elections in a year, although it still demands that these elections be held earlier. While this will hold negative consequences for other opposition parties, who will likely lose both voters and seats in parliament, the possibility of a dialogue between the authorities and the movement of

Ter-Petrosian is welcomed by the West, including the U.S. and the EU.

Among those expressing satisfaction with the release of political prisoners, sometimes termed prisoners of conscience, were the President of the European Parliament Jerzy Buzek, the High Representative of the European Union for Foreign Affairs and Security Policy Catherine Ashton, the co-rapporteurs for Armenia of the Parliamentary Assembly of the Council of Europe (PACE) John Prescott and Alex Fischer, and the U.S. State Department. They all welcomed the possibility of such a dialogue as a major improvement of democracy in Armenia.

It is rumored that the U.S. embassy played an active role in engaging the two sides in talks, and that the outgoing U.S. Ambassador to Armenia Marie Yovanovitch acted as a mediator between the authorities and the ANC during previous months. The authorities and the ANC both deny these rumors.

On May 31, at the first rally after the ANC's three demands were fulfilled, ANC leaders repeated that holding early elections is the only remaining issue to be discussed with the authorities. A special ANC delegation of five people was said to be organized for these talks. The authorities nevertheless made it clear that these demands would not be fulfilled and that there is no basis to hold early elections. Instead, the authorities are seeking to buy time as they seemingly have no intention to commence negotiations soon. Instead, the ruling

Republican Party of Armenia has declared its readiness to present the ANC's demands in the existing parliament.

In addition to events across the Middle East this spring and hardships caused by the inefficient economy, Ter-Petrosian has attributed the recent changes in government policy to a changing security context connected to the Nagorno-Karabakh conflict. Quoting the latest statement of the leaders of the Minsk group co-chairs on May 26, Ter-Petrosian expressed the opinion that the status-quo in the Nagorno-Karabakh conflict, which is preferential to both Armenia and the Nagorno-Karabakh authorities, can no longer be maintained. Hence, major changes are expected in the region, which makes the Armenian authorities even more concerned, according to the ANC leader.

CONCLUSIONS: Under Ter-Petrosian's leadership, the ANC has enhanced its position as the most powerful opposition force of Armenia. After three years of struggle, it was able to have all its jailed supporters released and forced the authorities to restore an inquiry into the tragic events of March 1, 2008. Though it is unlikely that it can force the authorities to hold early elections, the ANC is likely to become the strongest opposition force in the next parliament.

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FIELD REPORTS

MAY 26 VIOLENCE SETS NEW RULES IN GEORGIAN POLITICS

Maka Gurgenidze

The dispersal of a protest rally turned violent at Tbilisi's Rustaveli Avenue on Georgia's Independence Day. Riot police broke up an anti-government demonstration, led by former Parliamentary Speaker Nino Burjanadze on May 26. Two people died and dozens were injured during the turmoil. Although the dispersal has troubling consequences, it may mark the beginning of a new phase in the country's political life.

Protest rallies organized by the Peoples' Assembly, a movement uniting public figures in opposition, started on May 21 and continued for four days outside the Georgian Public Broadcaster's office. The movement's leader Burjanadze openly declared that "events in Georgia will, unfortunately, develop through a revolutionary scenario". She called on her compatriots to join the event, but her revolutionary rhetoric did not attract much attention. Aiming to impede the military parade dedicated to the Independence Day celebration, around two thousand supporters of the Peoples' Assembly moved to the Freedom Square in central Tbilisi on May 25.

The clash between protesters and police began in the early hours of May 26, shortly after the Mayor's Office informed the organizers that their permission to demonstrate had expired and offered them to continue the demonstration at another location. While refusing to accept this proposal and vowing not to step back, the leaders of Peoples' Assembly – Burjanadze, her husband Badri Bitsadze and some others – left the scene almost at the same time as the police operation started. According to the Interior Ministry, Burjanadze's and Bitsadze's

convoy crashed into people in their way, killing one policeman and injuring 19.

The riot police used water cannons, teargas and rubber bullets against protesters armed with plastic sticks and wooden shields. As most outlets of Rustaveli Avenue were blocked, rally participants hardly had any opportunity to escape. Over a hundred people were arrested and dozens taken to hospital for urgent treatment. Cases of physical abuse by law enforcement against already detained protesters and some journalists were revealed during the operation. A few Georgian journalists also reported that their video cameras and memory cards were seized or broken by the police.

The Georgian Public Defender, as well as international and Georgian human rights and media organizations, and most opposition parties accused authorities of using excessive force and recommended the government to seriously investigate cases where the police used disproportionate force.

At a military ceremony the same day, President Mikheil Saakashvili said that a Russian attempt to overturn the democratically elected government of Georgia had failed. For more evidence, he referred to the secretly recorded audio conversation between Burjanadze and her son Anzor Bitsadze.

In an audio recording released by the Interior Ministry, Bitsadze seeks to convince his mother to take responsibility for a revolution worth the lives of 100 or 200 Georgians. He assumes that the Georgian army will not interfere in civil confrontation. However, if the army opens fire, "we will repel the first attack and then let it go and deal

with the GRU [Russian military intelligence] special task force” he adds.

Shortly after, the Interior Ministry released other secret records including video footage covering a meeting of the Peoples’ Assembly’s leaders in a restaurant and video testimony of former General Gia Uchava. The recordings seemingly unveils the existence of a paramilitary group named “Sworn-in-Brothers” and that the group armed with sticks and wooden shields was organized by the Peoples’ Assembly before the rallies began.

The government presents the audio and video recordings as a rationale for disrupting the protests on May 26. Nevertheless, the government did not provide convincing arguments for failing to release the evidence before May 26. Moreover, it has not explained why organizers aiming to overthrow the government had not previously been detained.

The recent developments imply that the government has achieved the political bankruptcy of Burjanadze’s radical opposition. The authorities have also proved capable of preventing yet another provocation against the Georgian state. In doing so, it managed to disqualify the methods and rhetoric employed by the radical opposition and underlined that elections are the only way to change

government in Georgia. However, the achievement came at a high cost. At least two people were killed – two additional bodies were found close to Rustaveli Avenue on May 27. Some rally participants are still missing and the excessive use of force during and after the police operation will harm the country’s international image.

Not surprisingly, the events will benefit the Group of Eight, consisting of eight opposition parties who distanced themselves from radical actions and did not join the five-day protest. If coordinated steps are taken, these parties may attract a considerable portion of the electorate by targeting socially vulnerable voters whose needs have not been met by the government, as well as those concerned over the quality of democracy in the country.

The May events could become a turning point in Georgia’s post-revolutionary epoch. Presumably, conceptual confrontation between those who believe that the survival of small country depends on its adherence to liberal values and those who downplay the role of institutions and prioritize security needs to the detriment of democracy will increase. This could contribute to the creation of a more sophisticated political environment with a better informed electorate.

EXPLOSIONS IN KAZAKHSTAN UNDERMINE MYTH OF STABILITY

Georgiy Voloshin

Though it is still too early to say whether Kazakhstan’s internal stability is at risk, national authorities are now investigating, with little success, two explosions that occurred on May 17 and 24 in Aktobe in Western Kazakhstan and Astana respectively. The first case involved a 25-year-old citizen of Kazakhstan, Rakhimzhan Makatov, who blew himself up in the temporary detention facility of the National Security Committee. According to the official version, the perpetrator of this act was previously affiliated with a number of criminal

organizations. In order to avoid the burden of responsibility for crimes committed earlier, he is believed to have smuggled a medium-sized explosive into the NSC compound, which took his life and severely injured a local guard.

Another recent violent episode occurred in Astana on May 24, a few meters away from another facility of the National Security Committee. A private car carrying two passengers blew up in the proximity of a quiet residential area. The ensuing investigation

promptly revealed that one of the victims of the explosion had previously been convicted for minor crimes, including theft and fraud. The other person, originally from Kyrgyzstan, had no criminal record and had supposedly borrowed the car from his friend, a taxi driver. The spokesperson of the Interior Ministry quickly rejected any hints to a terrorist act, telling journalists that the explosive was not packed with screws, nails, and other damaging elements preferred by terrorists for mass killings. At the same time, some experts presume that the explosion was initially planned for a later time, but could not be deferred because of a technical failure. Others believe that the two victims may have been involved in a radical religious grouping trained and equipped by anti-government forces in the neighboring Central Asian republics.

Whatever the causes of the two incidents, most observers are now pointing to the recent ratification of a Kazakhstan-NATO agreement which provides for the dispatch of Kazakh peacekeepers to Afghanistan for the purpose of aiding the ISAF mission there. The Majilis rubber stamped the agreement on May 18, handing it over to the Senate. It is expected that upon complete ratification, this international instrument will enable the Kazakh Government to deploy a presence on the ground in Afghanistan for at least six months in pursuance of its solemn commitment conveyed during the Brussels meeting between President Nazarbayev and NATO Secretary General Anders Fogh Rasmussen in October 2010. Kazakhstan's Ministry of Defense is now considering the possibility of identifying four qualified officers to serve at the ISAF headquarters in Kabul or in other provinces with a strong NATO deployment.

This decision did not pass unnoticed by the Taliban who issued a threatening warning on May 21, exhorting Kazakhstan's Parliament to reconsider its

approval in exchange for security guarantees for Kazakh citizens. "Kazakhstan is aiming to defend U.S. interests instead of taking into account the opinion of its people and the regional situation. This step will have a long-term negative impact on Kazakh-Afghan relations", the Taliban's statement read. The Chargé d'affaires of the U.S. Embassy to Kazakhstan, John Ordway, believes that not only Kazakhstan, but the entire Central Asia is exposed to a huge risk of insecurity emanating from pro-Taliban forces. He argues that bilateral military experience and joint military participation in the stabilization of Afghanistan will boost coordination and cooperation at all levels. "All this will have a positive effect", Ordway reassured journalists. In his view, the statement made by the Taliban in the wake of the ratification of the Kazakh-NATO agreement could not in itself pose a serious threat to Kazakhstan's national security. "And I think that what we all have to do is to take part and to try to do our absolute best to end terrorism in the world. Because, as we see everywhere, it is a threat to all our people and unless we act together with great purpose and effectively, it will go on without end", the Chargé d'affaires added.

Local experts are confident that unless some decisive action is taken to bring to light the real causes of both explosions and to identify responsible organizations or individuals, the situation may spin further out of control. In an interview to the opposition-run newspaper *Respublika*, political scientist Rasul Zhumaly noted that the number of Kazakh citizens who have been educated at religious schools and universities in Pakistan, Saudi Arabia and Egypt is constantly on the rise. He also named two potential spots of instability in the south and the west of the country. "These regions are prone to a series of disturbing phenomena: sectarian activities, uncontrolled education of young people abroad, and high unemployment".

AZERBAIJAN RELEASES IMPRISONED JOURNALIST

Mina Muradova

Just two days after Amnesty International launched its Twitter campaign to call for the release of the journalist and editor Eynulla Fatullayev, his name was included in a list of prisoners to be pardoned ahead of the 93rd anniversary of the founding of the Azerbaijan Democratic Republic. Human rights activists in Baku believe that the release of Fatullayev is connected with Azerbaijan's victory in the Eurovision song contest two weeks ago and numerous subsequent calls to improve the country's human rights record ahead of hosting the event next year.

This year the UK branch of Amnesty International celebrated its 20th annual Media Awards Ceremony, recognizing excellence in human rights journalism. During the event, over 70 leading UK journalists took part in a twitpic action launched on behalf of Fatullayev, who was the winner of the 2009 Special Award for Journalism Under Threat.

The action targeted Azerbaijan's President Ilham Aliyev's twitter account, calling to release the journalist who had been imprisoned since 2007 on a series of charges, including defamation, terrorism, tax evasion and incitement to ethnic hatred. Since then, diplomats, local and international civil and human rights activists and journalists have constantly campaigned for his release. When President Aliyev signed the pardon decree on May 26, over 700 Amnesty supporters throughout the world had joined the campaign for Fatullayev's release.

Supporters portrayed Fatullayev as a prisoner of conscience, jailed for the publication of articles critical of the government. As the editor of the now defunct newspapers *Realny Azerbaijan* and *Gündalik Azarbaycan*, Fatullayev was imprisoned shortly after publishing a piece highly critical of the official probe into the murder of his former boss and editor, Elmar Huseynov. Following a series of charges, Fatullayev was jailed and sentenced to eight and a half years in prison.

Even though the European Court of Human Rights (ECtHR) ordered his immediate release in March 2010, Azerbaijani authorities continued to hold Fatullayev in prison on a new conviction for drugs possession. In a statement regarding the launch of the social media campaign, Amnesty international stated that "We firmly believe that all the charges against Eynulla have been fabricated to silence his critical reporting of the Azerbaijani government, and that Eynulla is a prisoner of conscience".

After his release, Fatullyayev said that his pardoning was unexpected. Expressing happiness to be free, he affirmed his intention to continue his journalism career. In an interview to the newspaper *Zerkalo*, Fatullayev said "I was arrested in one country, but freed in another country. The situation has changed, that time there was a different regime. Glamorous authoritarianism has been replaced by cruel despotism".

Fatullayev's release did not put an end to the problem of political prisoners in Azerbaijan. In recent weeks courts have convicted two social media activists, Jabbar Savalanli and Bakhtiar Hajiyev, for drug possession and draft evasion in cases described by human rights organizations as "clearly politically motivated prosecutions". Both youth activists had used Facebook and other social media to criticise the authorities and call for public protests. Observers believe that these arrests were attempts by the authorities to prevent Middle East-type protests from spreading to Azerbaijan.

"These are two fresh examples of the government's efforts to silence critical voices", said Rachel Denber, acting Europe and Central Asia director at Human Rights Watch. "It is shocking that a Council of Europe member is getting away with such blatant repression".

Savalanli, a 20-year-old activist of the opposition Popular Front Party, is an active social media user and had posted several highly critical comments of

the Azerbaijani leadership and called on it to resign. Human rights activists and international observers expressed concern that the charges were unfounded and had been brought in retribution for his political opposition to the government. An Azerbaijani court sentenced Savalanli to two and a half years in prison on May 4. A forensic narcotics examination conducted by state officials on Savalanli stated that no signs of drug dependency could be identified but could not exclude the possibility that he had used drugs. Savalanli's lawyer's request of a further independent examination was denied.

Bakhtiar Hajiyev, a Harvard University graduate and a member of the youth movement "Positive Change", was arrested in advance of a protest planned for March 11 that he actively promoted through social media. He was sentenced to two years for evading military service. His lawyer noted that the police severely beat Hajiyev while in custody and that the prosecutor's office failed to investigate his complaint about the abuse.

On May 12, the European Parliament passed a resolution expressing "deep concern at the increasing number of incidents of harassment, attacks, and violence against civil society and social network activists and journalists in Azerbaijan". It strongly deplored the "practice of intimidating,

arresting, prosecuting and convicting independent journalists and political activists on various criminal charges", and called on the authorities to release all members of the opposition, youth activists, and bloggers in custody.

Local human rights activists have urged President Ilham Aliyev to release all political prisoners ahead of next year's Eurovision Song Contest in Baku.

U.S. Ambassador to Azerbaijan Matthew Bryza called the release of Fatullayev "a demonstration of extremely positive changes ... What can be a better start for the preparation process for Eurovision-2012 in Baku?", Bryza told journalists on May 27.

On May 26, over 30 representatives of Azerbaijan's civil society issued an open letter addressed to President Aliyev. Drawing attention to the fact that hosting the 2012 Eurovision contest in Baku will imply close scrutiny of the human rights situation in the country, they urged Aliyev to take major steps to reduce social tensions in society. "This is the alarming background situation against which Eurovision 2012 will be held in Baku. We draw your attention to the tense human rights situation in the country, including violations of freedom of speech, assembly and association, and especially the issue of political prisoners", the appeal read.

POLITICAL MOBILIZATION ALONG DAGESTAN'S ETHNIC DIVISIONS

Olof Staaf

On May 29, the village of Terekli-Mekteb in the Nogaysky District of Dagestan hosted a congress dedicated to the problems of the Nogai people living in Russia. The delegates of the congress demanded that a decree, issued by the Supreme Soviet in 1957, should be declared unconstitutional since it divided the traditional territory of the Nogai people between Dagestan, Chechnya, the Astrakhan Oblast, and the Stavropol Krai. The congress also proposed the creation of a committee to discuss the establishment

of a new administrative-territorial unit in the Nogai people's historical homeland.

The Turkic-speaking Nogais are descendants of the Golden Horde and according to the 2002 census, there are approximately 90,000 Nogais living in Russia. Historically, they have lived nomadic lives in the lowlands of Dagestan and the neighboring republics. However, harsh socio-economic conditions have resulted in considerable migration to other parts of Russia and nowadays a significant

part of the population works in the oilfields of Western Siberia and Yakutia. Moreover, the conflicts over land originating from the migration or resettlement of highlanders to the Nogai steppe during the Soviet era are still affecting the Nogais in the region and the question of land ownership was addressed at the congress. However, the key issue of the congress had to do with the Municipality's and the Republic's plans of letting the American company AMITY Technology build a sugar beet plantation in the district. Even though the impoverished region is in desperate need of large scale foreign investments, the fact that the 100,000 hectare plantation would require almost half of the arable land in the district is dissatisfying the Nogais.

500 people were reported to have participated in the congress. Besides Nogais from different parts of Russia, Dagestan's Minister for national policy and members of organizations representing other ethnic groups were in attendance. The Nogaysky authorities initially declared the congress illegal and tried to stop participants from entering. However, the head of the district later appeared at the congress where he responded to allegations of nepotism and defended his plans of turning the district into a major sugar producer.

It is very unlikely that the Nogais will manage to get their own autonomous district, but if the legitimacy of the local and federal authorities keeps falling, the Nogai congress may become part of an incipient political trend towards more mobilization along the numerous ethnic lines of Dagestani society. In other, less multi-ethnic, parts of the Northern Caucasus, ethno-nationalism has become a potent force. Nonetheless, the Dagestanis still appear reluctant to destabilizing their complex system of ethnic balance and in Dagestan, radical Islam has proven a much stronger unifying force than ethnicity.

Nevertheless, the group of Dagestani Avars, who lives in the Khrakh-Uba enclave in Azerbaijan,

protested in Makhachkala on May 18 as well as May 23. The Khrakh-Uba Avars claim that Azerbaijani authorities are pressuring them to renounce their Russian citizenships and criticize Dagestani and Federal Russian authorities for being unwilling and incapable of helping them resettle in Russia.

A somewhat similar case is that of the Didos, who once again voiced their demands of ethnic recognition in May. The Dido people lives along the border of Georgia and, much like the Nogaysky district in the north, that part of Dagestan has been largely ignored by the republic's central government. While the Dido are one of fourteen smaller linguistically independent groups who are administratively considered to be Avars, they oppose this and seek to maintain their own distinct ethnicity. As a means to that end, their previous spokesperson Magomed Gamzatov turned to the Georgian government for help in promoting their ethnic identity. Since this happened in December 2010, Gamzatov's sudden death in February 2011 naturally led to numerous speculations.

On April 12, representatives of the Avars, which is the largest ethnic group in Dagestan, announced the cultural autonomy of the Avar nation. The newly elected head of the new congregation explained the proclamation by stating that the purpose is to promote Avar language and history.

Finally, on May 16, the National Movement of the Kumyks held a congress at the Tarki Tau Mountain outside Makhachkala. The Kumyk congress also focused on the strengthening of their language and the importance of historiography as justification for territorial claims was discussed. The Kumyks are the third largest ethnic group in Dagestan and, like the Nogais, they speak a Turkic language and live on the plains and foothills of the Caucasus Mountains. The Kumyks generally consider themselves to be underrepresented within the Dagestani leadership and in April, large numbers of Kumyks demonstrated in support of more Kumyk influence over Makhachkala's gas business.

NEWS DIGEST

KYRGYZ BARS HEAD OF ETHNIC CLASHES PROBE

26 May

A Finnish politician who led an international commission to investigate deadly ethnic clashes in Kyrgyzstan last summer was barred from the country Thursday because officials believe his report was biased. The ex-Soviet nation's parliament overwhelmingly backed a resolution to ban Kimmo Kiljunen. The parliament said in a statement that the report written by Kiljunen's team is an incitement to racial hatred and endangers the national security of Kyrgyzstan. Kiljunen's report is "biased, one-sided, does not contribute to peace, stability and serve to prevent further conflict," the statement said. Out of the 96 deputies present in parliament, all but one voted in favor of the resolution declaring Kiljunen *persona non grata*. Around 470 people, mainly minority ethnic Uzbeks, were killed in June 2010 in southern Kyrgyzstan. Kiljunen's report includes sharp criticism of the security forces' handling of the unrest and also said some military officers handed out weapons to Kyrgyz mobs who attacked Uzbeks. Kiljunen criticized the ban. "I can only say that the truth seems to add to the agony," Kiljunen told The Associated Press in Helsinki. "We've produced an honest account of the events and analyzed them objectively. Some circles of power seem not willing to face the facts." Kiljunen stressed that Kyrgyzstan's government — unlike the parliament — agrees with the report's recommendations and conclusions though it has also criticized some of the report's interpretations. He added that the United Nations, European Union and U.S. have received the report positively.

The international inquiry was set up at the request of the Kyrgyz government as a measure intended to demonstrate transparency and willingness to address some of the problems at the root of the violence. The past year has seen a notable rise in nationalism in Kyrgyzstan, however, and the KIC report is seen by many officials as a slur against ethnic Kyrgyz that fails to significantly address perceived ethnic Uzbek culpability in the violence. As well as criticizing inaction, the KIC also suggested that attacks by Kyrgyz mobs on Uzbek neighborhoods "if proven beyond reasonable doubt in a court of law, would amount to crimes against

humanity" — an assertion that has caused notable discomfort in the country. (AP)

U.S. OFFERS REWARD FOR CHECHEN BIN LADEN

26 May

Washington said it was offering a \$5 million reward for information leading to the location of Doku Umarov, described as Chechnya's Osama bin Laden. The U.S. State Department said Thursday it wanted information on Umarov, the leader of the Caucasus Emirate movement. Umarov claimed responsibility for the 2010 bombing of a Moscow subway station that killed 40 people. Russia's predominantly Muslim North Caucasus republics Chechnya, Dagestan and Ingushetia have seen an upsurge of violence recently. Russia has been fighting the insurgency for many years following two bloody conflicts in Chechnya in the 1990s. The State Department accused Umarov's group of launching terrorist attacks in the region and issuing statements encouraging violence against its stated enemies, which includes the United States, Russia, the United Kingdom and Israel. He was listed as a specially designated terrorist by the State Department in 2010. Leaders of the Chechen republic suggested Umarov was among those killed in an April raid. However, a man who said he was Umarov later said in a phone call to Radio Free Europe/Radio Liberty that he was alive and well. "There was an operation in which several mujahedin died," the man said. "My death was announced, too. They won't receive any respite from me. I'm preparing my answer to them. They should expect news from me soon." (UPI)

TURKMENISTAN 'SETTING UP SPACE AGENCY'

31 May

The isolated ex-Soviet state of Turkmenistan has set up its own space agency with a presidential decree, local media said on Tuesday. The agency aims "to ensure the implementation of scientific achievements in the national economy and to supervise future space exploration," said a decree signed by President Gurbanguly Berdymukhammedov.

The decree published in the state-run newspaper *Neitralny Turkmenistan*, or *Neutral Turkmenistan*,

did not specify who would head the new agency in the gas- and oil-rich Central Asian state. Turkmenistan, a largely desert state with a population of five million, has reportedly been in talks with potential partners to launch its first telecommunications satellite to boost its television and Internet network. Under the eccentric late president Saparmurat Niyazov, Turkmenistan sent a container into space in 2004 from Russia's Baikonur cosmodrome. Inside was a national flag and the Ruhnama, a book written by the leader. (AFP)

TURKMENISTAN ADOPTS NEW LAW ON PRESIDENTIAL ELECTION

1 June

Turkmen media have announced the adoption of a new law on presidential elections. According to the new law, a presidential candidate must have the backing of a political party or collect 50,000 signatures to register and compete. Reports did not mention that there is only one registered political party in the country -- the Democratic Party of Turkmenistan, formerly the Communist Party of the Soviet Socialist Republic of Turkmenistan -- which is led by current President Gurbanguly Berdymukhammedov. The publication of the new law on June 1 could be an indicator that Turkmenistan will go ahead with scheduled presidential elections in 2012. The previous president Saparmurat Niyazov was elected only once in 1992 and ruled until his death in December 2006. The announcement of the new law comes on the eve of a visit by Audronius Azubalis, Lithuania's foreign minister and currently the OSCE chairman-in-office. (RFE/RL)

SOKHUMI SAYS RECOGNIZED BY VANUATU

1 June

The small island state of Vanuatu in the middle of the South Pacific Ocean has recognized independence of Abkhazia, the latter's foreign ministry said. The foreign ministry of breakaway region released a joint statement, dated with May 27, "on the establishment of diplomatic relations between Republic of Abkhazia and Republic of Vanuatu". "The establishment of diplomatic relations between two countries is governed by the realities of the modern geopolitical world where mutually beneficial cooperation will be built through development of economic cultural and other relations between the peoples of Vanuatu and

Abkhazia," the statement reads. Vanuatu with total land area of 12,190 square km has the population of less than 250,000. Its economy is mainly based on small-scale agriculture; fishing; offshore financial services and tourism. Before the most recent announcement Abkhazia, along with Georgia's second breakaway region of South Ossetia, was recognized by Russia, Nicaragua, Venezuela and by the smallest island nation of Nauru. The statement was first made about the recognition by Vanuatu by the breakaway region's foreign minister Maxim Gvinjia in an interview with the Russia's English-language TV Russia Today on May 31, which was immediately picked up by the Russian news wires. The news was also reported by The New York Times on its website on May 31 and next day in its print version saying that "the government of Vanuatu, which is in an economic slump, said in a statement that recognition was intended to 'foster the development of friendly relations' and explore joint economic projects." The Georgian Foreign Ministry has not yet reacted to the reported recognition of Abkhazia by Vanuatu. Davit Bakradze, the Georgian parliamentary speaker, said on June 1, that "whether the report is confirmed or not, it will not change anything." He said that all the leading world nations were committed to Georgia's territorial integrity. (Civil Georgia)

AZERBAIJANI FM MEETS REPRESENTATIVES OF WORLD MEDIA

2 June

Baku, June 2 As a part of his visit to the United States, Azerbaijan's Minister of Foreign Affairs Elmar Mammadyarov met with representatives of Tompson Reuters, CNN, Associated Press, Inner City Press and Summit Energy. The minister provided information about main priorities of Azerbaijan's foreign policy. Mammadyarov also touched on economic achievements of the country. The chief diplomat said his country is "active" participant of regional projects and initiated various international projects. He also updated journalists on the negotiation process over the Nagorno-Karabakh conflict between Armenia and Azerbaijan. Mammadyarov said the United Nations Security Council's four resolutions demanding withdrawal of Armenian armed forces from occupied territories still remain unfulfilled by Armenia. On the Azerbaijan-US relations, the minister said the countries enjoy "effective" cooperation. Mammadyarov said Azerbaijan was nominated for non-permanent

membership of UN Security Council for 2012-2013, informing about advantages of Azerbaijan's nomination. (AzerTAc)

AZERBAIJAN FILES NOTE OF PROTEST TO EGYPT

1 June

It was identified that "Vodafone Egypt" mobile communication company of Egypt was cooperating with "Karabakh Telecom" company which is illegally functioning in Azerbaijan's occupied territories in the roaming sphere.

According to the press service of Azerbaijan's Ministry of Foreign Affairs, a note of protest was filed by the Azerbaijani embassy in Cairo to Egypt's Foreign Ministry and meetings were held with officials of the Ministry. Noting that the cooperation between "Vodafone Egypt" and "Karabakh Telecom" contradicts the principles of international law and leading documents of the International Telecommunication Union, stopping it was asked.

In response to the embassy's appeal, the Egypt's Ministry of Foreign Affairs informed on May 29 that cooperation between "Vodafone Egypt" and "Karabakh Telecom" was stopped. (AzerTAc)

CHINA-KAZAKHSTAN COOPERATION CENTER TO OPEN IN JULY

2 June

The China-Kazakhstan Horgos International Border Cooperation Center will become operational on July 1, providing a transnational market place for citizens from China, Kazakhstan and third countries to negotiate business and trade. Chinese citizens with the second generation identity cards can enter the cooperation center for trading after obtaining passes, said Liang Xinyuan, the executive deputy director with the Administration Committee of the Horgos Special Economic Development Zone. "Citizens of China, Kazakhstan and third countries can have a single stay within the center for 30 days," Liang added. The China-Kazakhstan Horgos International Border Cooperation Center is a transnational cooperation zone initiated by leaders of China and Kazakhstan, and a demonstration area of regional cooperation under the framework of the Shanghai Cooperation Organization (SCO). The center covers 3.43 square km in China and 1.85 sq km in Kazakhstan. A total of 880 million yuan had been spent in the construction of the cooperation center since the project began in 2007. The center is designed for business negotiations, commodity

displays and sales, storage, transportation, financial services and holding international trade fairs. (Xinhua)

AZERI DEFENSE MINISTRY SAYS ARMENIA MAKING WAR INEVITABLE

4 June

Azerbaijan's defense ministry was quoted Saturday as saying Azeri troops would eventually be sent to seize back the Armenian-backed breakaway territory of Nagorno-Karabakh. Russia's Interfax news agency said the ministry accused Armenia of repeatedly obstructing talks to resolve the dispute, which in the past two years has seen the worst skirmishes since a 1994 ceasefire. The comments came only weeks before the presidents of Russia, Armenia and Azerbaijan were scheduled to meet in the Volga river city of Kazan as part of efforts to settle a major source of instability in an oil and gas transit zone. "Eventually, Azerbaijani soldiers will meet the expectations of the people, the government, and the supreme commander-in-chief and will liberate the occupied land from the enemy," Azeri defense ministry spokesman Eldar Sabiroglu told a news conference, according to Interfax. In a separate report, the agency cited an Armenian defense ministry press officer who accused the Azeris of "preparing ground for new provocations" by disseminating misinformation. The two southern Caucasus countries fought a six-year war over the territory which broke away from Muslim Azerbaijan with the help of Christian Armenia during the collapse of the Soviet Union. The mountainous territory, and considerable lands around it, were wrested entirely from Baku's control. Azerbaijan's President Ilham Aliyev, who has ramped up his country's military power with recent arms deals, has said Azerbaijan is willing to go to war with Armenia to reclaim Nagorno-Karabakh. (Reuters)

DETAINED KAZAKH OIL WORKERS GO ON TRIAL

6 June

Hundreds of striking Kazakh oil workers have gathered in the western city of Aqtou to support 30 colleagues on trial for taking part in an "unsanctioned mass gathering," RFE/RL's Kazakh Service reports. Mukhtar Umbetov, head of the local trade union alliance, told RFE/RL that 37 of the hundreds of striking oil workers from the Qarazhanbasmunai Oil Company were arrested in Aqtou on June 5 when police forcibly dispersed

demonstrators. Seven of the detainees were released later that day. The trial of the remaining 30 began on June 6. Two of the protesters slashed their stomachs during the June 5 standoff with police and have since been hospitalized. The Prosecutor-General's Office announced that the police action in Aqtau was legal. The march was called to express worker dissatisfaction with the results of their meeting with regional governor Qyrymbek Kosherbaev on June 3.

They also demanded the rehiring of all workers fired for participating in the strike and the immediate release of jailed union activist Natalya Sokolova, who had provided them with legal assistance. Sokolova was found guilty on May 24 of "organizing an unsanctioned mass gathering" in front of police headquarters in Aqtau on May 21 and sentenced to eight days in jail. Her sentence was to have ended on June 1, but local authorities have not released her and say she has since been charged with "igniting social hatred."

U.S. BACKS CASPIAN GAS PIPELINE

6 June

The Obama administration told Congress that it strongly supported a Southern Corridor pipeline to bring natural gas from the Caspian region to Europe, which would reduce the role of Russian supplies. "From the standpoint of U.S. policy goals, the best outcome is one that brings the most gas, soonest and most reliably, to those parts of Europe that need it most," Richard Morningstar, U.S. energy envoy for the Eurasian region, told a House Foreign Affairs subcommittee late last week. Three pipeline consortiums are competing to bring natural gas from Azerbaijan's Shah Deniz gas field to Europe, and the investment decisions to make that possible should be made by the end of this year, Morningstar said. However, the United States does not want the pipeline to move gas from Iran, Morningstar reiterated. Morningstar said the United States faces a difficult decision if it chooses to sanction the Shah Deniz gas project because a subsidiary of Iran's national oil company owns 10 percent of the operation. He said Iran would probably benefit if the project were hit with sanctions, because Iran needed gas. "It's a serious policy issue," he said. (Reuters)

AZERI-JORDANIAN DEFENSE LINKS GROW

6 June

Azerbaijan's Defense Industry Ministry and Jordan's NP Aerospace Jordan company have

formed a joint venture for body armor components. The arrangement provides for a joint venture to manufacture of body armor and reinforced helmets, Trend news agency reported Monday. NP Aerospace Jordan Executive Director Nabil Issa signed the agreement on behalf of Jordan with his Azeri counterpart, Radioqurasdirma factory Director Ramiz Mammadov.

The contract stipulates that production of the equipment will be shared between the countries, with certain components of the body armor manufactured in Jordan and the remainder in Azerbaijan. NP Aerospace Jordan is to supply Azerbaijan's Radioqurasdirma facility with an initial order of 15,000 units of composite materials for the production of helmets and ceramic plates and an additional 12,000 units for the production of the body armor.

The agreement provides for Azeri specialists to be trained in Jordan to manufacture body armors and helmets, with production to begin next year. (UPI)

THE KYRGYZ PREMIER TO VISIT

TASHKENT LATE JUNE, 2011

6 June

The Premier Almazbek Atambayev will visit Tashkent late June, 2011 as Aksakal news agency reports, 24.kg reported. Reportedly, the Kyrgyz Premier will visit Uzbekistan to discuss the issue on gas tanks located on the border near Nothern Sokh and Chongara-Galcha. The gas tanks were created during the Soviet era and now countries are arguing who must use them as they located on the border. To date Uzbekistan is using them. Recall that the Kyrgyz Parliament adopted the resolution in May 2011. According to the resolution the gas tanks must be transferred to Kyrgyzstan. (24.kg)

KAZAKHSTAN DEPORTS UIGHUR TO CHINA, RIGHTS GROUPS CRY FOUL

7 June

Kazakhstan has extradited an ethnic Uighur schoolteacher who had been granted UN refugee status to face charges of terrorism in China, a diplomat said today, drawing condemnation from rights groups who said the case was politically motivated. Activists have criticised Kazakhstan's decision to deport Ershidin Israil, saying he could suffer harsh treatment and even torture in China. Kazakhstan said China had agreed that the death penalty would not be applied. "Israil has been extradited to the People's Republic of China," Ilyas Omarov, press secretary for the Kazakh Foreign

Ministry, said. He said the handover had been made at the request of Interpol and had happened on May 30. "The Chinese side gave written guarantees that Israil would not be executed," the diplomat said. The Turkic-speaking Muslim Uighur people are native to China's far western region of Xinjiang, which is strategically located on the borders of Central Asia. Many of Xinjiang's 8 million Uighurs resent the growing presence and economic grip of the majority Han Chinese. Israil, who holds a Chinese passport, was arrested in Kazakhstan's financial capital Almaty on June 24 last year on terrorism charges, following a request from Interpol, Omarov said.

On June 8, 2010, Israil had officially applied for refugee status in Kazakhstan. At the time, he held a refugee mandate issued by the United Nations High Commissioner for Refugees (UNHCR). "Taking into account Israil's confessions on his role in a terrorist act in China's Xinjiang and ... his possible complicity in preparing a terrorist act in July 1997, the (migration) commission turned down (on September 9, 2010) his request to obtain refugee status in Kazakhstan," Omarov said. "Granting Israil shelter in Kazakhstan, as well as in any third country, would pose a threat to the security of Kazakhstan and other countries." The exiled World Uyghur Congress said Israil had fled Xinjiang in 2009 after providing information to Radio Free Asia about the death of another Uighur man. That year, Uighurs rioted against Han Chinese residents in Xinjiang's regional capital Urumqi, killing at least 197 people, mostly Han. "Israil's deportation appears to be based on accusations by the Chinese authorities of his involvement in 'terrorism,'" Human Rights in China said in a statement. "Such accusations, however, were levied against Israil after he allegedly released details of the September 18, 2009 beating death of ethnic Uyghur Shohret Tursun, who had been detained by Chinese authorities following the Urumqi riots," it added. China's Foreign Ministry did not respond to a request for comment. Omarov said that after studying Israil's case, the UNHCR annulled on May 3 its refugee mandate issued to Israil. (Reuters)

ASTANA HOSTS SEVENTH WORLD ISLAMIC ECONOMIC FORUM

7 June

Astana opened the seventh World Islamic Economic Forum (WIEF) on Tuesday. The WIEF theme is "Globalising Growth: Connect, Compete, Collaborate" in a bid to mobilize the Muslim and

non-Muslim nations towards greater economic independence through open channels of communication and strategic cross-border partnerships. The Seventh WIEF will be preceded by the Businesswomen and Young Leaders Forums, which will officially open together with the WIEF Exhibition by Kazakh Prime Minister Karim Masimov. The Seventh WIEF will feature Forum highlights including the leadership Panel to discuss entrepreneurship as a vehicle of growth, a signature 'Countries in Focus' Session showcasing business, trade and investment opportunities in developing OIC countries and Parallel Sessions covering Islamic banking, infrastructure development, SMEs ecosystem and alternative energy. The event is first held in Central Asia. More than 150 prominent Kazakh and foreign speakers will attend the forum, while the total number of participants is roughly 2,000 people. President of Djibouti Ismail Omar Guelleh, Vice President of Indonesia Boediono, Prime Ministers Najib Razak of Malaysia, Akil Akilov of Tajikistan, Vice Premiers Roz Nouri Shawis of Iraq, Omurbek Babanov of Kyrgyzstan, IDB President Ahmed Mohammed Ali, ex-Premiers of Lebanon, Pakistan, Malaysia, the Netherlands, Ministers of Finance of Saudi Arabia and Jordan, Economic Affairs Ministers of UAE, Turkmenistan and Azerbaijan will attend the Forum this year. The WIEF, the main annual economic summit of OIC member states and the so-called "Islamic Davos", was first held on Oct.1-3, 2005, in Kuala Lumpur (Malaysia) under the motto "Forging New Alliances for Development and Progress". The WIEF working body is the Secretariat, which meets twice a year. The Secretariat headquarters is located in Kuala Lumpur (Malaysia). (Trend)

TURKEY DUNS TURKMENISTAN FOR \$1BLN **7 June**

Turkish President Abdullah Gul met with his counterpart in Turkmenistan last week for urgent talks thought to be related to \$1 billion in outstanding bills owed to Turkish construction companies that have revamped the capital city. Turkish companies have played a leading role in transforming this old sleepy post-Soviet backwater into a city of soaring marble-clad government offices and apartment blocks. But a report last month by risk analyst D&B said 25 Turkish firms are preparing to take legal action against Turkmenistan over the hitherto unexplained nonpayment.

Turkish media reported that Gul's visit is aimed at recovering the debt and heading off complaints to the International Center for Settlement of Investments Disputes, or ICSID. Several Turkish businessmen said they believed it to be the central issue of Gul's visit, speaking on condition of anonymity for fear of imperiling their investments in the tightly controlled Central Asian nation. Gul himself was coy on the nature of the visit, but warned what was at stake before setting out. "With my visit, we will be reviewing all aspects of our cooperation in the fields of economy, trade, energy, investments and education," Gul said.

"Turkmenistan is the country where Turkish businessmen have undertaken the largest number of projects in Central Asia," he said, adding that Turkish companies have developed projects worth \$21 billion since Turkmenistan gained independence in 1991. Turkey's daily newspaper *Hurriyet* reported in April that the Turkmen government was refusing to pay Turkish companies \$1 billion owed for building work. It also said Gul, who is known to take a close interest in Turkish investors abroad, had scheduled a trip to discuss the issue with Turkmen officials. Foreign companies based in Turkmenistan, run as an opaque and authoritarian fiefdom since independence, are normally highly reluctant to publicize problems with the government. Turkish builder Ickale Insaat broke ranks late last year, however, when it filed a complaint against the country with the ICSID. "More are to follow," said Ozan Ickale, of the Ankara-based builder. "The Turkish companies are slowly all seeking their rights through arbitration." He said a number of Turkish contractors have been jailed in Turkmenistan or are barred from leaving the country "for simply seeking their rights." Ickale itself is owed over \$50 million, he said. "Not only have we stopped our activities, but we were lucky to have come out of there," he said. Ickale said the Turkish government has promised to help them. He said he did not know if the president was expected to discuss their grievances in Turkmenistan. Ickale said three other companies had cases pending at the ICSID. (The Moscow Times)

TURKEY TO PRODUCE ARMAMENTS FOR AZERBAIJAN

7 June

Turkey's Roketsan company will produce jet projectiles for Azerbaijan's armed forces. Roketsan Director General Huseyn Baysak told the *Informatsionnoe agentstvo Azeri* press about the

contract, the news agency reported Tuesday. Baysak said his firm will start producing the munitions this year, with delivery scheduled for early 2012. Baysak said of his dealings with Azeri military: "At the same time, we continue meetings on joint production with the (Azeri) Ministry of Defense Industry. The first principled protocol of understanding was signed within the framework of the International Defense Exhibition and Conference in Abu Dhabi. Activities are being continued to sign the relevant contract and I think that we will sign this contract within this year." Baysak said that, together with Azerbaijan's Ministry of Defense industries, Roketsan will also produce rocket launchers similar to Sakarya multiple-rocket launchers. He said: "Our discussions are being continued. I think it will be possible soon." Baysak stated that added that Roketsan will produce engines for missiles currently in Azerbaijan's arsenal in a joint venture with Azerbaijan. (UPI)

UK TO SEND SECURITY ADVISER TO GEORGIAN DEFENSE MINISTRY

7 June

The UK will send its security adviser to the Georgian Defense Ministry. The agreement was reached during a meeting between Georgian Defense Minister Bacho Akhalaia and British International Security Strategy Minister Gerald Howarth, the Georgian Defense Ministry told Trend. The meeting was also attended by Deputy Defense Minister Nodar Kharshiladze and the Chief of Joint Staff Devi Chankotadze. The meeting discussed deepening of relations in various spheres, including the training of military personnel, the Defense Ministry said. Howarth said Georgia remains the UK's important friend. In Afghanistan, the Georgian and British soldiers are fighting side by side. He thanked the Georgian military for the sacrifice that they make to preserve security and stability in the world. "I am glad to visit Georgia. I want to stress that the UK supports Georgia in its integration into Euro-Atlantic structure. The UK will continue to support Georgia in the reforms to join NATO," Howarth said. (Trend)

U.S. SENATE REPORT: AFGHANISTAN COULD FACE ECONOMIC CRISIS AFTER

2014

8 June

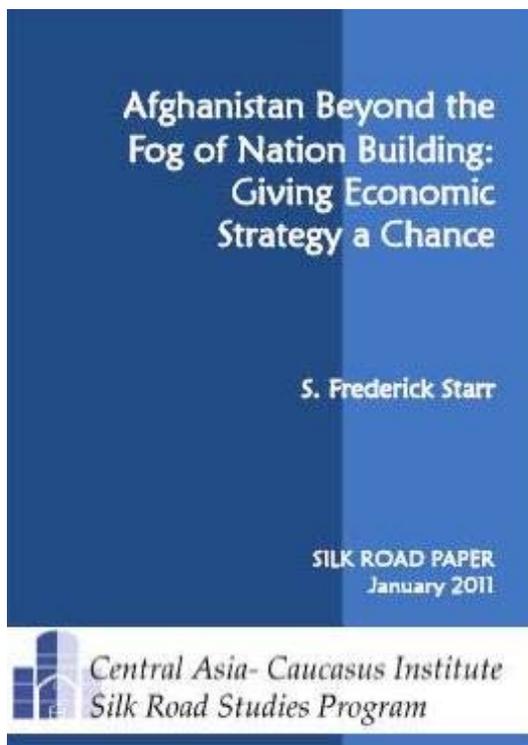
A new U.S. congressional report warns that Afghanistan could face a deep financial crisis after foreign troops leave as scheduled in 2014, unless more success starts being achieved now with foreign aid dollars. The report was completed after two years of study by members of President Barack Obama's Democratic Party who serve on the Senate Foreign Relations Committee. The report says U.S.-backed stabilization programs in Afghanistan have had limited success, despite about \$18.8 billion being spent over 10 years -- more than for any other country, including Iraq. The report says that misspent foreign aid can result in corruption, distort markets, and hamper the ability of Afghanistan's government to control resources. The report says that 97 percent of the gross domestic product in Afghanistan is linked to spending by the international military and donor community. The report says "Afghanistan could suffer a severe economic depression when foreign troops leave in 2014 unless the proper planning begins now." (RFE/RL)

OBAMA REGRETS AFGHAN CIVILIAN LOSSES

8 June

U.S. President Barack Obama voiced regret for civilian deaths in Afghanistan to Afghan President Hamid Karzai Wednesday, the White House said. The two leaders spoke for about 90 minutes by video teleconference and "agreed that every loss of

civilian life is a tragedy and undermines our mission that focuses on protecting the population," Obama press secretary Jay Carney said. "The president expressed his sorrow over tragic civilian casualties, most recently in Helmand province," Carney said. "Both leaders noted that the Taliban are responsible for the great majority of civilian losses, and agreed that every loss of civilian life is a tragedy and undermines our mission that focuses on protecting the population." Carney said Obama and Karzai "agreed to maintain their close consultations going forward." Karzai has been increasingly critical of NATO raids that kill non-combatants. The White House said both presidents agreed the Taliban are to blame for most of the carnage. Obama and Karzai also discussed "the impact of the death of Osama bin Laden on the fight against terrorism and on regional dynamics, their shared commitment to Afghan-led reconciliation ... and transition to Afghan leadership for security," the White House said. Carney said Obama and Karzai also talked about "the process of transition to an Afghan lead" in military operations but did not discuss specific numbers of U.S. troop withdrawals that could begin next month. "As you know, and it remains the case, the president has not made a decision yet about the pace and scope [of troop withdrawals]," Carney said. "He's obviously going to be having discussions with his team in the coming days and weeks about that matter and will make his decision soon, as he said the other day." (UPI)



New Silk Road Paper:

Afghanistan Beyond the Fog of Nation Building: Giving Economic Strategy a Chance

By S. Frederick Starr

This Silk Road Paper discusses U.S. policies in Afghanistan and provides recommendations for the development of a comprehensive economic strategy.

The Silk Road Paper can be downloaded free at www.silkroadstudies.org. Hardcopy requests should be addressed to Paulette Fung at caci2@jhu.edu.