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

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Submission Guidelines:

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

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

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

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

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

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

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

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CONCERNS OVER URMIA LAKE BOOSTS NATIONALISM AMONG AZERBAIJANIS IN IRAN

Emil Souleimanov

Mass demonstrations of ethnic Azerbaijanis protesting the drying up of Lake Urmia in northwestern Iran, the Middle East's largest water reservoir and the third largest salt-water lake in the world, recently struck the cities of Iranian Azerbaijan. Although information from the region is scarce, numerous reports state that hundreds of protesters have been beaten, arrested and mistreated by Iranian police and security forces. Additionally, new clashes have taken place between supporters of the Tehran-based Esteghlal and the Tabriz-based Tractor Sazi football club (TSFC) with the latter raising Urmiye-related claims alongside their longtime demands for establishing school education in Azerbaijani Turkish.

BACKGROUND: Environmental protests have been on the rise since August following the Iranian parliament's refusal to accept an emergency rescue plan for reviving Urmia, a lake that has the status of a UNESCO biosphere reserve. Indeed, this extremely salty lake with its unique flora and fauna could be facing a large-scale environmental catastrophe resembling the fate of Central Asia's Aral Sea. This is a result of Tehran's recent policies of building numerous dams on more than 20 tributaries feeding into the lake, which has in turn reduced the depth of the lake by around two thirds to less than 2 meters. The government's plan to build a bridge connecting the cities of Tabriz and Oroumiye across the lake has further worsened its ecological situation.

During football matches that took place shortly after the parliament's decision, dozens of TSFC fans were arrested for protesting the Iranian government's failure to take measures to save the lake. In spite of the routine detainments of environmental activists and ordinary protesters, several thousands of ethnic Azerbaijanis took to

the streets of Tabriz, Oroumiye, and other cities of Iranian Azerbaijan on August 27 and September 3; and more demonstrations are expected. These peaceful protests were crushed by large contingents of Iranian police and security forces using repressive means such as tear gas and firing metal bullets. According to local sources, the number of detainees has reached a thousand people with many dozens of protesters injured and at least one killed.

In the meantime, violence occurred during a football game between TSFC and Esteghlal in Tehran on September 9, in which the TSFC's victory placed it among the leaders of the Iranian playoff. Intriguingly, before the game started, the authorities took measures to prevent thousands of TSFC supporters from entering the stadium. The authorities had received reports about the intention of TSFC supporters to articulate politically flavored demands during the match, related to the apparent unwillingness of the regime to save the lake. Those who managed to attend the game still used the opportunity to chant slogans related to Urmia and condemning the



authorities, which brought about the clashes with security forces.

IMPLICATIONS: The increasingly vocal demands of Azerbaijanis, Iran's by far largest ethnic community making up around a quarter of the country's multiethnic population, have recently attracted the attention of observers of the region (see the 10/27/2010 issue of the CACI Analyst). It has been argued that the younger generation of Iranian Azerbaijanis has increasingly come to identify along the lines of secular ethnic nationalism, thereby embracing the notion of their Turkic identity and reducing the commitment to Iranian statehood, which is anchored heavily in religion.

Importantly, this development has taken place alongside increasing numbers of violent

incidents with Azerbaijanis on one side and Iranian police and security forces on the other being reported across the country. For instance, concerned over the dramatically growing scope of Azerbaijani nationalism aired during TSFC games, the authorities have started to limit the numbers of predominantly Azerbaijani TSFC supporters attending its games. During the frequently occurring racial and nationalistic clashes between Azerbaijani fans of TSFC and the predominantly Persian fans of Esteghlal and Persepolis, another Tehran-based football club, police and security forces usually do not hesitate to take the side of the ethnic Persians. The above-mentioned victory of TSFC over its traditional rival, Esteghlal, brought about mass celebrations in Tabriz, which were

accompanied by political demands. The initiative was crushed by police and security forces and ignited a new wave of detentions of Azerbaijani activists which has been ongoing for several weeks. In turn, this has been viewed by an increasing share of Iran's Azerbaijani community as additional evidence of ethnic discrimination, anti-Azerbaijani bias and Persian nationalism.

Accordingly, established ethno-nationalistic pro-Azerbaijan, pro-Turkey, and increasingly anti-Persian and anti-regime slogans chanted by several thousand TSFC fans as well as ordinary Azerbaijanis have recently been accompanied by slogans focusing on Urmia such as "Lake Urmia is dying, Iran is ordering its execution," or "Urmia is thirsty, Azerbaijan must rise up, otherwise it will lose." Symbolically, these and similar chants were first articulated at a recent meeting of Azerbaijanis at the Tabriz-based tomb of Sattar Khan, an ethnic Azerbaijani national hero of Iran and a key figure in the Persian Constitutional Revolution of 1905-1911.

Even more importantly, confronted with Tehran's apparent unwillingness to put an effective end to the dehydration of the Urmia Lake, increasing numbers of Azerbaijanis regard this as a result of an alleged sophisticated plan by the government to turn Iran's Azerbaijani provinces into a salty desert as the remaining salt would be dispersed by winds throughout the whole region destroying soil and crops. Since the Urmia Lake plays a crucial role in Iranian Azerbaijan and supports around 15 million local inhabitants, the argument continues, the upcoming ecologic disaster

would gradually force local Azerbaijanis to migrate into other areas of the country effectively reducing the prospects of Azerbaijani secessionism and fostering their assimilation into the Persian mainstream.

CONCLUSIONS: So far, the existence of the TSFC, whose significant sport successes and wide popularity across Northwestern Iran's predominantly Azerbaijani provinces has contributed greatly to awakening the masses of once politically apathetic Iranian Azerbaijanis. The commitment to save the Urmia Lake, regarded as the pearl of Iranian Azerbaijan, has further united many ordinary Azerbaijanis. This is regardless of their politically motivated sympathies – or antipathies – toward the idea of Iranian statehood or Azerbaijani Turkic nationalism, as well as efforts aimed at ethno-linguistic and cultural emancipation advocated by a portion of the Iranian Azerbaijani population. The indiscriminate use of force by the regime even over this seemingly apolitical issue has further deepened the ethnically defined gap between Iranian Azerbaijanis and the Iranian state, paving the ground for considerable conflict in the future.

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UZBEKISTAN'S 20th ANNIVERSARY: INDEPENDENCE AND RELATIONS WITH THE UNITED STATES AND GERMANY

Bernardo Teles Fazendeiro

On September 1, President Islam Karimov delivered his customary speech at the celebrations of Uzbekistan's 20th anniversary of independence. The emphasis on independence and on the "Uzbek Model" for economic development continues to be expounded as the general principle for how Uzbek authorities wish to engage with international actors. The address therefore has demonstrated the Uzbek government's persistence in applying those two pillars in its relations. President Karimov thus signaled that little will change in Uzbekistan's reluctance to commit wholly to partnerships with foreign actors, a fact which has become clear in Uzbekistan's relations with two important Western states, Germany and the U.S.

BACKGROUND: In the early 1990s, Uzbekistan developed the "Uzbek Model" for economic growth. Once Russia unilaterally announced it would no longer offer legal tender to the ruble in 1993, Uzbek authorities, like their Kazakh counterparts, had to find alternative solutions for their beleaguered economies. The Uzbek worldview was rapidly asserted, and by 2000 Uzbek students were required to take compulsory courses on the compiled independence ideology (*Mustaqillik Mafkurası*) and its implications for economics and geopolitics.

One of the basic tenets of Uzbekistan's independence ideology and its path to economic growth was articulated in President Karimov's 1993 work: *Uzbekistan—sobstvennaya model' perekhoda na rynochnyye otnosheniya*. Theoretically, the state would fulfill a leading role in the economy, by ensuring a gradual path to growth. Still, this is just part of the overall concern, since authorities have also designed a series of other important limitations.

Two words for independence exist in the Uzbek language: *Istiqlol* and *Mustaqillik*. The

former could perhaps be translated as formal independence and the latter as genuine independence. According to Uzbekistan's 2010 Popular Scientific Independence Dictionary (*Mustaqillik: Ilimiy - ommabop Lug'at*), *Mustaqillik* is the true goal of Uzbek authorities, meaning that the state should seek to have both its independence recognized and also remove all traces of political submission and economic dependence. This suggests that Uzbek authorities seek to preserve control over a gradually growing economy and obtaining equal treatment from any state, regardless of its international status. These caveats could easily lead to isolationism, given their emphasis on avoiding subordination and on preservation of control. Yet, President Karimov has also argued that Uzbekistan's independence provides opportunities for the country to find its place in the international community.

In sum, Uzbek authorities wish to ensure profitable relations with other countries, while simultaneously not compromising their control over the country. This is a complicated endeavor since foreign capital both requires



reduced state supervision in order to guarantee turnover, and hinders the state's ability to completely control labor and financial markets once it actually enters the country. It is important to note that, due to a lack of transparency, it is not clear what the main reasons are for Uzbekistan's foreign policy orientation. However, it could plausibly be conceived as the best way of allowing former Soviet elites to maintain control over lucrative economic sectors; a product of economic thinking by President Karimov who was a Gosplan official in the Soviet Union; the best way of balancing competing interests between patronage networks; or finally a complex mix of all these concerns.

IMPLICATIONS: These aspects of Uzbekistan's foreign policy orientation can shed some light onto how its relations with two important western states have developed. Regarding the U.S., President Karimov was particularly keen to obtain investment during his June 1996 visit to Washington D.C. Joining the U.S.-supported GUUAM in 1999 was also viewed as an opportunity for Uzbekistan to obtain assistance from the Silk Road Strategy Act of 1999 – sponsored by Senator Sam Brownback and intended to improve Eurasian transportation corridors. Nevertheless, Uzbekistan's disillusionment with the lack of

Western interest in the country gradually increased in the late 1990s and Uzbekistan left GUUAM in 2002, since the membership did not bring any noticeable advantages. On a similar note, Uzbekistan refused loosening control over its currency in the late 1990s. Currency liberalization without the increased investment Tashkent desired was most likely contrary to the aims of control and stable growth it intended to pursue.

The relationship with Washington D.C. changed, however, after 9/11. Uzbekistan signed a Strategic Partnership Agreement with the U.S. in 2002, wishing to obtain stronger aid from the U.S. As Martha Brill Olcott later argued in a 2007 testimony to the House of Representatives, the level of economic investment President Karimov was seeking was similar to what Pakistan was receiving at the time. Still, the fact that U.S. aid was tied to congressional approval and thus to an improvement in the human rights situation made Uzbek authorities grow increasingly wary about the relationship by 2004, since it was compromising its control over political events in the country and was not delivering the expected level of direct investment. Also, after President Karimov signed a letter of intent with the IMF to re-launch currency liberalization in 2002, import restrictions placed to ensure currency reserves increased popular discontent, which later contributed to the Andijan insurgency in March 2005. Given that the U.S. State Department was particularly vocal in its condemnation of Uzbekistan's economic management and, more importantly, the death toll following the Andijan crisis, Uzbek authorities rapidly expelled American forces from the K-2 Military base in October 2005.

Recent relations with the U.S. have improved, especially after President Karimov endorsed the

plan for the Northern Distribution Network (NDN) in 2008. However, difficulties still remain as Uzbek authorities are skeptical of bringing the country into the limelight and face increased criticism, which may compromise their internal political and economic control. Recently, President Karimov was quite disappointed with the lack of support he received from EU officials in his visit to Brussels in January 2011.

Germany is an interesting case because it has been able to maintain its military base in Termez in southern Uzbekistan after 2005. Berlin, unlike Washington, was not vocal on human rights issues, and some German construction companies actively worked with Zeromax, a Swiss based company, to invest in Uzbek infrastructure. Subsequently, Germany fit the requirements of Uzbekistan's foreign policy orientation in that it propounded investment without demanding restrictions on Uzbek control. For example, Berlin allowed for the military agreement and its financial contributions to remain confidential, unlike the U.S..

Still, even Uzbekistan's relationship with Germany has been deteriorating since the end of 2010, after Zeromax's bankruptcy. Much like other international companies working in Uzbekistan for longer periods, such as Newmont inc. in September 2006, and Oxus Gold in 2010, their increased success and influence most likely led to nationalization of their assets. Zeromax inc. was no exception since the Swiss based company grew too big, compromising Uzbek control over the economy. While the nature of these nationalizations and Zeromax's bankruptcy remains elusive, the company's termination damaged German economic interests in the Uzbek construction sector. In August 2011, a

successful German bakery company, owned by Steinert industries, came under increased scrutiny by Uzbek authorities. This event culminated in German Ambassador Wolfgang Neuen being blocked from entering the headquarters of the company – an occurrence which may also have been a reprisal for the inquiry on Human Rights that Uzbekistan's Foreign Minister Vladimir Norov was subjected to in the Bundestag in May 2011.

CONCLUSIONS: Little has changed in the priorities of Uzbek authorities over the last twenty years. The principle of maintaining complete control whilst engaging simultaneously with foreign states is a contradictory principle, which has greatly affected Uzbekistan's relations with various actors. Moreover, the Arab Revolutions have certainly alarmed the Uzbek government and have not at all led to any signals of increased liberalization, but may instead have increased its awareness of foreign activity in the country. Consequently, President Karimov's speech at the 20th anniversary of independence, endorsing the success of the "Uzbek model", shows that little is expected to change. Preserving control at the same time as seeking profitable economic relations with foreign actors remains the underlying foreign policy orientation, given that it upholds the essentials of the independence ideology propagated by the regime and perhaps is one of the main pillars of its legitimacy. The lessons learnt from 1991 to 2010 show that actors wishing to explore Uzbekistan's great economic potential should trail cautiously, invest discretely, and keep the public showcase to a minimum.

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PAKISTAN, THE U.S., AND THE HAQQANI NETWORK

Rizwan Zeb

Admiral Mullen's recent statement that the Haqqani network is a strategic arm of Pakistan has given rise to a new crisis in relations between Islamabad and Washington. Many in the U.S. are demanding that Pakistan no longer be treated as an ally. While Afghanistan might be important in the short run, Pakistan is pivotal. It is important for both parties to work together for peace and security. It is high time that both Washington and Islamabad take joint steps to repair and improve the mutual relationship.

BACKGROUND: A decade after Washington launched its war against terror by attacking Afghanistan, it is nowhere near what could be defined as a victory. Now that it has declared that it would withdraw and put the Afghans in charge, whether the situation in Afghanistan is any better or any promises of stability in the country have been fulfilled is anybody's guess. Analysts have continuously raised questions regarding the aim of this war and what Washington is aiming to achieve through it.

If the objective was to topple the Taliban regime and install a friendly government in Kabul, or dismantling Al Qaeda in Afghanistan and killing Osama bin Laden, then these goals have been achieved. If the objective was making Afghanistan a viable, secure and stable country, Washington is nowhere near achieving this. It has failed to provide a model of stability and economic activity to the Afghan masses. The total reliance on military might has failed to provide any dividends, and most of the aid is wasted. It is quite clear that the emerging picture of a post-2014 Afghanistan is not what Washington wanted it to be. As for the outcomes of the ongoing negotiations for a settlement in Afghanistan, who has the upper hand is highly unclear.

It was under these circumstances that Admiral Michael Mullen, chairman of the Joint Chiefs

of Staff, accused Pakistan of supporting the Haqqani network during the Senate Armed Services Committee hearing on September 22. He described it as a veritable or strategic arm of Pakistan's Inter-Services Intelligence (ISI). He also stated that the Haqqani network was behind the September 13 attack against the U.S. embassy in Kabul and the attack on the U.S. base in Wardak province and because they were supported by the ISI, he accused Pakistan of having a hand in these attacks. In one of his statements, Secretary of Defense Leon Panetta said that unless Islamabad takes necessary steps against the Haqqani network, the U.S. might have to take operational steps. He did not elaborate on what exactly he meant by operational steps. The agreement to admiral Mullen's statement which was expressed by all concerned departments in Washington is an indication that this is a consensus among the policy community in Washington. The statement has resulted in a series of statements and counter-statements from both sides and while Admiral Mullen has started enjoying the leisure of retired life, a new crisis is brewing between Islamabad and Washington. This crisis needs to be resolved as quickly as possible as it might have implications for the whole region.

IMPLICATIONS: Perhaps the most important question to be asked at the moment is why Admiral Mullen made these statements and why at this time, what exactly Washington wanted to achieve by pointing fingers at Islamabad so openly, and what Washington expects Islamabad to do in response. If it was a bluff, then the Pakistanis may have called it: it is reported that no action will be taken anywhere in Pakistan unless it is in accordance with the country's threat perception.

The views of Pakistan in Washington seem not to understand the nature of Pakistan and its people. Pakistan might be facing a number of serious problems of governance and rule of law, but Pakistan is in this war not because it is fighting the U.S.'s war but due to its own legitimate concerns: Afghanistan is important for Pakistan's national security.

The Durand Line issue remains an important issue which needs to be resolved. Kabul refuses to accept the Durand Line as a border between Pakistan and Afghanistan, and provides sanctuary for Baloch insurgents. Islamabad believes that New Delhi and Kabul have been acting in partnership against it in the past. For this reason, Pakistan has always sought a friendly government in Kabul that would deny New Delhi access. The Northern Alliance's capture of Kabul and the 2001 Bonn conference were generally understood as having adverse effects on Pakistan, as these developments brought back the fear of a pro-Indian Afghanistan. Pakistan army spokesman General Athar Abbas during a recent interview gave voice to these concerns, asking rhetorically what if the "American trainers are replaced by Indian trainers? The leadership in Afghanistan is completely dominated by an India-friendly Northern Alliance. The Northern Alliance's affiliation with India makes us very

uncomfortable because we see in it a future two-front war scenario."

By participating in the war against terrorism, Pakistan has become a victim of terrorism. Rohan Gunaratna, a Singapore-based leading authority on terrorism, states that "contrary to common belief, Pakistan has demonstrated a determination beyond its capacity to eradicate the menace of terrorism. For the first time in the known history of FATA, armed forces made inroads in the region and challenged the militants. Furthermore, state institutions and all other main stream political partners have come together to present an unprecedented unified stance against militancy and extremism." In most of the discussions on Pakistan's role in the war against terror, an important point is often ignored: while participating in the war against terror, Pakistan suffered from a number of other crises and problems as well: the insurgency in Baluchistan is one. The country suffered from political instability, economic problems, the A.Q. Khan Proliferation scandal, two crises with India (the 2002 standoff and the Mumbai terror attacks), increasing sectarian conflict, the 2005 earthquake and above all the floods which the UN general secretary described as the biggest natural disaster in UN history.

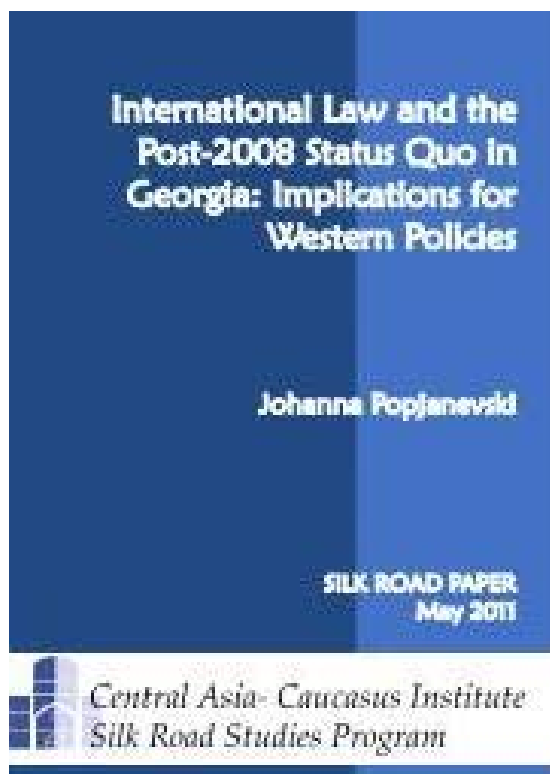
At the same time, Washington should also consider what exactly it wants: a negotiated settlement resulting in a stable Afghanistan or continued fighting. If it wants peace through dialogue and the recent developments are a case in point, perhaps the best course would be to start a dialogue with all concerned parties including the Haqqanis. Sirajuddin Haqqani has already expressed his willingness to join the dialogue process.

CONCLUSIONS: Where will Washington and Islamabad go from here? Washington could

cut all aid to Pakistan using the Kerry-Lugar Act. This would result in Islamabad stopping all supplies going to Afghanistan and the crisis will further deepen with moves and counter-moves. Another option would be to understand each other's concerns and positions and act accordingly. It seems that both sides are working hard to do some damage control. The number of people in the U.S. alleging that Pakistan is playing a double game and is an untrustworthy ally have recently been rising. More and more voices are demanding that Pakistan be punished for sheltering Osama bin Laden and now for supporting the Haqqani network. While Afghanistan might be important in the short run, U.S. observers should remember that Pakistan is pivotal, and

despite all its shortcomings is a viable state. It is important for both parties to work together for peace and security. Both countries need each other and their relationship is based on *interests*. It is high time that both Washington and Islamabad take joint steps to repair and improve the mutual relationship.

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New Silk Road Paper:

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By Johanna Popjanevski

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RESEARCH UNIVERSITIES IN KAZAKHSTAN: DREAM OR REALITY?

Rafis Abazov

This fall several thousand students in Kazakhstan will enter universities of a very different type – research universities. In an attempt to reform its higher education system, introduce international standards and encourage research and innovation, the Ministry of Education of Kazakhstan plans to designate 5-6 universities (out of 146), as research universities. These educational institutions – modeled after U.S. research universities such as MIT and Stanford – are envisioned as centers of research and innovation where a new generation of researchers and scholars will prepare to deal with the challenges of globalization. But will these universities deliver the intended outcomes?

BACKGROUND: Kazakhstan’s “On Science” law of spring 2011 introduced the concept of the research university in a drive to further reform the country’s higher education system. The main goals of the Ministry of Education (MoE) of Kazakhstan, which was the major force behind the law, are to integrate Kazakhstan’s universities into the global education system, to improve educational standards and to strengthen bridges between science, academia and industry. This step is part of an even more ambitious government-sponsored program, which in the words of MoE minister Bakytzhan Zhumagulov has three “breakthrough” components: “breakthrough in education, breakthrough in sciences and breakthrough in innovation development.”

The country is not alone in its aspiration to reform the national higher education system and make it more competitive in the era of globalization. Many countries around the world are working on similar programs. Neighboring Russia, for example, has invested billions of dollars into its Skolkovo project, dubbed the future Silicon Valley of Russia. This trend reflects, in the words of international education expert J.G. Wissema, a global movement “towards the third generation universities,” a

theory which is expounded in his influential book of the same name. He argues that the first generation universities, such as the University of Paris, were institutions which collected knowledge inherited from the Classical era of Plato, Aristotle and others, and attempted to preserve this knowledge throughout the early medieval era. Second generation universities, such as the Humboldt University of Berlin, were institutions which created science-based knowledge, focusing on pure science and not always on the application of their know-how to innovations. The third generation universities, which have emerged hand-in-hand with the rise of globalization during last few decades, merge research and education with new entrepreneurial activities, and serve as a platform for industry, private financiers (investment angels) and corporate managers to meet and work on innovation projects.

For Kazakhstan, the establishment of third generation universities is a tall order. Like in many former socialist countries around the world, higher education in Kazakhstan has for the most part been separated from applied research and has had weak links with industry. For many decades, various industrial sectors and even large enterprises maintained their

own Research and Development (R&D) facilities, design bureaus and special laboratories, which inhabited their own universe and were often out of touch with discoveries in the world of “pure science” academia. Thus, neither had a platform on which to learn from each other, and it took years for new ideas to be converted into innovative projects. However, in the era of globalization and tough competition in international markets, the lifespan from research and scientific discoveries into real product must be dramatically shortened.

IMPLICATIONS: In order to achieve its objectives the MoE of Kazakhstan decided to restructure its entire higher education system by establishing a new classification system for the 146 institutions of higher learning. The anchors of the new system are two types of universities – the national research universities and research universities in various parts of the country. These research universities will receive a lion’s share of research grants on a competitive basis. It has been envisioned that the transformation under the new classification would take a few years, with the new funding structure in place already for the coming year. At this stage there are five major contenders for the status of national research university: Al Farabi Kazakh National University, Gumilev Eurasian National University, Karaganda State University, Kazakhstan National Technological University and Nazarbayev University (NU). Four of them (NU was established in 2010 and has not yet been ranked) have already introduced sweeping changes and have even managed to enter the QS World University Rankings, positioned between 450 and 600.

The new round of educational reforms has already had a significant impact on the entire academic community in the country, as 33

billion Tenge (about US\$220 million) in funding for major research projects, laboratories and faculties became subject to the intense national competition. The administration at many universities felt the impact of these changes first, as the very existence of several dozen universities came under question. Therefore, some universities have already begun introducing their own structural changes, cutting a number of departments and experimenting with the introduction of corporate management, though according to Nurlan Ybyraliev of MoE, the ministry suggests a transitional period between 2011 and 2020.

This round of educational reforms has also had a serious impact on the members of the academic community. The salaries of professors at leading national universities have been significantly increased, in some places by up to 15-30 percent, though remaining relatively low compared to salaries in the private sector. Members of academia have begun adapting themselves to new realities and searching for innovative research projects and fresh ideas, in order to stay competitive.

But the students could become the biggest beneficiaries of this round of reforms, if the ideas reflected in the new law and policy statements are in fact implemented diligently. Already today many students have access to state-of-the-art laboratories such as the newly established innovation cluster at Al Farabi Kazakh National University. In addition, students at many universities also have an opportunity to choose international mentors and supervisors and – now more than ever – to access study-abroad programs at leading universities around the world.

CONCLUSIONS: Wissema suggests that modern research university management



Interior, Nazarbaev University

should focus on supporting what he calls “technostarters” – people with innovative and bright ideas – in order to succeed in establishing a successful creative and innovative environment. This implies that Kazakh universities must pay greater attention to capacity building by investing more heavily in training and re-training teaching and research personnel and unfolding their creative ideas. It is crucial to reduce the teaching load for professors at research universities on par with leading western schools, under the condition that they spend more time on Research. Research universities should also build human capital by attracting a young generation of innovators and develop a flexible system for retaining the most talented students at their laboratories and research facilities (according to an official report only 1 or 2 out of 100 PhD graduates accept jobs in R&D, as of 2010). And finally, the universities in cooperation with the MoE and the Ministry of Industry and New Technologies should develop a sustainable

system for attracting private entrepreneurs with bright ideas, or those who are able to spot bright ideas and use the research universities as a platform for launching innovative products. There is also a need to accept that universities are not commercial entities and therefore do need to maintain some

amount of theoretical research and strive for excellence in teaching methods and approaches. Policy-makers at university and government levels should also understand that the goals and objectives should be measurable and achievable and accept the inherently high failure rate of innovative projects, especially during the early stages of the reforms, as even in the Silicon Valley in the U.S., the failure rate in venture capital reaches 60 percent.

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FIELD REPORTS

U.S. LIFTS MILITARY EMBARGO ON UZBEKISTAN

Erkin Akhmadov

On September 22, the U.S. Congress adopted a decision to abolish sanctions on provision of military aid to Uzbekistan. The sanctions were imposed in 2004 due to a worsening situation in press freedom and repression of civil society in the country. After the Andijan events in 2005, relations between Tashkent and Washington cooled even further. Nevertheless, Uzbekistan recently reasserted its strategic importance in its relations with the U.S. and has come to play an important role in the so called Northern Distribution Network (NDN), which supplies NATO troops in Afghanistan. In light of the worsened relations between U.S. and Pakistan, it seems that the Obama administration plans to increase Uzbekistan's role in the NDN, in spite of continued protests from international and local human rights activists calling for careful attention to Uzbekistan's poor situation in terms of human rights and freedoms.

Together with several human rights and trade union organizations, Human Rights Watch accused U.S. authorities of lenience toward the repressive regime of Islam Karimov. Activists think that by lifting the sanctions, Washington sends a "terrible signal" to human rights activists in Uzbekistan's opposition. They therefore emphasized in a letter to the U.S. State Secretary Hillary Clinton that a return to normal relations with Tashkent is inadmissible, and that Uzbekistan's importance for the U.S. as a strategic partner in stabilizing the situation in Afghanistan and the region should not overshadow the "terrible reputation of this country in the sphere of human rights."

It nonetheless seems that the arguments of human rights activists failed to have a significant impact on U.S. policies. In a telephone conversation between President Obama and his Uzbek counterpart on September 28, the parties confirmed their plans to continue an "open and full-fledged political dialogue." They especially underlined the existence of common interests not only in the framework of multidimensional bilateral cooperation, but also in policy coordination on regional and international issues. Furthermore, Clinton stated to AP that Uzbekistan demonstrates signs of an improving situation with human rights and enhancement of political freedoms and that Uzbekistan has proven its usefulness in supplying the Northern Distribution Network and in supporting U.S. efforts to rebuild Afghanistan.

U.S. authorities provided several explanations for the efforts to establish closer ties with Uzbekistan. For instance, a high-ranking U.S. official explained that the U.S. is not trying to bribe Uzbekistan, but is seeking approval from the Congress to provide some aid of a non-lethal nature in order to help the republic to protect itself in case it is attacked by militants in revenge of its support for the Northern Distribution Network. He further specified that this aid would include items such as bullet-proof vests.

Meanwhile an official representative of the U.S. State Department stated that lifting the sanctions will allow the U.S. government to allocate means in line with foreign military financing for Uzbekistan's purchase of equipment to strengthen its borders, through which goods for U.S. forces in Afghanistan are supplied. Since such transit places

the territory of Uzbekistan and its borders under higher risk, strengthening the defense capability of Uzbekistan and especially its borders increases the security of this transit system. It is also reported that the amount of aid the U.S. plans to allocate to Uzbekistan for the next financial year is comparatively small, about US\$100,000.

Right after the bill was adopted, the U.S. Senate required the Pentagon to improve the transparency of contracts under the NDN. The Senate is concerned over the lack of control of the NDN, which has turned into a profitable enterprise for the ruling elite of Uzbekistan, providing opportunities for personal enrichment and corruption. Thus, the Senate Committee on allocations demands detailed reports in order to prevent improper use of funds or resources.

By the end of the current year, U.S. military strategists plan to transfer up to 75 percent of all needed non-military goods through NDN, thus cutting current transit through Pakistan. In light of such developments, the role of Uzbekistan as one of the major transit areas will obviously increase. Nevertheless, it seems that the U.S. also attaches a special role to Uzbekistan as a strategic partner supporting U.S. operations in Afghanistan. Therefore, many local and international observers do not endorse the decision of the U.S. authorities to close their eyes on the persisting problems in Uzbekistan's human rights situation and provide military or even non-military aid to a state that recently oppressed public unrest.

LANGUAGE CONTROVERSY IN KAZAKHSTAN SPARKS SOCIAL ANXIETY

Georgiy Voloshin

Since early September, Kazakhstan's domestic politics have focused on a language controversy stemming from the publication of the so-called "Letter of 138," in which a number of politicians, cultural workers and associative leaders called for an amendment of Article 7 of Kazakhstan's constitution. The current reading of its second clause says that "the Russian language is officially used in state organs and local government authorities along with the Kazakh language." According to the initiator of this demarche, a former Member of Parliament and a famous poet, Mukhtar Shakhanov, many Kazakhstanis are confused about the interpretation of this article, sometimes believing that both Russian and Kazakh are official languages in the country, whereas the constitution reserves this privilege only for Kazakh. In an interview to journalists given in the wake of the publication of "Letter of 138", Shakhanov even referred to the unwillingness of some Kazakhstanis

to properly study Kazakh, as they may wrongly think that "their President is Putin and their official language is Russian".

The letter addressed to the president, the Prime Minister, and the speakers of both parliamentary chambers immediately caused social anxiety and caused a high number of comments to Internet-published articles about the language situation in Kazakhstan's schools and public bodies. To the frustration of the Letter's authors, a few signatories later publicly disavowed their presumed claims, saying that they were only petitioning for the strengthening of the role of the Kazakh language, not for the exclusion of Russian from the constitution. The speaker of the Majlis (lower chamber), Ural Mukhammedzhanov, spoke against any radical measures risking social destabilization, whereas his colleague from the Senate, Kairat Mami, refuted the existence of any draft laws aiming to reduce the use of Russian either this year

or in 2012. “In our circumstances, national solidarity is based ... on the possibility and right of many Kazakhstanis to speak Russian,” he said. “The language issue is a question of social consolidation. I believe that artificially instigated discussions on this subject negatively influence the current state of stability in our society.”

Most of the deputies criticized the proposed amendment, judging that any imposed measures could lead to the deepening of social mistrust and language-based discord in a country where Russian remains the most commonly used language, with Kazakh mainly used in the southern and western regions. Though President Nazarbayev did not make any comments with regard to the “Letter of 138”, his advisor for political issues, Ermukhamet Ertysbayev, expressed his personal opinion about the perniciousness of opening discussions on something that is “both off today’s agenda and highly artificial, unnecessary either for Kazakhs, or for Russians, or for any of the other 130 ethnic groups living in Kazakhstan.” In Ertysbayev’s view, the proposed changes are a hundred paces away from the top of the list in terms of required improvements in politics, economy and cultural life. Nazarbayev’s advisor also added that the Russian language, which is one of the six world languages used by the United Nations, could not simply be displaced from anywhere.

The majority of local experts believe that this and other attempts to “reconfigure” the existing language landscape are sponsored by some shadow forces interested in further destabilization and growth of nationalist sentiments. “This is their first

test of the pen, a wild blackmail of Nazarbayev, Russians, and Russian-speaking Kazakhs,” commented Aigul Omarova, the chief panelist at a recent round table on social solidarity in Almaty. According to Ms. Omarova, the idea of publishing the letter is closely tied to the recently revealed terrorist activities in the country’s west, as well as critical reactions to Kazakhstan-NATO cooperation in Afghanistan. She also emotionally deplored the involvement of the poet Shakhanov in the language controversy, given his previously supposedly neutral track record in terms of language policy.

In mid-August, Kazakhstan’s Ministry of Culture unveiled its new draft law on the status of the Kazakh language for civil servants. Apart from previously promised changes about the required level of proficiency in the state language, this document also stipulates that all official correspondence shall be conducted only in Kazakh, thus leaving many citizens with no choice as to which language to use, as Article 7 may suggest. In compensation for the toughening of language rules, the Ministry announced a forthcoming free-of-charge distribution of Kazakh-Russian phrasebooks published in millions of copies for more than US\$ 1 million. The ensuing discussions revealed the prevailing reticence of the Ministry’s partners for language policy, which testified to the need of preserving the status quo and elaborating a milder program of high quality language education. At the same time, President Nazarbayev signed on September 1 a decree ordering the closure of a Russian-language broadcasting service in one of the country’s national channels, Kazakhstan TV.

RUSSIA AND FRANCE DEEPEN COOPERATION IN NORTH CAUCASUS

Olof Staaf

Over the course of three days, from September 16 to September 18, the tenth annual International Investment Forum was held in Sochi on Russia’s

Black Sea coast. This year, the forum was primarily devoted to projects related to the 2014 Winter Olympics, but the signing of a new agreement

concerning Moscow's ambitious ski resort project in the North Caucasus also attracted some attention. At the first day of the forum, state owned French financial institution Caisse des Depots et Consignations and Russian state company Resorts of the North Caucasus agreed on a new framework for their joint venture assigned to the realization of the resort project. The French party committed to provide more than US\$ 14 billion within one year and in the optimistic final draft for the 2012 federal budget that was presented on September 20, an additional US\$ 1 billion was allotted to the company Resorts of the North Caucasus.

Since the creation of the North Caucasus Federal District in January 2010, representatives of the Russian government have consistently portrayed the promotion of economic development as key to stabilizing the situation in the region. One of the most prominent features of Moscow's strategy for achieving socio-economic improvements has been the plan to construct world class ski resorts in five of the region's republics. This grandiose project was first unveiled in the summer of 2010 and in January 2011, President Dmitri Medvedev presented it to foreign investors at the World Economic Forum in Davos. At that time, the total cost of the project was estimated to US\$ 15 billion. US\$ 13 billion were supposed to be raised from private investors, which is less than the stipulated French investment. As a result of the much improved relations between France and Russia, President Nicolas Sarkozy and Prime Minister Vladimir Putin announced their intentions of co-operating in the North Caucasus at the G8 Summit in May 2011. At the same meeting, the two countries announced that negotiations on the sale of French Mistral amphibious assault ships to Moscow had been finalized. One month later, they signed a preliminary agreement defining the framework for co-operation in the Caucasus.

According to Russian daily Kommersant, the new agreement that was signed in Sochi will give Resorts of the North Caucasus 51 percent of the shares in the joint venture. France Caucase, which is a subsidiary of Caisse des Depots et Consignations, will own the remaining 49 percent of the new

Russian-French company. However, a number of conditions are attached to the French investment. Apart from various tax benefits, the French investors have obtained government guarantees postulating that they will be compensated in case of force majeure. Moreover, France Caucase will own all of the real estate while the Russian Resorts of the North Caucasus will own the infrastructure, and the French investors required that all contractors involved in the construction of the real estate must be French. Another foreign company attending the forum and expressing interest in the project was Korea Electric Power Corporation. The Koreans stated that they would invest US\$ 1 billion in the construction of five hydroelectric plants if Russia would offer them government guarantees. Furthermore, Resorts of the North Caucasus signed a memorandum of understanding regarding future investments with the Anglo-German consortium Astor Dress & Sommer Consortium.

The five original resort locations included in the project are situated in Kabardino-Balkaria, Karachaevo-Cherkessia, Adygea, Dagestan and North Ossetia. The resorts are set to be completed in 2019 and then they will have a total of 179 ski lifts, 90,000 hotel rooms, and the ability to accommodate 150 000 guests per day. From the very onset of the project, Ingushetia and Chechnya wanted to participate and now a number of locations in Dagestan and Ingushetia are reportedly under way to become part of the cluster. Chechen President Ramzan Kadyrov has stated that Chechnya will build its own ski resort not far from the Georgian border. Despite the opportunities these resorts provide for local leaders and inhabitants, this ambitious project has already met significant criticism. Skeptics have not only raised doubts about the socio-economic benefits of the construction of luxurious resorts. They have also directed criticism towards the overconfidence in economic development as a stabilizing factor, which is displayed in statements by Russian government officials. In addition to this, some observers have expressed concerns about Caisse des Depots et Consignation's ability to raise the promised US\$

14.2 billion, as well as Moscow's seeming reluctance towards including the local population in the project. Finally, the capacity of federal and local leaders to uphold security as well as their ability to

make the resorts profitable has been questioned, and environmental organizations have raised objections regarding ecological issues.

EU AND GEORGIA TO START FREE TRADE TALKS

Maka Gurgenidze

A joint declaration adopted on September 30 at the EU Eastern Partnership summit envisages the launch of negotiations on a deep and comprehensive trade agreement (DCFTA) between the EU and Georgia by the end of this year. The document was approved in Warsaw by the leaders of EU member states and five of the Eastern Partnership countries – Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The document does not specify a date when such talks could start, but underlines the need for “fulfillment of a number of remaining key recommendations.”

The DCFTA highlights a sensitive aspect of the Association Agreement talks between the EU and Georgia, which started in 2010. Unlike in some areas of the Agreement such as economic and sectoral cooperation, where a “pick-and-choose approach” could be taken, DCFTA requires the mandatory acceptance of European standards. “You will not engage in market access without taking over European norms ... A product [imported to the European market] should be up to the technical norms in the EU single market in order to be able to be marketed...”, said Gunnar Wiegand, chief negotiator on the Association Agreement with Georgia and Director of Russia, Eastern Europe and Western Balkans at the European External Action Service.

In 2009, the European Commission (EC) presented key priorities on which progress should be made before the start of talks on the DCFTA to the Georgian government. Among other priorities the list included the establishment of a domestic institutional system for technical regulations, the

implementation of sanitary and phytosanitary measures, a policy for encouraging competition, and the implementation and enforcement of intellectual property rights. Georgia “fulfilled and even went beyond” the preconditions set by the EC, Georgian Deputy Foreign Minister Tornike Gordadze said earlier this year. “... we have unilaterally abolished import taxes on 86 percent of the goods from the EU and made progress on food safety and intellectual property rights,” he said.

However, the Warsaw summit's joint declaration states that the DCFTA negotiations could start if “sufficient progress has been made in fulfilling a number of remaining key recommendations.” In addition, the EU wants to be convinced that Georgia's commitments are amenable to implementation and monitoring, Wiegand said. In turn, Gordadze claims that preconditions have been changed from those previously set by the EU. “Some people also say the change could be some sort of indirect pressure from the EU to drop our objections to Russia's WTO bid. I hope this is not the case,” he said.

Another topic for discussion is to what degree the DCFTA with EU will be beneficial for Georgia. For example, a study released by CEPS, Paris-based Groupe d'Economie Mondiale and the Tbilisi-based libertarian think-tank New Economic School-Georgia in March strictly criticizes the EC for setting unfair DCFTA preconditions for Georgia. It argues that such an approach is not beneficial for a small country either from a development or commercial policy point of view. The fulfillment of EC requirements resulting in heavy regulatory

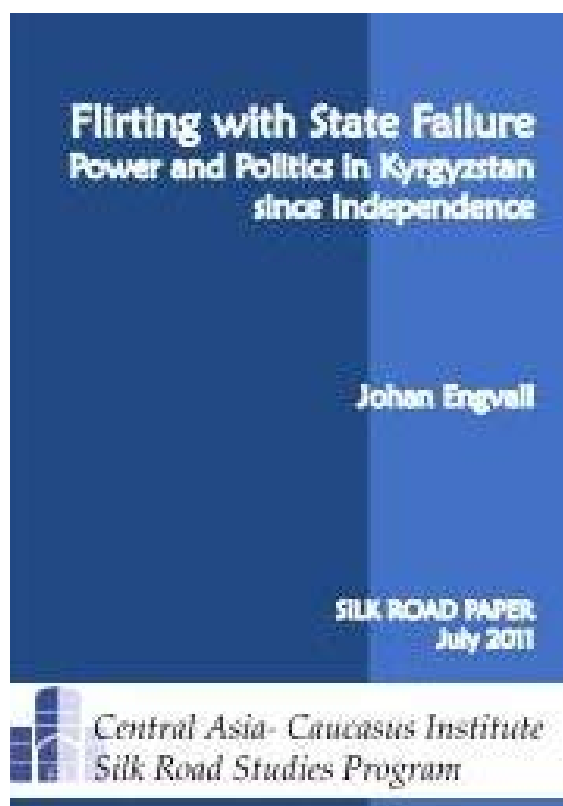
changes would impede economic growth and sustainability of Georgian reforms, the study says. Also, preconditions in sanitary and phytosanitary measures would cause an average price increase of 90 percent for key food products and hence undermine political stability in the country. Moreover, according to the study, the EC's language is imprecise, giving it the power to one-sidedly decide whether preconditions are met.

However, another study conducted by the Warsaw based Center for Social and Economic Research (CASE) explores a range of scenarios based on conditions ranging from simple free trade to very deep and comprehensive free trade and concludes that "from Georgia's perspective, the most substantial welfare gains could arise from deeper integration, with a greater level of Georgia's regulatory and institutional approximation with EU acquis, i.e. through a deep and comprehensive FTA."

At a more fundamental level, the future of Georgia's DCFTA is contingent on two main questions. The first is whether Tbilisi, understanding the burden of the process, truly wants to approach European institutions and

regulations or just aspires to rebuild the trust of investors through arriving at an Association Agreement with EU. Notably, according to the Geostat figures, Foreign Direct Investment in Georgia decreased from US\$ 1.563 billion in 2008 to US\$ 658.4 million in 2009 – a drop of 57.8 percent. Thus, there is an urgent need for the government to re-brand Georgia as a favorable location for investments.

The second question is to what extent the deep and comprehensive institutional integration with the EU corresponds to a Georgian vision of economic and social arrangements for the country given the government's expressed preference for a Singaporean model of economic development. Undoubtedly, the institutional approximation is a costly process hardly affordable for a small country like Georgia. Nevertheless, it is not the only challenge to continued EU integration. One important problem is the absence of accurate calculations on how DCFTA – the most sensitive part of the Association Agreement – would increase the welfare standards and contribute to overall development goals of Georgia in the long term.



New Silk Road Paper:

Flirting with State Failure: Power and Politics in Kyrgyzstan since Independence

By Johan Engvall

This Silk Road Paper analyzes the foundations of politics in Kyrgyzstan, uncovering the key factors of personalities, money, and patron-client networks as means of power.

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

NEWS DIGEST

TEARS AS 'MOHAMMED RELIC' BROUGHT TO CHECHNYA

22 September

Chechen leader Ramzan Kadyrov broke into floods of tears as he unveiled a purported relic of the Prophet Mohammed in a bizarre ceremony involving a Rolls Royce motorcade, reports said Thursday. The government of the majority Muslim Russian Northern Caucasus region, recovering after two separatist wars and still battling Islamic insurgents, boasted that the cup was 1,400 years old and had belonged to the Prophet. The cup had earlier been flown into the Chechen capital Grozny from London where it was kept by unnamed descendants of Mohammed's cousin Ali. Kadyrov, clad in a bright purple shirt and trousers and a black Muslim skullcap, triumphantly carried the boxed relic straight off the plane at the airport at the ceremony on Wednesday.

He then sped through Grozny in a Rolls-Royce cabriolet surrounded by a motorcade of dozens of luxury cars, the first Russian television pictures of the event showed Thursday. The flag-waving delegation then arrived to Grozny's central mosque greeted by a crowd of singing and clapping people. The Chechen leader proceeded to take the jade-coloured bowl out of bubble wrapping, and broke down in uncontrollable tears after kissing the object, covering his reddening face and shaking violently. Chechen television aired a 18-minute long special on the event posted on the website

Chechnyatoday.com that shows Kadyrov's car covered in traditional rugs gliding along a major street in slow motion to the sounds of a Chechen song with English-language lyrics "You came to me... when I was so lost."

Footage showed a crowd of several hundred assembled near the mosque to listen to impassioned speeches in Chechen and shout "Allahu Akbar!" before the cup was shown to the public. Several took a sip from the cup and prayed. The Chechen government said in a statement on its website that "the cup was used by Prophet Mohammed, passing to his cousin Ali ibn Abi Talib the fourth Caliph." Further details on its authenticity were not

immediately available. Anyone will be able to drink water from it on the day of Mohammed's birthday, the Chechen government said. "Nobody can say anything else about the origin of the cup," a Chechen government spokesman told AFP. "The negotiations were led by the famous businessman Ruslan Baisarov and it was announced by Ramzan Kadyrov," he said. Baisarov owns major stakes in Russia's top copper and coal companies and has promised to finance the development of a ski resort in Chechnya planned by the Chechen President. Kadyrov, who has ruled the war-torn region since 2007 and was reappointed in the post earlier this year, has overseen several grandiose projects and events in Grozny aimed at boosting his political clout. He has also encouraged the revival of Islam in the region, inaugurating in 2008 the "Heart of Chechnya" mosque, said to be the biggest in Europe. But rights groups have long accused him of presiding over a personal militia that they say has carried out serial rights violations, torture and even murder. (AFP)

TWENTY CANDIDATES TO VIE FOR KYRGYZ PRESIDENCY

26 September

Kyrgyzstan will choose its next president from a list of 20 candidates in an election next month that could expose divisions between the north and south of the volatile Central Asian state. Official campaigning began on Monday after the Central Election Commission named its final list of candidates for president of the strategic country of 5.5 million people, which hosts both U.S. and Russian military air bases. The October 30 vote, which some analysts say will need a second round, will pit current Prime Minister Almazbek Atambayev against heavyweight rivals from the south of the country, where central government's grip on power is tenuous. The election is the culmination of constitutional reforms introduced after the overthrow of President Kurmanbek Bakiyev in April 2010. Current President Roza Otunbayeva, who led the interim government that took power, will step down on December 31.

Two decades after independence from the Soviet Union, Kyrgyzstan, which borders economic powerhouse China and lies on a drug trafficking route out of Afghanistan, remains culturally and ethnically divided. As well as divisions between the more developed north and poorer south, tensions persist between ethnic Kyrgyz and Uzbeks in the south after the violent clashes that killed more than 400 people in June 2010. The new model of government, which replaces nearly two decades of failed authoritarian rule, makes parliament the main decision-making body in Kyrgyzstan. A fragile coalition government, led by Atambayev, is attempting to entrench the first parliamentary democracy in a region otherwise governed by strongman presidents. But some politicians oppose this model of government. Those with links to the Bakiyev government have a groundswell of support in the ousted president's southern strongholds. Bakiyev himself is now exiled in Belarus. Atambayev's main challengers, say analysts, will be two politicians who enjoy strong support from Kyrgyz nationalists in the south: Kamchibek Tashiyev, who represents the Ata Zhurt (Motherland) party; and Adakhan Madumarov, leader of the Butun Kyrgyzstan (United Kyrgyzstan) party. The final list of candidates eliminated three quarters of the 83 hopefuls who applied to run for president, a group that had included retired army officers, scientists and the unemployed. Most fell foul of the requirements to present at least 30,000 signatures, pay a deposit and pass a public Kyrgyz language test in a country where Russian is still the first language for many. Kyrgyz television stations have been temporarily forbidden from transmitting foreign news broadcasts that could be seen to affect the outcome of the election. Most foreign news programs broadcast in Kyrgyzstan are from Russia. In the first sign of pre-election maneuvering, a would-be contender effectively threw his weight behind Atambayev by withdrawing from the race shortly before the final list was published, despite having fulfilled the necessary criteria. Ata Meken (Fatherland) party leader Omurbek Tekebayev, nicknamed "Father of the Constitution," explained his decision in a statement as a means of "consolidating and strengthening the unity of democratic forces." He did not mention Atambayev. Should no single candidate win more than 50 percent of the vote, the two leading candidates will stage a run-off election after a minimum period of two weeks has elapsed. "It's obvious that there will

be a second round," said Alexander Kulinsky, spokesman for Tekebayev, before forecasting an Atambayev victory "by a whisker." Political and military analyst Toktogul Kakchekeyev, however, forecast that Atambayev's experience in the current and previous governments could help him to emerge victorious in the first round. Future presidents of Kyrgyzstan will be limited to a single six-year term, but will have the right to appoint the defense minister and the national security head. The Organization for Security and Cooperation in Europe (OSCE) has sent 28 long-term election observers to Kyrgyzstan and will dispatch a further 350 observers to monitor the vote. (Reuters)

CAR BOMB KILLS EIGHT IN RUSSIA'S DAGESTAN

28 September

MAKHACHKALA, Russia (Reuters) - One policeman and seven civilians were killed when a car bomb exploded in Russia's Muslim North Caucasus province of Dagestan on Wednesday, authorities and local media said.

Three car bombs killed six people and gunmen killed four more, including a high-level law enforcement official, last week in the region wedged between Chechnya and the Caspian Sea. Dagestan is beset by near-daily shootings and bomb attacks, blamed on an Islamist insurgency across the North Caucasus stemming from two separatist wars in Chechnya, poverty and an increase in radical Islam. "As a result of the car bomb one policeman was killed, along with five civilians who were traveling past in another vehicle," a source in the regional Investigative Committee told Reuters, speaking on condition of anonymity. Radio station Ekho Moskvyy said two more civilians were killed, including an 11-year-old girl. The committee source said the attack took place in the village of Hajjalmakhi, about 60 km (40 miles) southwest of the provincial capital Makhachkala. Upon discovering an empty "suspicious-looking vehicle" parked on the village outskirts, police started to conduct a search when it burst into flames, a law enforcement source told Interfax news agency. Rebels are fighting for a separate Islamic state ruled by sharia law in the mainly Muslim North Caucasus on Russia's southern frontier. Russian President Dmitry Medvedev has called the insurgency the country's main security threat in the year before the March 2012 presidential election, which will see Prime Minister Vladimir Putin seek a return to the Kremlin. The insurgents claimed

responsibility for a suicide bombing at Moscow's Domodedovo airport that killed 37 people in January and twin bombings that killed 40 in Moscow's metro last year. (Reuters)

KAZAKHSTAN APPROVES RESTRICTIVE RELIGION LAW

29 September

Kazakhstan's upper house of parliament approved a bill Thursday that backers say will help combat religious extremism, but that critics call a blow to freedom of belief in the ex-Soviet nation. The bill approved by the Senate will require existing religious organizations in the mainly Muslim nation to dissolve and register again through a procedure that is virtually guaranteed to exclude smaller groups, including minority Christian communities. Passage of the bill marks a reversal of authoritarian President Nursultan Nazarbayev's earlier attempts to cast Kazakhstan as a land of religious tolerance. One activist estimates that two-thirds of existing religious groups could be abolished as a result of the new law. Backers of the revised law argue that the legislation is necessary to fight extremism. Authorities have been unsettled by an uncharacteristic outburst of Islamist-inspired violence in the oil-rich western regions over the summer. "The bill prohibits religious associations that are bent on the destruction of families, force the abandonment of property in favor of religious communities ... and that are harmful to the morals and health of citizens," the Senate said this week in a statement. Most Muslims in Kazakhstan adhere to a largely liberal strand of the faith, although more extreme devotees are reportedly growing in number. Overall mosque attendance is on the rise and the government is seemingly intent on carefully vetting the creeping rise of religious fervor. Many are skeptical, however, that regulating faith groups will have any success in stemming the tide of extremist underground Islamist movements. The bill needs approval from Nazarbayev before it can become law — a mere formality since he urged parliament earlier this month to introduce tighter controls over religious groups.

Critics are angered by the speed with which the bill has been rushed through Parliament and say there has been a lack of public debate over the legislation. The law will require groups to reach membership number thresholds before they can register at various levels. To register locally, a group must have 50 members. To register at a regional level,

they require 500 members. The most complicated procedure will be registering nationwide, which requires a group to have 5,000 members across all the country's regions. "Several minority religious groups do not have the required number of members and would be prohibited from continuing their activities and subject to fines if they disobey," the Washington-based democracy watchdog Freedom House said in a statement prior to the Senate vote. Other provisions envision strict oversight of missionary activity, government reviews on religious literature and texts, and rules on where people are permitted to pray. "This new law has simply legalized the current practice ... of persecuting unregistered minority religious groups and limiting missionary activity," said rights activist Ninel Fokina, head of the Almaty Helsinki Committee. Fokina said authorities have been openly speaking about the need for a purge in the religious sphere. "I believe that out of the 4,500 religious groups currently in existence, barely 1,500 will remain," she said. Fokina said the new rules would also greatly complicate the life of even relatively large Christian Protestant communities, such as Lutherans, Baptists, Seventh-day Adventists and Jehovah's Witnesses. (AP)

AMERICAN JAILED FOR FUNDING CHECHEN REBELS

29 September

The leader of the U.S. branch of a defunct Islamic charity has been sentenced to nearly three years in prison after being convicted of helping smuggle \$150,000 to Chechen insurgents via Saudi Arabia. U.S. District Judge Michael Hogan said that while he had no doubt that the money went to the Islamic fighters battling the Russian army in Chechnya, as the prosecution maintained, there was no proof directly linking Pete Seda to terrorism. For that reason, Hogan said he would not apply the so-called "terrorism enhancement" that could have sent Seda to prison for eight years. Instead, Hogan sentenced Seda to 33 months in prison, ordered him to pay the Internal Revenue Service \$80,980 in restitution and allowed him to remain free for 60 days before reporting. Seda, also known as Pirouz Sedaghaty, is an Iranian-born U.S. citizen who ran the U.S. chapter of the Al-Haramain Islamic Foundation based in Ashland, Oregon. He worked in Ashland as a tree surgeon and was an outspoken proponent of the peaceful aspects of Islam. He was known for marching in the local Independence Day parade with his camel. Seda was convicted last year of tax

fraud and conspiracy to defraud the government for helping Saudi Arabian national Soliman Al-Buthe convert a contribution from a doctor in England into traveler's checks, which Al-Buthe took on a flight to Saudi Arabia without declaring it to authorities. Prosecutors have been unable to force Al-Buthe to return to the United States to face the same charges as Seda. Acting U.S. Attorney Dwight Holton said federal prosecutors felt that they had proved Seda's connection to terrorism, but respected the court's ruling and were satisfied with the sentence. "Money is the lifeblood of terrorist organizations," Holton said. "We are working very hard to cut off that lifeline. Shutting down Al-Haramain internationally and here was an essential part of that." Last week, the Ninth U.S. Circuit Court of Appeals ruled that the U.S. Treasury Department rightly designated the Oregon branch of the Saudi Arabia-based charity a terrorist organization in 2004 for financing terrorist activities in Chechnya and Albania. But the appeals court found that the department improperly seized the group's assets. The unanimous three-judge panel found that the department's Office of Foreign Assets Control violated the charity's Fourth Amendment right to be free from unreasonable seizure by improperly using a "blocking order" to freeze the charity's assets without a warrant. The foundation disbanded after the department froze its assets. Seda declined to comment, citing the advice of his lawyers. Defense attorney Steve Wax said they planned to appeal both the convictions and the sentence. Wax said the fact that the judge did not impose the terrorism enhancement gave them a better chance of getting approval for Seda to remain free pending appeal. "The most important issue with respect to the money going to Chechnya was the judge finding the government did not establish a link to Mr. Seda," Wax said. Seda had been scheduled to be sentenced last fall, but Hogan delayed the proceeding after it was revealed that an FBI agent had failed to disclose an offer to pay a witness in the case. The judge eventually ruled that the matter had no bearing on Seda's conviction. (The Moscow Times)

US FINDS NEW FRIEND IN UZBEKISTAN AFTER PAKISTAN FALLOUT

30 September

The past fortnight has seen relations between Islamabad and Washington sink to new lows over allegations that Pakistan's Inter-Services

Intelligence agency was working with the Haqqani network to direct attacks on American targets in Afghanistan. The crisis, the latest in a turbulent year, has seen both countries scrambling to build up alternative regional alliances. However, more than a third of supplies to Nato forces in Afghanistan pass through Pakistan, giving Islamabad a strong bargaining position. A White House official said President Obama had discussed sending more supplies through the former Soviet republic of Uzbekistan during a phone call with the country's president, Islam Karimov. At the same time, Hillary Clinton met her Uzbek counterpart on Thursday, and Congress is considering legislative changes that would allow more military aid to the Central Asian despite its poor human rights record. "We value our relationship with Uzbekistan. They have been very helpful to us with respect to the Northern Distribution Network," said Mrs Clinton. That route winds its way through Eastern Europe, Russia and Central Asia to Afghanistan and has already become more important in the past year as the US began switching supplies from Pakistan's roads. But closer ties will anger human rights organisations which have protested proposed plans to send military aid to Uzbekistan for the first time since 2004, when funds were choked off as penalty for the country's poor human rights record. Twenty groups, including Amnesty International, Human Rights Watch and International Crisis Group, signed a letter of protest sent to Mrs Clinton before her meeting with Mr Ganiev.

"We call on you to stand behind your strong past statements regarding human rights abuses in Uzbekistan," the letter said. "We strongly urge you to oppose passage of the law and not to invoke this waiver." At the same time, Pakistan has been looking to China as a foil for its dependence on the US with a series of high-level meetings during the past week. However, yesterday it emerged that China Kingho Group had pulled out of a \$19bn deal in southern Pakistan because of security concerns, according to The Wall Street Journal – suggesting Islamabad may not be able to rely on its giant neighbour as an alternative to the US. (Daily Telegraph)

PROTESTERS DEMAND RELEASE OF DETAINED KYRGYZ POLICEMAN

3 October

Some 400 protesters blocked a highway in southern Kyrgyzstan on October 3 to demand the immediate release of four local policemen detained over the

death of a Russian citizen in August, RFE/RL's Kyrgyz Service reports. The protest blocked the Osh-Bishkek highway in southern Jalal-Abad Oblast. An RFE/RL correspondent reports that up to 200 cars are stuck on a bridge in Bazar-Korgon which the protesters refuse to leave until the four policemen are released. The four police officers have been charged in connection with the death of Dadamirza Kholmiraev, a local Uzbek who was a Russian citizen. The four are charged with torture, abuse of office, and extortion. Kholmiraev died in a Jalal-Abad hospital on August 9, two days after being questioned by Bazar-Korgon district police about the deadly clashes between local Uzbeks and Kyrgyz in June last year. The autopsy report said Kholmiraev died of serious injuries, namely numerous fractured ribs and damage to his internal organs. Bazar-Korgon police chief Ernest Moldokeev was fired later in August in the wake of Kholmiraev's death. (RFE/RL)

ARMENIA REFUSES TO ATTEND MEETING OF PACE AD HOC COMMITTEE ON NAGORNO-KARABAKH

3 October

The Armenian delegation did not attend the next meeting of the ad hoc committee on Nagorno-Karabakh, the head of the Azerbaijani delegation to the Assembly Samed Seyidov told reporters. "The Armenian delegation did not attend the next meeting of the ad hoc committee on Nagorno-Karabakh. We have long discussed this and decided to inform the Bureau about non-participation of the delegation at the meeting. All have seen that Armenia violates the unanimous decision of the PACE Bureau and does not attend the meeting," Seyidov said. A meeting of Azerbaijani and Armenian delegations to PACE had been scheduled for Monday. In 2005, PACE adopted a resolution establishing the ad hoc committee on Nagorno-Karabakh. However, in connection with the death of chairman - Lord Russell Johnson, the ad hoc committee suspended its activities. Subsequently, the Bureau decided to restore its activity. (Trend)

SAAKASHVILI: NEW PARLIAMENT BUILDING IN KUTAISI TO HOST FIRST SESSION ON MAY 26

4 October

The Parliament will hold its first session in the new chamber, currently under construction in Kutaisi, on May 26, 2012, President Saakashvili said on Tuesday. When this summer the Parliament passed

constitutional amendment defining Georgia's second largest city of Kutaisi as the location of the legislative body, it was believed that the relocation from the capital city Tbilisi would have taken place after the election of new Parliament; according to the constitution the next parliamentary elections are scheduled for October, 2012. In his remarks made while opening a justice house in Kutaisi, Saakashvili only said that the first session in the new Parliament building in Kutaisi would take place on Georgia's Independence Day on May 26; he did not elaborate further into details, which immediately triggered a speculation whether his brief remarks were actually a hint on possible early parliamentary elections. But as one ruling party lawmakers, Akaki Bobokhidze, who was one of the first to publicly voice an initiative of Parliament's relocation three years ago, said the President's remarks referred to the sitting Parliament and were in no way alluding to early elections. He also said that the sitting Parliament would only hold "a symbolic session" in Kutaisi on May 26. The constitutional amendment on the legislative body's new location, which was passed by the parliament on July 1, 2011 does not say that it should refer to the next Parliament elected in 2012; it says that the amendment should go into force as soon as published. The amendment was published by the state online registry of legal acts on July 14, meaning that it is in force since that date; however, parliamentary sittings are still held in Tbilisi. President Saakashvili also said on October 4, that he was delivering his promise that Kutaisi would turn not only into "the parliamentary capital" of Georgia, but to "the second capital" of the country, adding that the Chamber of Control, the state audit agency, would also be relocated in Kutaisi, where a separate government office is also being constructed to house government members when arriving in the city after the Parliament's relocation. (Civil Georgia)

EU INVITES KAZAKHSTAN TO JOIN TRANS-CASPIAN PIPELINE PROJECT

4 October

The European Union has invited Kazakhstan to take part in the Trans-Caspian Gas Pipeline project, European Union Energy Commissioner Guenther Oettinger said on Tuesday. In September the EU Council approved the mandate given to the European Commission, to negotiate an agreement for the legal framework for a Trans-Caspian gas pipeline system with Azerbaijan and Turkmenistan. The Trans-Caspian pipeline is supposed to connect

the Turkmenistan and Azerbaijan shores of the Caspian Sea to export gas via Azerbaijan to Europe. The expected annual capacity of the Tengiz (Kazakhstan) Turkmenbashi (Turkmenistan) Baku (Azerbaijan) Tbilisi (Georgia) Erzurum (Turkey) route amounts to 20-30 billion cubic meters of gas. The cost of the project is estimated at 7.9 billion euros. "This pipeline will become a very important contribution to the development of the Southern Gas Corridor. Not many people know that this is the first time the EU has suggested signing an international contract aimed at supporting an infrastructure project. It shows how important the project and cooperation in the region are important for the EU and all its 27 member states. We will welcome corresponding participation of Kazakhstan in the Southern Corridor in the future," Oettinger said. "We think it is very important to create stable markets with good prices and the world's best consumers," the commissioner said. The Russian Foreign Ministry said that any attempts from outside to interfere in Caspian's business affairs, or issues which are sensitive for the Caspian Five members, may complicate the situation in the region and have a negative impact on current negotiations on the new legal status of the Caspian Sea. (RIA Novosti)

KAZAKHSTAN TO BEGIN NPP CONSTRUCTION IN NEXT 10 YEARS 5 October

"Nuclear power plants may appear in Kazakhstan in the next ten years", Kazatomprom deputy chairman Sergey Yashin said at the Sixth Eurasian Forum KazEnergy in Astana on Wednesday. He said the construction of nuclear power plants will promote the development of related industries on a new level that will meet the challenges of the country's industrialization." NPP should be considered as the main engine of industrial development, as the

construction of plants is technological production, and thus related industries will also develop," Yashin said .

Key themes of the second day of the forum are nuclear power and new possibilities for development of renewable energy sources. (Trend)

SIX HELD IN ALLEGED PLOT TO ASSASSINATE AFGHAN PRESIDENT 5 October

Afghanistan's Interior Ministry says it has detained six people in connection with an alleged plot to assassinate Afghan President Hamid Karzai.

Afghanistan's intelligence agency said the group had recruited one of Karzai's bodyguards in order to kill the Afghan president. National Directorate of Security spokesman Lutfullah Mashal described the alleged conspirators as "a dangerous and educated group including teachers and students." He said those arrested had ties with a member of Al-Qaeda and the militant Haqqani network based in Pakistan's tribal region of North Waziristan. Karzai was on a visit to India when the arrests were made by Afghan intelligence agents. The arrests follow a series of assassinations and attempted assassinations of key figures in Afghanistan who have been working with Karzai's central government. On September 20, former President Burhanuddin Rabbani -- a powerful factional leader from northern Afghanistan and head of Kabul's peace-negotiating team -- was killed by a turban suicide bomber. Afghan officials say Rabbani was killed by a Pakistani and that Islamabad has refused to cooperate in the investigation, a charge denied by Islamabad. Karzai's powerful brother Ahmad Wali Karzai was killed by a security guard at his home in Kandahar in July, and presidential adviser Jan Mohammad was murdered less than a week later. (RFE/RL)