

# Central Asia-Caucasus Analyst

---

BI-WEEKLY BRIEFING      VOL. 13 NO. 21      16 NOVEMBER 2011

Searchable Archives with over 1,500 articles at <http://www.cacianalyst.org>

---

## ANALYTICAL ARTICLES:

PUTIN'S PLAN FOR EURASIA  
Richard Weitz

JIHADISTS IN KAZAKHSTAN AND THE  
INCREASING INSTABILITY  
IN CENTRAL ASIA  
Dmitry Shlapentokh

EFFORTS TO STIMULATE ECONOMIC  
ACTIVITY IN THE NORTH  
CAUCASUS STIR PASSIONS IN THE  
RUSSIAN HEARTLAND  
Kevin Daniel Leahy

TAJIK AUTHORITIES VOW  
TO FIGHT NEPOTISM  
Alexander Sodiqov

## FIELD REPORTS:

PRESIDENT NAZARBAYEV DISSOLVES  
PARLIAMENT'S LOWER CHAMBER  
Georgiy Voloshin

GEORGIA, RUSSIA ARRIVE AT WTO DEAL  
Maka Gurgenidze

OSH MAYOR WANTS OWN  
MUNICIPAL POLICE  
Joldosh Osmonov

RISK OF SOCIAL UNREST IN UZBEKISTAN  
DUE TO GAS SHORTAGES  
Erkin Akhmadov

## NEWS DIGEST



*Central Asia- Caucasus Institute  
Silk Road Studies Program*



# Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING  
VOL. 13 NO. 21  
16 NOVEMBER 2011

## Contents

### Analytical Articles

PUTIN'S PLAN FOR EURASIA Richard Weitz	3
JIHADISTS IN KAZAKHSTAN AND THE INCREASING INSTABILITY IN CENTRAL ASIA Dmitry Shlapentokh	6
EFFORTS TO STIMULATE ECONOMIC ACTIVITY IN THE NORTH CAUCASUS STIR PASSIONS IN THE RUSSIAN HEARTLAND Kevin Daniel Leahy	9
TAJIK AUTHORITIES VOW TO FIGHT NEPOTISM Alexander Sodiqov	12

### Field Reports

PRESIDENT NAZARBAYEV DISSOLVES PARLIAMENT'S LOWER CHAMBER Georgiy Voloshin	15
GEORGIA, RUSSIA ARRIVE AT WTO DEAL Maka Gurgenedze	16
OSH MAYOR WANTS OWN MUNICIPAL POLICE Joldosh Osmonov	18
RISK OF SOCIAL UNREST IN UZBEKISTAN DUE TO GAS SHORTAGES Erkin Akhmadov	19

<u>News Digest</u>	21
--------------------	----

# THE CENTRAL ASIA-CAUCASUS ANALYST

**Editor:** Svante E. Cornell

**Associate Editor:** Niklas Nilsson

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

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

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

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

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

## **Submission Guidelines:**

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

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

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

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

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

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

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

## **Svante E. Cornell**

Research Director; Editor, Central Asia-Caucasus Analyst

Central Asia-Caucasus Institute & Silk Road Studies Program

Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University

1619 Massachusetts Ave. N.W., Washington, D.C. 20036, USA.

Tel. +1-202-663-5922; 1-202-663-7723; Fax. +1-202-663-7785

# PUTIN'S PLAN FOR EURASIA

Richard Weitz

*In a lengthy newspaper piece published in early October, Russian Prime Minister Vladimir Putin unexpectedly called on the former Soviet republics to join Moscow and create a Eurasian Union. Russia is already consolidating its recently formed Customs Union with Belarus and Kazakhstan. Now the intent seems to be to expand the number of its members as well as to enlarge its functions and powers into something like the European Union. But major obstacles stand in the way of Putin's project, and the prospects of a new Eurasian Union emerging anytime soon in the former Soviet Union are small.*

**BACKGROUND:** Putin offered his proposal to create a Eurasian Union in a lengthy article in the Russian newspaper *Izvestia*. His vision is that the former Soviet republics would coordinate their foreign, economic, and other policies – presumably under Moscow's leadership – to enhance their (i.e., Moscow's) global influence. Putin disclaimed any intent to recreate the Soviet Union, noting that “it would be naive to try to restore or copy something that belongs to the past.” But Putin added that “a close integration based on new values and economic and political foundation is a demand of the present time.” Putin called for building on the valuable “inheritance from the Soviet Union,” which he described as infrastructure, specialized production facilities, and a common linguistic, scientific and cultural space,” in pursuit of the “joint interests” of the former Soviet republics. Putin further wrote that his goal was “an ambitious task of reaching a new, higher level of integration” and creating “a powerful supranational union capable of becoming one of the poles in the modern world.” He compared his proposed union with “other key players and regional structures, such as the European Union, the United States, China and the Asia Pacific Economic Community.”

Putin made his proposal shortly after declaring his intent to return to the Russian presidency. Putin's Press Secretary Dmitry Peskov told *Kommersant* that the Eurasian Union would be one of his “key priorities” during his next term as president.

In a nationwide television speech in April 2005, Putin famously described the collapse of the USSR as one of the greatest geopolitical catastrophes of the 20th century. In his previous two terms as president, Putin had made reestablishing Moscow's influence in the former Soviet Union a priority. After failing to revitalize the Commonwealth of Independent States (CIS), Putin launched a sustained campaign to enhance cooperation among a core group of pro-Russian governments. In the security realm, this effort led to the formation of the Collective Security Treaty Organization (CSTO), which under the leadership of a former Russian General has been developing collective peacekeeping and rapid reaction forces designed to protect its members from diverse threats.

In the economic realm, this effort led to the formation of a Eurasian Economic Community (Eurasec) that sought to promote economic and trade ties among countries that formed a unified economic system during the Soviet period by reducing custom tariffs, taxes, duties,



and other factors impeding economic exchanges among them. Its stated objectives include creating a free trade zone, a common system of external tariffs, coordinating members' relations with the World Trade Organization (WTO) and other international economic organizations, promoting uniform transportation networks and a common energy market, harmonizing national education and legal systems, and advancing members' social, economic, cultural, and scientific development and cooperation.

With its smaller number of members, all favorably disposed toward Moscow's leadership, Eurasec (like the CSTO) represented a logical alternative to the more unwieldy and contentious CIS. But integration efforts within Eurasec soon also lost steam and failed to create effective multinational regulatory bodies. The members' diverging status with respect to the WTO was a major factor complicating integration initiatives. Only Kazakhstan, Belarus, and Russia decided to form the current Customs Union.

**IMPLICATIONS:** The prospects of a Eurasian Union in the near future seem unlikely. It has taken the Russian Federation a decade to launch its Customs Union with the limited membership of Belarus and Kazakhstan, whose

single economic zone will not take effect until the beginning of next year. It is hard to imagine a wider and deeper EU-type grouping emerging in the former Soviet Union anytime soon.

Policy differences among CIS members have repeatedly undermined the viability of the Moscow-backed multinational institutions in the former Soviet Union. For example, the former Soviet republics have disagreed over the appropriate prices for Russian energy and Russia's restrictions on labor mobility. Plans to establish a free trade zone have repeatedly been postponed due to the disparities among its members in terms of economic policies and attributes. Many of the former Soviet republics trade more with European or Asian countries than they do with each other. Similar divergences are evident in the desire of some members to move closer to seemingly rival Western institutions like the European Union and NATO. The wave of color revolutions a few years ago has widened divergences among the members' political systems, with certain countries seeking to establish European-style liberal democracies and other regimes committed to preserving their authoritarian status quo.

If Putin genuinely envisions a European Union-type alignment as a model, it would imply the need to create a single currency and an independent bureaucracy to administer and enforce the agreed rules and common economic policies. The different growth rates and other economic characteristics of the member states will prove as disruptive to the proposed Eurasian Union as it has been in the European Union. There are also serious rivalries among former Soviet republics for regional leadership – such as that between Kazakhstan and Uzbekistan – that will likely act as an

impediment to the establishment of joint economic and other policies.

Furthermore, Putin's proposed Eurasian Union faces serious competition from the existing multinational institutions currently operating in the former Soviet space. Putin's team has said that the Eurasian Union will not duplicate or replace existing collective bodies. But it is unclear, then, how the Eurasian Union would work with or around the other structures.

The two most serious competitors are Shanghai Cooperation Organization (SCO) and the European Union (EU). Both institutions have the advantages of not being dominated by Moscow, and many of the other former Soviet republics are eager to develop their relations with China or the West to balance their ties with Russia. The SCO, now chaired by China, seeks to expand its economic, security, and other activities in the same functional areas as the proposed Eurasian Union. Meanwhile, the European Union has recently strengthened its outreach efforts in the former Soviet republics. Although full membership is excluded, the EU can still offer considerable economic and other incentives. It is unsurprising that many in Beijing and Brussels interpret Putin's plan as an attempt to displace their influence.

Perhaps the most significant obstacle is that many of the former Soviet republics have serious reservations about forming any sort of alignment with Moscow given their unhappy history of Soviet and Russian domination. The former Soviet republics, even those whose leaders did not initially seek independence, jealously guard their sovereignty and autonomy. In Central Asia, only Kazakhstan's government endorsed Putin's proposal. President Nazarbayev called creating a Eurasian Union "a very relevant project" for managing 21st century challenges. As Robert M.

Cutler noted in the 10/19/2011 issue of the CACI Analyst, Nazarbayev has been advocating a Eurasian Union for decades.

In contrast, the governments of Moldova and Georgia are negotiating free trade agreements with the EU, while Armenia and Azerbaijan might soon follow them. The new government of Kyrgyzstan might want to please Moscow by supporting the Eurasian Union, but this could hurt Kyrgyzstan's imports of Chinese goods and desire to secure Chinese investment.

In his appearance at a recent CACI forum, Minister Mamadaminov said that, while Tajikistan might consider joining the Russia-Kazakhstan-Belarus Customs Union in the future, and perhaps a Eurasian Union after that, his government's priority was to enter the World Trade Organization. Meanwhile, leading politicians in Tajikistan dismissed Putin's proposal as pre-election demagoguery designed to appeal to Russian nationalists.

**CONCLUSIONS:** To overcome these centrifugal tendencies, Russia must become a more attractive partner. In principle, Moscow could garner more support for its integration programs by sharing more influence within collective institutions and adopting a more conciliatory approach on disputes with its neighbors. In practice, Russia must also achieve greater success in its domestic modernization and other reform efforts to become a more attractive economic partner that could trade with these countries and generate mutual investment.

**AUTHOR'S BIO:** Richard Weitz is Senior Fellow and Director of the Center for Political-Military Analysis at the Hudson Institute. He is the author, among other works, of *Kazakhstan and the New International Politics of Eurasia* (Central Asia-Caucasus Institute, 2008).

# JIHADISTS IN KAZAKHSTAN AND THE INCREASING INSTABILITY IN CENTRAL ASIA

Dmitry Shlapentokh

*Kazakh law enforcement recently claimed to have broken up a “terror group” in a Kazakh town. While jihadist terrorism has been a part of the Central Asian political landscape for a long time, these events deserve special attention. This is not only because several similar events have recently taken place in Kazakhstan, but also due to the country’s special conditions where jihadism has previously been a most marginal occurrence. The emergence of jihadism in Kazakhstan therefore indicates that the ideology has begun to spread in areas of the former USSR where it has not previously been present.*

**BACKGROUND:** Kazakhstan has been one of the most, if not the most, stable and secular states in Central Asia, where the authorities have made significant efforts to ensure interethnic and social peace. In the beginning of the post-Soviet era, the ideology of Eurasianism, originating in Russia, became a popular semi-official creed of the post-Soviet space. The proponents of Eurasianism stated that Russia is not a Slavic state but a peculiar civilization in its own right where Slavic and Turkic minorities live in the condition of a healthy “symbiosis.” The theory fit well with the ethnic composition of Kazakhstan, with a considerable population of Russian-speakers and ethnic Russians. Eurasianism was especially popular within considerable segments of the Kazakh elite in the early 1990s. Later, Eurasianism increasingly became replaced by Kazakh nationalism, albeit in moderate form, and Nazarbayev’s Kazakhstan in general displayed an image of prosperity and social peace in stark contrast to many other Central Asian states. Still, the sense of stability and prosperity increasingly looks like a façade and jihadists have started to take advantage of the country’s social problems.

The economy seems to be booming, due to the country’s rich deposits of gas and oil. Still, the

economic growth benefits only a few. Workers’ conditions are harsh, leading to bitter and even violent strikes. Unemployment is rampant, especially among the youth. Consequently, the ideology of Kazakh nationalism is seen by increasing numbers of disenfranchised Kazakh youth as an alien force. In these conditions, Islam has started to fill the vacuum. A witness informed about growing attendance at the mosques, even by the young, and the increasing popularity of Islamic garb including long beards for men. This can be seen not just in the countryside and small cities but even in the former capital, Almaty.

Some of those who have discovered Islamic identity have turned to jihadism. Kazakh jihadists initially travelled abroad to fight, including to Afghanistan and the Northern Caucasus. There was a even rumor that a training camp for future fighters in Afghanistan had emerged in Kazakhstan, accusations that Astana denied vehemently. Later, when terrorist activities began to emerge in Kazakhstan proper, the authorities blamed nearby Central Asian republics where the jihadist underground has much deeper roots. Kazakh authorities proclaimed that jihadists from these countries infiltrated Kazakhstan whose people are absolutely foreign to this





Counter-terrorism exercise in Almaty (Serik Kovlanbayev)

malady, and that the remedy was simply to tighten the border controls.

**IMPLICATIONS:** However, with the rise of terrorist activities inside the country, Kazakh authorities finally acknowledged the existence of jihadism as an internal problem and a serious one. Indeed, approximately since 2005/2006, Kazakhstan has become a scene of violent jihadist attacks and other related violence. According to some reports, policemen have become one of the major targets of jihadists, and increasing numbers of attacks against policemen have been recorded in 2007-2010. The perpetrators have primarily aimed at seizing weapons and have also targeted other sources of arms. The authorities have denied the claims that the attacks had anything to do with jihadism, instead claiming that the attackers were plain criminals. While this theory cannot be discarded, it is quite likely that at least some

of the attacks were the work of the jihadist underground. In some of the cases, jihadists were evidently behind the attacks. While the sources available make it hard to pinpoint the exact location of all attacks, some were definitely perpetrated in the north of the country near Aktiubinsk. Northern Kazakhstan has a considerable Russian-speaking population, is economically developed and usually considered a secularized region. Still, the terrorist

attacks here indicate that jihadism is widespread across the country and that it cannot be explained only through the influence of Kazakhstan's southern neighbors, such as Uzbekistan.

As time has progressed, the terrorist attacks have become increasingly brazen and show little fear of the police. In April 2011, law enforcement in Almaty decided to arrest a group of jihadists in one of the city's buildings and attacked the building on April 4. The Jihadists put up fierce resistance and eleven members of the police detachment were seriously wounded. The activities of Kazakh jihadist terrorists in their own country are apparently not separated from the universal jihad. Consequently, members of Kazakhstan's jihadist underground have continued to take part in terrorist acts in Uzbekistan, Kyrgyzstan

and Russia. Some believe that one of the reasons for the proliferation of Kazakh jihadism is the considerable number of jihadist sympathizers among members of Kazakhstan's elite, even among law enforcement officials. There are also indications that recruitment takes place among the increasingly disenchanted Russian minority, judging from the published names of arrested jihadists.

It should be underlined that the spread of jihadism in Kazakhstan does not approach the levels of jihadist activity in Uzbekistan and Tajikistan. Still, the problem is becoming serious, a fact that Astana has finally acknowledged. However, Kazakhstan's government ignores the deep socio-economic roots of the phenomenon and still considers a harmful foreign influence to be the major reason for the spread of jihadism and increasing state control over religious practices as the antidote to the spread of jihadism. Some Kazakh citizens even praise such practices and point to nearby Uzbekistan with its harsh, repressive policies as an example to follow. While Kazakhstan has not resorted to Uzbekistan's brutal practices, Astana has sought to respond to the increasing fear of the jihadist underground through laws providing increased power for the authorities to supervise the religious activities of Kazakh citizens. According to the new law, those religious groups which are not registered with the state are not allowed to practice their religion.

While the rise of jihadism in is troubling to Kazakhstan, the international community should share its concern. This is especially the case considering the region's geography and the interests of its main political players, especially

the U.S. and Russia. Kazakhstan is close to Afghanistan, where the U.S. is planning to withdraw its troops by 2014. There is no guarantee that the Kabul government will be able to hold on to power, and the Taliban and other Islamic extremists could well spill over into the Central Asian republics. It is also questionable how the regimes of this region would be able to withstand the trials brought about by reinforced jihadist activities.

**CONCLUSIONS:** Russia continues to maintain a military presence in some areas of Central Asia, not least in Tajikistan where Moscow recently extended its military basing agreement. Russia also maintains military agreements with most Central Asian states through the CSTO recently held large military maneuvers within this framework. However, tensions exist between Russia and its Central Asian partners as well as between the regional states themselves and their abilities to deal with a major crisis are questionable. In fact, Russia has been unable to quell its own, now mostly jihadist, rebellion in the Northern Caucasus for almost a generation. Post-Soviet Kazakhstan has often been described as an island of stability among the Central Asian states. However, the increasing number of terrorist attacks and related violence indicate that is no longer the case. The government's attempts to ignore the socio-economic roots of the problem and increased control over the country's religious life will hardly resolve the situation in the long run.

**AUTHOR'S BIO:** Dmitry Shlapentokh is Associate Professor of history at Indiana University at South Bend.

## EFFORTS TO STIMULATE ECONOMIC ACTIVITY IN THE NORTH CAUCASUS STIR PASSIONS IN THE RUSSIAN HEARTLAND

Kevin Daniel Leahy

*Boris Yeltsin, president of Russia from 1991 to 1999, famously urged the various ethno-jurisdictions in the Russian Federation to “take all the sovereignty you can swallow.” At the time, the political leadership in Chechnya took this exhortation literally, an interpretation that contributed to the outbreak of war between the secessionist regime in Grozny and the Russian state in 1994. Since 1999, Vladimir Putin has replaced Yeltsin’s controversial sovereignty mantra with one that might be articulated as follows: “take all the subsidies you can swallow.” The extent of the Russian government’s continued subsidization of the North Caucasus has become a matter of serious political debate in recent months.*

**BACKGROUND:** Earlier this year, Russia’s Ministry for Regional Development announced a plan to invest 3.9 trillion roubles (approximately US\$ 141.2 billion) in the North Caucasus over the next fourteen years. This plan has been received sceptically by the Ministry of Finance and the Ministry for Economic Development and Trade but appears to have the support of Prime Minister Putin. Having recently announced his intention to return to the presidency next year, Putin is beyond question the most influential personality in Russian politics. His support for this ambitious program is therefore significant. Set to run until 2025, the plan foresees the Russian exchequer funding approximately 67 percent of the 3.9 trillion rouble total; approximately 28 percent will be sourced from private investors, while the remainder will be derived from local governments in Dagestan, Chechnya, Ingushetia and other jurisdictions in the North Caucasus.

Some economists have predicted that the program will enlarge Russia’s budget deficit; they have also warned that taxes might have to be increased in 2012 to cover its costs. More

significantly, the economic ministries in the Russian government have also reacted negatively. A senior official in the ministry of finance told reporters that her department would not approve the program to the tune of 3.9 trillion roubles, adding that “everything will be within budgetary limits.” A source in the Ministry for Economic Development and Trade, meanwhile, warned that the plan might be unaffordable. A second source within this ministry reported that department officials were “so far pessimistic” about the plan, again warning that it may be too costly, “even in an election year.” This last remark suggests that there is a body of opinion within the Russian government that believes this plan to be a piece of electoral grandstanding by the ruling elite in anticipation of upcoming presidential and parliamentary elections.

In October, a lobby group known as the Russian Civil Union held a demonstration in Moscow under the slogan “Stop feeding the Caucasus.” Protestors likened the North Caucasus to “a voracious crocodile which demands more blood and money.” Although the Russian Civil Union remains a fringe political

movement, the rally received considerable media publicity and succeeded in provoking an official response from the Russian government. "I am embarrassed when they accuse us of showering the Caucasus with money," remarked Alexander Khloponin, a Deputy Prime Minister and President Medvedev's plenipotentiary representative to the North Caucasus Federal District, "that is an absolutely incorrect opinion." Meanwhile, President Medvedev went a step further and condemned the Civil Union directly, claiming that the organisation is comprised of "saboteurs" whose political propaganda threatens the integrity of the Russian state.

**IMPLICATIONS:** The proposed "2025 state program" for the development of the North Caucasus appears to have galvanized an undeclared economic caucus within the Russian government into breaking ranks with their colleagues by making their opposition to this plan known publicly. This economic caucus is not particularly well coordinated and does not appear to have a figurehead, although several influential politicians are sympathetic to its agenda. Sympathisers include Alexei Kudrin, who recently relinquished his post as Minister of Finance at the request of President Medvedev, and Dmitri Kozak, a deputy prime minister in the Russian government who has previously criticized political leaders in the North Caucasus for their economic profligacy, even suggesting that funds earmarked for the region might be diverted instead to other jurisdictions within the Russian Federation. Kozak has also been critical of the process by which subsidies are disbursed to Russia's regions in general, recommending that such funds are in the future made available by way of an incentivized financial arrangement based on economic prudence and ingenuity.

Attempts by this amorphous constituency to assert itself might be hampered by Kudrin's unexpected departure from government in September, although it should be emphasized that Medvedev's decision to request Kudrin's resignation had nothing to do with the proposed implementation of this controversial program. Debate concerning the implementation of the program will be restricted to the intra-governmental commission on the socio-economic development of the North Caucasus Federal District. Chaired by Putin, this commission includes, *inter alia*, Alexander Khloponin, government ministers with responsibility for the economic ministries, and the leaders of Chechnya, Dagestan and Ingushetia. It has been reported that these three jurisdictions are to receive the lion's share of the 3.9 trillion roubles, with approximately one third of these funds earmarked for the republic of Dagestan where the security situation has become especially fraught over the past several years. Other republics in the North Caucasus will therefore receive only a fraction of the grand total.

It is likely that the 2025 state program will eventually be sanctioned by the Government Commission overseeing the North Caucasus Federal District, although the proposed sum of 3.9 trillion roubles will probably be revised downwards. Putin may yet deem it politically astute to allow his successor as premier – presumably Dmitri Medvedev – to sign off on this controversial plan. During a meeting with Putin in late October, the president of Dagestan suggested that the implementation of the program might be delayed until 2015, and a source in Alexander Khloponin's department has recently revealed that the plan will not be approved in 2011.

**CONCLUSIONS:** The protests organized by the Russian Civil Union and its partners make for remarkable news stories and are certainly of interest to those concerned with the situation in the North Caucasus and how it is affecting Russian society at large. It would be mistaken, however, to suggest that these sporadic and rather sparsely attended protests are somehow driving official state policy in relation to the North Caucasus. Instead, these public demonstrations have served as an opportune backdrop to this recent round of bureaucratic infighting concerning the fiscal sagacity of the proposed 2025 state program. Until such time as the Civil Union and other likeminded political lobby groups receive overt political backing from within Russian officialdom, they are unlikely to wield any significant influence over policymaking in this sphere.

The most significant aspect of this ongoing controversy is how it has revealed cleavages within the relatively small constituency of

officials responsible for decision making in relation to the North Caucasus – cleavages which have seldom been as apparent since Putin became Russia's preeminent political actor in 1999-2000.

The current difference of opinion within the Russian government will likely be resolved by means of a political compromise. The program will surely be approved, though probably not to the tune of 3.9 trillion roubles. In any case, analysts of the strategic relationship between Moscow and the North Caucasus should not forget this public disagreement between government ministries, for it recommends at the very least a definite potential for a plurality of opinion within Russia's political elite in relation to the formulation and implementation of state policy in the North Caucasus.

**AUTHOR'S BIO:** Kevin Daniel Leahy holds a postgraduate degree from University College Cork, Ireland.



Organised by Economist Conferences, this summit will explore the real economic potential of the economies of Central Asia and the South Caucasus, analysing the challenges of doing business in the region in a frank dialogue between Government and investors.

Confirmed speakers include:

- **Ban Ki-moon, Secretary General, United Nations** (via video link)
- Kairat Kelimbetov, *Minister of Economic Development and Trade, Government of the Republic of Kazakhstan*
- Frederick Starr, *Chairman, Central-Asia-Caucasus Institute*
- Kuandyk Bishimbayev, *Deputy Chairman of the Management Board, Samruk-Kazyna*
- Indermit Gill, *Chief Economist, Europe and Central Asia Region, World Bank*

**Special 15% discount for subscribers of the Central Asia-Caucasus Analyst** For further information and to register, visit [www.economistconferences.com/silkroad](http://www.economistconferences.com/silkroad) quoting code **SR/DC** to obtain your discount.

# TAJIK AUTHORITIES VOW TO FIGHT NEPOTISM

Alexander Sodiqov

*The introduction of additional legal restrictions on “family hire” in public service and the recent warnings by senior officials against nepotistic practices in government indicate that the Tajik authorities recognize the political risks stemming from nepotism. This recognition appears to be linked with the political upheavals in Kyrgyzstan and, more recently, the Arab world. However, a genuine anti-nepotism agenda of the Tajik government is unlikely because President Rahmon himself has virtually monopolized political and economic power in the hands of his family. Therefore, the government’s declared anti-nepotism crusade appears to be designed for public consumption.*

**BACKGROUND:** On October 12, the lower chamber of Tajikistan’s parliament approved changes to the 2007 Law on Corruption. The amendments introduce stronger restrictions on “family hire” in public service by broadening the group of “close relatives” who cannot be hired by senior state officials to work in their agencies. This group now includes spouses, children, parents, brothers and sisters, as well as sons-in-law and daughters-in-law and their parents.

The introduction of stricter “no-relatives” provisions in the anti-corruption legislation was initiated by members of the president-led People’s Democratic Party (PDPT). Parliamentarian Saodat Amirshoyeva, who presented the amendments, said they aimed at reinforcing the fight against nepotism in state structures. She also insisted that in addition to modifying the legislation, the authorities will strengthen oversight of its implementation.

Given that the PDPT has taken the lead in pushing through a stronger anti-nepotism agenda, there is little doubt that the initiative came from the president’s office. There is a great deal of irony here because Tajik President Rahmon himself is seen as the embodiment of a system that relies on family ties and patronage.

Over the last decade, Rahmon has concentrated political and economic power in the hands of his own family. The president’s 24-year old son, Rustam Emomali, heads the State Customs Service’s smuggling-busting department and serves as deputy head of the Youth Union. Despite his young age, Rustam has already headed a department in the State Investments Committee and served as a member of the Dushanbe City Council. Rustam’s speedy “career” has generated speculation that Rahmon is grooming his son to succeed him in office.

Another of Rahmon’s nine children, Ozoda Rahmonova, serves as the country’s Deputy Foreign Minister. Her husband, Jamoliddin Nuraliyev, works as Deputy Finance Minister and is believed to own a company which collects tolls on a major road connecting central Tajikistan with the north of the country. Rahmon’s oldest daughter, Firuza, owns several shops in central Dushanbe. She is married to Amonullo Hukumatullo, who heads the state-owned Tajik Railway Company and reportedly controls an agency in charge of oil imports to the country. Rahmon’s third daughter, Tahmina, controls a large bank and a nationwide television channel.





Emomali Rahmon and Rustam Emomali (RFE/RL)

The most powerful of Rahmon's relatives is his brother-in-law, Hasan Asadullozoda. He controls several major companies, including the country's largest private bank, an airline company, and a firm that supplies bauxite for Tajikistan's state-owned aluminum company, the largest source of revenues for the country. Asadullozoda also has major stakes in the country's cotton, insurance, investment, restaurant, retail, hotel, and telecommunications markets. Another prominent relative of the Tajik president is the country's Minister of Energy and Industry, Sherali Gul.

The extent to which Rahmon's family has monopolized political decision-making in the country and extended its power into business is not a secret to anyone in Tajikistan. Moreover, there have been attempts to legitimize this "family rule" system. In April, the head of the government-affiliated Strategic Research Center, Suhrob Sharipov, claimed that the Tajik president had the right to appoint his relatives to senior government positions if he was confident in their professional abilities. "Family links have always been used in

Tajikistan," he said. "This is our mentality... No matter who is in power in our country, they will always rely on family links."

**IMPLICATIONS:** If nepotism has traditionally been a defining feature of the Tajik political system, how can the recent increase in government's anti-nepotism rhetoric be explained? This development appears to have been prompted by the recent political upheavals in Kyrgyzstan and the Arab world. In Kyrgyzstan, popular revolts in 2005 and 2010 ousted two of the country's post-Soviet leaders, Askar Akayev and Kurmanbek Bakiyev. The

anger that drove these rebellions was fuelled to a large degree by the relentless nepotism of the country's leaders. Despite obvious differences between the two countries, the political systems in Tajikistan under Rahmon and in Kyrgyzstan under Akayev and Bakiyev are very similar when it comes to the increasing concentration of power in the hands of the presidents' families.

The recent political upheavals in the Arab world demonstrated that popular revolts targeting long-resented monopoly rule of corrupt leaders are not unique to Kyrgyzstan. One of the key features common to all regimes in the Arab world which have either been overthrown or found themselves embattled by their own populations is chronic nepotism. Arab rulers most forcefully resented have been those who went the farthest in concentrating decision-making in the hands of their own families and making arrangements to pass on wealth and power to relatives and descendants.

The rebellions in the Arab world have also demonstrated that unorganized youth can become a very potent force prepared to go very

far in demanding social and political change. It has long been contended that Tajikistan is immune to popular revolts because the memory of the 1992-97 civil war made stability a common value cherished by all citizens. However, such assertions fail to recognize the fact that younger Tajiks, who are now in their late teens and early 20s, have no memory of the violent conflict and, therefore, do not view political stability as something sacred.

This group is increasingly alienated from the government, which they see as playing no significant role in helping them succeed in their lives. Young and educated Tajiks in urban areas increasingly find that degrees even from top Western universities cannot compete with family connections in the government job market predicated on patronage and networks. Bitter comments and discussions in social media attest to the increasing alienation of this group. Opportunities for personal success are even slimmer in rural areas, where perhaps the only realistic option for most young Tajiks to avoid poverty is to look for work in Russia. At the same time, young Tajiks see that despite widespread poverty, the children of government officials drive luxury cars, own huge mansions, and have other expensive habits. This leads to an increasingly strong conviction that the Tajik political system is designed to benefit only a selected few.

Tajik political analyst Ghani Muminzoda believes that unless the authorities take effective measures to minimize the negative impacts of nepotism, they might be unable to restrain the growing public anger. According to Muminzoda, "the young people view the government as not benefitting them in any way, and therefore as an institution that has lost its practical purpose. The consequences of

such an outlook can be disastrous." It appears that the public frustration with the political system based on family ties is not lost on the government. The speaker of Tajikistan's parliament, Shukurjon Zukhurov, stated in a recent interview, "Those who think that people do not know or see what is happening are mistaken. People know how government officials get their jobs and how they earn their bread." He also suggested that if the authorities fail to address the growing discontent of people, they will lose the trust of the population.

**CONCLUSIONS:** Tajikistan's politics is plagued by nepotism that permeates all levels of state power. The "family rule" system promoted by Rahmon is the most obvious manifestation of the wider societal practices that have deep cultural and economic roots. It is unlikely that the Tajik authorities are genuinely committed to implementing comprehensive anti-nepotism measures. These measures simply cannot be effective without tackling "family hire" practices at the highest levels of state power, and combating nepotism at these levels would mean undermining the very basis of the regime. The increase in government concern about nepotism is most likely precipitated by the growing recognition in the Tajik president's inner circle of potential security risks stemming from public anger over nepotistic practices in the government. Hence, the real aim of the government's anti-nepotism agenda might be not to wipe out "family hire" practices but to make people believe that the government is fighting this social ill.

**AUTHOR'S BIO:** Alexander Sodiqov taught at the Russian-Tajik Slavonic University in Dushanbe, Tajikistan in 2009-2010. He is now an independent analyst, studying for a PhD in Political Science at the University of Toronto.



## FIELD REPORTS

### PRESIDENT NAZARBAYEV DISSOLVES PARLIAMENT'S LOWER CHAMBER

*Georgiy Voloshin*

On November 16, Kazakhstan's President Nursultan Nazarbayev signed a decree dissolving the lower chamber of the country's Parliament, thus responding to the request of a group of 53 Majilis deputies submitted a week earlier. As the representatives of this initiative group explained during a press conference, such a move had become inevitable in order to adjust to current international circumstances, with the second wave of the economic crisis threatening to bring down Kazakhstan's financial system and cause irreparable damage to its economic prospects. The deputies believe that the dissolution of the Majilis will enable the entry into Parliament of a second party whose role would be to reinvigorate political debate and present original solutions that the presidential party might have previously missed or ignored. Finally, those who signed the petition are convinced that only a refreshed Majilis will be up to the task of bringing about necessary changes provided for in the Program for industrial and innovative development whose implementation is to be finalized by 2014.

Right after the announcement made by the deputies, President Nazarbayev's advisor for political affairs, Ermukhamet Ertysbayev, promptly reacted to the news by saying that the head of state will most likely support the deputies' idea, though "he had been against early parliamentary elections and stood by his promise by declaring on September 1 that there would be no such elections in 2011." At the

same time, Ertysbayev clearly indicated that if approved, early parliamentary elections could take place in January 2012. In fact, this is what has been practically decided: The two rounds of voting are now to take place on January 15 and 16. "There will be many problems [in 2012], and to spend time on a two- or three-month electoral campaign is unreasonable and imprudent. I think that our deputies have taken an important and responsible decision," said Ertysbayev.

National and foreign press has regularly referred to the possibility of organizing an early parliamentary vote. In July 2011, one of the main opposition parties, Ak Zhol, elected a new chairman, Azat Peruashev, whose previous position was in the National Union of Entrepreneurs and who is believed to have close affiliations with the presidential administration. The party's former leader, a one-time opponent and strong critic of President Nazarbayev, unexpectedly changed sides by accepting the post of chairman of Kazakhstan's Agency for public service and practically leaving the political scene. Peruashev's later comments in the press created the impression that the Ak Zhol party under his leadership was seriously preparing to vie for power alongside its competitor Nur Otan. In early November, he even presumed that Ak Zhol might easily gain the support of 15-20 percent of Kazakh voters, thus obtaining a few scores of seats in the Majilis and gaining access to the real levers of influence on legislative decision-making.

After it became clear that Peruashev's party was not the only one to aspire for a second place in the legislative assembly, the course of events took an even more interesting turn. On October 4, the Almaty inter-district court banned the Communist Party of Kazakhstan from carrying out any political activities, including electoral campaigning, for a period of six months citing its chairman's participation in the unlawful association The People's Front. This association was created by a group of unregistered political organizations with a view to confronting the Nur Otan party and its monopoly on power, by various public actions promoted mainly with the help of volunteers. As if this were not enough, the chairman soon came under attack from his own comrades who accused their leader of corruption and unfaithfulness to the ideals of the communist ideology. In the opinion of many experts, this case highlighted the artificial character of any political transformations proposed

to the public by the country's leadership, as all steps seemed to have been carefully planned and "sponsored" by the presidential administration.

Andrey Grozin, an expert on Central Asia and Kazakhstan at the CIS Research Institute based in Moscow, believes that the idea of holding early parliamentary elections stems from the fact that in the current circumstances defined mainly by the ongoing crisis the Nur Otan party cannot be sure of getting all of its deputies reelected next spring. Thus, in order to avoid a major political failure, it was collectively decided to hamstring the opposition by forcing the normal course of events in the desired direction. "At the same time, it is clear that the current one-party Parliament is incapable of effectively serving the goals of stabilization in the case of force majeure. For instance, if the process of power transition to a successor meets some difficulties of social nature, such as the growth of protest activities or social unrest," Grozin says.

---

## GEORGIA, RUSSIA ARRIVE AT WTO DEAL

*Maka Gurgenidze*

Georgia and Russia signed a bilateral agreement finalizing Russia's entry terms in the World Trade Organization (WTO) in Geneva on November 9. Tbilisi labeled the deal as a "diplomatic victory" for Georgia. Moscow also hailed the agreement, terming it a "huge success" driving Georgia in the "right direction."

The agreement, mediated by Switzerland, envisages the establishment of "a mechanism of customs administration and monitoring of trade in goods consisting of an International Monitoring System (IMS) and an Electronic Data Exchange System (EDES)," the Ministry of Foreign affairs of Georgia reports. Under the terms of the agreement, three "trade corridors" – two in the breakaway regions Abkhazia and South Ossetia and one at Zemo Larsi-Kazbegi (an undisputed Georgian-Russian border crossing point) – will be established. Corridors

identified by their geographic coordinates will be monitored through an international private company. A contractor company hired by a third party will deploy two groups of monitors at a time at the end of the corridors on the Russian and Georgian sides. However, the agreement does not envisage deployment of monitors inside the territories of the breakaway. The monitors will attend the procedures of checking documentation, goods and cargo to avoid illegal trade between the two countries. For this purpose, the introduction of EDES will provide observers with a common electronic data base enabling them to pursue accurate risk management and auditing.

In light of these tasks, the Georgian-Russian WTO deal includes three sets of documents. The first is a bilateral agreement covering key principles for a mechanism upon which the custom administration

and monitoring should be conducted. The second is a Memorandum of Understanding endorsing Switzerland as a neutral third party empowered to select international monitors, who will be accountable to the Swiss government. The third defines general rules for international monitors who must not be Georgian or Russian citizens, thereby establishing the Terms of Reference for a neutral private company.

Importantly, at the onset of the WTO talks Georgia's principle precondition for allowing Russia to enter the organization was to enable Georgian custom officials to control and monitor the turnover of cargo throughout the territories of Abkhazia and South Ossetia. The demand, however, was resolutely resisted by Russia triggering consequent changes in Georgian position. Tbilisi agreed on the deployment of international monitors, instead of Georgian officials, and later on the presence of an international private company to control and monitor the border check points.

Despite the concessions, Tbilisi claims that it was able to realize its ambitions. President Mikheil Saakashvili stated that "...for the first time after Georgia's independence, international monitoring of the movement of goods will begin within the internationally recognized borders of Georgia." Thus, Tbilisi thinks that the deployment of an international monitoring company will highlight the illegitimacy of the breakaway territories' current status, and views this as a primary achievement of Georgian diplomacy. Nevertheless, Russia's Foreign Ministry claims that "the agreement does not infringe on the status of Abkhazia and South Ossetia as independent states."

Meanwhile, the U.S. and EU hailed the steps taken by both sides to allow one of the largest economies in the world to enter the global rule-based trading

system. Western officials claim that the deal will benefit Georgia by ensuring transparency of trade from Russia and providing opportunities for using the WTO's impartial dispute mechanisms against Moscow in case of disagreement.

In contrast to the Western posture, representatives of some of the Georgian opposition parties have a negative view of the deal. Under pressure from the U.S. and EU aimed at securing Russia's accession to the WTO, Georgia had to make the most concessions and softened its original position little by little, they asserted. For instance, Bidzina Ivanishvili, the recently emerged billionaire-turned politician, discarded the significance of international monitors. According to him, restoring the export of wine and mineral waters – Georgian products currently banned on the Russian market – should have been a key precondition for Russian membership in the WTO. The leader of "Free Georgia," Kakha Kukava, went even further saying that the proposal allegedly presented by the Swiss government was in fact elaborated by the Ministry of Economic Development of the Russian Federation. The Western allies disguised the proposal as a Swiss offer to maintain Saakashvili's image, he said. David Berdzenishvili, a member of the Republican Party took a more moderate stance, saying that though accepting the Swiss proposal was a right decision, the deal itself can hardly be defined as a "diplomatic victory."

Whereas the Georgian government is seemingly exaggerating the significance of the deal and its potential implications, it should be acknowledged that given the interest of western allies to include Russia in the rule-based trading system, Georgia had little possibility to maintain its initial stance. However, Tbilisi managed to secure the third best option, which is at least something.

## OSH MAYOR WANTS OWN MUNICIPAL POLICE

*Joldosh Osmonov*

The Mayor of Osh City has expressed the intention to create his own municipal police, including a special task force. While some consider the initiative an attempt to strengthen his position in a long-lasting confrontation with the central government, others contend that it is a game of politics in light of the upcoming local elections.

The Mayor's Office of Osh, the country's second largest city, plans to create a municipal police, independent from the Ministry of Interior and accountable to the city authorities. The plan was announced by Mayor Melis Myrzakmatov at a meeting with mass media representatives on November 10, 2011. According to the mayor, the municipal police will include "neighborhood police inspectors, children's officers and a special task force." He claimed that police and other law enforcement bodies fulfill political tasks, not legal ones, hence the need to form a local police body.

Myrzakmatov's plan received immediate feedback from the authorities in Bishkek. Shamshybek Mamayrov, head of the Research Center under the Interior Ministry, stated that the Osh mayor's initiative is illegal, adding that such statements might undermine the currently stable situation in the southern region. Moreover, the initiative invoked considerable public discussion, mostly critical of the mayor's intentions which are widely considered as attempts to undermine Kyrgyz statehood and state institutions and to create an autonomous "city-state" on Kyrgyzstan's territory.

The day after the "ill-fated" announcement, Myrzakmatov organized a press conference and denied his statement, stating that the media had interpreted his announcement incorrectly. "First of all, we have to understand that the law applies to the entire territory of the country and we cannot say that there will be an independent 'autonomous' police in a separate city," he stated. The controversial mayor added that it was just an idea,

which his office is planning to suggest within the framework of reforms of the Interior Ministry.

Experts claim that Myrzakmatov's initiative is another open challenge to the central government in his continual confrontation with Bishkek since last year's overthrow of the government, which was followed by violent ethnic conflict in the south of the country starting in Osh.

Other analysts relate the demarche of the powerful local mayor to the upcoming local elections for the Osh city council, which is scheduled for February 2012. According to the law, the elected city council will elect a new mayor. Political expert Nurjigit Kadyrbekov considers Myrzakmatov's statement as an attempt to reaffirm his intention to remain on his post and to warn the "unfriendly" authorities in Bishkek to renounce the idea of getting rid of him.

After the fall of the Bakiev's regime, Myrzakmatov, who was considered a close ally of the ousted president, fell into disfavor with the newly established interim government. However, his popularity among the Kyrgyz ethnic majority during the interethnic clashes in the south, where he was perceived as "a protector of the Kyrgyz people" due to his nationalistic rhetoric and open capitalization of national sentiments, became a serious challenge to the Bishkek authorities in their attempts to remove him.

In August 2010, when the Osh mayor refused to allow the deployment of an OSCE police mission in the southern capital against Bishkek's will, the interim government tried to remove Myrzakmatov. However, the attempt failed as the mayor's supporters organized mass protests demanding a stop to the persecution of their "protector." The country's interim leaders were forced to leave him on his post to avoid worsening the already fragile situation in southern Kyrgyzstan after the recent ethnic violence. In addition, the interim government itself was at that point too weak to

extend its power across the country, especially in the south.

Since then, Myrzakmatov has continuously ignored the central government by exerting full power in his “territory” and often opposing decisions coming from the capital city. Bishkek’s policy of keeping silent in response to the mayor’s provocative actions and statements contributed to strengthening the de facto autonomous rule exercised by the scandalous mayor in his city.

Meanwhile, local experts discuss the fate of the controversial mayor in connection with the president-elect Almazbek Atambaev’s ascent to power followed by the expected changes in government and the composition of the parliamentary majority coalition. At the same time, most experts agree that Atambaev and the new government will have to deal with the “local problem” if Bishkek intends to reassert its power across the country.

---

## RISK OF SOCIAL UNREST IN UZBEKISTAN DUE TO GAS SHORTAGES

*Erkin Akhmadov*

In the first days of November, residents of several cities and villages in Uzbekistan started experiencing serious gas shortages. Meanwhile, representatives of the local authorities have not provided any comprehensive explanations to the anxious population, other than warning that the winter will be cold and advising to store alternative fuels to keep their houses warm and businesses running. Experts state that Uzbekistan’s large natural gas export is one of the main reasons for the increasing domestic gas supply crisis, as this provides significant income to the state budget but does not consider the needs of the local population. In any case, many experts predict social unrest if the situation does not change during the cold winter months.

As reported by the Initiative Group of Independent Human Rights Activists (IGIHRA), the head of the administration of the Rishtan region in Ferghana oblast notified the local population that he does not guarantee continued gas supply during the coming winter, and that people should store alternative fuels for heating their houses and cooking. Thus, in public places such as schools and kindergartens, the staff has already started collecting fees for purchasing firewood or coal, or installing stoves for burning alternative fuels. However, Ferghana oblast

is not alone in experiencing such difficulties. Residents of Kashkadarya, Syrdarya, Jizakh, Bukhara and even Tashkent oblasts report similar problems.

While causing inconveniences and extra expenditures for ordinary people, the massive gas cuts have become a major problem for numerous small and medium enterprises in Uzbekistan, whose businesses and produce depend heavily on the availability of natural gas. Thus, owners of small bakeries, cafes and other public catering services complain about increased expenditures when relying on alternative fuels, and frequent disruptions in the operation of their businesses. The substantial cuts in gas provisions have also rapidly increased the demand, and therefore the price, for alternative fuels. For instance, a ton of low-calorie Angren coal now costs about 350 thousands Uzbek Soms (US\$ 200), and a van of firewood about 400 thousands Uzbek Soms (US\$ 229), which is slightly higher than the average monthly salary in many regions of Uzbekistan. Local experts think the price rise has not yet reached its peak, and that the current prices may double during the coldest months of winter.

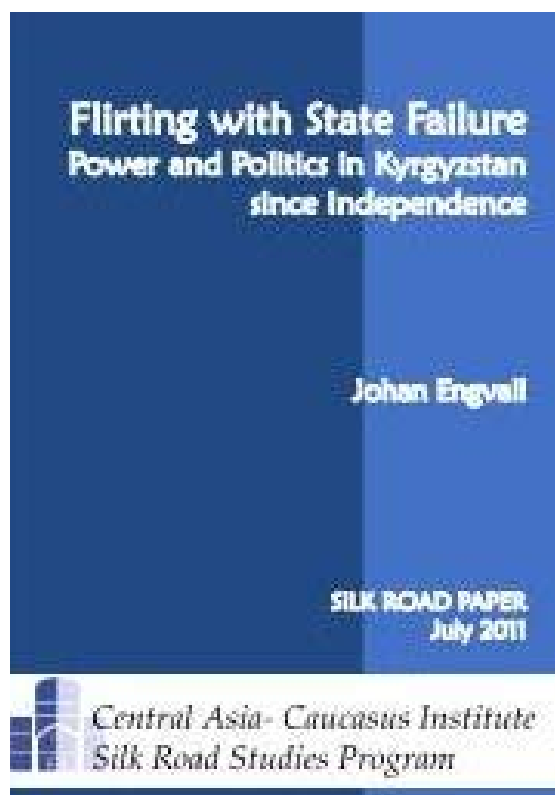
In addition, inspectors charge exaggerated fines to entrepreneurs who refuse to cease their gas consumption or who attempt to access gas pipes illegally. For instance, an owner of a small bakery in Tashkent oblast was fined 8 million Uzbek Soms (US\$ 3100) just for refusing to comply with the governmental order. Local sources have reported violent confrontations in some cases. As some entrepreneurs put it, “the government collects all kinds of taxes from us, but does not provide a mere chance to make money.”

Well aware of the massive public discontent, local authorities refer to the presidential decree “On measures for providing preparedness of the economic sectors of the Republic for sustainable operation in the fall-winter period of 2011-2012.” However, this document does not constitute a sound justification for the massive gas cuts, as it does not contain any recommendations for such measures. Moreover, Erkin Khaydarov, representing the press-service of “Uztransgaz,” the company responsible for Uzbekistan’s gas supply, denounced any information about gas cuts in the regions. Khaydarov stated that “Gas is supplied in the

planned volumes and normal mode. There are some ongoing works to fix gas and heating systems, and in this case temporary gas cuts are possible.”

Local observers, including the leader of the IGIHRA, think that the main reason for the current uneasy situation is a substantial shortage of “blue fuel” for domestic needs, and the government’s interest in increasing its profits from gas export. Furthermore, the export volumes remain high even though the extraction volumes went down during the last nine months. The State Committee on Statistics reports that in 2011 the extraction of natural gas went down by 4.3 percent in comparison with the corresponding period in 2010.

So far, no attempts by the unhappy local population to extract any reasonable explanations or actions from the representatives of local authorities have been successful. For example, when a number of local residents in the Syrdarya region tried to storm the building of the local administration, they were dispersed by police. When the forecasted cold winter will start in Uzbekistan, it will undoubtedly be much harder for the authorities to constrain public discontent.



#### 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](http://www.silkroadstudies.org). Hardcopy requests should be addressed to Paulette Fung at [caciz@jhu.edu](mailto:caciz@jhu.edu).

## NEWS DIGEST

### **KAZAKHSTAN TO EXPORT 2.5 MLN TONES OF GRAIN THROUGH BLACK, BALTIC SEAS THIS YEAR**

**3 November**

Kazakhstan may export 2.5 million tonnes of grain through the Black and the Baltic Seas this marketing year (July 2011-June 2012), the country's Agriculture Minister Asylzhan Mamytbekov said. "Today we are working closely with the national railway company Kazakhstan Temir Zholy. In October we shipped 1.2 million tonnes of grain, of which 600,000 tonnes were exported. We plan to raise the export volume to 800,000 tonnes in November and to 1 million tonnes in December. To meet the objectives, we are providing incentives to exports through the Black and the Baltic Seas. About 2.5 million tonnes of grain will be exported through those routes," Mamytbekov said at a plenary session of the parliament on Thursday. "I believe we are bound for an exporting record," he said. Kazakh grain exports to China will be maintained at their previous level, he said. "Last year we exported around 50,000 tonnes of grain to China, and this year roughly at the same volume, maybe a little more," Mamytbekov said. Prodcorporation (the Kazakh operator of grain purchases in state reserve) has said that Kazakhstan plans to export around 3 million tonnes of grain to China in the 2011-2012 marketing year. Mamytbekov said Kazakhstan could export up to 15 million tonnes of grain this marketing year. Kazakhstan exported 5.9 million tonnes of grain last year. Kazakhstan has reaped a record grain harvest of 29.5 million tonnes in bunker weight this year. (Interfax)

### **GEORGIA EXPECTS VERSHBOW**

**7 November**

U.S. Assistant Secretary of Defense for International Security Affairs Alexander Vershbow will visit Georgia on November 10-12, Georgian Deputy Foreign Minister Nino Kalandadze told a briefing on Monday.

Kalandadze did not specify the purpose of the U.S. diplomat's visit, recalling that Vershbow is also co-chairman of the U.S.-Georgia charter on strategic partnership.

"Consultations are systematically held within the framework of this charter," Kalandadze said. A meeting of the NATO Security Council will be held in Georgia on November 9-10. NATO Secretary General Anders Fogh Rasmussen plans to visit Batumi on September 10 to meet with Georgian President Mikheil Saakashvili. Georgian experts do not rule out that Vershbow may join this meeting. (Interfax)

### **NABUCCO AWAITS OPEN SEASON**

**7 November**

Nabucco can start its open-season process once shareholders get firm commitments from Azerbaijan, a consortium spokesman said from Vienna. Azerbaijan is weighing proposals for resources from its Shah Deniz 2 gas field from pipeline consortiums involved in the so-called Southern Corridor of transit networks. Christian Dolezal, a spokesman for the Nabucco consortium, told European news agency New Europe he was waiting for Baku to green light the project. "The Shah Deniz consortium received the proposal from us in time and we are waiting for their decision," he was quoted as saying. "After our shareholders have firm commitments from the Shah Deniz consortium we will, can start with the open-season process." The Nabucco pipeline, the most ambitious of the Southern Corridor projects, would carry an estimated 1 trillion cubic feet of natural gas per year. Last week, European Energy Commissioner Gunther Oettinger described Nabucco as "expensive" with a \$10.9 billion price tag. He said the project was still needed to allay European energy concerns, however. Nabucco is up against the Interconnector Turkey-Greece and the Trans Adriatic Pipeline projects. Baku said it would deliver as much as 350 billion cubic feet of natural gas per year from its Shah Deniz 2 project in the

Caspian Sea through whichever project it picks.  
(UPI)

## **TESTS FAIL TO CONFIRM THAT GEORGIA HANDED OVER MISSING PILOT'S REMAINS TO RUSSIA**

**7 November**

The remains that Georgia handed over to Russia for genetic tests are not those of Lt. Col. Alexander Koventsov, who went missing during the five-day war in South Ossetia in August 2008, a high-placed diplomatic source in Moscow told Interfax-AVN on Monday.

"These are definitely not Koventsov's remains, and this has been confirmed in two tests conducted by Georgian experts under the supervision of the International Committee of the Red Cross," he said. Genetic tests have been carried out twice at Russia's request, initially on seven and then on 15 parameters, he said.

The result was negative in both tests: the remains examined were not those of Koventsov," the source said. (Interfax-AVN)

## **AZERBAIJANI ACADEMIC DEMOTED AFTER CRITICIZING ACTIVIST'S JAILING**

**7 November**

A professor at Azerbaijan's Oil Academy has been demoted after criticizing the imprisonment of a youth activist who called for antigovernment protests via Facebook, RFE/RL's Azerbaijani Service reports. Baxtiyar Hacıyev (aka Bakhtiyar Hacıyev), a Harvard graduate and former parliamentary candidate, was jailed in May for two years for evading military service in a case his supporters regard as retaliation for his use of social media to criticize the Azerbaijani authorities. Professor Rafiq Aliyev spoke out about Hacıyev's case in comments to RFE/RL on November 1. He said he couldn't comprehend how Hacıyev could have been found guilty and imprisoned under Azerbaijani law. He said those laws should be applied equally to all citizens.

Within days, Aliyev, the author of some 70 books, was removed from his post as chair of robotized control systems for allegedly violating the Labor Code by "not carrying out his commitments in accordance with his employment contract." He remains at the academy.

Forum of Intelligentsia of Azerbaijan (FIA) head Eldar Namazov told RFE/RL on November 5 that Aliyev's demotion was connected with his sociopolitical activity and was ordered by someone

high up in the government. "I'm sure the order to dismiss Rafiq Aliyev was not the Oil Academy rector's personal decision. Such a decision with regard to a world-famous scientist is a disgrace to the academy. Certain pressure was exerted on the academy leadership," Namazov said. Namazov said he believed a campaign was under way to pressure the Azerbaijani intelligentsia as a whole. Aliyev himself has declined to comment. The FIA convened a roundtable discussion on November 4 at which it called for dialogue between the authorities and the public in order to defuse rising tensions. Addressing that gathering, Aliyev expressed concern at the possibility of a civil confrontation, the Russian website reported. (RFE/RL)

## **KAZAKH GROUND FORCES HOLD COUNTER-INSURGENCY DRILLS IN MOUNTAINS**

**8 November**

Kazakhstan Ground Forces commanders held a four-day operational and methodical exercise at the Koktal training site.

Kazakh Defense Minister Adilbek Dzhaksybekov watched company tactical drills, during which troops combed through the mountainous area, blocked and eliminated simulated insurgency groups, the Kazakh defense ministry said in a press release on Monday.

"During the exercise, particular focus was on the battle order, the firing system, competent use of the area, its engineering equipment, a combination of fire, strike and maneuver with steady retention of the occupied frontiers, as well as active tactical operations," the press release said.

"Kazakh army servicemen had a good practice of planning and applying forces. A battle in an urban and mountainous area has certain difficulties and requires the skill and performance of various techniques," the minister was quoted as saying in the press release.

Dzhaksybekov expressed his satisfaction with the outcome of the exercise, during which the personnel gained the necessary tactical experience.

Currently, the Ground Troops' tactical training aims at guaranteed provision of national security, new trends in the nature of armed struggle and troops' operating methods, the press release said. The main focus is on blocking and destroying illegal armed groups in populated areas, steppes and mountains. (Interfax-AVN)



## **TAJIKISTAN'S VERDICT FOR RUSSIAN PILOT "A SLAP TO STATE" – KUCHERENA**

### **8 November**

The Russian Public Chamber has said it is necessary to secure the release of Russian pilot Vladimir Sadovnichy, who was sentenced to eight and a half years in prison in Tajikistan.

"It is simply terrible that such a harsh verdict has been issued. It can be regarded as a slap to our state," head of the Public Chamber commission for monitoring law enforcement and judiciary activities Anatoly Kucherena told Interfax on Tuesday. A public committee in support of S Sadovnichy will be set up in the near future, he said. "I think it is a matter of honor for the Russian state, and human rights activists to stand up for our countryman who found himself in a predicament and to secure his release. For our part, we will set up a public committee in his defense," Kucherena said. (Interfax)

## **RUSSIA TO HELP FINANCE ASIAN POWER LINE**

### **9 November**

Russia is willing to help finance an ambitious Central Asian regional electricity transmission project, Russian Prime Minister Vladimir Putin said.

Putin told a gathering of prime ministers of the Shanghai Cooperation Organization countries Monday in St. Petersburg, Russia, that his country is prepared to invest \$500 million in the "CASA-1000" project. The project, which has received backing from the World Bank, envisions building a 1,000-megawatt transmission line from hydropower generators in Kyrgyzstan and Tajikistan to Afghanistan and Pakistan, which are seeking more reliable and cheaper sources of electricity. But it has been delayed pending the completion of the Rogun hydropower project on the Vakhsh River in Tajikistan, which is opposed by neighboring Uzbekistan on environmental grounds. "Russia is willing to commit at least \$500 million into this project," Putin said. "We could implement this project in a fairly short time and we propose intensifying work in this direction." The Central Asia-South Asia Electricity Trade and Transmission Project, or CASA-1000, would provide electric power to Pakistan and Afghanistan, mainly during the summer periods. The initial agreements call for Tajikistan and Kyrgyzstan to supply an equal amount of electricity to Pakistan, which will receive 70-75 percent of the

flow, and to Afghanistan, which will receive 20-25 percent, analysts from the Central Asia-Caucasus Institute say.

At about 1,000 miles it would be the biggest regional power supply project in Eurasia. Nearly 90 percent of its estimated \$2 billion cost is to be funded by international finance organizations such as the World Bank and the Islamic Development Bank, with the remaining 10 percent provided by private investors.

Putin's offer of financial help this week came in the context of expanding the Shanghai Cooperation Organization, which consists of Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, to include Pakistan as a full member. (UPI)

## **KAZAKHSTAN BLAMES TERRORISTS FOR BOMBINGS**

### **10 November**

Two explosions last week in Atyrau, Kazakhstan, were the work of an Islamist terrorist group, Kazakh authorities said. The Moscow Times reported Kazakhstan's Prosecutor General's Office blamed the terrorist group Jund al-Khilafah, or Soldiers of the Caliphate. The alleged bomber was the sole casualty. Kazakh authorities said the Islamist insurgency had spread to the republic from North Caucasus. The terror group said in a statement on Islamist Web sites after the Oct. 31 explosions they were retaliation for a legislative crackdown on religion. Legislation adopted last month bans prayer rooms in state buildings and requires missionaries to obtain state registration and renew it annually. President Nursultan Nazarbayev introduced the legislation, which he called an anti-extremism measure. Before Wednesday, the Times said, Kazakh authorities had denied the existence of Soldiers of the Caliphate. Authorities said three members of the group arrested last week said the failed attacks were not intended to be suicide bombings, but the victim died because he mishandled an explosive device. Atyrau is home to offices of numerous oil companies, including ENI, Tengizchevroil and Exxon Mobil. (UPI)

## **5 DEAD AFTER VIOLENCE IN KAZAKHSTAN**

### **12 November**

Police are pursuing a suspect in Kazakhstan who allegedly killed five people, including three police officers, Saturday morning. Police were pursuing a suspect they believed robbed a hunting store early

Saturday in Taraz, RIA Novosti reported. The five were killed in a subsequent explosion and shooting by the suspect, police said. "Two officers received fatal gunshot wounds ... and the third was killed when the wounded suspect set off what is believed to have been an improvised explosive device after being detained," a police statement said. Earlier reports said three people had died. (UPI)

## **KYRGYZSTAN IN TALKS ON 'MANAS' TRANSIT CENTER**

**14 November**

Negotiations on the U.S. Transit Center at "Manas" are underway with the Kyrgyz leadership, CA-News quotes the U.S. Ambassador to Bishkek Pamela Spratlen as saying. "The issue is under discussion. Negotiations are underway with the Kyrgyz side on its stay," Spratlen said at the opening of the Global Entrepreneurship Week in Bishkek on Nov.14. Earlier, Prime Minister Atambayev has repeatedly stated that the current military Transit Center of the U.S. at the "Manas" Airport should be civil. He also reminded that the agreement between Kyrgyzstan and the U.S. on this Center expires in 2014. An agreement on deploying the U.S. military base in the country's territory is in effect until 2014. A U.S. Air Force base was deployed at the International Airport Manas in the capital of Kyrgyzstan in 2001 within the Operation Enduring Freedom in Afghanistan. Later, it was renamed the *Transit Center* (TC), which is the key point of transportation of the U.S. military equipment and servicemen toward the places of war actions in Afghanistan. (CA-News)

## **UZBEKISTAN DEMANDS INVESTIGATE TAJIK BORDER INCIDENT**

**14 November**

The State Frontier Safeguard Committee of the National Security Service (NSS) of Uzbekistan announces its decisive protest in connection with the fact of shooting at the Uzbek-Tajik border on Sunday night, and urges to carry out comprehensive investigation of the incident, NSS Press Service told Trend on Monday. Uzbek frontier guards on Sunday at 21.20 prevented another attempt of importing a large portion of drugs onto the territory of Uzbekistan through a section of the Uzbek-Tajik border near to town Bekabad of the Tashkent district, the Press Service said. Uzbek frontier troops servicemen were "shot by the so-called Tajik "frontier guards" who really assisted the criminals" when they tried to seize a group of smugglers. As a

result of attack by gangsters, a military serviceman of Uzbek NSS frontier troops was shot to death. A large portion of heroin - more than 3.8 kilograms - was found at the place of the incident. This is a second case of clashes between Uzbek NSS frontier guards and Tajik drugs smugglers lately, the Press Service reported. One infringer was wounded and another one was killed when they tried to resist Uzbek frontier guards in June attempt of smuggling 22.98 kilograms of raw opium toward Samarkand. A serviceman of Uzbek NSS frontier troops was injured at the then incident. It is identified that the infringers were also backed by Tajik frontier guards. (Trend)

## **INDIAN ARMY CHIEF TO VISIT UZBEKISTAN, KAZAKHSTAN**

**15 November**

Looking to further India's military relations, Army chief General Vijay Kumar Singh will go on a six-day visit to Uzbekistan and Kazakhstan beginning Wednesday, an army officer said Tuesday. This will be the first-ever visit by an Indian Army chief to Uzbekistan since its independence in 1991 and to Kazakhstan in 16 years, an officer at the army headquarters here said. Singh will be in Tashkent from Nov 16 to 19 when he will meet up with his Uzbek counterpart and other top military and government leaders. From there, he will fly to Astana to hold similar bilateral talks with the Kazakh military and government top brass. The visit has been envisaged as an Indian effort to have greater engagement with the Central Asian nations, considered as New Delhi's extended neighbourhood. The last Indian Army chief to visit Kazakhstan was General Shankar Roy Choudhury in the mid-1990s. (IANS)

## **KAZAKHSTAN PRESIDENT NAZARBAYEV CALLS SNAP ELECTION**

**16 November**

Kazakhstan President Nursultan Nazarbayev has dissolved parliament and called a snap election for mid-January. The move, which was widely expected after he won April's presidential poll, will dilute the governing party's monopoly. Mr Nazarbayev's Nur Otan party, which has 98 of the 107 parliamentary seats, is widely expected to win most seats. But the elections could pave the way for a second-placed party to have a presence in parliament. The country's one-party lower house of parliament, the Mazhilis, asked the president last week to dissolve the chamber ahead of the vote. The

first part of the poll, the election from party lists, will be held on 15 January 2012. The next day, other deputies will be chosen by the People's Assembly of Kazakhstan, a consultative body loyal to Mr Nazarbayev. Analysts and poll observers say there has not been a fair poll in the country in the last 20 years and warn that any party that manages to come second is likely to be widely sympathetic to the governing party and pose no challenge to Mr Nazarbayev's leadership. In April's presidential vote, which was criticised by international observers, Mr Nazarbayev won 95.5% of votes. In the 2005 election, he won 91.2%. His current term was to have ended in 2012, but he called the early poll after a proposal to cancel the next two elections was ruled unconstitutional. Under a 2007 constitutional amendment, there is no limit on the number of terms the former Communist Party boss may serve in office. Mr Nazarbayev has argued that economic prosperity should come before democracy. Kazakhstan is Central Asia's largest economy and oil producer and, having reformed its market, has achieved annual economic growth of around 8% over the last decade. It has attracted more than \$120bn (\$76bn) in foreign investment since independence. (BBC)

#### **KAZAKHSTAN TO RENDER FREE MILITARY-TECHNICAL ASSISTANCE TO KYRGYZSTAN**

**16 November**

Kazakh President Nursultan Nazarbayev signed the law "On ratification of the Agreement between the Government of the Republic of Kazakhstan and the Government of the Kyrgyz Republic on the provision of free military-technical assistance," the President's press service reported on Wednesday. The agreement between the countries was signed in Astana on March 17, 2011. Kazakhstan will provide Kyrgyzstan with military property worth roughly \$3 million. According to the agreement, Kyrgyzstan can not transmit military property received from the Kazakhstan or right to use it to the third party. (Trend)

#### **AT LEAST 16 ALLEGED MILITANTS REPORTED KILLED IN THE U.S. DRONE ATTACK**

**16 November**

Pakistani intelligence officials say suspected U.S. drones fired missiles into two compounds in Pakistan's northwestern tribal region near the border with Afghanistan, killing at least 16

alleged militants. The officials said the strikes happened on November 16 in the South Waziristan tribal district. The area is considered to be a stronghold of Al-Qaeda and Taliban fighters. The United States does not acknowledge the CIA-run drone program in Pakistan publicly, but officials have privately said drone strikes have killed many senior Taliban and Al-Qaeda commanders. Most of the strikes have targeted Al-Qaeda militants or Afghan Taliban insurgents battling U.S. forces in Afghanistan. But the attacks have also killed Pakistani Taliban fighters, who are allied with Afghan militants but have focused their attacks mostly inside Pakistan. Those killed in this latest missile strike were said to be local Taliban fighters. (RFE/RL)

#### **U.S.-AZERBAIJANI SECURITY COOPERATION TO BE MULLED**

**16 November**

Secretary of the US Navy Ray Mabus will visit Azerbaijan on Nov. 20-21, the U.S. embassy reported. During his visit, Secretary Mabus will meet with Government of Azerbaijan officials to discuss U.S.-Azerbaijani security cooperation. Subordinate to the Secretary of Defense, the Secretary of the Navy is responsible for the conduct of all the affairs of the Department of the Navy as its Chief Executive Officer. The Department of the Navy consists of two Uniformed Services: the United States Navy and the United States Marine Corps. The Secretary of the NAVY is responsible for the formulation and implementation of policies and programs that are consistent with the national security policies and objectives established by the President or the Secretary of Defense. (Trend)

#### **GEORGIAN PATRIARCH TO LEAVE FOR MOSCOW TO CELEBRATE RUSSIAN ORTHODOX CHURCH'S PATRIARCH'S ANNIVERSARY**

**16 November**

The Catholicos-Patriarch of All Georgia Ilia II will leave for Moscow on Nov. 18. As the Georgian Patriarchate told Trend, he will attend events in honour of the 65th anniversary of the Russian Patriarch Kirill in Moscow. The two heads of churches will hold an important service in Cathedral of Christ the Saviour in Moscow on Nov. 20. Patriarch Ilia II will also meet with the Georgian Diaspora. Other official meetings are not scheduled. On Nov. 24 he will return to his homeland. Other heads of the Georgian Orthodox Church will

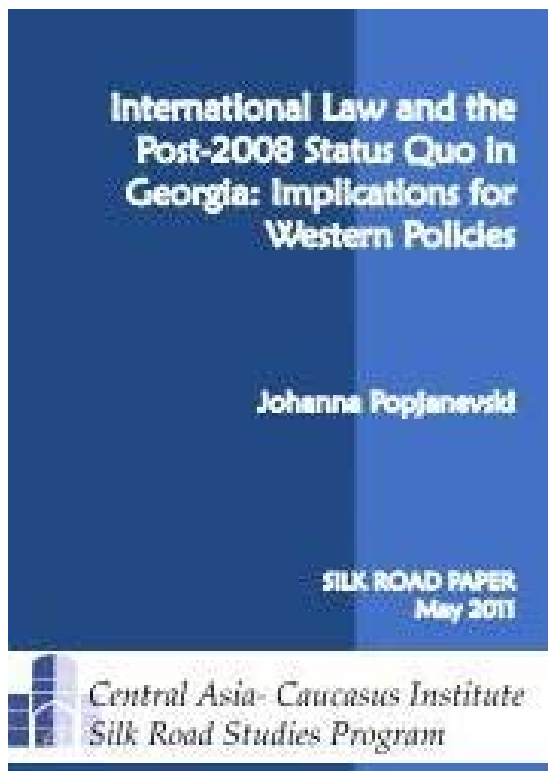
accompany the Patriarch during his Moscow trip. (Trend)

### CHECHEN POET RUSLAN AKHTAKHANOV SHOT DEAD IN MOSCOW

16 November

A prominent poet from Chechnya, Ruslan Akhtakhanov, has been shot dead in Moscow. Police said his death appeared to be a contract killing. The 58-year-old was shot several times by an unidentified gunman as he left his car outside his home in north-west Moscow on Tuesday night. Mr

Akhtakhanov had opposed the Chechen separatist movement, believing Chechnya should remain part of Russia. "An unknown person shot at Akhtakhanov twice: first in the leg and then in the head," the Investigations Committee of Russia said in a statement. The Interfax news agency quoted police sources as saying that Mr Akhtakhanov was shot at about midnight and that the killer escaped in a car which was later found several blocks away. A pistol with a silencer was found in the car. (BBC)



New Silk Road Paper:

#### *International Law and the Post-2008 Status Quo in Georgia: Implications for Western Politics*

By Johanna Popjanevski

This Silk Road Paper analyzes the international legal situation in the aftermath of the 2008 war between Georgia and Russia, and provides recommendations for Western policy toward Georgia and its breakaway regions.

The Silk Road Paper can be downloaded free at [www.silkroadstudies.org](http://www.silkroadstudies.org). Hardcopy requests should be addressed to