

Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING VOL. 15 NO. 09 01 MAY 2013

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

ANALYTICAL ARTICLES:

CHINA DEEPENS ENERGY
COOPERATION IN
CENTRAL ASIA
Robert M. Cutler

THEORIES ON THE CAUCASUS
LINK IN THE BOSTON
BOMBINGS
Emil Souleimanov

EXPLAINING KAZAKHSTAN'S
MEDIATION MISSION
Richard Weitz

PAKISTAN'S WAR ON TERROR:
UP TO AND BEYOND 2014
Rizwan Zeb

FIELD REPORTS:

PLANE CRASHES REVEAL
MASSIVE CORRUPTION IN
KAZAKHSTAN'S ARMY
Georgiy Voloshin

RUSSIA'S IZVESTIA BLAMES
GEORGIA OF SUPPORTING
TERRORISTS
Eka Janashia

NEW MINISTER OF EDUCATION
APPOINTED IN AZERBAIJAN
Mina Muradova

LEVON TER-PETROSIAN TO
CREATE NEW OPPOSITION
PARTY IN ARMENIA
Haroutiun Khachatrian



Central Asia- Caucasus Institute
Silk Road Studies Program

Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING
VOL. 15 NO. 09
01 May 2013

Contents

Analytical Articles

- CHINA DEEPENS ENERGY COOPERATION IN CENTRAL ASIA** 3
Robert M. Cutler
- THEORIES ON THE CAUCASUS LINK IN THE BOSTON BOMBINGS** 6
Emil Souleimanov
- EXPLAINING KAZAKHSTAN'S MEDIATION MISSION** 9
Richard Weitz
- PAKISTAN'S WAR ON TERROR: UP TO AND BEYOND 2014** 13
Rizwan Zeb

Field Reports

- PLANE CRASHES REVEAL MASSIVE CORRUPTION IN KAZAKHSTAN'S ARMY** 16
Georgiy Voloshin
- RUSSIA'S IZVESTIA BLAMES GEORGIA OF SUPPORTING TERRORISTS** 18
Eka Janashia
- NEW MINISTER OF EDUCATION APPOINTED IN AZERBAIJAN** 19
Mina Muradova
- LEVON TER-PETROSIAN TO CREATE NEW OPPOSITION PARTY IN ARMENIA** 21
Haroutiun Khachatryan

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. +1-202-663-77

CHINA DEEPENS ENERGY COOPERATION IN CENTRAL ASIA

Robert M. Cutler

Days after the conclusion of the late-March summit in Moscow between Russia's President Vladimir Putin and his Chinese counterpart Xi Jinping, Kazakhstan's President Nursultan Nazarbaev met with Xi during a visit to China to attend the multilateral Boao Forum of Asia (BFA), which styles itself the Asian Davos. The two leaders established a new bilateral business council, signed numerous agreements for economic cooperation including infrastructure construction, and deepened still further Chinese participation in the development and bringing-to-market (and especially bringing-to-China) of Kazakhstan's impressive raw materials resources, most of all energy.

BACKGROUND: China has had an energy footprint in Kazakhstan for more than a decade and a half, since its then-Prime Minister Li Peng signed, in September 1997, a series of agreements including one to acquire control over the AktobeMunaiGaz (AMG) and UzenMunaiGaz (UMG) oil and gas fields, respectively in the northwest and the west of the country, during post-Soviet privatization competitions. Those agreements also included a planned oil pipeline from Kazakhstan to Iran, which was never built, and one to China, which was. Negotiations over contracts to implement the AMG and UMG acquisition and the pipeline construction agreement between the two countries were difficult, taking years, but they finally produced the intended results.

China took losses from AMG and UMG for years, just to maintain a physical presence, and it is now gas from Aktobe that has allowed Kazakhstan, with Beijing's financial and pipeline construction assistance, to eliminate the former dependence of the

south of the country upon gas from Uzbekistan. The line from Aktobe to Shymkent is a part of the much longer line from Turkmenistan to China, and gas from Kazakhstan will also enter China after domestic demand is met. The volume of this gas from Central Asia to China continues to ramp up, having now hit a total of 50 billion cubic meters (bcm) since 2009 with a reported current throughput of 20 bcm per year, a figure set to double if not triple over the long term.

China has wanted a piece of the huge offshore Kashagan deposit for a decade and has periodically made offers each time a Western member of the consortium has sought to relinquish its share. However, in the past the other consortium members have snapped up the offers by right of first refusal, and after the latest restructuring Kazakhstan and its "national champion" KazMunaiGaz (KMG) also have this right. If KMG were to take the 8.4 percent ConocoPhillips stake that has been on offer, then that would give it a 25.21 percent share in the operating



company. Earlier this year Kazakhstan appeared to approve the offer by India's state-owned ONGC from last year to pay ConocoPhillips US\$ 5 billion for its Kashagan stake. India has been trying to increase its profile in Central Asia in general and the Kazakhstani energy sector in particular. Less than two years ago, for example, ONGC's foreign arm OVL acquired a 25 percent stake in Kazakhstan's offshore Satpaev exploration bloc, not far from Kashagan and other significant deposits; but that deal had been continually delayed in the works for over three years.

However, Astana's right to refuse the deal also gives it the right to acquire the stake itself and then hand it over to whomever it wishes. And in the wake of Nazarbaev's most recent visit to China, it has emerged that Kazakhstan may now be leaning towards a Chinese firm for purchase of the ConocoPhillips stake in the offshore Kashagan field. Delhi is understandably upset at new competition from Beijing, although Astana might just want a better deal. Thus Kazakhstan's energy minister Sauat Mynbayev says no decision is yet taken and the criteria for it will be commercial considerations, i.e. the terms offered by the eventual winning side. But

given Beijing's longstanding interest in Kashagan and deepening energy cooperation with Astana, the deal may indeed end up tipping eastwards instead of southwards.

IMPLICATIONS: A sign of the further deepening of already significant bilateral commercial ties, both inside and outside the energy sector, was the summit signature by Kazakhstan's sovereign wealth fund Samruk-Kazyna of an agreement with the Chinese state-owned investment company CITIC Group to establish a Kazakhstan-China Business Council. In this context, a principal motivating initiative was the framework agreement also signed for the expansion of the Atasu-Alashankou oil pipeline, a joint development between KMG and the Chinese National Petroleum Corp (CNPC). Atasu-Alashankou was the first of three sections of a nearly 1,384-mile pipeline that now stretches from Atyrau on the northern shore of the Caspian Sea to Alashankou in Xinjiang, where it connects up with the 153-mile Alashankou-Dushanzi pipeline that supplies the Dushanzi refinery. The Atasu-Alashankou pipeline is one of Kazakhstan's three main oil export routes. The others are the Atyrau-Samara and the Caspian Pipeline Consortium lines, both of which go to Russia. In addition, Kazakhstan sends oil from its Caspian Sea port of Aqtau to Azerbaijan by tanker. The government intends to expand Aqtau, already the country's main seaport on the Caspian shore, into a multi-modal transit hub; and there are agreements with the Chinese for them to participate in the construction.

It is reported that annual throughput has increased on average by 20 percent each year since the Atasu-Alashankou pipeline's

opening in 2006 to reach a total shipped volume of 350 million barrels by the end of 2012. By arithmetic calculation, this would mean that the initial volume in 2006 was 74,000 barrels per day (bpd), almost tripling to slightly over 220,000 bpd last year. Further calculations on the basis of volumes of additional segments of the pipeline that came online towards the end of the last decade, eastwards from Atyrau from western Kazakhstan, make this a credible figure. However, the newly announced plans for further volume upgrades would still be in line with the intention originally announced, when it opened in 2006, to reach to 400,000 bpd by 2011, a level so far barely met by half and which the planned upgrades would not yet meet either. As the current 220,000 bpd figure is slightly over the reported volume of the Alashankou-Dushanzi pipeline inside China, it too would have to be expanded, perhaps along with the capacity of the Dushanzi refinery.

Kazakhstan's raw materials trade with China is not limited to oil and gas, nor even only its energy trade. To give but one example, Kazakhstan has since 2009 been the world's biggest uranium producer, supplying in 2011 over one-third of the world market; and it is China's largest uranium supplier. The new bilateral agreements follow on, and help to implement, the discussions Nazarbaev held last June with Hu Jintao and his then-deputy Xi Jinping, whom he has now encountered for the first time in his new leadership roles. The agreements concern a range of industrial projects including a planned petrochemical complex at Atyrau, linked to energy extraction in the region, which will cost several billion dollars.

China will also participate in the construction of vast new infrastructure in Kazakhstan, including an Almaty-Astana highway, a high-speed rail line between the two cities and also a railway between Zhezkazgan and Beineu, all as part not only of Kazakhstan's drive to develop domestic infrastructure but also as part of the dynamic "Western China - Western Europe" Transit Corridor that is under way to link together the many intermediate regions particularly for commercial purposes through the intensive transport construction, the opening of new border crossings, simplification of customs procedures, and so on.

CONCLUSIONS: If Putin's greeting of Xi in Moscow on the latter's first foreign trip as Chinese president represents Russia's playing of the "China card" against the U.S. four decades after U.S. President Richard Nixon played it against (Soviet) Russia, then Xi's visit to Moscow together with his focus on the Asia-Pacific region may be taken as his own reply to the American "pivot to Asia." And if Putin appears to be seeking a grand bargain from Berlin to Beijing, excluding the U.S., then Xi may be seen as seeking his own, from Moscow to Manila (or Mindinao, or indeed Melbourne). From this diplomatic confluence, and given its richness in natural resources, Kazakhstan only gains advantage from both sides, by following its long-established "multi-vector" foreign policy strategy.

AUTHOR'S BIO: [Dr. Robert M. Cutler](#) is a senior research fellow at the Institute of European, Russian and Eurasian Studies, Carleton University, Canada.

THEORIES ON THE CAUCASUS LINK IN THE BOSTON BOMBINGS

Emil Souleimanov

During the Boston marathon on April 15, two bombs exploded leaving three dead and 264 injured. According to the FBI investigation, two brothers of Chechen/Dagestani origin, Tamerlan (26) and Jokhar Tsarnaev (19), permanently residing in the U.S., organized and carried out the bombings. Given the terrorists' ethnic profile and supposedly religious motivation, questions arise as to whether the Tsarnaev brothers acted on their own or in cooperation with or on instructions of a Jihadist group either within or outside America, for instance, in their native North Caucasus.

BACKGROUND: The details of the tragic incident have been broadly publicized in media across the world. The two brothers who seemed to have been largely integrated in American society turned to carrying out an act of terrorism in their newly acquired home country, which left many both in the U.S. and beyond wondering what made the Tsarnaevs perpetrate such an indiscriminate – and seemingly senseless – act of violence.

In fact, as scholarship on terrorism and political violence suggests, individual motivations for carrying out terrorist attacks can vary significantly, encompassing a range of psychological, ideological, economic and other causes or a combination thereof, leaving room for broad speculation. Yet what really deserves attention is the background of the terrorists. Indeed, until recently acts of Jihadist terrorism in Western countries have almost exclusively been perpetrated by natives of Middle Eastern countries, often of Arabic descent. As a rule, they have been identified as members of Al Qaeda, a modern-day Jihadist revolutionary International with global links.

In contrast, the Boston attacks were the first carried out by natives of the Caucasus in the U.S., and in a broader context outside the borders of the Russian Federation. Does this mean that, as some observers allege, that the major force of the North Caucasus Islamist resistance, the Caucasus Emirate or some of its units have come to declare a war on “infidels” in the West? After all, information soon surfaced that Tamerlan, who seems to be the mastermind of the attacks, visited Dagestan for half a year in 2012, which presumably coincided with the period of his radicalization.

IMPLICATIONS: Shortly after the terrorist attacks in Boston, the websites of the North Caucasus-based insurgents distanced themselves vehemently from the deeds of the Tsarnaev brothers asserting that it was against Russia, not the U.S. or the American people, that they are waging a war. In fact, given the harsh conditions of the regional insurgency, it is hard to believe that the leadership of the North Caucasian insurgents would be either willing or capable to engage in a conflict with yet another power. Logically speaking, it is also difficult



to see why they would sponsor an act likely to promote increased intelligence cooperation between the U.S. and Russia. Such cooperation will create a great many problems for the North Caucasus insurgency, which is at least partially dependent on money inflow from various North Caucasian Diaspora groups scattered across the world.

Given the high level of ideological indoctrination among part of the Chechen and Dagestani Salafis, who consider their struggle to be an integral part of the ongoing global jihad in the name of Islam, the possibility of a North Caucasian insurgent leader having provided some form of support or inspiration to Tamerlan Tsarnaev during his stay in Dagestan cannot be completely ruled out. Yet these accounts largely fail to take into consideration a number of key factors. First, even though they were physically born in Chechnya, both Tsarnaev brothers have spent their lives outside the North Caucasus, either in Kyrgyzstan or the United States. Tamerlan never lived in either Dagestan or Chechnya, so he could not have developed any serious ties to local youth who would have introduced him to Dagestani (or Chechen) insurgency leaders.

This is even more valid for the younger Jokhar.

In fact, establishing such ties would normally rely either on a solid acquaintance between a candidate and leaders of the local jamaats, or on well-connected intermediaries who would strongly “recommend” him to these jamaats based on their knowledge of the aspirant, putting themselves and their relatives at risk in the process. The probability that Tamerlan would have established direct contact with Dagestani jamaats during his several months long stay in the republic are extremely low given the general concern among insurgents over attempts of the federal and republican security services to plant agents into their ranks. Considering the fact that Tsarnaev had lived outside the republic, nobody knew him properly in Dagestan, and since his father Anzor had served in the Soviet Ministry of Interior, Tamerlan had virtually no chance of establishing contact with Dagestani insurgents during his short stay in 2012. Another factor is the awareness of the Russian security services of him as a potentially dangerous element, of which Moscow had warned the FBI as early as in 2011.

Another question arises as to whether the Russian intelligence services may have framed the young and eager Tamerlan during his stay in Makhachkala. In fact, Moscow possesses an extended network of agents across the entire North Caucasus, which has been increasingly successful in infiltrating insurgent groups. Generally speaking, Tsarnaev could have been lured into contact with a fake leader of a local

jamaat, instructing him on how, when, and why an attack should be carried out against Americans given their alleged misbehavior in Iraq, Afghanistan, and elsewhere in the Islamic world. After all, having lived outside the republic for most of his life and with limited connections among the locals, Tamerlan likely lacked extensive knowledge of the area, the insurgency, and its leaders. In Moscow's perspective, carrying out such an attack with global repercussions would fit well with its foreign policy agenda, modifying to a significant degree its relations with the U.S. and some key Western nations, as well as severely discrediting the still active insurgency in the North Caucasus, where Chechnya-style *zachistkas* have recently been on the rise (See the [04/17/2013 Issue of the CACI Analyst](#)).

CONCLUSIONS: Naturally, both possibilities outlined above are just speculations based on an amount of presently available sources. It is quite possible that the Boston attacks were a case of what is termed grass-roots terrorism, where individuals lacking any external connections become radicalized, often exposed themselves to materials freely available on the internet or elsewhere, to the

point that they become capable of carrying out acts of terrorism on their own. Those interested in putting together deadly explosives can easily find all relevant information in the internet. This may also have been the case with the Tsarnaev brothers given the largely amateurish character of the bombs they planted, and their behavior during the days that followed the Boston bombings facilitating their capture. It is indeed unfortunate that given the state of current technologies both in terms of their accessibility and deadliness, in combination with extensive media coverage, acts of terrorism carried out by particular individuals with unclear motivations can discredit whole ethnic, religious, and racial communities.

AUTHOR'S BIO: Emil Souleimanov is associate professor with the Department of Russian and East European Studies, Charles University in Prague, Czech Republic. He is author of *Understanding Ethnopolitical Conflict: Karabakh, Abkhazia, and South Ossetia Wars Reconsidered* (Basingstoke: Palgrave Macmillan, forthcoming 2013) and *An Endless War: The Russian-Chechen Conflict in Perspective* (Frankfurt am Main: Peter Lang, 2007).

EXPLAINING KAZAKHSTAN'S MEDIATION MISSION

Richard Weitz

Kazakhstan's government is atypical among Central Asian countries for its prominent efforts to reduce tensions in Eurasia as well as to increase understanding, trust, and cooperation between different regions, cultures, and religions. The Kazakhstani government's motives in seeking such a prominent role are straightforward. It aims to reduce security threats and advance economic interests. It also wants to elevate the country's profile in world affairs by hosting prominent international gatherings and by making visible contributions to international peace and prosperity. Kazakhstan's main problem is that Astana's limited diplomatic and other resources limit its ability to pursue its ambitious foreign-policy agenda.

BACKGROUND: Kazakhstan's mediation roles became especially prominent earlier this year when Almaty hosted two rounds of the negotiations involving Iran and the P5+1 group (all five permanent UN Security Council members and Germany). The first round, which occurred from February 26-27, represented the first high-level meeting between the parties in months. They discussed their differences in greater detail than at any previous talks as well as some confidence-building measures to narrow their trust gap. But then the Iranian position hardened and the April 5-6 round saw no appreciable progress, ending hopes that the parties would soon adopt a sequence of reciprocal concessions leading to a comprehensive settlement.

Kazakhstan has also sought to reduce water disputes in Central Asia. Tajikistan's efforts to complete Soviet-era plans to construct a massive dam at Rogun has worsened these perennial tensions over water issues. The project could result in even less water flowing to downstream countries. It has evinced strong warnings from Tashkent, exacerbating long-standing differences

between Uzbekistan and Tajikistan over other issues. The World Bank has commissioned expert feasibility studies in a hitherto unsuccessful effort to depoliticize the Rogun conflict by making it a technical and economic issue subject to rational cost-benefit analysis. The problem is that the confrontation between Uzbekistan and Tajikistan over the dam has become so intense that the technical issues have become less important than questions of national pride, independence, and security.

UN officials told Kazakhstan they would welcome a diplomatic initiative to dampen tensions. At their last bilateral summit last September, Kazakhstan's President Nursultan Nazarbayev and Uzbekistani President Islam Karimov argued that Central Asian countries should have the right to veto the construction of dams or other hydropower facilities on transnational rivers. They also advocated creating an expert group to study the water resource issue and recommend a solution to the problem. Nazarbayev has earlier called for establishing a water energy consortium in Central Asia to help manage such problems.



Then, this March, Kazakhstani Foreign Minister Erlan Idrissov visited Tajikistan and Uzbekistan to help settle their differences over Rogun. In addition to holding various bilateral meetings with Tajikistani officials, Idrissov attended a meeting of the Asia Cooperation Dialogue foreign ministers in Dushanbe. Idrissov urged both countries to respect the international norm that upstream and downstream countries should have equal management rights for shared bodies of water.

Kazakhstanis are increasingly eager to end the war in nearby Afghanistan, which constantly threatens to bring civil strife, organized crime, and other problems to Kazakhstan and other Central Asian countries. Kazakhstan provides a variety of economic and other assistance to Afghanistan, through several bilateral and multilateral mechanisms, including regional and global institutions. Some of them aim to improve Afghanistan's transportation, communication, and other networks to better integrate that country into regional economic processes. For example, Kazakhstan has been promoting Afghanistan's inclusion in regional trade,

investment, and infrastructure projects, such as those within the New Silk Road framework. Afghanistan is well-situated to benefit from increased commerce between Europe and Asia, but only if rail, road, and pipeline construction extends throughout its territory as well as those of its neighbors.

IMPLICATIONS: In his October 2000 state of the nation address, President Nazarbayev concluded that outsiders could not bring peace to Afghanistan without “national dialogue of the Afghans themselves, and the role of all neighbors and international organizations should be to seek ways for the dialogue.” Toward this end, Kazakhstan has led the “Istanbul Process,” a series of high-level meetings launched in November 2011 in Istanbul to promote cooperation in the “Heart of Asia” region, especially between Afghanistan and its neighbors. To promote trust between these countries, the Istanbul Process includes six packages of interrelated confidence-building measures in the areas of education, counterterrorism, counternarcotics, disaster management, infrastructure, and commercial and trade engagement. Earlier ministerial meetings occurred in Istanbul (November 2, 2011) and Kabul (June 14, 2012). The most recent ministerial of the Istanbul Process took place on April 26, when some 50 governments adopted specific implementation plans for each of the six confidence-building measures clusters.

Kazakhstan's official role in the recent Iranian nuclear talks was simply that of providing a venue for dialogue. Kazakhstan assumed essentially administrative functions to make all required logistical arrangements

and otherwise try to establish a benign environment conducive for an agreement. Yet, not many countries can fulfill this function. Iran had previously rejected proposals to hold such talks in Istanbul, while Western governments resisted Iranian suggestions to conduct negotiations in Egypt, Turkmenistan, and some other countries. Furthermore, Kazakhstan was a logical venue for such talks given its good ties with Iran and its negotiating partners. Before the first round, Iran's Deputy Foreign Minister for Asia and Oceania said that his government considered Kazakhstan benign and impartial regarding the Iranian nuclear issue. For example, he noted that Kazakhstan had not adopted the additional unilateral sanctions that many Western governments were imposing in addition to the mandatory sanctions adopted by the UN.

At times, President Nazarbayev and other Kazakhstani officials went beyond their purely administrative functions and engaged the parties to encourage them to show flexibility in the talks. Nazarbayev had earlier told Western leaders that he considered their tensions with Tehran manageable and that, in some ways, Iran and the West were natural partners. Meanwhile, Kazakhstani leaders urged the Iranians to follow their example and renounce any nuclear weapons aspirations and focus on improving economic and diplomatic ties with other countries.

In some respects, Kazakhstan is well-positioned to help resolve the Iranian nuclear dispute. Iranian leaders are eager to maintain decent relations with Kazakhstan given their strained ties with their other

neighbors. They particularly want to keep Astana out of the Western camp on this issue. Kazakhstanis also seek to avoid a war involving Iran, a development that could have an extremely negative impact on regional stability and Central Asia's economy. Like other Central Asian countries, many Kazakhstanis see Iran less as an emerging military threat than as a potentially valuable economic partner. In particular, they would like to export oil and other goods through Iranian territory as well as import items by transporting them from Iran's Persian Gulf ports. In time, Iran could even become a major consumer of Kazakhstan's natural uranium and other nuclear supply services. Through engagement, the Kazakhstanis also strive to manage their bilateral tensions with Iran over the Caspian Sea and other issues.

CONCLUSIONS: Kazakhstan's foreign policy has prioritized several key goals. These include promoting regional integration, ending nuclear weapons testing, and reducing intrastate tensions in and around Central Asia that also threaten Kazakhstan's vital national interests. Kazakhstan's main challenge is that its ability to promote its foreign policy preferences is constrained, often severely. The European Union, Russia, Turkey, and other countries more powerful than Kazakhstan have tried but failed to mediate Iran's dispute with the West. Several more powerful countries have also proved unable to deepen Afghanistan's integration into Central and South Asia. Given Kazakhstan's weaker power resources, Astana's limited success in these endeavors is unsurprising. But Kazakhstan can plausibly aspire to

reduce tensions over water use in Central Asia given its clear national interest on the issue, its good ties with the main disputants, and its relatively rich economic assets, which would allow Astana to share the burdens of any settlement whose costs

might otherwise fall mostly on Uzbekistan and Tajikistan.

AUTHOR'S BIO: Dr. Richard Weitz is a Senior Fellow and Director of the Center for Political-Military Analysis at the Hudson Institute.

PAKISTAN'S WAR ON TERROR: UP TO AND BEYOND 2014

Rizwan Zeb

While Pakistan continues to be a frontline state in the global war on terror, it is simultaneously fighting domestic terrorism in a war that will seemingly continue well beyond 2014. In recent months, terror attacks targeting the Shia Hazara minority in Baluchistan indicate a transformation of the terror problem in Pakistan. The Tehrik-i-Taliban Pakistan (TTP) and Lashkar-e-Jhangvi present two different sides of Pakistan's terrorism problem, however, the two organizations have increasingly converged operationally to the extent that Pakistan cannot eliminate one without simultaneously confronting the other.

BACKGROUND: The September 11 terrorist attacks on the U.S. in which thousands of innocent lives were lost led Pakistan to join the U.S.-led global war against international terrorism in which Pakistan has over the years made an invaluable contribution. However, with the passage of time, Washington increasingly came to view Islamabad as part of the problem rather than the solution. Most U.S. and European policy makers believe that Pakistan is providing a safe haven for the Taliban and Al-Qaeda. Western media is full of stories about a presence of the Taliban leadership in Pakistan, including of Mullah Omar's alleged base in Quetta. Since the summer of 2008, U.S. military and intelligence agencies are sharing minimal intelligence with its Pakistani counterparts, instead focusing on drone attacks against suspected terrorist movements and hideouts.

Pakistan is a signatory to the UN's Palermo Convention. At the regional level, Pakistan has signed and ratified SAARC Regional Convention on the Suppression of Terrorism and the SAARC Convention on Narcotic Drugs Substances and the ECO Protocol against drugs. It has extradition treaties with 29 countries and bilateral agreements or

MOUs on terrorism with 50 countries. Pakistan has played a major role in eliminating a number of terror networks such as the Al-Qaeda Anthrax network, the Alghuraba network, the UK-based Anglo-Pakistani group and Jundullah. Prominent targets captured include Khalid Sheikh Muhammad, Abu Alfaraj Alibi, Al Shib, Abu Zubaida, Abu Talha, Khalid bin Attash or Walid bin Attish, Ahmed Khalfan Ghailani, Mohammad Naeem Noor Khan, Abu Laith al-Libi, Hasan Bana, Hamza Rabbi, Sharif Al Masri, Abu Mushab Masri, Jaffar Uttayyar Alkashmiri Yassir Al-Jaziri, and Abdul Rehman Al-Masri. Umar Patek was arrested in Abbottabad by Pakistani forces and may have provided important leads to Osama bin Laden's whereabouts.

Since 9/11, Pakistan has also become a victim of terrorism. The direct and indirect cost suffered by Islamabad in the war on terror has been around US\$ 35 billion. There has been a constant increase in the number of terror attacks in Pakistan since 9/11 and a number of prominent Pakistanis have lost their lives in such attacks. These include the two-time Prime Minister of Pakistan Benazir Bhutto and the former head of the



Pakistan Army's Special Service Group, Maj. Gen. (Rtd) Ameer Faisal Alvi.

Most of the jihadists in Pakistan, especially the splinter groups of various organizations, are now operating under the umbrella of TTP, a Deobandi Sunni organization established in December 2007. TTP's objectives include cleansing Pakistan of foreign, meaning the U.S. and overall Western, presence, implementing Sharia and establishing a Caliphate. Over the years, TTP has been involved in a number of suicide bombings, rocket attacks, remote controlled bombs, abductions, and beheadings. It has widened its area of operations beyond Pakistan's tribal areas and targeted a number of government installations and organizations in the mainland, including the Federal Investigation Agency's Lahore office, the Naval War College in Lahore, the Marriott Hotel in Islamabad, the Wah ordinance Factory, the Sri Lankan cricket team in Lahore, a police training school, the GHQ Rawalpindi and the Navy's Mehran base in Karachi. It is also involved in kidnapping for ransom, bank robberies, forced taxes and drug trade.

IMPLICATIONS: Since 9/11, the TTP has increasingly converged with the staunchly

anti-Shia militant group Lashkar-e-Jhangvi. A number of prominent TTP operations were conducted by known Lashkar-e-Jhangvi operatives. In recent months, the Hazaras in Baluchistan are increasingly becoming a prime target of the Lashkar-e-Jhangvi. Both TTP and Lashkar-e-Jhangvi consider Shias kafirs (infidels) and hence legitimate targets.

Terrorist activities showed no sign of receding in 2012, indicating that after more than a decade of fighting terror, Pakistan is nowhere close to the finishing line in this war and the problem is taking an even uglier shape. According to various sources, Pakistan suffered more than 6000 casualties in different terror attacks in 2012. More than 450 terror attacks were recorded in 2012 in which at least 39 were confirmed suicide attacks. Another important development in 2012 was the increasing operational alliance between the TTP and Lashkar-e-Jhangvi, although the two groups have cooperated with each other also in the past, the group led by Amjad Farooqi in 2003-2004 being a case in point.

However, in 2012 the two groups largely converged operationally in the sense that they declared a war against Shias. This convergence has resulted in the worst attacks to date against Shias, especially the Hazaras in Baluchistan. In 2012, Shias were targeted in 113 attacks in which 396 people lost their lives, indicating the increasingly sectarian features of Pakistan's terrorism problem. So far, more than a thousand terror-related deaths have occurred in 2013.

Apart from a closer alliance emerging between TTP and Lashkar-e-Jhangvi, TTP has also established Ansar Al-Aseerian (Helpers of the prisoners) in partnership

with the Islamic Movement of Uzbekistan. According to media reports, Adnan Rasheed has been appointed the head of this group. The purpose of this group is to free all militants held in custody by Pakistani security forces and in various jails. TTP is also attempting to expand its activities and area of influence to Karachi, Pakistan's major financial hub. Karachi, which is also considered to be Pakistan's major Pashtun center, has been a preferred hideout for TTP, while some TTP and other jihadi activists have received medical treatment in Karachi.

2013 also witnessed two developments that will have long lasting effect on Pakistan's war against terrorism. Firstly, Pakistan's national Assembly unanimously passed the National Counter Terrorism Authority Bill 2013 on March 8, 2013. The establishment of a National Counter Terrorism Authority (NCTA) will play an important role in the efforts to combat terrorism. According to the mandate given to NCTA, it will "coordinate counter terrorism and counter extremism efforts in view of the nature and magnitude of the terrorist threat; and to present strategic policy options to the government for consideration/implementation by the stakeholders after scientifically studying the phenomenon of extremism and terrorism in historic and professional perspective." Secondly, Pakistan's army is taking a tougher stance and increasing its attention to the terrorism problem, as indicated by the decision of Pakistan's army chief to treat the

problem of terrorism as an operational priority.

2013 is also an election year in Pakistan, with national and provincial elections scheduled for May 11, 2013. TTP has already targeted a number of political events in Khyber Paktunkhwa and especially the Awami National Party's election campaign. The political party or parties that will form the next government will not only inherit a crisis in the energy and financial sectors but will also have to make hard decisions about the country's war against terror.

CONCLUSIONS: Developments in Pakistan suggest that the country's terror problem will only increase in the lead-up to 2014 and Pakistan will have to fight its war on terror well beyond 2014, if concrete and decisive steps against TTP and Lashkar-e-Jhangvi are not taken. Both organizations want Pakistan to be a Sunni state and are increasingly targeting Shias. The Pakistani people and armed forces have paid a huge price in people and material in this ongoing war. Unless Pakistan addresses the root causes of the problem, it will not only persist but also get worse.

AUTHOR'S BIO: Rizwan Zeb is based at the Centre for Muslim States and Societies (CMSS), University of Western Australia. He was previously a Benjamin Meaker visiting Professor of Politics at IAS, University of Bristol and a visiting scholar at the Brookings Institution.

FIELD REPORTS

PLANE CRASHES REVEAL MASSIVE CORRUPTION IN KAZAKHSTAN'S ARMY

Georgiy Voloshin

On April 23, Kazakhstani media reported that a Russian-built Mig-31 military aircraft owned by Kazakhstan's Ministry of Defense had crashed during a training flight near a small village in Karaganda province in the country's center. Although both pilots took urgent measures to be catapulted out of the cockpit, the aircraft's captain did not survive his wounds after an unsuccessful landing. While the prosecutor's office opened an official investigation, the preliminary assessments of the incident showed that the onboard navigation system had malfunctioned. The Ministry of Defense quickly reacted to the news stating that the aircraft had undergone capital repairs in December 2012 at a Russian assembly plant in Rzhensk and was under maintenance warranty at the moment of its crash. Two days later, Askar Buldeshev, the Deputy Commander in Chief of Kazakhstan's Air Defense Forces, was arrested by the country's law enforcement agents on charges of corruption related to the purchase of military equipment from third parties.

Earlier, in January 2013, the Kazakhstani Defense Ministry was rocked by the arrest of another high-ranking official, Major-

General Almaz Assenov, who headed Kazakhstan's Chief Armaments Directorate directly responsible for the supply of military equipment for the needs of the local army. While Assenov was indicted for fraud amounting to at least US\$ 200,000 presumably obtained as a result of the most recent supply contract, the National Security Committee also detained two officials of Ukraine's defense export agency, UkrSpetsExport. According to subsequent media reports based on the materials of the official inquiry, Assenov's business relations with his Ukrainian counterparts were primarily focused on the purchase and maintenance of An-72 military planes widely used in the former Soviet Union for military and rescue operations.

On the same day as Assenov's arrest, Major General Talgat Yessetov, who was the director of Kazakhstan's Border Service Academy, committed suicide in his workplace. Despite the fact that neither official, nor independent investigations established any grounds for concern within Yessetov's administrative purview, the case quickly became associated with an earlier tragedy. On December 25, 2012, an An-72

military aircraft operated by the Kazakhstani Border Service crashed near the Shymkent airport in Southern Kazakhstan. The plane carried seven crew members and 20 other passengers representing the top brass of Kazakhstan's border guards, including the head of the Border Service, Turganbek Stambekov. Interestingly, Stambekov was still an acting director after he had been appointed to this high-level position following a series of incidents on the Kazakhstani-Chinese border in May-June 2012. At that time, a 19-year border guard was accused of ruthlessly murdering his colleagues and destroying state property.

The wave of corruption cases that has swept across the Defense Ministry and the National Security Committee's Border Service comes directly after President Nazarbayev's strong commitment to tackle this issue, according to his "Kazakhstan-2050" speech delivered in late December 2012. While corruption remains a serious concern not only for Kazakhstan, but also to varying degrees for other post-Soviet republics, the Defense Ministry has traditionally been inaccessible to public scrutiny. The ongoing investigation of fraudulent supply contracts concluded by Kazakhstani military officials also coincides with a similar anticorruption campaign in neighboring Russia where former Defense Minister Anatoly Serdyukov is struggling to defend his controversial legacy among repeated arrests of his one-time associates and colleagues.

The latest corruption scandal erupted in Kazakhstan in mid-2009, leading then Defense Minister Danial Akhmetov to

resign. His deputy Kazhimurat Mayermanov was arrested that April after his involvement in the purchase of deficient military equipment from Israel's IMI and Soltam Systems had been revealed in the course of a comprehensive audit. Mayermanov was subsequently convicted to 11 years in prison, whereas Akhmetov's political career was severely compromised, although he subsequently succeeded in securing a ministerial position within the newly established Eurasian Economic Commission staffed by Russian, Kazakhstani and Belarusian government representatives. However, this was not the most controversial corruption case in the history of post-1991 Kazakhstan. In March 1999, Azerbaijani authorities inspected a Russian transport plane carrying aboard several disassembled Mig-21 fighters bound for Bratislava. The investigation made clear that this cargo was headed for North Korea to which a group of Kazakhstani generals had already sold over 30 such aircraft in spite of the international sanctions adopted against Pyongyang's burgeoning nuclear program.

While the current anticorruption program implemented by Kazakhstani authorities may help bring to light numerous deficiencies in the system of public procurement and remove the least honest officials from their positions, it remains to be seen whether it can be efficient in the long term. The fight against corruption in military deals can only be tackled on a multilateral basis, given the vast proliferation of such practices in the defense agencies of other former Soviet states.

RUSSIA'S IZVESTIA BLAMES GEORGIA OF SUPPORTING TERRORISTS

Eka Janashia

Georgian authorities rejected an accusation dispersed on April 24 by the Russian media outlet Izvestia about alleged linkages between Georgian intelligence services and the Boston Marathon bombing.

Izvestia claimed to have obtained a report addressed to the Georgian Minister of Internal Affairs (MIA) Irakli Garibashvili from the Chief of the Georgian MIA's Counter-Intelligence Department Gregory Chanturia, stating that Tamerlan Tsarnayev, one of the plotters of the Boston bombings, was trained by Georgian Special Services through the Georgian NGO Caucasus Fund (CF) in cooperation with the Washington-based think tank Jamestown Foundation.

According to Izvestia, in the summer of 2012, Tsarnayev attended one of the seminars that the CF and the Jamestown Foundation have regularly organized for young Caucasians since 2008. The Russian newspaper asserted that the MIA's Special Services used such seminars and workshops to recruit North Caucasian youth willing to fight Russian imperialism and promote Georgia's anti-Kremlin policies. Izvestia claims that although the CF's proclaimed mission is to promote peace and cooperation among Caucasus peoples via cultural and sports events, it in fact aimed to trigger instability and extremism in the region.

The MIA rejected the accusations declaring that the ministry had never had an employee named Gregory Chanturia. Likewise, representatives of the CF and Jamestown

Foundation denied the charges and denounced Izvestia's allegations as slanderous nonsense.

Whereas such assertions might have been anticipated from Russian media, similar allusions expressed by Georgia's Prime Minister Bidzina Ivanishvili prompted confusion among analysts as well as the Georgian public. In an interview with Rustavi 2 TV on April 26, Ivanishvili commented on allegations put forward by Georgia's Public Defender, Ucha Nanuashvili, concerning the Lapankuri operation in August, 2012, which resulted in the death of eleven militants and three Georgian troops (see the [9/5/2012 issue of the CACI Analyst](#)). "There are suspicions about [the former government] cooperating with militants and terrorists and it will be shocking for me if these allegations are confirmed," Ivanishvili said.

On April 1, in his annual report on the human rights situation in the country, Nanuashvili expressed suspicions that the militant group involved in the clash was recruited, armed and trained by the MIA under the auspices of Vano Merabishvili, former PM and current Secretary General of the opposition United National Movement (UNM) party. Nanuashvili insisted that the circumstances disclosed to him seemingly contested the official version of the events and called on the Parliament to form an ad hoc investigative commission to look into the case.

Relying on information and findings provided by a “confidential source” and relatives of the killed militants, the public defender’s report reads that in February 2012, MIA senior officials convinced “veterans of the Chechen war” living in Europe that Georgian authorities would ensure free passage – a so called “corridor” – for them to infiltrate into Russia’s North Caucasus via Georgia. Following the proposal, 120 Chechens and other natives of the North Caucasus were said to have arrived in Georgia and to have undergone training at the Vaziani and Shavnabada military bases, the report states. “I suspect that what the ombudsman was talking about is true, but I will refrain from [further comments],” Ivanishvili said and added that if Georgia’s new government could probe these allegations while simultaneously distancing itself from such actions, it might benefit the country and not damage Georgia’s image.

Responding to Ivanishvili’s remarks, President Mikheil Saakashvili said that his statements were extremely alarming in light of the Boston terrorist acts and very similar to Kremlin propaganda aiming to weaken Georgia and leave it defenseless in the face of occupation and foreign threats.

On April 19, roughly seven months after its defeat in the October parliamentary

elections, the UNM led by Saakashvili held a rally attended by thousands of its supporters to support a maintained pro-western foreign policy. The rally aimed to demonstrate the party’s continuity and its capability to mobilize people in large rallies. The UNM declared the birth of a “new national movement” in an attempt to rebrand itself as a political force which is truly in service of the country’s national interests. Consequently, Ivanishvili’s statements on the reopened investigation of both the August war and the Lapankuri operation may accidentally contribute to the UNM popularity.

Nevertheless, according to a March survey released by the Caucasus Research Resource Center (CRRC), the Georgian Dream Coalition (GD) maintains strong support among the public and Ivanishvili was rated to be performing either “very well” or “well” by 63 percent of the respondents in total. However, given the continuity of acute social problems in Georgia, the GD’s popularity could decline gradually. In this regard, the PM’s performance in areas such as job creation and poverty reduction were respectively assessed by 29 percent and 26 percent of the respondents as either “bad” or “very bad.”

NEW MINISTER OF EDUCATION APPOINTED IN AZERBAIJAN

Mina Muradova

Azerbaijan’s president appointed a new Minister of Education six months before the

presidential election. Some observers termed the decision a positive development, while

others do not think a change of personalities will lead to real reforms of the education system, especially during an election year.

On April 19, President Ilham Aliyev signed a decree to appoint Mikayil Jabbarov as a new Minister of Education. Thirty-seven year old Jabbarov thus became the youngest high ranking official in Aliyev's government. He replaced the 67-year-old Misir Mardanov, who like many other ministers has held his position for the last 15 years.

Journalist Kamal Ali stated that the presidential decree was "unexpected." Despite several previous speculations that Mardanov would be on his way out, he has maintained a strong position ever since the period of former President Heydar Aliyev. According to Ali, "embezzlement of budget money and a poor job performance, or public displeasure with the operation of any state agency are no reason in Azerbaijan to fire or punish any minister ... even discharging a minister is not aimed to gain the people's love on the eve of presidential elections, because the people's love is not necessary in Azerbaijan to win the elections. It seems that it is just a promotion of Jabbarov, a favorite, appreciated by the head of the country."

At the same time, the opposition newspaper *Azadliq* (Freedom) considers the new appointment to be a result of Mardanov's defeat in favor of Maleyka Abbaszade, head of the State Commission on Students' Admission, who publicly criticized the Ministry of Education for the lowest level of education among students and teachers in Azerbaijan in comparison with other countries. In particular, she stated that the

level of education among Azerbaijani 15-year-olds is ranked 56 among 57 countries. The newspaper noted that "...Abbaszade was just the executor, while the authors of the campaign against Mardanov were Ramiz Mehtiyev, head of Presidential Administration (also known as the Grey Cardinal) and Fatma Abdullazade, head of the humanitarian department of the administration."

However, *Fineko* agency reported on April 20 that Jabbarov was appointed to realize the new national education strategy, prepared by a working group under the leadership of another young Western-educated official, the executive director of the State Oil Fund Shahmar Movsumov, and awaiting approval from President Ilham Aliyev.

Jabbarov graduated from the legal faculty of Baku State University and later continued his studies in the U.S. He started his career in the bank sector in 1995 and worked as a lawyer in the private sector in 1999-2002. In 2002 he served as an adviser to the Minister of Economic Development and then as President of the Azerbaijan Export and Investment Promotion Foundation. In 2004 he was appointed Deputy Minister of Economic Development and has since 2009 continued his career as Director of the State Reserve *Icheri Sheher* (Old Town).

Many young people appreciated the influx of new blood into the old education management system; however, some observers argue that radical reforms of the education system cannot be achieved through a change of personalities in the ministry, but require a change of the governance system itself.

Etibar Aliyev, head of the NGO “Education center of the twenty-first century,” considers the creation of a transparent environment in the education system to be the main task of the new minister. “It is time to conduct transparent elections of school directors and rectors of institutes by pedagogical staff, organize monitoring of the entire education system on all levels in order to detect weak spots, eliminate corruption and appoint new people,” Aliyev said. He noted that another challenge is “to get rid of corrupt university rectors ... Eight rectors are Members of Parliament ... in the past there were revelations of embezzlement of state money and bribes in the Foreign Languages University and so what? Nothing happened. The rector of this university is still sitting in the parliament,” Aliyev said.

Journalist Khadija Ismayil wrote on her Facebook page that “it is credulity to expect serious changes in the education system during an election year.” One of the reasons she gave is that “teachers with a salary of 130 AZN (US\$ 165) will not generate high

quality education. It could be possible to appraise teachers, reduce their numbers and increase their salary, but that means that thousands of teachers will lose their jobs. No one will do it in an election year.”

Independent economist Rovshan Agayev believes that no radical changes should be expected from the current government, either before or after the election. “This is not because the level of professionalism to reform existing governance is insufficient. The most important is the absence of political will and desire.” To achieve radical changes, Agayev proposed that education institutes should obtain a right to autonomous self-management; the welfare of pedagogical staff should reach the level of financial provision of state officials; student admission for pedagogical faculties should be made tougher; and the level of budget allocations for education should be no less than 15 percent of all budget expenditure, as compared to 8-9 percent in recent years.

Jabbarov has so far refrained from making any comments.

LEVON TER-PETROSIAN TO CREATE NEW OPPOSITION PARTY IN ARMENIA

Haroutiun Khachatrian

The Armenian National Movement, the party of Armenia’s first president Levon Ter-Petrosian, has formally ceased to exist, and will be replaced by a new party named the Armenian National Congress. Thus, Ter-Petrosian intends to introduce a liberal party to Armenia’s political scene.

Armenia has seen several important political developments over the last three months, one of which was the creation of a political party named Armenian National Congress (ANC). A body named ANC already existed in the country in the form of a coalition of 18 parties and organizations

created in August 2008 by Ter-Petrosian, who was also an early candidate in the recent presidential elections. The ANC (often termed HAK, its Armenian abbreviation) won 13 seats in the Yerevan municipal elections in 2009, but then boycotted the municipal sessions. In the 2012 parliamentary elections, it won 7 seats in the National Assembly.

In early 2013, the bloc ANC contained 13 members only, including Ter-Petrosian's party, the Armenian National Movement (HHSh). Among its goals, the ANC includes the immediate release of all political prisoners; attaining complete freedom of speech, media, and assembly; a truly independent investigation into the crimes of March 1 with significant participation of international experts; the initiation of a dialogue with the authorities about democratic reforms after at least the first condition is fulfilled; and holding pre-term presidential and parliamentary elections.

The bloc was the true leader of the opposition movement in Armenia in 2008-2012. Ter-Petrosian then made an unprecedented move to meet the new challenges as he saw them, and decided to rename his party. This decision, supported by the leadership of the party, was formally taken on February 23, confirmed by the Justice Ministry on March 13, and the founding Congress of the ANC party was held on April 13, where Ter-Petrosian was unanimously elected as its President.

The move received conflicting assessments with some reiterating Ter-Petrosian's assurance never to leave HHSh, which was founded in 1988 on a platform based on the

ideas of the historical Karabakh Committee, in close resemblance to the simultaneous development of "popular fronts" in other Soviet republics. With Ter-Petrosian as President, HHSh increasingly obtained the features of a liberal party, but this process was never completed as the party had to resolve all the tasks connected with gaining independence ranging from creating a Customs Service to war in Nagorno-Karabakh.

After Ter-Petrosian resigned in 1998, many supporters left the HHSh and it became a weak party, a "village club" as Ter-Petrosian once put it. At the same time, the ANC coalition failed to reach its most important goals and by changing the name of his party, Ter-Petrosian resolved the two tasks of rejuvenating the HHSh and dissolving the inefficient ANC coalition, which adopted decisions only by consensus. The coalition nevertheless continues to exist and its parliamentary faction still carries its name.

The organizers of the April 13 congress claimed that the ANC party is a reincarnation of HHSh, arguing that even most remaining members of the Karabakh committee support this change of name. It has been assessed that 35-40 percent of the members of the new party are non-partisan members of the ANC coalition, and the majority of which being younger than 35. On the other hand, many influential members of HHSh refused to join the new party, for example the former parliamentary speaker Babken Artarktsian.

Ter-Petrosian gave a characteristic speech at the Congress, saying that a "bourgeois-democratic revolution" should be performed

in Armenia, to allow for a free market and free competition. He said that current market conditions in Armenia are feudal. In this regard, he did not exclude cooperation between ANC and the Prosperous Armenia Party (PAP), whose business-oriented leadership also believes such a revolution is needed. Before the 2012 parliamentary elections, PAP was part of the government coalition and its leader Gagik Tsarukian is one of the richest oligarchs in Armenia. It is hence of interest that a PAP MP, Stepan Margarian, attended the ANC party congress along with the opposition leaders and even delivered a speech.

Ter-Petrosian stated in an interview on February 7 to the newspaper *Chorord Inqnishkhanutiun* that ANC intends to become a centrist party. He expects the party to follow a social-liberal ideology that defends full freedom of the economy with a moderate participation of the state. He mentioned the U.S. Democratic Party as a role model for the ANC. The first political test of the new party will be the May 5 Yerevan municipal elections, in which the ANC has presented a list led by former Yerevan mayor Vahagn Khachatrian.