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THE CENTRAL ASIA-CAUCASS ANALYST

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

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

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

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

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

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

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

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GYUMRI MURDERS THREATEN TO DISRUPT ARMENIA'S RELATIONS WITH RUSSIA

Eduard Abrahamyan

Armenia's relationship with Russia has never been simple. Although Russia has considered Armenia a reliable ally since its independence, the relationship has never transformed into a formal partnership. Russia's policy of double standards on the Nagorno-Karabakh issue and its delivery of weaponry to Azerbaijan has gradually increased distrust in Armenian society towards Russia in recent years. A bloody incident in Gyumri on January 12, 2015, when a soldier from the deployed Russian 102nd military base killed the entire Avetisyan family in their sleep, including two children, has catalyzed a vivid debate in Armenia on the nature of the relationship to Russia.

BACKGROUND: The murders in Gyumri have implications not only for public attitudes toward Russia's military presence in Armenia, but has also exposed a deep crisis in bilateral relations.

The Russian 102nd base is deployed close to the city of Gyumri, according to a treaty between Russia and Armenia from 1995, which defined the base's main functions and presence for 25 years. In 2010, President Dmitry Medvedev and his counterpart Serzh Sargsyan signed another agreement to extend the deployment of the base for 49 years. According to the 2010 arrangement, the territory used by the base was enlarged while the legal restrictions on the activities and conduct of the Russian contingent existing in the initial treaty were abolished. In other words, the strategic and geographic scope of the contingent's activities was extended and in return, Russia committed to protect Armenia's south-western borders and modernize Armenia's

Armed Forces. To date, a considerable share of the base's maintenance has been paid for through Armenia's state budget.

The base houses 5,000 troops and suspicions exist that the command is working to exploit internal vulnerabilities in Georgia in terms of both national minorities and military affairs. Furthermore, it is believed that the base leadership is tasked with monitoring Middle Eastern political developments, due to the fact that the base is Russia's closest military outpost to the Middle East.

Despite of the "protection" objective, the recent tragic occasion in Gyumri was not the first. Six murders and at least twelve serious injuries have taken place in Gyumri, which has cultivated a sense of fear and insecurity in local society. On the one hand, Armenian authorities have adopted a policy of passivity in dealing with Russia, reflecting a kind of obedience to Putin rather than political prudence. Criticism that has been raised towards

Armenian authorities on this state of affairs is usually met by a ready answer that Armenia has alternative security guarantees. On the other hand, Russia has readily used its tools of coercion against Yerevan, which happened in September 2013 and November 2014, when Armenian authorities declined to sign an Association Agreement with EU and instead joined the Eurasian Union, initiated by a state suffering from economic sanctions.



(Source: [Wikimedia Commons](#))

IMPLICATIONS: Besides political coercion, Russia has frequently used a policy of intimidation against Armenia. There is a growing understanding in Armenia that Russia's dominance in the country is impeding its economy and undermining its security. Hence, to contain discontent toward Russia in Armenian society, Moscow has worked to promote the idea that Armenia is unviable as a sovereign state and needs powerful Russian protection from possible Turkish aggression, the embodiment of which is the Russian 102nd base in Gyumri.

This propaganda has been accompanied by a permissiveness regarding the conduct of Russian military personnel in Gyumri, which ultimately led to the recent tragedy. A Russian soldier named Valeriy Permyakov shot six

members of the Avetisyan family and escaped. Within a few hours, he was detained by other Russian soldiers unlawfully tracing the killer in parallel with Armenian police. He was then escorted to the territory of the Russian base, again in violation of Armenian law. When these facts became publicly known, mass protests with anti-Russian overtones were organized in Gyumri and Yerevan. Protesters vigorously demanded that the murderer be handed over to Armenia's prosecutor's office, while Armenia's Prosecutor General Gevorg Kostanyan has, similarly to the state authorities, shown little enthusiasm and attempted to calm the protesters rather than demand that Russian military personnel respect Armenian law. The Armenian authorities' reluctance to stand by the protesting citizens radically enhanced the anti-Russian and anti-governmental sentiments in Armenian society. The protesters basically argued that taxpayers' money is being used to pay for soldiers that kill Armenian citizens, rather than protecting them.

As long as the Russian military refuses to hand Permyakov over to Armenian jurisdiction, it remains clear to many Armenians that the Russians intend to protect not only the main perpetrator, but also his accomplices. While the Russian side has assured that it is interested in a fair trial, its credibility has been so severely damaged that only a minority of Armenians expect relations between the countries to be restored to previous levels in the foreseeable future.

As Russian officials, including Foreign Minister Sergey Lavrov, and some representatives of Russia's political elite like Alexander Dugin, Sergey Kurginyan, and Sergey Markov have declared, the South Caucasus is Russia's sphere of influence. Particularly, Armenia is considered the last bastion of Russia's military presence in the South Caucasus. Therefore, political activities of "unauthorized" groups expressing pro-Western or anti-Russian opinions and demanding a change of Armenia's political priorities are perceived in Russia with cautious sensitivity.

The Russian side continues to keep Permyakov inside the base and rejects to hand him over, hoping that the public upheaval will eventually calm down. Moreover, Russian officials on February 5 declared that Permyakov, according to medical expertise, is suffering from mental retardation. This news significantly exacerbated the situation as it is believed that this diagnosis will facilitate sending him back to Russia. Russian authorities are likely concerned that the public trial of a Russian soldier in Armenia will deeply damage the reputation of Russia's military worldwide, especially in light of developments in Ukraine. But this attitude also fuels the outrage and mistrust towards Russia in Armenia and damages the bilateral relations between the two countries in general. Inadvertently, Russian authorities' handling of the issue is pushing Armenians to demand that the strategic relationship with Russia should be reconsidered.

Consequently, the myth of Russia's indispensability to Armenia has been damaged by the levers employed to intimidate Armenian society, a case in point being the broader capacities of Russian 102nd military base. A perception is growing that the murders and their cover-up are part of such a policy.

CONCLUSIONS: The incident in Gyumri has become the focal point for a wider discussion and reevaluation of Armenian-Russian relations in general and the appropriateness and implications of Russia's military presence in Armenia in particular. The region's geopolitics seriously impedes Armenia's possibilities to seek alternative security partnerships aside from questionable assurances from Russia. Still, an active part of Armenian society including independent activists, several NGOs, and numerous ordinary citizens, favor stronger relations with NATO as well as the EU and its individual member states rather than with Russia and the Eurasian Union. It is argued that a stronger partnership with western organizations would build on mutual respect for interests and basic rights, which are lacking in the Armenian-Russian relationship.

The event in Gyumri gave rise to new challenges for Armenian authorities, risking to alienate them from Armenian society at large and forcing them to walk a fine line between domestic and foreign political imperatives. The core question for the future of Armenia's relations with Russia is no longer Russia's policy on

Nagorno-Karabakh and its delivery of advanced offensive weaponry to Azerbaijan; but the Russian 102nd military base and its effects on political and economic development in Armenia.

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SANCTIONS, ENERGY PRICES, AND RUBLE DEPRECIATION CHALLENGE CIS GOVERNMENTS

Stephen Blank

In early 2015, oil prices are in free fall and the ruble's value is plunging along with it. Though Russia is the immediate target or victim of these trends the repercussions of its economic crisis are already manifesting themselves throughout the CIS and affecting the economies of Central Asian and South Caucasian states. Economic crisis due to falling energy prices immediately throws failures of economic and political governance, like excessive borrowing and vanity projects, into sharp relief. But when this occurs in tandem with the depreciation of the Russian ruble and the inability of Russian firms to access foreign capital, the challenges to these states, all of whom are to varying degrees connected to the Russian economy, grow by an order of magnitude.

BACKGROUND: The impact of these two interactive crises have differentiated impacts upon CIS governments because energy producers may be less implicated in the Russian economy; while they suffer from falling energy prices, Russia's travails have less effect upon them. Conversely importers and consumers of energy who will save billions due to falling prices may yet face serious challenges from the impact of Russia's specific crisis.

It is already clear that energy producers will face serious pressure to suspend, stretch out, or even curtail existing or planned future energy projects because they cannot get capital for such large projects at current prices and the likelihood of sales that could justify huge capital investments is moot at best. Thus projects like Turkmenistan's Galkymish, Azerbaijan's Shah Deniz, and Kazakhstan's Kashagan, will come under increasing pressure. This does not mean they will be terminated but clearly the risks of going forward have multiplied.

Similarly producers and exporters who depend on energy revenues for their state budgets to fund major welfare and infrastructure projects will now run the risk of budget deficits that must be made up since their collateral for borrowing has become much less attractive. There has already been talk in the Azerbaijani press of the necessity of raising taxes, never a popular policy, to meet budgetary obligations.

Similarly, other energy producers, facing budget deficits, diminished revenues, and substantial obligations that cannot be disregarded may be tempted to devalue their currencies and thus resort to inflationary policies. The devaluation option looks better given that the ruble's devaluation by over two-thirds since October prices their goods out of the Russian market and even makes their own domestic products much more expensive. Last year, Kazakhstan launched a surprise devaluation and Turkmenistan recently followed suit. In the present context, this was entirely understandable since

devaluation benefits the debtor who pays back in devaluated or depreciated currency. Nevertheless it is a bitter pill to swallow.



(Source: Finmarket.ru)

IMPLICATIONS: At least two other challenges immediately come to mind in assessing the impact of these interacting crises. Whether states are energy producers like Azerbaijan and Uzbekistan or consumers like Tajikistan, if they depend to any significant degree upon remittances from migrant workers in Russia they will face a set of interlinked problems due to these crises. The falling ruble and energy prices, and recessionary trends in the Russian economy, will substantially diminish the value of those remittances. To the extent that states like Tajikistan depend on that income, they must find alternatives to it or run the risk of serious socio-economic discontent. In addition, Russia's recession means less construction and less demand for these workers, many of whom will have to return home to experience difficulty finding decent jobs. Since most Central Asians who are radicalized (and it is well known that young men are the most susceptible age cohort) are radicalized in Russia, if they return home and cannot find work they

constitute an attractive recruiting target for ISIS, Al-Qaida, and other Islamist groups. All this obviously adds further to the risk calculus of governments across the region.

The second risk factor is that the Eurasian Economic and Customs Union, the centerpiece of Russia's policy, is now very much compromised. Belarus and Kazakhstan are already importing European goods for resale to Russia in order to bypass the sanctions. This trade undercuts Russian producers, replaces Russian commercial links with Europe, and has generated considerable anger in Russia. But beyond this, the Economic and Customs Union now confronts the real possibility of competitive devaluation by members who have no choice but to follow beggar thy neighbor policies. As the ruble slides, the pressure grows on Kazakhstan and other members to resort to their own form of devaluation to ensure that their goods are competitive throughout the region, and in particular in the Customs Union members.

The weaker members like Armenia and (prospective) Kyrgyzstan will need even bigger bailouts to keep going and the entire idea of regional integration, even in the warped form proposed by Russia, will suffer devastating blows leading to economic and political frictions among members. And in such circumstances, given the unpredictability of Russian foreign and military policies and the temptations of popular nationalist policies, the risks may spill over into the military sphere. The Turkmen and Kazakh devaluations

of 2014 already point to this process while Russia has had devaluation imposed on it. This trend could easily continue into the future.

Crises present both opportunity and danger. Rahm Emmanuel, as Chief of President Obama's Staff, joked that a crisis is a terrible thing to waste. Therefore this crisis is comprised of both opportunity and dangers for regional states. It challenges them to improve their economic and political governance, to diversify their production and foreign trade, and to create much more auspicious conditions at home for foreign investment. As all of these states, although to varying degrees, have enormous room for improvement with regard to these policies, they can actually use the crisis to minimize hardship and improve their competitive position and economic vitality, for there is no sign that Russia is going to make the necessary reforms. If anything, examples like the bailout of Rosneft indicate a stubborn determination to keep ripping off the state for the benefit of the elite.

CONCLUSIONS: If governments draw the necessary lessons, they will emerge stronger and more independent, and perhaps more interested in and able to cooperate effectively with each other than has so far been the case. Certainly their dependence on foreign governments will decline and their political systems will become much stronger.

On the other hand, as has often been the case in the past, they could fail to grasp the opportunity and continue

trying to maintain business as usual or become even more repressive and rapacious. That is a course for ultimate disaster for they risk falling afoul of the fast-moving currents of this crisis. Russia has already spent 24.4 percent of its reserves and will have to spend more to stave off disaster. And Putin has warned that the crisis could last until 2017.

Some governments, like those of Armenia, Tajikistan, and Kyrgyzstan, may not have two years to wait for a turnaround while refusing to put their house in order. These crises occur while Central Asian states are also very nervous about terrorist threats and their failure to reform might make them vulnerable not only to economic and political unrest but also to insurgent or terrorist violence. This last consideration obliges us to think about what we should do to help them get through these challenges, for the strengthening of Central Asian independence and economic-political governance is decidedly in our interest. For us too, this crisis presents an opportunity if not a challenge, and if we ignore the opportunity we may have to pay much more to put out the ensuing fire.

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DAGESTAN'S JIHADISTS AND HARAM TARGETING

Emil Souleimanov

The recent attacks in Paris against the studio of satirical journal Charlie Hebdo, known for its caricatures of Muhammad, have sparked heated debates in Dagestan. While Dagestanis have primarily focused on evaluating the implications of this single case of lethal violence, their debates have unfolded against the background of increasingly frequent attacks carried out by members of local jihadi groups – jamaats – against targets deemed anti-Islamic according to Salafi dogma.

BACKGROUND: In mid-May 2010, jamaat Shariat, the largest and oldest jihadi group in Dagestan, disseminated leaflets across the republic declaring war on fellow countrymen involved in “seeding spoiled morals and multiplying sins.” The jihadi group warned all those concerned – the owners and employees of liquor stores, casinos, and saunas (in fact, brothels) – that “we will set fire to your brothels, blow places where you do haram, destroy your properties and shoot on your stores and casinos, blow up and shoot your saunas, where adultery is practiced.” Since then, five men have been killed by jihadi groups in around 37 attacks against such anti-Islamic targets across Dagestan, leaving dozens injured. Similar jihadist attacks against liquor stores, casinos, and saunas have periodically occurred in other parts of the North Caucasus, as well.

In their infamous 2010 leaflets and later statements, the jihadists have frequently used the word haram to refer to practices deemed unlawful and forbidden according to Islamic and Salafi dogma. While Islamic tradition outlaws, among other things, prostitution, adultery, premarital sex,

gambling, alcohol and pork consumption, as well as any food incompatible with Islamic dietary rules; Salafi dogma also adds to the category of haram tobacco consumption, music, dancing, and singing.

Since the beginning of the concentrated targeting of haram businesses in Dagestan, the local society has been ambivalent on the matter. On the one hand, traditionalist Dagestanis – who still form a majority of Dagestan’s population – have long been opposed to what many refer to as the spread of “spoiled morals,” an eclectic phenomenon comprising, among other things, homosexuality, “frivolous behavior of women,” a lack of proper respect for the elderly, gambling, alcoholism, drug addiction, disrespectful and ill-mannered behavior, and the like. The dissolution of the Soviet Union exposed Dagestan to outside influences, while the remnants of patriarchal society – clan organization, customary law, and so on – faded away. The modernization and urbanization that had gained momentum in Dagestan since the post-World War II period accelerated these processes dramatically in the 1990s.

These developments, coupled with immense economic decline, brought about female emancipation, but also increases in alcoholism, gambling, and drug addiction particularly in the younger generations. Yet a considerable share of the local population rediscovered Islam, calling for the reintroduction in Dagestani society of values and practices deemed Islamic, deeply rooted, and thus intrinsic to the local society.



(Source: [Wikimedia Commons](#))

IMPLICATIONS: These opposing developments have turned Dagestan into a society of extremes, where deep religiosity – at least on the surface – has gone hand in hand with elements of (post-)modern culture. Intriguingly, most Dagestanis – both pious and secular – have found a compromise between Islam and modernity, exemplified by their attitude to social conservatism. Nowadays, even many secular Dagestanis tend to display skeptical attitudes towards “spoiled morals” and positive attitudes towards religion, a hallmark of Dagestani identity. Likewise, both Salafi and non-Salafi minded believers appear to coalesce with secular Dagestanis over the “spoiled morals” as a menace to the very notion of what it means to be Dagestani or, as many have referred to

it in the republic, to the highlanders’ honor (gorskaya chest).

Therefore, the principal question has not been whether most Dagestanis share the critical stance of the local jihadi groups towards liquor stores, casinos, and brothels, but whether they approve of the violence carried out against such groups. While statistical data is missing on this controversial issue, discussions with dozens of Dagestanis reveal that a considerable portion of the local population approve of non-lethal violence against anti-Islamic objects. For them, against the backdrop of local authorities being either unwilling or incapable of combating alcoholism, prostitution, and gambling, the use of violence – or the threat thereof – against such businesses is the only available option to halt the spread of “spoiled morals” in Dagestani society. Indeed, given the existence of infamously corrupt law enforcement in the republic, reportedly involved in “taxing” or sheltering such businesses, jihadists appear to be doing the job of imposing fear in current and prospective “sinners.” Yet, with the exception of hard core Salafis, most Dagestanis appear to disapprove of the use of lethal violence against such targets.

The local jihadi groups seem to be taking the expectations of the local population seriously. Since May 2010, around 460 law enforcement officers and federal troops have been killed in the republic in hundreds of assassinations and diversionary operations, in comparison to five victims of haram-centered targeting. In

contrast to other areas of jihadi-led violence against haram targets, these numbers are surprisingly low. For instance, in a one-day operation carried out across the country on December 7, 2013, Iraqi jihadists targeted liquor stores across the country, killing 15 people. Similarly, on July 14 2014, Iraqi jihadists targeted a brothel in Baghdad, killing 34 people. In the city of Bauchi, Nigerian Boko Haram-affiliated jihadists targeted a brothel on June 28, 2014, killing ten people. Similarly high numbers of casualties inflicted upon haram objects have been a hallmark of Afghanistan-based Taliban.

CONCLUSIONS: The low casualties of haram-centered violence in Dagestan may be explained by a number of factors. First and foremost, unlike jihadi groups operating in other parts of the world, Dagestani jihadists, a predominantly urban guerilla movement, have been vitally dependent on the support from among the local population, which has provided the jihadists with shelter, intelligence, financing, and material supplies. Carrying out highly lethal attacks on civilians in the republic would dramatically shake the level of support emanating from the local population, endangering their cause. This may also explain why Dagestani jihadists, unlike their counterparts in other the areas affected by jihadist violence, have focused on alcoholism, prostitution, and gambling – the less controversial targets according to Dagestani public opinion – while avoiding targeting schools with mixed sex education, sites of popular resort, and other essentially haram objects.

Secondly, unlike jihadist groups operating in Iraq, Afghanistan, and elsewhere in the Islamic world, Dagestani local jihadists appear to have focused not on punishing, but rather “re-educating” the local population. In fact, many members of Dagestan’s Salafi community have told this author that following seven decades of state-imposed atheism, the local society is still not ready for the imposition of Islamic law, the ultimate goal of Salafis. Hence, the local population first needs to be re-Islamized, and deeply rooted societal diseases need to be eradicated, for which a generation or two of active efforts are needed. Against this background, many Salafis and (former) jihadists refer to ordinary Dagestanis as their potential allies, not current enemies, expressing concerns over acts that would antagonize them from the right cause. While this points to Dagestani jihadists as essentially rational actors, these assumptions may not hold for other areas of jihadist violence, where the “sinners” are considered enemies and as such are seen as an adequate target of divine punishment.

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2013), and *An Endless War: The Russian-Chechen Conflict in Perspective* (Peter Lang, 2007).

AZERBAIJAN INVESTS IN UPGRADING ITS TRANSPORT INFRASTRUCTURE

John C.K. Daly

The Caucasian post-Soviet nations, led by oil-rich Azerbaijan, are expanding their rail, road and air networks to attract rising Eurasian trade. Speaking at Davos, Georgia's Prime Minister Irakli Gharibashvili underlined the importance of the joint projects being implemented with Turkey and Azerbaijan, particularly the just opened Baku-Tbilisi-Kars (BTK) railway. Gharibashvili told his audience, "Once operational, it will reduce the period for shipment from China to European markets by more than half and shorten the distance by almost 7,500 km." Given its energy revenues, Azerbaijan is the driving force behind these changes.

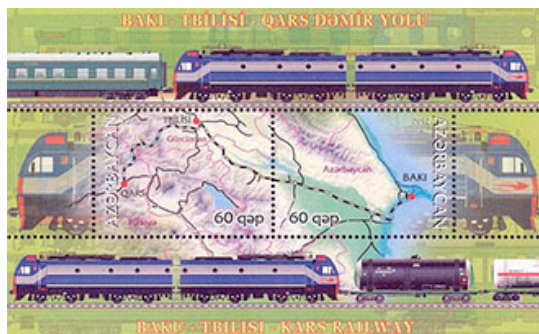
BACKGROUND: Last year Azerbaijan's President Ilham Aliyev, addressing a meeting of the Cabinet of Ministers told them, "The construction of a marine trade port and the construction of the Baku-Tbilisi-Kars railway are closely related issues. We must expand these corridors. The North-South and East-West corridors run through Azerbaijan. The transport infrastructure that has been and is being created in Azerbaijan will serve both our country and neighbors." Expanding on the theme of integrating Azerbaijan into new patterns of East-West trade, Aliyev told the "Baku-Tbilisi-Kars railway line: new opportunities in the development of the Silk Road" conference, held on October 16, 2014, in Baku, "This railway is effective from an economic point of view; stable, secure and fully compliant with environmental standards. It marks the beginning of a new stage in the transport development. This railway line will expand Azerbaijan's multi-modal transportation opportunities and ensure the growth of passenger and freight

transportation." Cementing its position as the Caucasus' most important transport node, Azerbaijan has over the past decade built 6,835 miles of new roads, about 300 bridges and has reconstructed all its main roads connecting the country with Georgia, Russia and Iran.

On January 26 during the conference "The use of new technologies and innovations in the construction and reconstruction of road infrastructure", Azerbaijani Transport Minister Ziya Mammadov told his audience that in 2014 alone, Azerbaijan invested US\$ 2.5 billion in its transportation sector and that out of the total, US\$ 1.9 billion was being spent on the development of road and transport infrastructure. According to Mammadov, over the past 10 years, the volume of cargo moved by the Azerbaijani transport sector increased by 5.7 percent, passenger use grew by 3.7 percent, and transit cargoes increased by 3.4 percent.

According to Azerbaijani Railways CJSC (ADY)

head Arif Asgarov, between January and November 2014, ADY transported 19.9 million metric tons of cargo, of which roughly 5.9 million metric tons was domestic freight transportation and 3.8 million metric tons was export cargo transportation. ADY main rail lines total 1,800 miles, of which 500 miles are double tracked. Approximately 60 percent of ADY rail lines are electrified.



(Source: [Wikimedia Commons](#))

Azerbaijan is also upgrading its maritime infrastructure. The state of the art new Baku International Sea Trade Port ferry terminal in Alat, 40 miles south of Baku, has begun operations, while the Baku Sea Port has begun upgrades which will be ready for commissioning later this year. Baku Sea Port's cargo transportation capacity will be gradually increased to 25 million metric tons and one million containers per year.

The implications of these initiatives extend beyond Azerbaijan's borders; as the sole petro-state in the Caucasus, it has the money both to borrow and to finance these projects. The Azerbaijani manat remains the most stable currency in the CIS and Eastern Europe. Last year, while European currencies, including the euro, weakened against the growing dollar, only Azerbaijan

prevented devaluation of its currency, with the manat even strengthening against the US\$ by 0.01 percent.

IMPLICATIONS: Other Caspian nations are increasingly interested in using Azerbaijan as a transit corridor. In November 2013, an agreement creating a coordinating committee to develop a Trans-Caspian International Transport Route (TITR) was signed by Kazakh, Georgian and Azerbaijani representatives during the 2nd International Transport and Logistics Business Forum "New Silk Road." On January 19, the working group of the TITR Coordination Committee met in Astana to review progress. In a measure of the importance attached to the development of the TITR the meeting, chaired by Kazakhstan's national railway company Kazakhstan Temir Zholy President Askar Mamin, was attended by delegations from the railway companies of Kazakhstan, Azerbaijan, Georgia, and Turkey, the directors of Aktau, Baku, and Batumi sea ports, and a delegation from the Azerbaijan Caspian Shipping Company. Topics reviewed during the meeting included fixing competitive tariffs for cargo shipment and the formulation of a comprehensive tariff rate for container trains along the TITR. The delegations agreed to organize later in the year container shipments along the China-Kazakhstan-Azerbaijan-Georgia-Turkey railway route by utilizing Kazakhstan's new Zhezkazgan-Beineu rail line to Aktau port in conjunction with the BTK rail line. Participants predict that TITR in its initial operations will be able to transport up

to 5.5 million tons of cargo annually, rising to 13.5 million tons per year by 2020.

Kazakhstan is interested in Azerbaijan's transport potential. In 2013 Kazakhstan transported approximately 3.5 million tons of oil, the majority of it via railway. Once the development of Kazakhstan's Caspian Kashagan offshore field is resumed by mid-2016, the transportation of Kazakh oil through Azerbaijan will increase. Since Kazakhstan has its own terminal in Azerbaijan's Batumi Black Sea port, it will need to transport oil through Azerbaijan in order to load the terminal.

Azerbaijan is seeking outside funding for some of its transport initiatives. Azerbaijan's Transport Ministry and the Asian Development Bank (ADB) are working on a project for creating a high-speed railway between Baku and Sumgait. Azerbaijani Railways stated that the project will include reconstruction of nearly 30 miles of the railroad track bed, renewal and modernization of the power supply and signaling systems and the purchase of 10 passenger cars. The ADB plans to allocate US\$ 752 million by 2018 for implementing transport, energy and water infrastructure projects in Azerbaijan, with 46.5 percent of the funds financing road projects. Since 1999 the ADB has allocated US\$ 1.7 billion in projects in Azerbaijan.

Another transport initiative in which Azerbaijan plays an integral part is the 4,500 mile-long "North-South" international transport corridor, stretching from St. Petersburg to

Mumbai. The North-South corridor was created to transit cargo from India, Iran and other Persian Gulf countries northwards through Russia via the Caspian before proceeding to Europe.

Russia has expressed interest in the "North-South" corridor. On September 29, speaking at the fourth Caspian Summit in Astrakhan, Russian President Vladimir Putin said, "Priority is given here to the North-South corridor that would link Western and Northwestern Europe to South Asia through Russia, the Caspian basin and Iran," adding that Azerbaijan, Russia, Kazakhstan, Turkmenistan and Iran were discussing the possibility of setting up a five-party body to promote transportation projects.

Russia is not the sole great power interested in Caucasian transportation. Last year the U.S. stated its intention to use both ADY and the BTK railways for logistical operations supporting the International Security Assistance Force (ISAF) presence in Afghanistan, along the "Caucasian corridor" it established with Azerbaijan for this purpose.

Azerbaijan is also upgrading its facilities to become a major Eurasian air hub. A new passenger terminal has opened at Heydar Aliyev International Airport (GYD), located 12 miles north-east of Baku, the busiest airport in Azerbaijan and the Caucasus, and home of the national flag carrier Azerbaijan Airlines. Heydar Aliyev International Airport currently handles approximately 1 million passengers a year. Described as "a new door to the Caucasus," with a total area 65,000 square meters, the new terminal is

capable of transiting 6 million passengers annually. Azerbaijan's aerial network is already extensive, with more than 35 international routes worldwide.

CONCLUSIONS: Azerbaijan's determination to upgrade its rail, maritime, road and air networks mark it as the major Caucasian participant in the growing north-south and east-west Eurasian transit trade. These efforts are not free from political pressures, as Russia's interest in north-south routes does not parallel U.S. interest in east-west routes, to say nothing of Chinese and Iranian interest in using Azerbaijan to export their goods to Europe. In such a fluid environment, it will require considerable Azerbaijani diplomatic skill to maintain focus on its own transit agenda as its highest priority and avoid "taking sides."

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ARMENIAN PRESIDENT REJECTS TURKISH INVITATION TO ATTEND GALLIPOLI ANNIVERSARY

Erik Davtyan

On January 16, Armenia's President Serzh Sargsyan rejected his Turkish counterpart Recep Tayyip Erdogan's invitation to take part in the events commemorating the centenary of the Battle of Gallipoli. Earlier this month, Erdogan sent out invitation letters to 102 heads of state to attend the events. Every year, Turkey celebrates March 18 as the anniversary of the Gallipoli victory over the Allies, but this year Turkish authorities decided to celebrate it on April 24 when Armenians all over the world will commemorate the Centennial of the Armenian Genocide. Therefore, President Sargsyan in his response stressed that the invitation serves "a simple-minded goal to distract the attention of the international community from the events dedicated to the centennial of the Armenian Genocide."

Armenia's president underlined that "it is not a common practice for Armenians to be hosted by the invitees, without receiving a response to our invitation." This response was stipulated by the fact that Erdogan had not answered Sargsyan's official invitation to commemorate the Centennial of the Genocide this year in Yerevan. During his visit to Ankara in August, 2014, Armenia's Minister of Foreign Affairs Edward Nalbandian had handed Sargsyan's invitation to Erdogan, but no answer has been received till now. During the next two

weeks, Sargsyan's response to the invitation provoked some criticism in Turkey. On January 31, Ibrahim Kalin, a spokesperson of the Turkish president, said that "it is impossible to admit remarks by Sargsyan aiming at the Turkish president's invitation to Armenia, which are against diplomatic practices." The same opinion was shared by Turkey's Ministry of Foreign Affairs.

During the 15th meeting of the Armenia-EU Cooperation Council in Brussels, Foreign Minister Nalbandian reaffirmed Sargsyan's position, adding that it is inappropriate to organize such an event in Turkey on April 24 and that it is unbelievable that anybody can perceive this as a proper step. Nevertheless, the idea to commemorate the battle was welcomed by Azerbaijan's President Ilham Aliyev. During his visit to Turkey, Aliyev said that "the choice of the date was very important."

Erdogan's invitation was unanimously criticized in Armenia. The head of the Institute of Oriental Studies of the Armenian National Academy of Sciences, turkologist Ruben Safrastyan believes that this step aims at undermining Armenia's initiative to invite heads of states to Yerevan on April 24. According to the expert, the Turkish President wants to draw the international community's attention to the Gallipoli victory, rather than the

Armenian Genocide. The same view was shared by another turkologist, Ruben Melkonyan. In his interview to Armlur.am, he qualified Erdogan's step as a falsification of history and a counter step against the events dedicated to the Centennial of the Armenian Genocide. Shortly after Erdogan's statement, the Coordination Council of Armenian Organizations of France made a respective statement, qualifying the step as a part of the Turkish policy of denial, aimed at diminishing the international resonance of the Centennial events in Yerevan.

Erdogan's invitation was not the last message issued to Armenia. On January 20, Turkish Prime Minister Ahmed Davutoglu made a statement on the commemoration of the 8th anniversary of the assassination of Armenian journalist Hrant Dink. He hoped that Armenia and Turkey will begin addressing "the great trauma that froze time in 1915" and underlined that "Turkey has transcended this critical threshold and relinquished the generalizations and stereotypical assertions of the past." Davutoglu ensured that the parties will manage to give "the due recognition to the Armenian cultural heritage in Turkey" and expressed hope that the two nations will be able to contribute to a new beginning, demonstrate the wisdom to understand each other and contemplate a future together.

This step by the Turkish authorities provoked a second wave of complaints in Armenia. In an interview to Armenpress news agency, turkologist Hakob Chakryan said that Davutoglu

had previously used this approach many times, however this one was, in fact, stipulated by internal criticism in Turkey. Some experts, especially Safrastyan, qualified the statement as "the continuation of the official policy of Turkey regarding the Armenian Genocide." On this occasion, the Chair of the Standing Committee on Foreign Relations of the National Assembly of Armenia, Artak Zakaryan, blamed Turkey for continuing a policy of denial regarding the Genocide and mentioned that unlike Davutoglu's statement, the first attempts to initiate the signing of an agreement were always carried out only by Armenia. Zakaryan believes that Turkey is not ready to bolster the mutual trust, to break the stereotypes and to hold a dialogue with Armenia.

POLICE ARRESTED FOR OLD MURDER CASE IN GEORGIA

Eka Janashia

On February 4, Tbilisi City Court ordered pre-trial detention for eleven former and incumbent police officers in connection with the death of two young men in the so called “tennis court special operation” taking place in 2006.

According to the then-official version, spread by the Ministry of Internal Affairs (MIA), on May 2, 2006, Zurab Vazagashvili, Aleksandre Khubulov and Bondo Puturidze were on their way to commit armed robbery in a Tbilisi district and the police prevented the crime through a special operation. When law enforcement officers tried to stop the suspects’ car nearby a tennis court in downtown Tbilisi, the suspects opened fire, which was returned by the police officers. Vazagashvili and Khubulov were shot dead whereas Puturidze was wounded.

The Public Defender’s Office commissioned an alternative ballistic investigation, detecting that no shots were fired from the car. Nevertheless, in 2007 the case was closed. Zurab’s father, Yuri Vazagashvili has accused the authorities of fabricating evidence to clear the offenders. The case was even brought to the Strasbourg-based European Court of Human Rights.

After coming to power in 2012, Georgian Dream (GD) coalition reopened the investigation into the Vazagashvili case though could not reach any tangible results. Yuri Vazagashvili then asked former Prime Minister Bidzina Ivanishvili to help in

dismissing the suspected officials who were still working in law enforcement.

In a recent interview to newspaper *Kviris Palitra*, Vazagashvili criticized the lack of government efforts to determine the truth and accused the then interior minister Alexander Tchikaidze of protecting the culprits. On the next day, Vazagashvili was killed in an explosion at the grave of his son in the village of Karapila located near the South Ossetian conflict zone.

The murder gave rise to widespread speculation regarding the links between the explosion and Vazagashvili’s continued efforts to penalize his son’s murderers. PM Irakli Gharibashvili said the incident “shocked” him and urged the law enforcement agencies to investigate the case immediately, and to complete the investigation of the 2006 special operation “in the shortest period of time.” Almost immediately, Interior Minister Tchikaidze resigned. Tchikaidze’s written statement reads, “Though Yuri Vazagashvili’s allegations are far from reality, I feel the moral responsibility to quit the post.”

In two weeks, the Prosecutor’s office (PO) indicted Irakli Pirtskhalava, former deputy head of the Criminal Police Department, for the premeditated murder of Khubulov. The prosecutor’s motion states that Khubulov tipped off police regarding Pirtskhalava’s brother, Levan, drug-related crimes resulting in his arrest in

April, 2006. Pirtskhalava then decided to take revenge on Khubulov, plotting a special operation by inventing the false story of a robbery, resulting in the shooting of Khubulov and Vazagashvili. By eliminating the witnesses, Pirtskhalava was able to avenge his brother while keeping his “official influence and reputation,” the PO’s motion said. The Tbilisi City Court rejected the defense lawyer’s petitions to release the former and active detained officers on bail.

On February 8, Gia Sosanashvili, another policeman and allegedly a friend of Pirtskhalava, was detained as a suspect of Yuri Vazagashvili’s murder. According to PO, he was identified through a DNA sample detected on part of a hand grenade that went off at the grave. The PO said that Sosanashvili installed the explosive device while someone else gave the order. The detained policeman denies guilt. His lawyer said that at the moment of the explosion, Sosanashvili was at a public place and that dozens of witnesses can prove it.

The recent developments taking place in about two weeks had an immense resonance among the public. From the very beginning, the “tennis court special operation” involved inconsistencies and controversies but the investigation has focused only on the possible use of excessive force by the police. The PO’s new charges, however, turned previous findings upside down and raised several additional questions. For example, how the deputy head of the department was able to mastermind a murder of this

scale and involve so many subordinates in it. Moreover, if Pirtskhalava aimed to liquidate witnesses, why did Puturidze survive?

Another striking feature is the timing of the crimes’ resolution. After the investigation was idle for two years, the PO was able to solve both cases in two weeks, while other baffling murders occurring during the GD’s term in power remain unsolved. Most significantly, the assassination of the politician and media tycoon Erosi Kitsmarishvili and the murder of 10 month-old baby-girl Barbare Raphaliants, who was allegedly killed for political reasons.

GD supporters have welcomed the PO’s move, labeling it a “restoration of justice” – one of the prominent pre-election promises of the coalition. Others suspect political motives behind the events and perceive them as an attempt by the government to divert public attention from simmering social discontent.

KYRGYZSTAN DEBATES ELECTORAL SYSTEM REFORM

Arslan Sabyrbekov

In October 2015, the second parliamentary elections under the 2010 Constitution are scheduled to take place in Kyrgyzstan. The country is in the midst of debating reform of its electoral system with political forces trying to define the “rules of the game” in their own interests. According to the recommendations of the Venice Commission, amendments to the electoral system must be introduced at least one year prior to the elections and Kyrgyzstan is already behind schedule.

The working group on reforming the existing electoral system, chaired by the head of the presidential administration Daniyar Narymbaev, recently issued a statement that all the amendments will be finalized and submitted to the parliament in February at the latest. The initiative on dividing the country into 9 constituencies was already adopted in the first reading. Other initiatives concern the formation of the voters’ list, the bill on conducting elections on the basis of biometric data, automation of the entire electoral process – from issuing ballots to counting the end election results as well as bills related to increasing the size of the parties’ required electoral fund and raising the electoral threshold to 10 percent from the current 5. These last two initiatives have led to widespread discussions in the country’s expert and political circles. According to the leader of the country’s ruling Social Democratic Party and one of the

initiators of these norms, Chynybai Tursunbekov, “these initiatives will foster the country’s stability by getting rid of the smaller political forces and having 3 or 4 political parties in the parliament with a stable electorate and political capital.”

However, the country’s prominent civil society activists take a different position and perceive these initiatives as an effort to further consolidate power and another drawback in the country’s democratic development. “We should keep the threshold at 5 percent. Doubling the threshold will definitely remove the chance for smaller political parties to compete and the country risks ending up with one or two political parties in the parliament, like during the times of the first two ousted presidents,” noted Dinara Oshurakhunova, leader of the Bishkek-based “Coalition for Democracy and Civil Society.” Indeed, even the last parliamentary elections of 2010 with a threshold of 5 percent showed that this number is still high for Kyrgyzstan. Then, none of the political parties currently represented in the country’s legislature managed to pass the proposed 10 percent threshold, making the warning that the state machine could be used for the benefit of certain political forces in the upcoming elections quite legitimate. In 2010, only 5 parties out of 29 competing were able to enter parliament and represented less than 50 percent of the electorate.

According to local experts, this initiative has already led to the formation of unions between several major political parties: Ata Jurt and Respublika as well as Butun Kyrgyzstan and Bir Bol. According to political analyst Marat Kazakpaev, “these unions are not guided by ideological commonalities but rather by short-term opportunistic interests. This in turn damages Kyrgyzstan’s path towards developing a stronger parliamentary system.” Kazakpaev has also noted that the initiative to increase the required election fund will make it impossible for smaller political parties to compete, forcing them to unite with others who have sufficient financial resources. Currently, only a few parties can manage to raise the required sum of 10 million KGS or around US\$ 165,000.

In the meantime, the government is actively collecting biometric data on citizens, arguing that this will help holding the upcoming parliamentary elections in a fair and transparent manner. However, critics of the initiative see political interest behind it, claiming that citizens who have failed to submit their biometric data will be deprived of their right to vote, just like in the last presidential elections where hundreds of citizens were not included in the voters’ list and could not therefore cast their ballots.

In addition, electoral reform and especially its automation requires significant financial resources. Despite recent drawbacks in Kyrgyzstan’s democratic development, the European Union has expressed its readiness to

allocate 10 million Euros for these purposes, along with Switzerland providing another US\$ 2 million.

The author writes in his personal capacity. The views expressed are his own and do not represent the views of the organization for which he works.

TAJIK PRESIDENT REVIEWS CHALLENGES IN ANNUAL ADDRESS TO PARLIAMENT

Oleg Salimov

Tajikistan's President Emomali Rakhmon addressed the parliament in his annual speech on January 23, 2015. Rakhmon reviewed Tajikistan's accomplishments in the socioeconomic sphere in 2014 and outlined his proposals for the country's development in 2015. Rakhmon presented a highly detailed review of the work done by the Tajik government in 2014, highlighting numerous improvements supported by meticulous statistical data. In the speech, summaries of specific accomplishments were followed by appeals for further improvement.

In his annual address, Rakhmon focused mostly on economics, social problems, energy independence, transportation infrastructure, water resources, education and youth problems, and terrorism. Rakhmon specifically addressed the importance of developing a strong ideological basis in order to unify the people of Tajikistan and enhance their patriotism. Rakhmon also announced 2015 as the "Year of the Family," translating into a separate set of tasks for the government and legislature in 2015. The president only cursorily mentioned Tajikistan's parliamentary elections, even though these are scheduled to take place on March 1, 2015.

A few points in Rakhmon's speech require closer attention. When speaking about economics, Rakhmon stressed the role of heavy industry,

natural resources extraction, and Tajikistan's hydroelectric power potential as it seeks to find its niche in the global market. In Rakhmon's vision, the development of the agricultural sector is essential mostly for the country's internal consumption and substitution of imported produce. According to Rakhmon's speech, Tajikistan's mid-term goal to transform from a largely agricultural society into a resource-supplying country with a perspective, in the long-run, to become a self-sufficient industrialized economy.

This enormous task can encounter such problems as insufficient human capital, technological deficiency, and inability of the state to attract necessary financial investments. Rakhmon touched on these problems as part of Tajikistan's broader socioeconomic challenges, yet he made no direct reference to his proposal for economic transformation. The country's transportation gridlock creates another obstacle for Tajikistan on its way to industrialization. The Turkmenistan-Afghanistan-Tajikistan railroad project, which started in March 2013 and would have provided Tajikistan with access to the Caspian and South-Asian markets, stalled as the participating countries disagree on the route of the railroad.

Tajikistan also continually suffers from an energy crisis. Although the country possesses a significant hydroelectric power capability, it suffers from a

constant deficit of electricity vital for industrialization. While Rakhmon reports a significant increase in electricity production, the power limit for residential consumption remains at 6 hours daily in the winter time. Additionally, the hydroelectric power company Barki Tojik, which Rakhmon sees as an important player in advancing Tajikistan's energy independence and hydroelectric power export, struggles with considerable financial difficulties. The company's debt to suppliers and Tajikistan's Taxation Department totals US\$ 300 million as of August 2014. Tajikistan's state budget is also cash strained as the export of aluminum, the main income-generating item, was cut from 216,000 tons in 2013 to 121,200 tons in 2014, according to the Minister of Economic Development and Trade Sharif Rakhimzoda.

Another significant part of Rakhmon's speech was an appeal for constructing an ideological platform for Tajikistan, which must encourage patriotism, pride of the national and cultural heritage, and loyalty to the country's interests. This task was in large part delegated to the Tajik Academy of Sciences. The ideology has to counterbalance propaganda hostile to Tajikistan. Rakhmon also underlined that, among other tasks, the Academy has to intensify its efforts to study the Tajik Civil War of 1992-97 and presenting more accurate and objective information on the issue as compared to other sources. It should be noted that last year a Tajik scholar from Canada was arrested in Tajikistan when trying to conduct research on the Tajik Civil

War, unauthorized by the Tajik government. The apparent motive behind these proposals is to increase the legitimacy of the current regime. Rakhmon's image as a peacemaker has helped him retain power for almost two decades and he intends to continue to do so in the future.

In general, Rakhmon's annual address to parliament presented the same set of issues that the country has been trying to resolve since independence. As in last year's speech, the current proposals for export increases, industrialization, energy independence, and resolution of the transportation impasse lacked specific plans for action and follow-up reviews. Besides, several factors and actors supposedly assisting the economic development process have collapsed or struggle to function, as seen in the example of the TAT railroad and *Barki Tojik*. Therefore, Rakhmon's proposals constitute the acknowledgment of problems rather solutions to them.