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*Central Asia- Caucasus Institute
Silk Road Studies Program*

Central Asia-Caucasus Analyst

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THE CENTRAL ASIA-CAUCASUS ANALYST

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KEY ISSUE: A short 100-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: Field Reports focus on a particular news event and what local people think about the event, or about the work of an NGdO. Field Reports address the implications the event or activity analyzed has 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

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DIM PROSPECTS FOR SARKISSIAN AFTER ARMENIA'S POST-ELECTION VIOLENCE

Blanka Hancilova

The violent suppression of the opposition rally on 1-2 March has opened up a gaping schism in the Armenian body politic. Following the deaths of at least several dozen protesters, the Kocharyan-Sarkissian duo is bound to lose some supporters, while some neutral voters may chose to join the opposition. The battle for power may be drawn out, and its conclusion is far from certain but, so far, it is evident that the foundations of the ruling regime have been profoundly shaken.

BACKGROUND: The 19 February 2008 presidential election in Armenia was expected to see a smooth transfer of power from the current president, Robert Kocharyan, to his long-time ally and current prime minister, Serzh Sarkissian. But Armenia's first president turned opposition leader after a long absence from the political scene, Levon Ter-Petrossian, turned it into a bitter contest, drawing his supporters to the streets in record numbers, a sight unseen in Yerevan since the 1990s. According to official results, Serzh Sarkissian won the election in the first round, securing 52.8 per cent of the cast, while Ter-Petrossian trailed behind with 21.5 per cent.

The opposition alleges that mass fraud had taken place. Although independent information is hard to come by, Human Rights Watch documented the bullying and intimidation of opposition observers. On election day, numerous violent incidents and irregularities were reported such as vote buying, 'carousel' voting (where the same people vote repeatedly), irregularities in the military's voting and, crucially, in vote counting.

Nevertheless, according to the preliminary findings of the OSCE Office for Democratic Institutions and Human Rights election

observation mission, the election "was administered mostly in line with OSCE and Council of Europe commitments and standards." Despite this finding, opposition parties heavily criticized the conduct of the elections.

The opposition contested the results and hit the streets for 11 days of non-stop protests. Many other opposition leaders rallied behind Ter-Petrossian. At the same time, a number of opposition politicians were detained and some senior foreign ministry officials and prosecutors, who publicly backed the opposition, were dismissed.

As the government felt increasingly insecure, it offered to set up a coalition government and managed to co-opt



one of the most influential figures – former National Assembly Speaker and Chair of the “Orinats Yerkir” party, 40 year-old Arthur Baghdasarian. Following this success, in the early hours of 1 March, the police dispersed a rally at Yerevan’s Liberty Square and Ter-Petrossian was placed under *de facto* house arrest.

Notwithstanding the events earlier in the morning, later in the day protesters gathered in Miasniakian square, in the vicinity of the City Administration Hall and the embassies of France, Italy and Russia. During the day, there were possibly several hundred thousand people waiting for Ter-Petrossian, but also a strong police, interior forces and army presence. By the evening, the atmosphere had become extremely tense and a violent standoff was widely expected. At the same time, the opposition leaders that had organized the rally disavowed and condemned incidents of violence, blaming them on government provocateurs. Small-scale violent incidents started to take place, and the looting of shops in downtown Yerevan also began. In the evening, about 10,000 protesters were still present at the square, burning cars and engaged in running battles with the security forces. Late on 1 March, outgoing President Kocharyan introduced a state of emergency for 20 days, which was upheld by the parliament. Media freedoms, freedom of assembly and political activity remain suspended.

Shortly after emergency rule was declared, security forces advanced towards the protesters and, according to official information, a violent standoff occurred which left at least eight people dead and about two hundred injured. Unofficial sources speak of at least 20 dead, and possibly up to 50.

Subsequent international reactions criticized the government for use of excessive force and violence to disperse demonstrators.

IMPLICATIONS: Ter-Petrossian’s success in running a popular campaign has shaken the governing Kocharyan-Sarkissian duo which, after ten years in power, seems to have grossly underestimated the extent of public dissatisfaction with the regime. The authorities clearly did not expect Ter-Petrossian to be capable of mustering a wave of popular protests, particularly given that he remains unpopular amongst

many Armenians who remember the economic hardships that plagued his presidency in 1990s, while many disapprove of his position on the Nagorno-Karabakh conflict. However, not only did he manage to attract people to the streets, but he has also managed to coalesce the fractious opposition political forces around him and, moreover, against the ruling regime. All of this occurred without Ter-Petrossian offering any specific program of change apart from a change of regime from the Kocharyan-Sarkissian “kleptocracy”. Especially worrying for Kocharyan and Sarkissian, who both come from Nagorno-Karabakh, were the signs of defections from the Yerevan elite in the Ministry of Foreign Affairs and the prosecutor’s office.

The electoral success, even if contested by the opposition, could have given Sarkissian a chance to re-assert control by playing on the opposition’s lack of internal coherence and a united program. Co-opting Arthur Baghdasarian was an important step in this regard. On the other hand, it is not clear how much power Baghdasarian now commands. Ter-Petrossian has been claiming for some time now that Baghdasarian’s supporters are joining him and Baghdasarian’s u-turn is unlikely to fare well with his voters.

On the other hand, the external situation played in the regime’s hands. The lack of foreign media attention to Armenia, the largely benevolent and superficial reports of international observers, and the keen interest of all neighbors and major powers to prevent any new hotspot from emerging made it easier for the government to quell the opposition tide. However, the death of protesters is a watershed which has made Armenia’s political future all too uncertain.

CONCLUSIONS: It is too early to tell how the political situation in Armenia will develop. However, several observations can be offered. To begin with, the options of the incumbent regime seem to be very limited. It is likely to try to run things ‘as usual’, put the blame for post-electoral violence on the opposition led by Ter-Petrossian and, step-by-step, isolate him. Co-opting Baghdasarian was one of the first steps in this direction. It remains to be seen whether Baghdasarian will be able to recover his credibility with

his electorate and whether he will emerge as a serious contender for high-level political posts in the future.

But even if Sarkissian succeeds in calming the situation down, and keeps himself in power, his credibility has been severely undermined. Even many of his current supporters are likely to blame him for the events of 1-2 March for years to come. It is possible that the whole institution of the presidency could be weakened as a result, and that power will increasingly gravitate to the National Assembly.

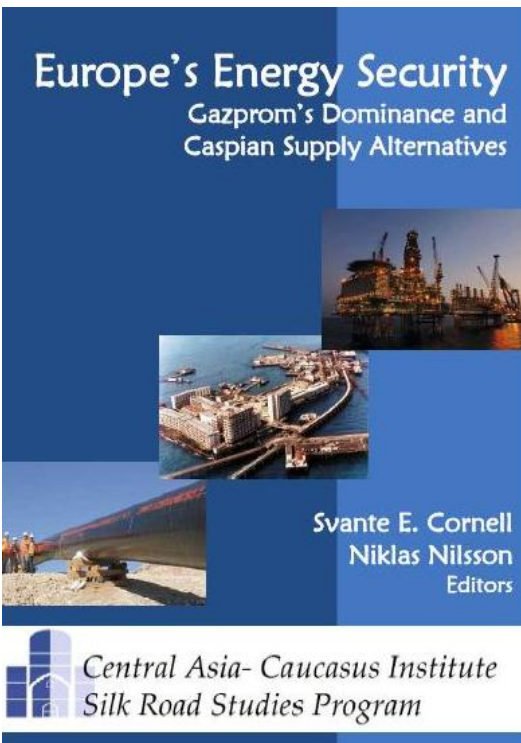
The outgoing president, Robert Kocharyan, has not announced his future plans, but it is widely believed that he will implement the 'Russian scenario' and replace Sarkissian as prime minister. By doing so, he will be able to contribute to the consolidation of his and Sarkissian's power.

As for Ter-Petrosian, it remains to be seen whether his supporters will be able to sustain a protracted public

protest when the state of emergency lifts. Should he be unsuccessful, he may have lost possibly his last chance to re-enter Armenian politics. So far, many of his supporters have been imprisoned, and some charged with attempting a coup d'état. Many went into hiding, fearing reprisals from the authorities.

In the short term, Armenia is likely to remain volatile, and the possibility of renewed violence is present. In the mid-term, two scenarios can be envisaged: stabilization with a broad coalition government with simmering discontent and pressures to 're-open' the political and media space; or increasingly hard authoritarianism, essentially military rule, keeping the opposition in jail.

AUTHOR'S BIO: Dr. Blanka Hancilova is analyst of international relations with a focus on the CIS and the co-founder of Apreco Consulting Group.



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KYRGYZ KUMTOR MINE CONTROVERSY HEAT UP

Nurshat Ababakirov

On February 1, the Kyrgyz Finance Police accused Centerra Gold Inc. of tax evasion. It also claims that former Prime Minister Nikolai Tanaev “exceeded his power,” providing Centerra with privileges at the expense of national interests. The Canadian mining company categorically rejects the allegations. Centerra officials worry about the unpredictability of the outcome of negotiations, which might linger for months. Be it because of corruption or yearning for better terms, the Kyrgyz government’s deeds might well undo its loud rhetoric about setting up a favorable investment climate in the light of grand privatizations ahead.

BACKGROUND: Since its onset in 1992, the Kumtor mining operation has been clouded with seemingly endless suspicions over the terms of the initial contract. Discussions and arguments about securing better terms and the possible nationalization of Kumtor, often called the “locomotive” of Kyrgyzstan’s economy, dominated the parliament ever since the first foreign company showed interest in it. Yet, the government repeatedly eschewed to reveal answers as to why the state budget reaped less benefits than the company did.

In 1994, former president Askar Akaev dissolved the parliament, in an attempt to cow into silence further trouble-breeding talks that had led to dismissal of Prime Minister Tursunbek Chyngyshev, a key actor during the negotiations with the gold company. Parliamentarians and observers criticized the absence of a tender, disregard for local experts’ evaluations, and “personal interests of top government officials” that led to a deal with Comeco, the giant Canadian uranium corporation.

Ten years later, another wave of scandals was triggered, as the government tried to change the general agreement in order to make it more favorable for the country. Opposition-oriented parliamentarians criticized the fact that the Canadian company had been freed from taxes for a decade, during which it exceeded the production

limit by a factor of two developing surface gold reserves. Although the company produced more than 150 tons of gold by 2003, the government did not see a considerable inflow to the budget, partly owing to low gold prices and continued payment for money borrowed from various banks for the initial investment. However, former president Akaev refrained from reckoning with the parliament, and proceeded to further talks engaging a limited number of government officials.

Comeco welcomed the offer to revise the general agreement, since the tax-free period was coming to an end, and it would have to pay dividends to the Kyrgyz government in the order of 66 percent, explained opposition parliamentarians. In early 2004, Comeco and Kyrgyzaltyn, the state gold agency, joined into Centerra Gold Inc. The Kyrgyz side decreased its share from 66 percent to 30 percent, while Comeco, in exchange, agreed to pay taxes, share dividends from other developing gold mines in Mongolia and the U.S., and allow Kyrgyzaltyn to sell its share in stock markets. Notably, Centerra Gold Inc. became an “investor” in the Kumtor project, which made it eligible for special privileges according to the national Law on Investment. However, the deal was achieved without the required approval of the parliament, something that would become a thorn in future disputes. Later that year, the government sold

about 15 percent of its share for US\$90 million, as became known, to invest in social projects such as poverty reduction.

After the ouster of Askar Akaev following the mass protests in March 2005 and pushed on by high



expectations, the new government led by Kurmanbek Bakiev promised to revisit the situation surrounding the gold mine, from which the former president and his entourage were thought to have illegally benefited. Additionally, on the financial side, as profits were counted on the basis of sales, Centerra Gold continually invested back into the project in 2005-2006, decreasing the revenues flowing into the state budget. Hence, the new government decided to revise the general agreement in order to better serve the national interest.

IMPLICATIONS: At present, many officials and parliamentarians appear surprised, as investigations began on the eve of the expected approval by the parliament of the new “peace” agreement between the Canadian corporation and the Kyrgyz government. It is believed that the new agreement, achieved by former Prime Minister Almazbek Atambaev in August 2007, was reached through exhaustive negotiations, and would restore a relative balance between the sides. It would increase the state’s share in Kumtor from 16 to 30 percent, while Comeco’s share would fall from 53 to

41 percent, with the remainder staying in the hands of public holders. With its share soaring to US\$800 million, this would have made the Kyrgyz state the second largest shareholder after Comeco. The agreement also envisaged a “simplified, stable, and predictable” tax system, amounting to 15-17 percent of the total production, roughly twice the level of previous agreements. Also, a “principled agreement” was achieved, authorizing the government to use its stake to borrow long-term credits to invest into the economy. In exchange, Comeco would be licensed to begin work on an additional 25,000 hectares of land, with estimated gold reserves of more than 700 tons.

The State Finance Police has not still declared the exact sum the gold mine company avoided to pay in taxes since 2003. It accuses the gold mining company of “illegally” benefiting from financial privileges, attained without the parliament’s approval. Nevertheless, the legal grounds of these accusations do not seem to be definitive. Former Prime Minister Tanaev, in his defense, claims that there was no need for the parliament’s approval, since the related parliamentary committee, authorized by the Supreme Court and the Ministry of Justice, had given its consent.

Others, who believe the case is politically driven, assert that it is unlikely that the State Finance Police could act independently, especially in highly sensitive issues such as Kumtor. Besides, the 2008 state budget already includes increased state profits based on the new agreement reached by former Prime Minister Atambaev. Further delays of the agreement would mean the loss of an estimated US\$27 million, for which the government could be held accountable.

Apparently, the outcome is precarious and many have come to believe that the government is about to embark on new negotiations with Comeco for conditions more favorable to the state. The new Prime Minister, Igor Chudinov, who referred to the

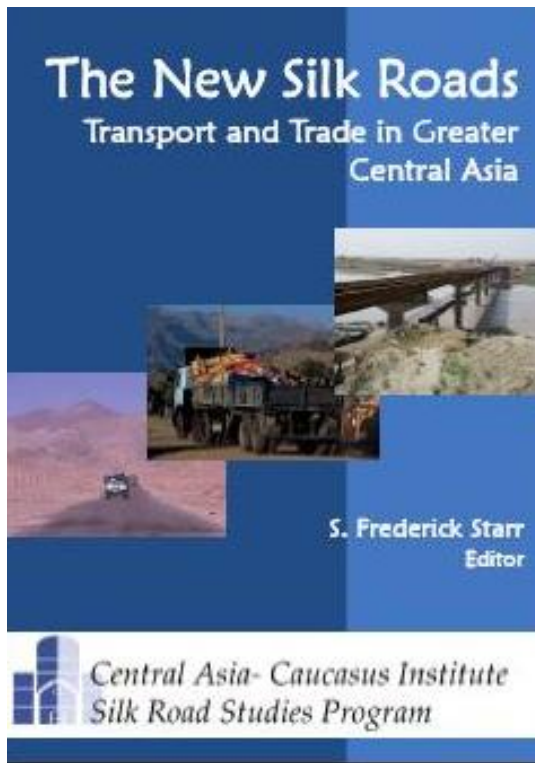
tax investigation as a “normal process,” will surely enjoy parliament’s support.

Analysts exclude the possibility that a change of foreign partner will be forced, considering the high uncertainties involved: the government would have to open new talks from scratch and disregard the debts claimed by the state tax agency. And considering the huge reserves of gold, Comeco is likely to sell its share only for a very high price, which will limit the range of potential investors. Moreover, Finance Minister Akylbek Japarov stated that in case the dispute is to be regulated by the arbitration court, “we [the Kyrgyz government] will lose, since all the corruption machinations were used on our side.”

CONCLUSIONS: It is highly likely that the Kyrgyz government will call for another round of negotiations on Kumtor. An already warmed-up

parliament stresses that the Kumtor issue will not be solved until all officials entangled in corruption are charged and illegitimate procedures in previous agreements are discarded. Unlike the awkward experience of the previous leadership, all the branches of powers this time are likely to come up with a single position regarding the “fairness” of arrangements surrounding the gold mine. Nevertheless, when the previous government signed the last agreement, some analysts referred to it as a turning point for the investment climate in Kyrgyzstan, whereas this time, future foreign investors are likely to experience the Kyrgyz leadership’s somewhat awry understanding of commitment to legal agreements.

AUTHOR’S BIO: Nurshat Ababakirov is a Bishkek-based freelance writer.



New Book:

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RUSSIA TRIES TO EXPAND THE SCO'S MEMBERSHIP

Stephen Blank

The new government appointed by Kyrgyz President Kurmanbek Bakiyev following controversial parliamentary elections in December 2007 is comprised of a small group of political leaders whose business interests largely interconnect. About 10-12 high-ranking officials in the president's administration and ministerial cabinet determine the country's entire economic policy and political climate. Meanwhile, unlike before, non-state organized criminal groups and their leaders are no longer able to significantly influence the political domain, thus marking a sizable shift in state-crime relations in the country.

BACKGROUND: Membership issues provide a difficult dilemma for the SCO. In 2006-07 Russian analysts advocated Iranian membership and the members' Foreign Ministers seriously discussed this possibility in 2006. At the time, Iranian membership was a bridge too far because of the current delicate stage of the negotiations over Iranian nuclearization. Russia and China ultimately refrained from supporting Iran despite their support for its negotiating position, so as not to confront Washington directly on this subject at a particularly delicate time in the negotiations. As Russian Defense Minister Sergei Ivanov said, the SCO would not bring Iran into membership if that meant defending it against Washington for its nuclear proliferation, a proposition that he called moronic. Also, members like Kazakhstan and Kyrgyzstan publicly opposed such membership and Iran's nuclear program. They fully realize that either the success of Iran's nuclear program or an American attack on Iran would entail new threats to regional security and potential disturbances that they prefer not to confront. Furthermore, under the SCO charter, members might be asked to defend Iran if America attacks it, even though such attacks hardly are due to terrorism, separatism, or extremism, the three *casus belli* in that charter. The Central Asian states also opposed membership because adding new members outside Central Asia

could dilute their weight in the organization, and involve them in other countries' agendas, something decidedly not to their taste. They opposed it also because they knew that inviting Iran represented a deliberate and serious affront to America with whom they must interact and trade and whom they see no reason in gratuitously insulting. Kazakhstan in particular opposes adding new members because its rising influence would then be eclipsed by that of Iran, Pakistan, and/or India, the logical candidates for future membership.

Therefore, the issue was temporarily shelved despite Iran's hopes for membership and clear signs of Moscow's and Beijing's inclination to favor this if it could be done at no cost. Meanwhile, India and Pakistan also applied for membership in the SCO. Pakistani President Pervez Musharraf emphasized Pakistan's location as the bridge to the Indian Ocean as a justification for membership. But Pakistan's continuing tolerance of Taliban and al-Qaeda incitement precluded its being trusted in Central Asia or Moscow, not to mention New Delhi. Furthermore, Pakistan's membership without Indian membership immediately would prejudice the organization in dangerous ways, e.g. by obliging members to protect it against the three kinds of attack cited above and which could involve choosing sides in an Indo-Pakistani war. Clearly, nobody wishes to be tied to one country in South

Asia or to Iran, should a war break out in those areas.

IMPLICATIONS: These issues revealed considerable divisions among the SCO membership. Russia championed India's observer status and China Pakistan's status, thereby indicating their own diverging approaches to South Asia and the question of membership in the SCO for those two states. These differences also reveal some of the signs of Russo-Chinese rivalry in Central Asia. And despite Indo-Chinese rapprochement and talk of a strategic triangle including Russia, China, and India, China is not eager to see India play a major role in Central Asia. After all, it is busy trying to expand its ties to Iran and Pakistan as well as Central Asia in both energy and strategic affairs, e.g. help for constructing the Pakistani port at Gwadar. Its strategic aims are still tied to supporting Pakistan in order to confine India and Indian power to the subcontinent while simultaneously pursuing a detente with India.

At the same time, the open anti-Americanism of the SCO's declarations clearly contradicts India's partnership with America. India also cannot afford to be seen in public with Iran even though it could usefully emphasize to Iran the risks that Tehran is running by its program of nuclearization. So while it is prepared to cooperate with Russia and China on energy and direct security issues affecting the three of them, India will not and cannot be part of the grand design for the SCO now being hatched in Moscow and Beijing. The presence of its energy minister and his speech at the Shanghai summit in 2006 suggests that its principal interest in the SCO is access to energy and broader trade with Central Asia, not anti-American gestures.

Nevertheless the membership issue and its implications have been shelved, not discarded. In 2006-07 Russian and Indian defense institutes conducted an extensive dialogue across the entire agenda of security questions and issues in Central Asia in order to discover the most effective way to foster bilateral defense and security cooperation between Moscow and new Delhi. According to one Russian commentator, "perhaps the answers to most

of the above questions could be found not only through bilateral cooperation, but also during our two countries' interaction with SCO member states."

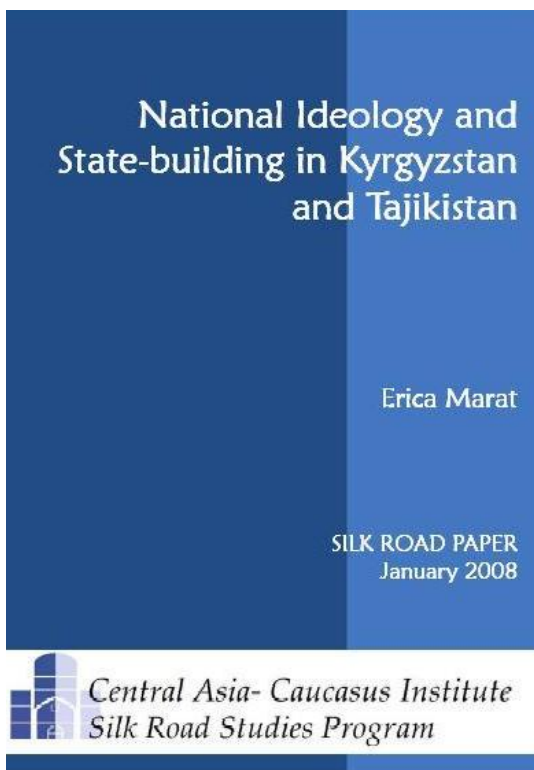
None of these arguments against expansion of membership have been invalidated since 2006-07. Neither are Moscow's motives clear. Pakistan's exceptional domestic turmoil that was already at a high level before Bhutto's death, as well as its inability to deal with homegrown terrorists, makes it a awkward choice for membership, especially given the reservations its policies have inspired among Russian, Central Asian, and even Chinese officials. The implicit threat to exclude India may have been part of a Russian campaign to bring pressure upon it in Central Asia. In that case, this move would correlate with its abusive treatment of Indian officials in late 2007 and efforts to threaten its position in Tajikistan lest it incline too closely to America. Still, it seems excessive even in view of that temporary goal.

Likewise, the situation around Iran remains extremely tense, even if the U.S. National Intelligence Estimate (NIE) of December 3 stated that Iran was not making nuclear weapons anymore. Although Moscow has been promoting Iran as a fit partner for discussions on Middle Eastern, Gulf, and even Black Sea Security, it is unclear if China still supports Iran as a member of the SCO and the attitude of other Central Asian states does not appear to have changed either. At the same time Losyukov's initiative clearly represents a concession to China's viewpoint on Pakistan and may be a quid pro quo in return for signs of China's greater willingness to entertain ideas about the SCO assuming a more military and hard security cast as Russia desires. Hitherto, Chinese official statements, including those by President Hu Jintao at the SCO summits in 2006-07 as well as those by the SCO's former Secretary-General Zhang Deguang, have stressed that the SCO should stress regional economic cooperation in trade and development as its main priorities. The exercises or "peace mission" of 2007 might signify a looming change in Beijing's attitude.

CONCLUSIONS: For now it is impossible to be exactly sure why Losyukov spoke when he did, and what Russia's objectives are. But it seems safe to assume that it portends another series of moves within and around the SCO and its members' interaction with each other. One of the SCO's chief distinguishing features is its protean and evolving character as it moves from being one kind of security organization to becoming another type. Losyukov's gambit suggests that this process is by no means finished and that the nature, purpose, and

membership of the SCO, as well as the relations among its members, all remain an unfinished work in progress.

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INTERNATIONAL CHALLENGES ARISE FROM ARMENIA'S PROBLEMATIC ELECTIONS

Richard Weitz

The crisis initiated by last month's disputed elections in Armenia and the violence of March 1 has confronted the international community with hard choices. On the one hand, the elections were imperfect. On the other hand, the opposition is led by a flawed man whose supporters contributed to the violence. Unlike in other former Soviet republics, however, the current crisis has not evolved into an open dispute between Russia and the West.

BACKGROUND: On February 24, Armenia's central electoral commission declared that Prime Minister Serzh Sargsyan narrowly won the election outright in the first round, obtaining an absolute majority and thereby avoiding a run-off. Opposition leaders cited evidence of fraud and demanded annulment of the February 19 results and the holding of another ballot.

On March 1, following weeks of street protests and mass rallies, violence erupted when the police tried to evict the protesters from parts of downtown Yerevan. Levon Ter-Petrossian, Armenia's first president and the main opposition candidate, criticized international observers for endorsing the elections and called on foreign governments to renounce the regime: "I hope the international community understands that the regime in Armenia does not have the support of the people. This conflict will now last for five years, with full-time violence."

International observers had offered varying assessments of the elections. The monitors from the Organization for Security and Cooperation in Europe (OSCE) found many local irregularities, especially in the vote counting. Even so, in their February 22 report, they concluded that the process was "mostly in line with the country's international commitments" and represented an improvement over past ballots.

Some world leaders have congratulated Sargsyan on winning the election. Russian President Vladimir Putin was the first foreign leader to endorse the result. He described the election of Sargsyan, considered favorably disposed toward Moscow, as "contributing to the stability in the Caucasus."

Armenia is Russia's closest ally in the South Caucasus. Armenians have long considered Russians their great power protector against Turkey. At present, Armenia hosts an important military base at Gyumri, located about 120 kilometers from the Yerevan. About 5,000 Russian military personnel are currently deployed there. Armenia is also a member of the Russian-led Collective Security Treaty Organization.

Russian-Armenian economic ties are also strong. In 2007, trade between the two countries grew by 65 percent. Russia is Armenia's leading economic partner, accounting for over 16 percent of Armenia's foreign trade and supplying its largest source of foreign investment. According to official sources, Russian investors accounted for a third of total accrued investment in the Armenian economy. From 1991 to 2007, Russians invested a total of \$1 billion in Armenia's banking, communications, information technology, transport, chemicals, mining and other sectors.

Two weeks before the elections, Sargsyan signed a number of commercial agreements with a visiting Russian government delegation led by Prime

Minister Viktor Zubkov. For example, Sargsyan agreed to participate in the planned Russian-led international nuclear fuels service center in Angarsk, Siberia. At that same February 6 meeting, the two prime ministers declared their joint goal of bringing the current level of bilateral trade of \$0.7 billion to \$1 billion within the next few years. Although none of the visiting Russians endorsed Sargsyan's election, observers interpreted Zubkov's presence so close to the presidential ballot as an effort to bolster Sargsyan's election prospects.

IMPLICATIONS: Despite these extensive military and economic ties, which lead many Russians to consider Armenia as falling within Moscow's sphere of influence, the Russian government and media have adopted a low profile during the recent election crisis. Their limited visibility might have resulted from Russians' preoccupation with their own complex presidential transition, or from an appreciation that visibly siding with one party could easily backfire, either by discrediting it among Armenian nationalists or, as in Ukraine, creating problems if Moscow's favorite candidate lost.

It was only after two weeks of mass protests and the "Bloody Saturday" clash that the Russian Foreign Ministry issued a brief four-sentence "commentary" on the situation. The statement, besides regretting at the loss of life, expressed "hope that the measures taken by the Armenian leaders will bring about the settlement of the domestic political situation ... ensuring the security of the Armenian people and the country's stable development."

Unlike Russia, most Western governments have withheld formal endorsement of the election results. For example, the U.S. State Department issued a statement simply congratulating the Armenia people for holding the election. On March 1, following the armed clash in Yerevan, U.S. State Department spokesman Sean McCormack issued a press release that "calls on all sides to avoid further violence, act fully within the law, exercise maximum restraint, and resume political dialogue." The statement related that Assistant Secretary of State for European and Eurasian Affairs Daniel Fried had delivered this message to Sargsyan, while

the U.S. Charge d'Affaires in Yerevan had communicated the same points to opposition leaders.

The State Department subsequently announced that Deputy Assistant Secretary of State Matthew Bryza would travel to Armenia to help "facilitate discussions" between the government and the opposition. Although McCormack said Bryza would not carry out "formal mediation," his presence would still prove useful because "we need to see both the parties work with one another, engage in dialogue, not violence."

On February 26, the OSCE Chairman-in-Office, Finnish Foreign Minister Ilkka Kanerva, visited Yerevan to meet with Armenian leaders in an unsuccessful effort to promote a negotiated solution to the election deadlock. He found the political situation too polarized to achieve any meaningful results, telling reporters that, "the post-election period at the moment is quite complicated and the post-election tensions are obvious."

After the March 1 violence, Kanerva urged the authorities "to use maximum restraint." He sent Ambassador Heikki Talvitie as his Special Envoy to Yerevan to meet with Armenia's leading politicians to encourage them to seek a resolution of their differences through negotiations. After meeting with the government and opposition, Talvitie told the media that Ter-Petrosyan and the government were not yet ready to engage in meaningful negotiations.

The European Union has also sought a peaceful resolution to the crisis. EU Foreign Policy Chief Javier Solana appealed to "all parties to exercise restraint so as to facilitate a quick return to normality." Solana expressed European concerns to Kocharyan over the phone, but the EU Special Representative to the South Caucasus, Peter Semneby, traveled to Yerevan to assess the crisis first hand as well as engage in some on-site diplomacy.

The day after the February 19 ballot, Turkish President Abdullah Gul sent a message of congratulations to Sargsyan in which he expressed

hope that the elections would lead to an improvement of relations between Turkey and Armenia. Turkey has no formal diplomatic relations with Armenia and has closed its land border to protest Armenia's occupation of territory belonging to Azerbaijan, Turkey's closest ally in the region. Although Sargsyan, like Kocharyan, is a native of Nagorno-Karabakh and a former separatist military commander, Turkish leaders may have hoped that he will moderate his predecessor's hard-line position on the disputed region. In any case, before the elections, he told the Turkish press he hoped to improve relations.

Developments in recent days, however, suggest that, even if he assumes office, Sargsyan would find himself in a precarious domestic political position. As a result, he would find it difficult to make meaningful concessions on an issue that so captivates Armenian nationalists, who could easily turn against him. Vahan Hovhannisian, who ran as candidate for the nationalist Dashnaktsutiun party, insisted that Armenia should not even negotiate with Azerbaijan until its government signs a non-aggression pact with Armenia, effectively renouncing its threat to retake its lost territories by force.

During the campaign, Sargsyan said he would welcome Kosovo's independence since it would then be harder for the international community to deny recognition of Nagorno-Karabakh's independence. Sargsyan also attacked Ter-Petrosian for being soft on the Nagorno-Karabakh issue in the past – he lost

power in 1998 due in part to his advocacy of making limited concessions – and for holding a “defeatist” attitude and seeking to surrender the region at present. Ter-Petrosian argued that Armenia should more actively seek a settlement since the country's bargaining position would worsen over time due to Azerbaijan's surging economy and resulting military buildup. He also alleged that Kocharyan, Sargsyan, and current foreign minister Vardan Oskanian were prepared in 1999 to exchange the southern Meghri region of Armenia for Nagorno-Karabakh and the adjoining Lachin district.

CONCLUSIONS: Although Russia remains Armenia's closest ally, Western governments enjoy some influence. The Armenian leadership has sought to develop good ties in Western countries, partly to avoid becoming too dependent on Russia, and partly due to Armenia's self-perception as a European nation. Armenia participates in various EU and NATO programs, including the EU European Neighborhood Policy and NATO's Partnership for Peace, which provides the country with certain economic, military, and diplomatic benefits. The Armenian Diaspora, especially influential in France and the United States, also pulls Armenians westward.

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FIELD REPORTS

PUBLIC SHOW: GOVERNMENT RESHUFFLE IN TAJIKISTAN

Sergey Medrea

President Emomali Rahmon once again made newspaper headlines by turning the media's attention from the ongoing energy crisis to himself, only to reinforce his portrayal of a national "savior." At a government meeting on January 25-26, Rahmon carried out major government reshufflings, punishing and firing some officials while sparingly complimenting others. The government sitting was meant to sum and review the major achievements and failures of 2007. Similar meetings take place annually, but this one turned into a scandalous public show, with the President as national prosecutor and defender, "fighting" against faulty and inefficient officials.

Tajikistan has been experiencing winter energy shortages for several years, but this year was particularly miserable, being coupled with severe weather conditions and high gas and food prices. Throughout the autumn, the government held regular sessions discussing various measures to improve winter conditions – coal production and natural gas extraction were planned to increase; several strategic hydroelectric stations under construction were supposed to start working before the winter. But none of these targets were fully met, and in no way eased the energy shortages. The government rearrangements of January 25-26 were provoked by the failure of officials to adequately prepare for and react to the numerous "winter surprises" that almost caused the announcement of a state of emergency in Tajikistan.

The cabinet meeting was broadcast on national TV, where people could watch the president in a fit of anger, yelling at ministers, making pompous statements, firing high officials and blaming the government for neglect and exacerbating the miserable winter situation. The president reprimanded the head of "Barqi Tojik", a state company that oversees the production and consumption of electricity; the minister of industry and energy; and the chairman of "Tojikgas" for inefficiency and lack of foresight. However, these officials were not fired; later, the president explained that there is a scarcity of expertise, and the head of "Barqi Tojik" alone had been replaced four times already. Each of these mentioned officials got a six-month deadline to improve their work.

The chairman of National Bank, Mr. Murodali Alimardonov, got his portion of criticism from the President and was less fortunate. He was accused of providing insufficient credit for agriculture and was fired from the National Bank's chairmanship, which he had held for the last thirteen years. He received a direct order from the president to "put his boots on and go out into the field to resolve problems and debts of the agricultural sector". There were other rearrangements within the government, as well as streams of criticism, during the sitting. The mayor of Dushanbe, Mahmadsaid Ubaidulloev, was blamed for lack of foresight and insufficient measures taken to ease people's hardship during the electricity limitations in the capital. As part of his

censure, the President said that “people don’t care who is responsible for what. Common people will blame neither you [Mr. Ubaidulloev], nor “Barqi Tojik,” or “Tojikgas”. People will blame me [the president] for failing to secure them and for neglect.”

In its turn, the Tajik opposition used its chance to be heard and criticized the President and the authorities over the energy crisis. Rahmatullo Valiyev, the leader of the opposition Tajik Democratic Party, accused authorities of incompetence to solve the country’s long-standing energy crisis. Mr. Valiyev called on Tajik leaders to fulfill their constitutional duty before the nation and take emergency measures. Moreover, the “Vatandor” opposition group demanded the resignation of the president and the cabinet. “Vatandor” invited people nationwide to submit

signatures electronically for this resignation. Due to these public appeals, one of the popular Tajik news websites is on the verge of being closed.

The president severely criticizes government officials, tearing them to pieces verbally; they are defending themselves; meanwhile, the severe energy crisis persists, making people's lives an unbearable agony. Most people in Tajikistan receive only a few hours of electricity per day, and have to contend with limitations on natural gas while prices for basic goods are unaffordable. Tajikistan now records the highest growth in consumer prices in Central Asia (upwards of 20 percent) and the lowest GDP growth (around 7 percent). The ostentatious government sitting will hardly ease the lives of people, or have any real consequences. But being pure PR, scapegoats were found and the president’s reputation escaped undamaged.

AZERBAIJAN REACTS TO ARMENIAN ELECTION, AS KARABAKH CEASE-FIRE IS VIOLATED

Azer Karimov

The Presidential elections in Armenia and the subsequent violence in that country have raised eyebrows in Azerbaijan. Little did anyone expect that the weak and divided opposition, headed by former President Levon Ter-Petrossian would put up such a resistance to the Serzh Sarkissian, the former Prime Minister and groomed successor to President Robert Kocharyan. Regional heavyweights such as Iran, Russia and the U.S. seemed all to have accepted the idea of Sarkissian becoming Armenia’s next President, and did not support any of the opposition candidates.

Yet the massive political chaos that erupted in Yerevan, and the follow-up steps including arrests of opposition leaders, closure of internet sites, and firing of government employees that defected to the opposition, caught Azerbaijan off guard. Officially,

8 persons were killed and more than 150 wounded in the post-election protests in Yerevan. Unofficially, however, it is estimated that more than 50 persons were killed. The government of Azerbaijan, which has chosen to stay out of Armenian domestic affairs since the beginning of the election season, hesitated on whether and if so, how, it should react to developments in Armenia.

Khazar Ibrahim, spokesman for the Ministry of Foreign Affairs of Azerbaijan, informed journalists on his usual weekly briefing on March 3 that the events in Armenia “are internal matters of that country. Nevertheless, we do not want to see any excuses from the side of Armenia which could derail the peace process.”

Meanwhile, Azerbaijani media outlets actively reacted to the violence in Yerevan, drawing

attention to the massive human rights violations in that country and the lack of democracy. The Day.az News site, the most popular internet portal in Azerbaijan, blamed the international community for not reacting as harshly at the Armenian elections as it often does to elections in other countries. A Day.az editorial called it “double standards.”

Other journalists and analysts urged the Azerbaijani government to react to the events in Yerevan and to caution residents of Nagorno-Karabakh (whom official Baku considers its citizens) against engaging in this violence. Others have urged the Azerbaijani Diaspora to discuss the issue in their host countries. In the case of the U.S., this would be the timeliest action, as pro-Armenian members of the U.S. Congress have always used the “democracy” factor as an excuse to justify the occupation of Nagorno-Karabakh by Armenian forces. Now, the Azerbaijani intelligentsia insists, the events in Armenia could be the best way to prove that Armenia is not a free and democratic country as it claims.

Levon Ter-Petrossian himself was quoted saying that even if he does not succeed in changing the election results, he is happy that at least he succeeded in mobilizing society and activating it. Indeed, Armenian society has been so dominated by pro-Russian and nationalist politicians that it seemed unlikely that some other political force could influence the political spectrum to this extent. Now, people wonder whether the monopoly of the Kocharyan regime and its grip on power are slowly

fading away. Azerbaijanis generally accept opposition leader Ter-Petrossian as a wise and pragmatic man, who understands that Armenia can only prosper and develop in partnership with Turkey and Azerbaijan and not in hostile relations with them.

On March 4, heavy fighting erupted in the frontline zone along the line of contact near Nagorno-Karabakh between Armenian and Azerbaijani soldiers. Cease-fire violations are rather common, but this incident did not seem like one of the usual violations of the cease-fire. The Ministry of Defense of Azerbaijan reported that four Azerbaijani and 12 Armenian soldiers had been killed as a result of intensive shoot-outs.

The coincidence of military activities in the front line with the developments in the Armenian capital are puzzling. On the one hand, this could be perceived as an attempt by Azerbaijani politicians to capitalize on the instability in Armenia and take back some of the occupied territories. This seems unlikely, as the Azerbaijan political leadership has showed little inclination to start a war in the middle of its economic boom. Another more logical conclusion could be that Armenian political and military leaders may want to distract attention from domestic affairs by highlighting an external threat to the country. This, in turn, could become a very dangerous precedent in the future, increasing the use of the conflict for domestic reasons, which could easily get out of hand and rekindle a return to war.

USENOV'S PROJECT TO USE CHILD LABOR OPPOSED BY CIVIL SOCIETY

Erica Marat

On March 21, Bishkek Mayor Daniyar Usenov announced his initiative named “Beloved City”, created to mobilize school children to clean up the capital city from garbage before a series of major

national holidays. Usenov's project raised fierce reactions among local NGOs that claim his idea to use schoolchildren to clean up Bishkek's streets is a direct abuse of children's rights.

Over a dozen NGOs and human rights activists published a consolidated message against child labor that calls parents to collectively ignore Usenov's project. In their joint statement to the public, they decry the project for harming children's health, arguing that "City garbage might contain infectious diseases such as tuberculosis, hepatitis, and other parasitic bacteria dangerous for children's health."

The protest against this seemingly minor issue points at several important changes taking place in Kyrgyz society today. First, local civil society groups are mobilizing to protect the rights and health of children in their own communities. The protest is an ad hoc activity representing purely local initiative and not financed by any foreign or local donor. Indeed, low-paid or unpaid child labor exists throughout the country, along with a myriad of other social problems in Kyrgyzstan. Children are mostly engaged in the agricultural sector in rural areas and retail of newspapers and food in cities. Those forced to earn living from a young age often skip school and lack proper nutrition. Due to the deterioration of government support for women and rural education infrastructure, children are forced to execute responsible and often physically challenging labor at home. But Usenov's project shows that instead of combating child labor, the government is encouraging it through its own policies.

Second, Bishkek residents are shifting away from Soviet traditions of forceful child labor on national holidays covered with a rhetoric of patriotism. Most current NGO activists had once been employed by the Soviet regime for "subbotniks" on ideological holidays to clean up streets and plant trees. During communism, refusal to show up at "subbotniks" could affect one's school grades or even cost one's job.

For the most part, Kyrgyzstan's NGO community is comprised of the middle class urban population with university education. The age range of NGO members is wide, with the majority between 17-25 and 35-50 years of age. Despite their own experience in imposed free labor, NGO activists no longer see such state policies as appropriate and consider

unpaid child work to be a violation of rights. Moreover, they managed to spread the message across society, changing the public's understanding of the meaning of state-forced child labor.

Third, unlike civil society groups, Kyrgyz government employees have been shifting from Soviet perceptions of forced labor more slowly. Usenov's project was not resisted by any public official or law-enforcement representative despite the fact that it violates Kyrgyzstan's membership commitments with UNICEF's Convention on the Rights of the Child and a number of national labor codes. Even newly elected ombudsman Tursunbek Akun and Minister of Education Ishengul Bolzhurova, mandated to deal directly with children's rights, failed to react to Usenov's policy.

Once again, such dynamics shows the difference between Kyrgyzstan's civil society – which is full of professional leaders – and the government, still functioning in the old Soviet mode. NGOs were able to formulate and spread their message more effectively and raise public concern over policies to counter the government.

In the past few years, a number of NGOs have begun tackling the problem of forced child labor, making Bishkek the central locale for the propagation of children's rights in the region.

Finally, Usenov is notorious for allegations of large-scale corruption, and civil society's mobilization is an indicator of general dissatisfaction with the corruption of the government. NGOs warned Usenov that should he still choose to enforce his project, they will take legal actions against him at local and international courts. Shortly after taking over the office of Bishkek's Mayor, Usenov banned public demonstrations in the city's center, significantly constraining civil society's ability to influence the government and the public.

In his battle with NGOs, Usenov will likely prevail and carry on his project. But more parents in Bishkek will be inclined to join the NGOs' stance and, importantly, better understand children's rights.

EVERYTHING FOR THE YOUTH OF UZBEKISTAN?

Erkin Akhmadov

In the framework of promoting a specific agenda for every year, the year 2008 was declared the “Year of Youth” in Uzbekistan. At a cabinet meeting on February 8, President Islam Karimov urged ministers to put into action a state strategy for youth, drafted especially for 2008. The strategy’s main stated goals are to train young middle-ranking specialists, create a more secure job market, and protect the rights of young people. On February 29, President Islam Karimov signed a decree “On the ‘Year of Youth’ government program”. The program provides for a package of policies to address the protection of rights and interests of the youth, and deepening reforms in the system of continuous education.

The issue of youth rights and development prospects has a great significance in a state where 64 percent of the population, i.e. 17 million people, are under the age of thirty. In fact, the aforementioned enactment is just one among about a hundred laws and decrees adopted by the state in connection with the upbringing of the young generation, achieving a world standard educational system, as well as social and legal protection. This program, in turn, aims particularly at addressing the development of the legal system, the improvement of the educational system and personnel training, the formation of solid beliefs and strife for a healthy lifestyle, assistance to graduates and post-army service cadres in terms of employment opportunities, search for talented children, as well as moral and material support of young families. Prime Minister Shavkat Mirziyoev is entrusted with the implementation of the decree.

In fact, in February there were several events organized by and for the young people of Uzbekistan. The public youth movement “Kamolot” plays an important role in the realization of the state’s youth policy. On February 27, it held a round table dedicated to discussing of priority

directions of youth policy in the process of civil society formation in Uzbekistan. On February 26, another round table on “Prevention of Wrongdoings among the Youth: Experience of Germany and Uzbekistan” was held in the National Centre of Human Rights. On February, 16 a forum on competitiveness of youth took place in Tashkent. It discussed the role of the youth in the development of the state, identifying it as a strategic reserve of Uzbekistan. An integral part of the discussion was the level and quality of education in the republic.

According to official sources, about twenty percent of the state budget is spent on education. Massive educational reform started in Uzbekistan in the early 1990s, immediately following independence. Stressing the formation of specialized middle-ranking personnel, the authorities introduced three-year vocational schools, lyceums and colleges. Currently 100 lyceums and 900 vocational school offer courses to about a million pupils. These measures were taken as a part of the plan towards introducing a 12-year system of universal education by 2010. Based on the claims of the authorities, 70-75 percent of college and lyceum graduates should find employment in their specialization or continue onto higher education.

Despite the best intentions and hopes, statistics give a different picture. The World Bank estimated the overall level of unemployment in Uzbekistan at six percent in 2006. Out of this, youth unemployment is at thirteen percent, signaling insufficient demand in the market for educated graduates. Thus, most of them are engaged in low-wage jobs, engage in labor migration, or, in the worst case, are jobless.

The immediate explanation of the authorities on the resultant problem was the incompatibility of the school curricula with the demands of the market. The solution provided was as narrow and simple as

changing the content of the school and college courses, bringing them closer to the demands of the Uzbek reality. No measures were taken in the sphere of economic reform or development to provide the young labor force with jobs, underestimating the connections between these areas. A University professor from the eastern city of Namangan noted in this respect that: “the government should not try to maintain a strict monopoly over everything, including the economy and education. Instead, it should give more freedom to people to do their own business.”

In light of the present situation with employment opportunities for graduates of schools and universities, at the aforementioned cabinet meeting on February 8, the President identified the need to

analyze the areas of specialization that are in biggest demand in the domestic market. Once this will be done, the “unnecessary” departments at universities and courses at colleges and lyceums will be closed or cancelled.

During Soviet times, there was a widespread saying “Give youth the way!” hinting at the increased role of youth in the development and progress of the state. In independent Uzbekistan, the saying still holds true, at least on the paper and in the legislation. In 2008, the “Year of Youth”, with increased attention to the problems of the Uzbek youth, including education and employment, the current situation and forthcoming developments promise very little change for the best.

NEWS DIGEST

FOREIGN MINISTERS OF BREAKAWAY TERRITORIES TO MEET IN MOSCOW

22 February

The Foreign ministers of Abkhazia, South Ossetia and Transdniestria are set to meet in Moscow on Friday. "The Abkhaz, South Ossetian and Transdniestrian foreign ministers plan to discuss issues related to preparations for a meeting of the presidents of our breakaway republics," Abkhaz Foreign Minister Sergei Shamba told Interfax on Friday. "We will also discuss the situation after the recognition of Kosovo's independence by a number of countries," he said. The three leaders will meet in Moscow, South Ossetian President Eduard Kokoity told Interfax. "We are planning to meet in Moscow, and I think that the meeting will take place within two weeks," he said. (Interfax)

SARGSYAN ELECTED ARMENIAN PRESIDENT - CEC

24 February

Serzh Sargsyan was elected Armenian president at the February 19 presidential election, chairman Armenian Central Elections Commission (CEC) Garegin Azarian at an extraordinary session of the commission presenting official results of the election. Sargsyan won 52.82% of votes. Levon Ter-Petrosian came second with 21.5%. Artur Bagdasarian was the third with 17.7%. The election results protocol was signed by all six members that attended the Sunday session. CEC members from the Heritage and the Rule of Law opposition parties did not come to the meeting. Twenty-four complaints about the election submitted to the CEC could not influence the final results of the election, Azarian said. (Interfax)

PUTIN PLEDGES MORE FUEL FOR TAJIKISTAN EMERGENCY

25 February

Russian President Vladimir Putin pledged to help

Tajikistan battle what the Central Asian nation's leader called "catastrophic" cold weather that has left only the capital, Dushanbe, with regular power supplies. "There has never been anything like it in our country's history," President Emomali Rakhmon told Putin at the Russian leader's residence outside of Moscow on Thursday. "In the east now it is minus 25 degrees." Putin promised additional aid on top of the diesel fuel and mobile power generators Russia has sent, according to a transcript on the Kremlin's web site. Rakhmon said his country of 7 million people has no regular power supplies outside Dushanbe, where electricity is available only eight hours a day. As many as 1 million children under the age of five are in danger from the cold weather, the United Nations Children's Fund said last week. Aid agencies estimate at least 260,000 people in rural areas are in need of immediate food supplies and as many as 500,000 may face shortages in the future. Tajikistan, a mountainous country and former Soviet republic, shares borders with Afghanistan, China, Uzbekistan and Kyrgyzstan. The third straight month of freezing temperatures has caused \$1 billion of damage, destroyed the country's winter crop and killed almost 70 percent of livestock, Rakhmon said. Cases of respiratory infections, such as pneumonia, doubled this winter compared with the same period last year, the UN cited Tajikistan's Health Ministry as saying. Power cuts and the cold weather contributed to the deaths of several newborn babies in hospitals, the UN said, citing reports. The Tajik leader wants assistance to build a hydroelectric power station to address the country's shortage. "There is no other way," he told Putin. "Tajikistan's electricity deficit in winter amounts to 20.5 billion kilowatt-hours." (Bloomberg)

TAJIK OFFICIAL ANNOUNCES ENERGY CUTOFF BY UZBEKISTAN

25 February

Rashid Gulov, an official of the Tajik state-owned energy company Barqi Tojik, announced in Dushanbe on February 25 that Uzbekistan unexpectedly cut off exports of electricity the previous day. Gulov said that Uzbek energy officials informed their Tajik counterparts that the cutoff was due to unidentified "technical problems" in their thermoelectric power plants. He added that the delivery of electricity from Uzbekistan will not resume until March 1 at the earliest. Until the February 24 cutoff, Uzbekistan was supplying Tajikistan with roughly 5 million kilowatt-hours (kWh) of electricity daily. But Gulov also stressed that Tajikistan is also able to import increased amounts of electricity from other neighboring states, including 10.7 million kWh daily from Turkmenistan and another 200,000 kWh daily from Kyrgyzstan to the northern Sughd region. The UN's World Food Program also announced on February 25 plans to issue an appeal for an additional \$8.3 million in emergency aid to help alleviate the ongoing energy crisis in Tajikistan, according to the Avesta website. (Asia-Plus)

OSCE HOLDS BORDER TALKS IN TAJIKISTAN

26 February

The Organization for Security and Cooperation in Europe held a task force meeting with officials from Tajikistan to discuss border security concerns. Top officials met in Dushanbe, Tajikistan, Tuesday to develop border-related assistance activities for the country including initiatives that would train tactical border patrol and surveillance groups along with ways of combating the illegal arms trafficking and drug trade coming from Afghanistan, the OSCE reported. "We had very productive discussions today on the relationship between the host country and the OSCE, and on the activities of the Center in Dushanbe," Ambassador Herbert Salber, the head of the OSCE Center in Dushanbe, said in a statement. "The Task Force is a form of privileged cooperation with Tajikistan; it helps strengthen joint consultations in response to questions earlier raised by the host country's delegation to the OSCE." The OSCE has been working out a comprehensive approach to security in region and how Tajikistan can play a role in intercepting shipments of drug paraphernalia used for the production of heroin in Afghanistan which borders Tajikistan directly to the south. Recent reports from the United Nations have cited Afghanistan as one of the largest suppliers of opium

in the world. Critics argue the Afghan drug trade goes largely to fund the Taliban insurgency along with other terrorist organizations. "This is the second task force and it has proved to be a very useful tool in the cooperation and coordination between the OSCE and Tajikistan," an OSCE official said. (UPI)

FUNERAL OF LABORER KILLED IN RUSSIA HELD IN KYRGYZSTAN

26 February

Several hundred people on February 25 attended the funeral of a Kyrgyz migrant laborer killed in what is suspected to be an ethnically motivated murder in Moscow last week, RFE/RL's Kyrgyz Service reported. The funeral of 28-year-old Tayir Jarkynbaev was held in his hometown of Kochkorata in the Jalal-Abad region. The funeral is likely to further aggravate public feeling over a recent wave of ethnically motivated killings of Kyrgyz nationals in Russia. A lawmaker from the ruling Ak-Jol Eldik (Best Path Popular) Party, Melisbek Myrzakmatov, on February 22 threatened to force the eviction of the Russian military from the Kant air base outside of Bishkek in retaliation for the killings. (RFE/RL)

BAGAPSH: NO TALKS WITH TBILISI UNTIL KODORI GORGE MILITARISED ZONE

26 February

Abkhazian leader Sergei Bagapsh has ruled out an opportunity of meeting with Georgian President Mikhail Saakashvili until all of Georgia's military units are withdrawn from the Kodori Gorge. "Until the issue of the Kodori Gorge remains unresolved, there will be no talk about any meetings or contacts with Georgia," he told a news conference in Sukhumi on Tuesday. "If Georgia is ready to sign an agreement on peace and guarantees for the prevention and for the non-resumption of hostilities, the issue of the Kodori Gorge will make the cornerstone," Bagapsh said. "It is necessary to return to the framework of the Moscow agreement on a ceasefire and separation of forces of May 14, 1994, in compliance with which the territory of the Kodori Gorge is a demilitarised zone," he said. (Itar-Tass)

ARMENIAN PRESIDENT-ELECT PROPOSES RECONCILIATION, COALITION GOVERNMENT

27 February

Addressing some 10,000 supporters in Yerevan on February 26, Prime Minister Serzh Sarkisian, who

according to official results won the February 19 presidential election with almost 53 percent of the vote, appealed to his defeated rival candidates and their supporters to cooperate, and possibly form a coalition government, Noyan Tapan and RFE/RL's Armenian Service reported. "One of my aims is to use all constructive forces for the sake of Armenia's development," he affirmed. In an allusion to disparaging comments by former Prime Minister Hrant Bagratian about Armenians born and brought up in the then-Nagorno-Karabakh Autonomous Oblast when it was a constituent part of the Azerbaijan SSR, a group that includes both Sarkisian and outgoing President Robert Kocharian, Sarkisian warned against dividing society "into 'our own people' and 'strangers,'" and he expressed regret that some voters "have unwittingly become tools for a few individuals' political ambitions and penchant for revenge," a clear allusion to those who for the past week have rallied in Yerevan in support of his defeated rival, former President Levon Ter-Petrossian. (RFE/RL)

ARMENIAN EX-PRESIDENT CALLS ON PRIME MINISTER, PRESIDENT TO RESIGN **27 February**

Just hours Sarkisian's appeal for cooperation, former President Ter-Petrossian told a far larger gathering of supporters in Yerevan that both Sarkisian and outgoing President Kocharian should resign, RFE/RL's Armenian Service reported. Speaking the same day on national television, Kocharian warned that the authorities will not permit the unauthorized mass protests by Ter-Petrossian's supporters to continue indefinitely. Meanwhile, visiting Finnish Foreign Minister and OSCE Chairman in Office Ilkka Kanerva congratulated Sarkisian on his election win and praised the Armenian authorities for showing "restraint" in the face of the mass protests, RFE/RL's Armenian Service reported. Kanerva also met on February 26 with Ter-Petrossian, but no details of that meeting were divulged, and with Bako Sahakian, president of the unrecognized Nagorno-Karabakh republic (NKR). Kanerva and Sahakian both stressed that the Karabakh conflict can and should be resolved by exclusively peaceful means; Sahakian also argued that the NKR should be formally represented at the ongoing OSCE-mediated talks on the search for a formal solution to the conflict, Noyan Tapan reported. (RFE/RL)

KAZAKHSTAN PURSUES PAKISTANI INVESTORS

3 March

Kazakhstan is keen to expand bilateral trade with Pakistan said Yernur, First Secretary of Kazakhstan embassy in Islamabad during a meeting with members of Islamabad Chamber of Commerce and Industry last week. Some Pakistani companies have already invested in Kazakhstan and the government is encouraging further foreign investment. The Secretary said that, for investment purposes in Kazakhstan, long-term visas are granted to investors and to qualify for citizenship, 7 years' stay in Kazakhstan is mandatory. He added that after 15 years of independence, the country's economy is growing well. Yerlan T. Danabekov, Visa Counselor from Embassy of Kazakhstan, who accompanied Tuyakbayev to the meeting, said that his embassy has excellent facilities for the processing of visas to Pakistani businessmen and that "the number of visas being issued is increasing day by day". He also said that Kazakhstan "is a land locked country and 85 per cent of its current trade is with Russia". The literacy rate in Kazakhstan is nearing 100 per cent and "about 5000 students are sent abroad on scholarship each year," he added. (Asia Pulse)

KAZAKHSTAN TO SATURATE DOMESTIC GRAIN MARKET BEFORE INTRODUCING DUTY

3 March

Kazakhstan is trying to determine how much grain it will take to saturate the domestic market before introducing export duties on the crop, Anna Buts, the director of the Kazakh Agriculture Ministry's land agriculture and phytosanitary security department, told Interfax. "For now, we are studying the issue of saturating the domestic [grain] market," she said. Asked if grain export duties had already been imposed, as was earlier reported by Kazakh Agriculture Minister Akhmetzhan Yesimov, she said "export duties are not simply introduced like that. It should be a governmental decision, and there hasn't been one." Yesimov said earlier that customs duties on grain exports would be introduced temporarily starting from March 1. "We are going to restrict exports in the near future in any case, but we're not talking about a ban since we have enough resources," he said. Kazakhstan could export about 3 million tonnes before the 2008 harvest. The country had a record-high harvest of more than 20 million tonnes in net weight last year. (Interfax)

ARMENIAN POLICE USE FORCE TO DISPERSE POSTELECTION PROTEST, KILLING EIGHT

3 March

Police, security forces, and Interior Ministry troops cordoned off Freedom Square in central Yerevan at around 7 a.m. local time on March 1 and then proceeded to disperse several thousand supporters of former President Levon Ter-Petrossian encamped there to protest the perceived rigging of the outcome of the February 19 presidential ballot to ensure a victory for the candidate of the "party of power," Prime Minister Serzh Sarkisian. Police used truncheons, tear gas, and electric stun guns, RFE/RL's Armenian Service reported. Some demonstrators fought back, ignoring appeals by Ter-Petrossian to remain calm. Police spokesman Sayat Shirinian told journalists later on March 1 that the previous day the protest organizers distributed "large quantities" of metal bars and firearms to the protesters, reportedly in preparation for "actions aimed at provoking mass riots" on March 1. He added that police arrested "more than a dozen" opposition activists and were searching for others. Ter-Petrossian supporters driven out of Freedom Square early on March 1 regrouped later that day at a major traffic junction close to Yerevan City Hall and the French Embassy, RFE/RL's Armenian Service reported. As of early evening, some 10,000-15,000 people had congregated in anticipation that Ter-Petrossian would come to address them. Police reportedly fired tracer bullets over the demonstrators' heads and tear gas into the crowd; some protesters then attacked police with iron bars and stones. Most protesters dispersed after an appeal from Ter-Petrossian to do so was read out, but a small number went on a rampage, setting fire to police and other vehicles, and looting a nearby supermarket, RFE/RL's Armenian Service reported. In a March 2 statement posted on its website (<http://www.moh.am>), the Armenian Health Ministry reported that 131 people were injured on March 1 of whom 42 -- 14 police and security personnel and 28 protesters -- were hospitalized. It said no fatalities were reported in the period between 6 a.m. and 9:30 p.m. local time on March 1, but that between 9:30 p.m. on March 1 and 1 a.m. on March 2 -- meaning after the state of emergency was declared -- 89 people, 58 law enforcement personnel and 31 civilians, were injured and eight people died of gunshot wounds. (RFE/RL)

GENERAL MOTORS INCREASES CHEVROLET TIE-UP WITH UZBEK AUTOMAKER

4 March

General Motors has increased its global reach by one more country as its GM Daewoo unit hosted a signing of agreements with UzAvtoSanoat of Uzbekistan this week. Uzbek President Islam Karimov was on hand for the ceremonial signing of agreements for a partnership. Among plans is the agreement for assembly of the Chevrolet Lacetti in Uzbekistan starting this year, using kits supplied by GM Daewoo. UzAvtoSanoat of Uzbekistan already builds Chevrolet's Epica, Captiva and Tacuma models. GM is giving UzAvtoSanoat distribution rights to the Chevrolets it builds throughout the Commonwealth of Independent States, parts of the former Soviet Union. The Uzbek automaker will also get technology and engineering support to help it become "integrated into GM's global manufacturing network." The Uzbek plant is located in Asaka, about 200 miles from the capital city, Tashkent, and has a manufacturing capacity of 250,000 units per year. The companies said last year that they were working toward a joint venture in 2008. It's all part of GM's large-scale expansion plan for Central and Eastern Europe, where 288,000 Chevrolets were sold in 2007. (UzReport)

SKIRMISH BETWEEN KARABAKH, AZERI TROOPS ENDS - ARMENIAN DEFENSE OFFICIAL

4 March

The situation at the contact line between the armed forces of the non-recognized Nagorno-Karabakh Republic and Azerbaijan has stabilized, Seiran Shakhshuvian, a spokesman for the Armenian defense minister, told Interfax. The exchange of fire has stopped, he said. Shakhshuvian also gave details of a clash between Nagorno-Karabakh and Azeri troops, which occurred earlier on Tuesday. "At about 5:00 a.m. on March 4, at the contact line between Nagorno-Karabakh and Azerbaijan, 3.5 kilometers away from the village of Levonarch northeast of Martakert, Azeri armed forces opened fire at Nagorno-Karabakh positions, which left a senior lieutenant of the Nagorno-Karabakh defense army wounded," Shakhshuvian said. The Azeri forces seized a Nagorno-Karabakh stronghold, but the Nagorno-Karabakh troops later forced the Azeri servicemen to retreat to their previous positions, Shakhshuvian said. A number of Azeri soldiers were killed or wounded, he said.

The Armenian defense minister immediately informed OSCE chairman-in-office personal representative Andrzej Kaspzyk of the violation of a ceasefire by Azeri troops, he said. The chiefs of staff of the Armenian and Azeri armed forces exchanged information on the incident, he said. Baku put the blame for the incident on Yerevan. (Interfax)

CLASH ON ARMENIAN-AZERI BORDER IS UNDERWAY - ARMENIA

4 March

A clash on the Armenian-Azeri border has resulted in some wounded, Armenian Foreign Minister Vardan Oskanian told a briefing in Yerevan on Tuesday. "Azerbaijan violated the ceasefire in north-east Nagorno-Karabakh. The Azeri side used heavy armor this time," he said. A positional battle is currently underway, the Armenian side has wounded, and the Azeri side has two wounded, according to unconfirmed reports. Armenian troops first retreated in the clash and then regained ground, Oskanian said. "We condemn this aggression and demand that the Azeri side stop the armed hostilities and resume a ceasefire," he said. "Azerbaijan is taking advantage of the exacerbation of the internal political situation in Armenia," Oskanian said. Earlier, a representative of the Azeri Defense Minister told Interfax that information on the situation in the battle area would be published later. Meanwhile Azeri TV channel ANS said that two Azeri servicemen were killed in the clash in the Geranboy district. The Azeri Defense Ministry did not confirm this information. "The battle in the area is continuing," it said. Azerbaijan and Armenia concluded a ceasefire in May 1994. (Interfax)

OSCE ENVOY SEEKS TO END POLITICAL STANDOFF IN ARMENIA

4 March

Finnish diplomat Heikki Talvitie, who served in 1996 as co-chairman of the OSCE Minsk Group engaged in mediating a solution to the Karabakh conflict and from July 2003-early 2006 as EU special representative to the South Caucasus, met separately in Yerevan on March 2 and 3 at the behest of OSCE Chairman in Office and Finnish Foreign Minister Ilkka Kanerva with outgoing President Robert Kocharian, Prime Minister and President-elect Serzh Sarkisian, and former President and defeated presidential candidate Levon Ter-Petrosian, RFE/RL's

Armenian Service reported on March 3. Both Kocharian and Sarkisian reportedly told Talvitie that security forces had no choice but to open fire late on March 1 on angry protesters in Yerevan; Ter-Petrosian disputed that argument, alleging that the authorities provoked the violence in order to create a pretext for imposing a state of emergency. Talvitie told journalists that he considers both sides responsible for the violence in that both were armed. Talvitie quoted Ter-Petrosian as saying he will agree to the dialogue with the authorities that Kanerva and other European and U.S. officials have called for only after the state of emergency Kocharian declared late on March 1 is lifted and the Constitutional Court rules on his appeal to declare the official results of the February 19 presidential election invalid. The court was to begin hearing that appeal on March 4. The official results gave Sarkisian 52.82 percent of the vote and Ter-Petrosian 21.51 percent. Ter-Petrosian claims to have polled 65 percent, but Geert-Hinrich Ahrens, the head of the long-term OSCE Election Observation Mission, was quoted by "The New York Times" on March 2 as saying that figure is "not grounded in any factual evidence." Speaking to RFE/RL's Armenian Service on February 29, however, Ahrens also said that the conduct of the presidential ballot was inferior to that of the May 2007 parliamentary poll. He explained that the preliminary OSCE assessment describing the February 19 ballot as "mostly in line with OSCE and Council of Europe commitments and standard" "is not a compliment." Ahrens added that OSCE experts are still analyzing glaring anomalies in the distribution of votes. "The New York Times" on March 2 quoted him as describing the results from one polling station where all but one of 1,449 votes cast were purportedly for Sarkisian as being as probable "as the birth of a dog with five legs." (RFE/RL)

AZERBAIJAN PARLIAMENT OKAYS TROOP PULL-OUT FROM KOSOVO

4 March

Azerbaijan's parliament voted Tuesday to pull out its peacekeepers from Kosovo after it unilaterally declared independence from Serbia. Azerbaijan, a former Soviet republic, hasn't recognized Kosovo's independence, fearing its declaration could set a precedent for its own breakaway region of Nagorno Karabakh. Lawmakers voted 87-3 to withdraw 34 peacekeepers who have been serving in Kosovo with

a Turkish battalion under NATO command. "The political situation around Kosovo has changed and there is a need to reconsider the decision" to deploy troops, deputy speaker Ziyafet Askerov told parliament. (AFP)

PRO-WEST BROADCASTER YANKED IN ARMENIA

5 March

The only foreign radio programming in Armenia's native language was taken off the air and its Web site blocked as part of the country's state of emergency, the broadcaster said Tuesday. Radio Free Europe/Radio Liberty said in a statement that its two Armenian affiliates halted the broadcasts to comply with the emergency decree that allows media to report only news that is sanctioned by the government. Some Armenian newspapers did not publish Tuesday in protest of the restrictions, and the country's non-state broadcast media has been limited to repeating official news and programs, said the media freedom representative for the Organization for Security and Cooperation in Europe. President Robert Kocharian declared the 20-day state of emergency Saturday night after clashes between government forces and demonstrators protesting alleged fraud in the Feb. 19 presidential election. Eight people died and more than 100 were injured in the fighting. Demonstrators supporting opposition candidate and former president Levon Ter-Petrosian protested the official results from last month's election that put their candidate a distant second to Prime Minister Serge Sarkisian. The Prague-based Radio Free Europe/Radio Liberty, which receives funding from the U.S., said its driver was beaten by police officers in the Armenian capital, Yerevan, on Saturday while the correspondent he was working with managed to

escape. Another journalist for the broadcaster was threatened by government forces in the town of Gumri, it said. Radio Free Europe/Radio Liberty said it was adding Web domains to get around the blocking of its Armenian language Web site in the country. (AP)

AZERBAIJAN AND TURKMENISTAN SETTLE OLD GAS DISPUTE

6 March

Azerbaijan and Turkmenistan settled an old gas debt dispute on Wednesday, removing a major obstacle to relations between the two energy-rich Caspian nations. Europe, seeking alternative energy supply routes to ease its reliance on Russian gas flows, wants Turkmenistan and Azerbaijan to cooperate more on the planned Nabucco pipeline, designed to give Europe direct access to Caspian gas. As part of the deal, Azerbaijan agreed to pay Turkmenistan a \$44.8 million debt (22.6 million pounds) for gas supplies delivered in the early 1990s, an Azeri government official said. A Turkmen delegation led by Vice-Premier Hidayr Saparliyev was in the Azeri capital Baku on Wednesday to sign the deal, the official said. Relations between Azerbaijan and Turkmenistan turned sour in the 1990s due to ownership disputes over several offshore oil and gas fields in the Caspian Sea as well as Azerbaijan's debts for Turkmen gas supplies. Turkmen President Kurbanguly Berdymukhamedov, who came to power in late 2006, has vowed to end his nation's reclusiveness and improve relations with neighbouring countries. The long-delayed Nabucco pipeline, backed by Brussels and Washington, aims to transport gas from the Caspian region to Europe across Turkey while bypassing Russia. (Reuters)