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THE CENTRAL ASIA-CAUCASUS ANALYST

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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.

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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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THE UZBEK-TAJIK DÉTENTE: CAN IT LAST?

George Voloshin

On June 22-24, Uzbekistan's capital, Tashkent, hosted a third meeting of the Uzbek-Tajik intergovernmental commission on economic cooperation. Unlike the two previous sessions, which were organized in Dushanbe in August 2002 and February 2009, this year's bilateral trade talks took place against the backdrop of an emerging détente between the two Central Asian neighbors. Uzbekistan and Tajikistan are currently confronted with a host of shared challenges ranging from the threat of radical Islam to socioeconomic instability, while their bilateral relationship is still constrained by unsettled disputes from the past.

BACKGROUND: Relations between Uzbekistan and Tajikistan have been invariably tense since the two countries gained independence in 1991. Uzbekistan, Central Asia's by far most populous national republic, was in Soviet times considered a regional leader, having benefited territorially from border modifications during the 1920s. The densely populated Fergana Valley, which is historically shared among Uzbekistan, Tajikistan and Kyrgyzstan, still contains ethnic enclaves that have often become the epicenter of violent clashes over contested territory and scarce water resources. While the enclave issue mostly concerns Kyrgyzstan's difficult relations with its Uzbek and Tajik neighbors, the situation in the Tajik enclave of Sarvak in Uzbekistan's Namangan province has also been a source of recurrent tensions.

Less than a year after the dissolution of the Soviet Union, Uzbekistan unilaterally cancelled direct flights between Tashkent and Dushanbe. In 1999, it further began to mine parts of its border with Tajikistan – officially in

response to recent cross-border attacks by the Islamic Movement of Uzbekistan (IMU) terrorist group. According to media accounts, eight Tajiks, including a 15-year-old girl, from the Sarvak enclave whose total population has never exceeded 500, died from land mine explosions between 1999 and 2005 while six others were seriously wounded. In 2001, the Uzbek government introduced visas for Tajik citizens, granting only a limited number of exemptions regarding requests for visa-free travel in order to bury dead relatives.

Yet the most significant dents in bilateral relations have so far been caused by unfriendly economic measures as Uzbekistan has willingly pursued a so-called beggar-thy-neighbor policy vis-a-vis the impoverished Tajikistan. In 2008, Tashkent began to selectively seize rail cargoes bound for southern Tajikistan and subsequently imposed sharp increases in the transit fees for a wide range of goods, including staple foods and construction materials. In early

2012, it even halted rail communication between Amuzang and Khatlon in Tajikistan, pointing to a purported terrorist attack against the railway the previous November. The Tajik government and local journalists said, however, that this was likely a pretext for discontinuing the transit of goods and services amid the growing controversy over Dushanbe's plans to build the Rogun Dam on the Vakhsh River, a tributary of the Amu Darya.

Uzbekistan's actions also extended to the suspension of cross-border electricity sales in 2009, after it exited the Central Asian United Energy System (UES). Three years later, in 2012, it suspended natural gas supplies to Tajikistan, which are yet to resume. Several Tajik enterprises, including the TALCO aluminum plant and Tajikcement, have thereby suffered considerable losses and a shortfall in output. Overall, since the mid-2000s tensions between Uzbekistan and Tajikistan have resulted in a sharp reduction of trade: from slightly more than US\$ 230 million in 2008 to US\$ 160 million last year.



(Source: Wikimedia Commons, B. Ajeganov)

IMPLICATIONS: The groundwork for the ongoing détente between

Uzbekistan and Tajikistan was laid during Uzbek President Islam Karimov's visit to Dushanbe in September 2014 to attend the 14th summit of the Shanghai Cooperation Organization (SCO). He had previously visited the Tajik capital in August 2008, also within the framework of SCO diplomacy, after which the two presidents met only occasionally on the margins of several other summits. While their meeting last September did not lead to any major breakthrough in the deadlocked relations, it has since been regarded as the starting point of a renewed dialogue aimed at mending fences and reaching a durable compromise on a number of sensitive topics.

In January 2015, the Tajik side reportedly sent a note to Uzbekistan suggesting the resumption of direct air communication between their capitals and the delivery of visas to travelers at border crossings. Another possible improvement mentioned in the document would permit Uzbek and Tajik nationals to travel visa-free up to one month. Visa restrictions still remain a vivid illustration of the mutual distrust in Central Asia as many if not most post-Soviet countries, which are now part of the Commonwealth of Independent States (CIS), have enforced visa-free regulations with regard to other CIS members. It was initially planned that direct flights would resume at the end of March, but talks have been ongoing ever since to set mutually acceptable airport fees and sort out other financial and technical modalities.

As far as Uzbek-Tajik economic relations are concerned, the recent meeting of the intergovernmental commission in Dushanbe was dedicated, among other things, to discussing the possibility of renewing bus shuttles as well as electricity and natural gas sales to Tajikistan. Uzbekistan's Deputy Prime Minister Rustam Azimov, one of President Karimov's closest confidants, said Tashkent was ready to supply cars, buses and trucks, agricultural equipment, chemicals and other products. He further added that all those goods could be sold at discount rates due to lower rail tariffs, which have yet to be separately negotiated with the competent Tajik authorities.

Following the entry into force on January 1, 2015, of the Eurasian Economic Union (EEU) between Russia, Kazakhstan and Belarus – joined the next day by Armenia and soon to include Kyrgyzstan – both Uzbekistan and Tajikistan remain outside any CIS-based integration blocs. The Eurasian Economic Community (EurAsEc) cofounded by Dushanbe in 2001 and including Uzbekistan as a member between 2006 and 2008, was dissolved last October to give way to the EEU. Meanwhile, no Central Asian economic cooperation organization has emerged since the collapse of the Soviet Union, given the lack of trust among the region's newly independent states.

Security is another area where Dushanbe and Tashkent would be better off cooperating than continuing to break lances. The Islamic State is

currently considered, not without reason, to be the most formidable radical organization in the wider Middle East and Central Asia, with several hundred Uzbeks and Tajiks presumably fighting within its ranks. In late April 2015, the heads of both countries' border guards met for the first time ever in Khujand, the capital of Tajikistan's northern Sughd province, pledging to jointly patrol the state border with a view to making it less susceptible of penetration by foreign radical elements.

On June 4-6, Uzbekistan's Interior Minister, Lieutenant General Adkham Akhmedbayev, met in Dushanbe with his counterparts from the SCO in what was the first visit by an Uzbek minister of internal affairs to Tajikistan since 1998. It seems that the complicated regional environment is likely to make the Uzbek-Tajik rapprochement in security matters even more rapid and productive than the one on trade and economic issues.

CONCLUSIONS: Despite the early signs of a détente, Uzbekistan and Tajikistan are still worlds apart on their biggest bilateral controversy – the issue of water resource management in Central Asia. Last November, Karimov visited Kazakhstan where he once again criticized Tajikistan's and Kyrgyzstan's hydropower generation plans. Uzbekistan fears that the construction of major dams in the upstream countries could deprive its strategic cotton industry of the water resources it requires. As long as Dushanbe continues to view the Rogun Dam project as a national priority and is

willing to commit funds to its implementation, the easing of tensions with Tashkent will likely fall short of a full-scale rapprochement.

AUTHOR'S BIO: George Voloshin is an international affairs expert widely published on issues related to Eurasian politics, with a special focus on Central Asia.

AGRI'S PROGRESS ADVANCES BRUSSELS' AND BAKU'S ENERGY AGENDAS

Micha'el Tanchum

On June 24, 2015, Azerbaijan, Georgia and Romania signed a declaration committing to advance the Azerbaijan-Georgia-Romania Interconnector (AGRI) project that will transport Azerbaijani LNG across the Black Sea to Romania for re-gasification and sale in European markets. The project creates a theoretical possibility for Turkmen LNG to reach Europe through a modified use of the system. Of great geopolitical consequence, the option requires a commensurate amount of political will to implement. Independent of potential Turkmen gas exports, the furtherance of the AGRI project constitutes an important advance for Azerbaijan's strategic policy to develop European Union stakeholders in its political sovereignty.

BACKGROUND: While often less touted than the Trans-Anatolian Natural Gas Pipeline (TANAP) mega-project that will transport Azerbaijani gas across Turkey to Greece for sale in European markets, the AGRI project constitutes a critical second pillar in the effort to create transportation infrastructure for Azerbaijani natural gas to reach Europe. In September 2010, twenty-one months prior Azerbaijan's signing a binding intergovernmental agreement with Turkey on the construction of TANAP, the Presidents of Azerbaijan, Georgia, Romania and the Prime Minister of Hungary declared their support for the development of the AGRI Project. During the summit of the four heads of state in Baku, the state-owned energy companies of Azerbaijan (SOCAR), Georgia (GOGC), and Romania (Romgaz) signed a Memorandum of Understanding as well as Articles of Association that served as the basis for the formation of a company to oversee the project's implementation.

In January 2011, the SC AGRI LNG Project Company SRL was registered in Romania with SOCAR, GOGC, and Romgaz as the shareholders. In March 2011, the state-owned Hungarian power company MVM became a shareholder, resulting in each of the four state-owned firms maintaining a 25 percent equity share. In 2012, the AGRI LNG Project Company contracted the UK-based engineering firm Penspen to conduct a feasibility study for the project. Penspen presented its results in December 2014 and, according to GOGC, the AGRI LNG Project Company approved the results of the study in January 2015.

The AGRI system will transport Azerbaijani natural gas via pipeline to Georgia's Black Sea coast where the gas will be liquefied and delivered by tanker across the Black Sea to a receiving terminal at the Romanian port of Constanta. The LNG will be regasified and transmitted through Romania's distribution system to

Hungary from where it can also be transported to other European markets. The US\$ 5 billion project will take nine years to complete and when fully operational will have an initial maximum delivery capacity of 8 bcm annually.

IMPLICATIONS: Against the backdrop of the ongoing Ukraine conflict and Russia's efforts to redirect gas flows to alter supply and demand balances in EU markets, an inter-ministerial meeting was held in the Romanian capital Bucharest to expedite the development of the AGRI project, an important element in the EU's energy security program. At the meeting, the Azerbaijani and Romanian energy ministers, the Georgian deputy energy minister, and the Hungarian ambassador to Romania, issued a common declaration of their support for the continuation of the project based on the Penspen feasibility study. The meeting was also attended by representatives of the four respective national energy companies as well as representatives of BP and the European Commission. BP is the largest shareholder in the Phase II development of Azerbaijan's Shah Deniz natural gas field that will likely supply the AGRI project while the European Commission has listed AGRI among its Projects of Common Interest.

AGRI is intended to secure Romania and Hungary's gas supplies as well as deliver gas to other Central and Eastern European markets. When Russia cut gas supplies to Ukraine during the 2009 Russia-Ukraine crisis,

Romania lost between 34-39 percent of its gas supply while Hungary lost approximately 45 percent of its supply. While Romania has since reduced its overall gas consumption as well as its imports from Russia, Romania's annual consumption stands now at approximately 12 bcm. Hungary's annual gas consumption rate is roughly 8.5 bcm. Comprising a significant portion of each nation's natural gas supply mix, the gas received from AGRI will be a game-changer for Romania and Hungary's reliability of supply. From Hungary's existing gas hub at Városföld, Azerbaijani gas could then enter other Central and Eastern European markets through various existing and proposed pipelines.



(Source: Wikimedia Commons, B. Ajeganov)

In his press remarks after the AGRI inter-ministerial meeting, Romania's Minister of Energy Andrei Gerea made clear AGRI's geopolitical significance. "We believe that the AGRI project is a component of the southern gas corridor that may make an important contribution to the European energy security," said Gerea, adding that the ministers had also made an agreement to continue the technical development of the project to increase its capacity. If the AGRI system's capacity is

increased, it could potentially accommodate LNG exports from Turkmenistan. Turkmenistan's participation in the Southern Gas Corridor has been long stymied by Russian and Iranian opposition to the construction of the undersea Trans-Caspian Pipeline between Turkmenistan and Azerbaijan.

With the sufficient expansion of AGRI's capacity, it becomes possible to consider Turkmenistan's participation in the SGC through tanker-borne shipments of Turkmen LNG delivered from Turkmenistan's Caspian coastal city of Turkmenbashi to Baku. In August 2013, the Turkish construction firm GAP İnşaat began a 4-year port complex development project in Turkmenbashi that will be connected to Turkmenistan's [massive Galkynysh field](#) by an 800 km pipeline.

The transshipment of Turkmen LNG to Europe via the AGRI system would require the development of an additional second leg of the Azerbaijan-Georgia section of the transportation route. Currently, the AGRI system will transport Azerbaijani gas via pipeline to Georgia's Black Sea coast where the gas will be liquefied. Turkmen LNG arriving to the Baku area would need to be transported by LNG tank truck or potentially by rail, using a system similar to those developed in North East Asian nations for the transport of LNG to their domestic markets.

CONCLUSIONS: While the feasibility of Turkmen LNG entering European markets via the AGRI system will depend on the extent to which

technical advancements in overland LNG transport place the option within the realm of commercial affordability, it will also be a test of the amount of political will that exists in Brussels as well as in European and Caspian Basin capitals to ensure that Turkmenistan becomes integrated into the EU energy architecture. Such a development would be in Brussels' and Baku's long-term strategic interests as Azerbaijan's existing gas reserves will be depleted in 40 years if exploitation continues at the current rate. Nevertheless, the furtherance of the AGRI project and the recent progress in TANAP's construction create the prospect that Azerbaijan will now have two different delivery routes to Europe. As a result, Azerbaijan's strategy to develop Western stakeholders in its political sovereignty through the construction of energy infrastructure appears to be on more solid diplomatic footing.

AUTHOR'S BIO: Micha'el Tanchum is a Senior Fellow with the [Eurasian Energy Futures Initiative at the Atlantic Council](#).

ISLAMIC STATE IN CENTRAL ASIA: THREAT OR OPPORTUNITY

Charlie Smith

Central Asia is a key region that many believe has fallen into the crosshairs of the terrorist group calling itself the Islamic State (ISIS). Local governments are gravely concerned about returning fighters and possible ISIS infiltration in the region, and foreign powers, especially neighboring Russia and China, have expressed their deep concerns. This grim picture, however, obscures a more complex, and perhaps more accurate, story. Might the specter of ISIS have less to do with its on-the-ground ability to destabilize the region and more to do with the geopolitical concerns of those who are stating these threats?

BACKGROUND: ISIS is casting an increasingly long shadow over Central Asia, a trend which started in 2014. In May of that year, a group of fighters in Syria from former Soviet states, including those in Central Asia, swore allegiance to ISIS. In September last year, Taliban forces linked to ISIS attacked an Afghan Local Police outpost in Ajristan, allegedly beheading several people and raising the black flag of ISIS. Also in September, the anonymous hanging of the ISIS flag in Tashkent was tied to declarations that the group had selected an emir for Uzbekistan. A video that surfaced in January 2015 featuring Tajik ISIS militants called for jihad against Tajikistan's central government; less than one month earlier, 50 men in the country had been arrested for trying to travel to Syria to fight.

Coupled with this trend are Central Asia's underlying weaknesses, which many point to as providing a fertile ground for a larger ISIS presence.

Authoritarianism and political volatility are common concerns in the region. High unemployment is another issue, since potential recruits can be lured by the promise of a paycheck – leaflets found in Tajikistan have offered fighters US\$ 5,000 a month, far above the average wage level. Islamic militancy also persists in the region, with the Al-Qaeda- and Taliban-allied Islamic Movement of Uzbekistan (IMU) and the Taliban both maintaining their conflict against local authorities.

IMPLICATIONS: Despite what the above warnings would have one believe, the fact remains that very little ISIS activity has been conducted or spotted in the region. There is scant ISIS rhetoric so far that mentions Central Asia, instead mostly targeting countries in the Middle East or the West. Additionally, in Afghanistan, where an alliance between the group and the Taliban may pose a threat, the reality today is that there are deep political and ideological divides between the two organizations that

prevent meaningful coordination. In the absence of confirmed numbers of regional ISIS recruits, 1,000 fighters may be a more feasible total – still a figure for concern but far less of a dire threat to the region.

Why would these countries play up the ISIS threat? The answer lies in the domestic priorities of the Central Asian countries themselves. This newest iteration simply means that ISIS is a convenient bogeyman in the region, with governments using the group as a political tool for removing threats and winning support.



(Source: Wikimedia Commons, B. Ajeganov)

Governments in Central Asia are also eager to receive assistance from foreign powers, and drumming up the threat of ISIS is an effective way to get their attention. Kyrgyzstan, which has moved closer to Russia in recent years, has latched onto that country's fear of U.S. domination; the Kyrgyz Russian-language media outlet has suggested that American forces could use ISIS as an excuse to send more NATO forces to the region and dent Russian influence. The Tajik government has been quite successful in its appeals to Russia, which has recently granted the country upwards of US\$ 1.2 billion in military equipment to combat ISIS via its border with Afghanistan.

The success of Central Asian governments in playing the ISIS card with Russia stems from a long-standing Russian fear of and history with Islamic extremism. The country's military presence in Tajikistan is thus tied to the presence of Islamic extremists in the region, including the Taliban. There is also a strategic concern for Russia's involvement with the region: Moscow can use ISIS as a tool to retain influence in Central Asia, which has been moving towards China in recent years. Paying out large sums to willing recipients such as Tajikistan is simply a way to utilize the situation and maintain influence.

China's rising influence in the region has given it a larger stake when it comes to ISIS. A Chinese Communist Party mouthpiece explicitly links the ISIS threat with instability and challenges to Chinese authority in Xinjiang, proposing greater intelligence and military cooperation with Central Asian states as a solution. Conveniently, such a response would increase China's strategic position in the region.

Unrest in the wider Central Asia region has also been a lingering concern for Beijing, largely because of the possibility of Islamist regimes coming to power and undermining China's authority in Xinjiang. Additionally, the Chinese are sourcing a larger proportion of their energy resources from the region, and so securing them against ISIS and other threats is a priority.

What of other foreign actors in the region? The U.S. has responded to the

ISIS threat in Central Asia with little vigor for a new fight. The Pentagon has called ISIS in the region “nascent at best” and “aspirational,” despite periodic statements from elected U.S. officials that play up the ISIS threat for Central Asia. As another regional player, Iran has been happy to blame its enemies in the Persian Gulf and the West for the rise of ISIS, but has reserved its focus on the group for operations in the Middle East. The European Union, making a recent push towards influence in Central Asia but largely minor in comparative influence, has likewise been absent from the ISIS conversation.

CONCLUSION: ISIS may, in reality, pose a bigger opportunity than threat for Central Asia, whose states have already secured foreign support and implicit approval for continued domestic control as a result of the militant group’s ominous, if shallow, regional growth. As such, ISIS in Central Asia today represents more of a political point rather than a real concern for the region’s countries, and a mix of the two for outside players.

ISIS may become to be a more tangible concern in the region someday, but the evidence at this point is limited. While Central Asia is often thrown into the conversation about the expansion of ISIS, doing so ignores a more complicated reality.

AUTHOR’S BIO: Charlie Smith is a specialist on emerging and frontier markets, with a focus on political risk and private sector development, and is a recent graduate of the Johns Hopkins University School of Advanced International Studies.

IS THE NORTH CAUCASUS BECOMING ANOTHER BATTLEFIELD IN THE GLOBAL JIHAD?

Tomáš Baranec

The continuous crackdowns on North Caucasian militants conducted by Russian security forces intensified in first half of 2015, deepening the crisis caused by the split in the Caucasus emirate. Although security forces are targeting both Caucasus emirate loyalists and pro-Islamic State rebels, the former appear less resilient to such operations. Paradoxically, in comparison to the pro-ISIS group, the Caucasus emirate is better established and hierarchal and its cells are therefore more easily infiltrated by moles. The assassination of the Caucasus emirate's emir Aliaskhab Kebedov, nom de guerre Ali Abu Muhammad, dealt a fatal blow to the virtual theocracy, facing a decreasing pool of possible recruits and increasing competition from ISIS. Despite such developments, it remains unlikely that ISIS, with its brutal methods, will prove capable of establishing itself in the North Caucasus.

BACKGROUND: Despite some contacts with Al-Qaeda and Arab volunteers fighting in the ranks of the North Caucasian militants, the Caucasus emirate has remained a local movement with loose links to the global jihad. Prior to the rise of ISIS, its independence was endangered only once, when three *Naibs*; Aslambek Vadalov, Khusein Gakaev and Tarkhan Gaziev, renounced their oaths of allegiance to Doku Umarov in 2010. The Commander of Arab mujahedeen and the al-Qaeda emissary Yusuf Muhammad al-Emirati (Muhannad) played a key role in the rebellion inside the Caucasus emirate, seeking to extend Al-Qaeda's influence over rebels in the North Caucasus. Muhannad's death in April 2011 paved the way for reconciliation in the Caucasus emirate and marked the end of a brief attempt to involve a

Caucasian insurgent movement deeper into the global jihad.

Besides its isolation, the North Caucasian insurgency differs from IS with regard to its character and methods. Local insurgents are heavily dependent on the support of local inhabitants and therefore seek not to alienate them. Because brutal attacks on the civilian population, such as suicide bombers and even selective assassinations of brothel and alcohol store owners, damage the movement's reputation among local residents, the Caucasus emirate has avoided (despite several brutal attacks) direct terror against civilians on a large scale. Kebedov also proclaimed female suicide attacks as alien to Caucasian traditions. The practice of the Caucasus emirate, despite its many tragic attacks, therefore stands in contrast to the terror unleashed by ISIS.

In late 2014, a new split hit the Caucasus emirate following a series of defections of influential commanders (most notably the *amir* of Vilayat Dagestan Rustam Asilderov), pledging allegiance to the leader of ISIS, al-Baghdadi. As a result, the Caucasus emirate found itself on the brink of collapse and ISIS appeared to have established its presence in the region. However, it was not Caucasian natives returning from Syria who brought ISIS to the region, despite many expectations to this effect. Instead, the organization's foothold in the region consists of discontent rebels from within the Caucasus emirate, who were never in direct contact with ISIS and its ideology.



(Source: Wikimedia Commons, B. Ajeganov)

IMPLICATIONS: Several facts indicate that the pro-ISIS group led by Asilderov did not come about as an effect of sincere inspiration from ISIS's ideology, but rather a result of internal struggles within the Caucasus emirate. In the ongoing split, significant numbers of Dagestani and Chechen militants joined the pro-ISIS group, while the Kabardino-Balkarian jamaat remained adamant in its support for Kebedov. This resembles the earlier split over succession, when the group

around Asilderov objected to Kebedov's nomination, supported on the opposite side by the Kabardino-Balkarian jamaat. Soon thereafter, Asilderov criticized Kebedov for his dependence on foreign Chechen émigrés, who have become a significant force and monopolized the organization's external sources of funding. The infighting has been combined with more effective counter insurgency tactics on the part of federal forces and the insurgency, replete with moles, has been unable to deliver any visible blow to the Kremlin in over a year. Under such circumstances, the proclaimed association with ISIS primarily represents a tool for discontent commanders of the Caucasus emirate to challenge Kebedov's leadership and his supporters.

Several possible scenarios exist for the ISIS establishment in the North Caucasus. A first is the triumph of ISIS in the region. Such a scenario could possibly materialize if Al-Baghdadi would take the oaths of allegiance from North Caucasian insurgents seriously and provide the pro-ISIS group with tangible support. Such a development would not just significantly increase the resources of the pro-ISIS group but also attract more local youngsters into its ranks. This scenario would, however, probably lead to a shift of practices from the still quite moderate methods of the local insurgency to the more radical and aggressive methods of ISIS. By adapting to ISIS practices, local insurgents would increase their

external support, which is often crucial for the victory of insurgencies against central governments, but would paradoxically also simultaneously weaken their support base in the local population, who generally despise such methods. And in most cases, support from the local population is crucial in the day-to-day survival of insurgencies. There are so far no signs that ISIS is willing to fund its self-proclaimed subordinates in the North Caucasus, despite the fact that many of its high-ranking commanders are themselves Caucasians.

In a second scenario, the pro-ISIS group could prevail even without tangible support from ISIS as a result of a collapse or marginalization of the Caucasus emirate. Under such circumstances, there would be no pressure on the pro-ISIS group to practically subordinate itself to ISIS and adopt its policies. North Caucasian insurgents could still use the ISIS name for propaganda and recruitment, but their movement would probably stay local with no real influence of ISIS in the region.

The third possibility is a re-unification of the Caucasus emirate. Although Kebedov's death weakened it, a window of opportunity can open for a diplomatic solution under the new emir Magomed Suleymanov, *nom de guerre* Abu Usman Gimrinsky. As relations between the two groups remain tense, many high-ranking commanders of the Caucasus emirate declared their readiness to prevent the penetration of pro-ISIS cells into territories under their control. On the

other hand, new leader of Vilayat Dagestan and the rising star of the Caucasus emirate, Kamil Saidov, has proclaimed that he is ready to welcome his brothers who left the Caucasus emirate back as soon as they will decide to return. A possible re-unification of the Caucasus emirate will depend on the personality and skills of the new emir. However it should take place before the first blood is spilled between the two groups, and a blood feud emerges among vengeance-ready mountaineers.

CONCLUSIONS: The triumph of ISIS in the North Caucasus is still far from inevitable and in fact remains rather unlikely. Its emergence in the region is the result of struggles within the Caucasus emirate in combination with a series of setbacks, drying sources of external funding and internal recruitment, rather than its ideological influence. Even if al-Baghdadi would be willing to support his self-proclaimed subordinates in the Caucasus, the methods used by ISIS could lead to a loss of support from the wider local population. Four main factors will influence developments in the foreseeable future and should be closely observed. First, the new emir of the Caucasus emirate, his character, abilities and relations with Asilderov. Second, the amount of tangible support, if any, provided by ISIS to the pro-ISIS group in the Caucasus. Third, the returning militants from Syria, backing both ISIS and al-Qaeda. And of course, much will be decided by the future actions of Russian security forces. With a decreasing number of

recruits willing to join the North Caucasian insurgents, preferring instead the battlefields in Iraq and Syria, the recruiting system of local Vilayats may once again become more selective and careful. As a result, the Kremlin's ability to plant moles into jamaats and destroy them through selective operations, rather than during brutal *zachistkas*, could become significantly limited.

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TAJIKISTAN'S GOVERNMENT MISSES THE REAL PROBLEM OF LABOR MIGRANTS

Oleg Salimov

Tajik labor migrants are again at the center of political games between Russia and Tajikistan. At the end of June, Tajikistan's Ministry of Foreign Affairs delivered a note of protest to Russia's Ambassador in Tajikistan, objecting to an article in the Russian newspaper *AiF*, which describes Tajikistan as a country of labor migrants. Soon thereafter, the Russian government allowed the reentry to over 1,000 Tajik migrants earlier deported from Russia for violating immigration laws. This step, as well as the removal of the article from its original source, tempered the Tajik government's reaction. However, the problem of Tajik labor migrants is far from resolved.

The original article published in the popular Russian newspaper was titled "The country of guest workers. AiF's special report from Tajikistan." The article's central theme was the urgent need for a visa regime between Russia and Tajikistan. Tajikistan's government as well as the Russia-based social movement Tajik Labor Migrants found the article highly derogatory and offensive. The official statement of Tajikistan's Ministry of Foreign Affairs pointed to the destructive consequences of such publications on the Tajikistan-Russia relationship. The ministry appealed to the Russian government to prevent publications that distort the truth and

contribute to a negative image of Tajikistan.

At the same time, Karomat Sharipov, the chairman Tajik Labor Migrants, published the group's response to the article on its website. Sharipov asserted that the article was part of a dirty political campaign by Russian pseudo-patriots, aiming to discredit Tajikistan and denigrating the Tajik people. Sharipov agreed that the visa regime for labor migrants is needed, but mainly in order to protect Tajiks arriving in Russia as opposed to protecting Russia from Tajiks as argued in the article. He also noted that such publications are unacceptable for countries seeking to build a strategic partnership.

Following the public outrage in Tajikistan, the Russian government on July 2 pardoned over 1,000 Tajiks, who had previously been deported from Russia for violating the rules of their legal stay. According to Abdullo Kodiri, the press-secretary of Tajik Migration Services, the agreement was reached after negotiations between the two countries' migratory services. Russia hosts close to a million Tajik migrants as of June 2015, according to Russian Federal Migratory Services. The number is about 200,000 lower than in December 2014.

The amount of money transferred from Russia to Tajikistan by labor

migrants in the first quarter of 2015 is also down by 42.4 percent compared to the first quarter of the last year, according to Tajikistan's National Bank (TNB). TNB reported a total of US\$ 289 million transferred to Tajikistan from Russia in the first quarter of 2015. Russia's Central Bank instead reported transfers of US\$ 364 million from Russia to Tajikistan and a drop of 87 percent in the first quarter of 2015, as compared to the same period in 2014. The coefficient of money transfers from Russia to Tajikistan's GDP is down from 30.8 percent in the first quarter of 2014 to 19 percent in the first quarter of 2015, according to TNB.

The lower number of Tajik labor migrants and the significant drop in money transfers to Tajikistan can be explained by the slowing Russian economy as a result of falling oil prices and economic sanctions implemented by the U.S., EU, and some other countries. While Tajikistan is not part of West-Russia confrontation, the country feels the effect of these sanctions firsthand. Tajikistan could have avoided this situation if the Tajik government would have been genuinely concerned about the problem of outmigration from Tajikistan, unemployment, and the dependency of its economy on money transfers from labor migrants.

While provocative, the *AiF* article describes a problem that the Tajik government continues to neglect. While expressing its outrage over the article, the Tajik government has failed to outline any actions to address the

problem of labor migrants, whose input into Tajikistan's economy reached 42 percent of the country's GDP at its peak in 2013. Instead of negotiating with Russia on pardoning labor migrants, Tajikistan's government should focus on fighting unemployment at home and building a self-sustaining economy. This will create a far more positive image of Tajikistan, which was the primary concern of the government's protest.

Tajik Labor Migrants warns about the growing number of Tajik migrants disillusioned with their own government and the prospects of employment back home, which become radicalized and join extremist groups like ISIS. In the beginning of July 2015, *Radio Ozodi/Freedom* reported that Tajikistan's embassy in Moscow had received a letter from Russian ultranationalists requesting the immediate return of all Tajik migrants to Tajikistan to avoid "dire consequences." Tajik labor migrants are frequently treated as a point of leverage in political negotiations between Russia and Tajikistan, but are simultaneously a highly vulnerable group whose real needs are rarely recognized.

RULING COALITION TO CUT FUNCTION OF GEORGIA'S NATIONAL BANK

Eka Janashia

On June 27, Georgia's parliament passed, in the first reading, a bill that deprives the National Bank of Georgia (NBG) of its supervisory function of financial institutions, assigning these tasks to an independent agency.

The proposal, initiated by the Georgian Dream (GD) ruling coalition a month earlier, has faced a spate of sharp criticism not only from the political opposition but also from influential international financial institutions, civil society and the business sector. President Giorgi Margvelashvili pledged to veto the bill in case it was endorsed.

According to the amendments, a new body – the Financial Supervisory Agency (FSA) – will monitor and conduct oversight of Georgia's banking sector and financial institutions, a function currently carried out by NBG. A seven-member board, including a representative and the president of NBG, as well as five government nominees, will run FSA after the parliamentary confirmation. The board members, in turn, will name the head of the agency, which should also be approved by the parliament.

The critics of the bill discern political motives behind the proposal, arguing that it is designed to undermine the position of NBG's President Giorgi Kadagidze, who is affiliated with the

formerly ruling United National Movement (UNM) party.

The legislation's timing coincides with an escalating confrontation between senior GD politicians and Kadagidze. The initial attacks against Kadagidze took place in February last year, when the depreciation of Georgia's national currency reached a dramatic level. Former Prime Minister Bidzina Ivanishvili lashed out at the NBG president, blaming him for inaction to prevent the currency crisis by using the national reserves (See [03/18/2015 issue of the CACI Analyst](#)). Since then, Kadagidze, whose term in office will expire in February 2016, has become a frequent target of attacks from GD politicians.

Opponents of the bill also question the financial advisability of moving banking supervision from the NBG, arguing that there is no economic and financial rationale justifying the damage implied by the planned changes.

Reputable financial institutions, including the International Monetary Fund, World Bank, European Bank for Reconstruction and Development and Asian Development Bank have warned PM Irakli Gharibashvili and Parliament Speaker Davit Usupashvili that splitting the NBG's functions will weaken "the independence and quality

of banking supervision in Georgia” and challenge both stability in the banking sector and the sustainability of economic growth. In particular, they warn against empowering the parliament to appoint FSA Board members, which will undermine the principle of checks and balances practiced in the current appointment procedures for the NBG Board. Such a shift risks leading to a politicization of banking supervision, damaging its independence and autonomy, the institutions assert.

By contrast, GD argues that the amendments will grant “more independence” to the banking sector. A co-sponsor of the bill, GD MP Tamaz Mechiauri, who chairs the parliamentary committee for finances, explained that the proposal will lead to the de-politicization of NBG’s currently politicized board, which “do not reflect at all the interests of those forces, which are currently in power.”

Against the background of such statements, UNM insists that bill was initiated and backed by Ivanishvili, who aspires to obtain a “key” to the banking sector – the only sector that is not under his control.

The president’s office rejected the bill for its lack of professionalism and also lamented that the way it was elaborated contradicts Georgia’s commitments under the Association Agreement with the EU. According to the 2014-2016 Association Agenda, Georgia is obliged to boost the NBG’s independence by revising its legislation according to EU best practices and with the support of

experts including from the European Central Bank. In fact, neither NBG, nor local or foreign experts, or representatives of Georgia’s business community, were invited to participate in the preparation process of the draft bill. Moreover, the sponsors of the bill failed to provide the political, financial and economic rationale justifying the prospective reduction of NBG’s functions and the need for creating a new agency.

If the bill is approved, GD will obtain real levers on the FSA Board, which will increase the perception of political motives behind the new amendments.

The president’s pledge to veto the bill will be largely symbolic since GD is well positioned to override it. The coalition holds 86 seats in parliament – 10 more than it needs to overturn a presidential veto.

Given the overall economic context – decreasing exports and investment as well as a slowdown of economic growth in Georgia, the endorsement of the bill will even further fuel speculations on the government’s agenda vis-à-vis NBG, and will complicate Georgia’s relations with financial donor organizations.

KYRGYZSTAN'S CONSTITUTIONAL CHAMBER DISMISSES JUDGE

Arslan Sabyrbekov

Kyrgyzstan's judicial system has always depended on the executive and legislative branches of power that still tightly control the appointment and dismissal of judges. To ensure the judiciary's independence in the aftermath of the April 2010 Revolution, two bodies were created; the Council on the Selection of Judges and the Judicial Council, a professional body of judges. However, because both these bodies are closely linked to the parliament and the President, they are hardly independent. This observation is supported by the fact that a number of judges have been ousted from their position for voicing legal opinions at odds with the views of the country's political leadership.

This time, a senior judge in the Constitutional Chamber of the Supreme Court, Klara Sooronkulova, was dismissed for her position on the controversial legislation on biometric data collection. Last year, the Kyrgyz parliament passed a law for a nationwide biometric data registration program. The program was initially termed "voluntary," but the submission of fingerprints was later linked to the upcoming parliamentary elections, with the authorities making registration "obligatory" in order to cast the ballot. Civil society activists have issued a unanimous statement that introducing biometric registration as a condition for participating in the elections is a gross violation of

citizens' fundamental constitutional rights and have filed a case to the Constitutional Chamber of the Supreme Court. Sooronkulova was appointed the leading judge to examine the case and sought international advice on the matter. But before she could announce her ruling on the case, Svetlana Boljurova, a lawyer from the parliament's legal and judicial affairs committee, filed allegations against her. She claimed that in breach of procedure, judge Sooronkulova revealed her views that the biometric data collection was an unconstitutional act, ahead of announcing them publicly and demanded that she be removed from the case.

In the Constitutional Chamber of the Supreme Court, the judges were split 50 to 50. The Chamber's chairperson had the decisive vote and removed Sooronkulova from the case. At Boljurova's further demand, the Judicial Council reviewed an allegation that Sooronkulova had shown "insubordination" by criticizing her colleagues for "following the direct order of the president's and that of the parliament's Office." On these charges, the Judicial Council ordered Sooronkulova to step down before the expiration of her term and submitted all the documents to the parliament to pass a final decision.

Kyrgyzstan's parliament voted three times before it managed to reach 80

votes out of the 120 sitting MPs. According to Sooronkulova, “the situation is completely chaotic. It is clear that in between the votes, the President’s Office was working with MPs using different methods.” Sooronkulova also added that the head of the President’s Office was present during the voting.

Kyrgyzstan’s prominent civil society activists immediately issued a statement, describing the situation as a state of complete lawlessness. According to civil society activist Cholpon Zhakypova, Sooronkulova did not even have the opportunity to defend herself, speak in front of the parliamentarians and present evidence of direct pressure to the Constitutional Chamber. Indeed, Sooronkulova’s demand to address the parliament was rejected by its Speaker on the grounds that “there is no necessity to listen to Sooronkulova since we have received all the documents that prove she was in breach of her competencies and did not observe the required procedure.”

Kyrgyzstan’s Constitutional Chamber, which was a separate Constitutional Court before the country’s constitution was adopted in 2010, has become increasingly challenged over the past several months. Under the suggested terms of the upcoming amendments to the country’s constitution, the Constitutional Chamber risks turning itself into an institution that can only give decisions of recommendatory nature, paving the way for unconstitutional acts. Emil Oskonbaev, another judge in the Constitutional Chamber, was reprimanded for expressing his support to his now former colleague Sooronkulova.

Sooronkulova’s forced and controversial resignation favors the interpretation that the declared comprehensive reform of the judiciary, passed by a presidential decree in 2012, does not aim to turn it into an independent branch of power. The judiciary remains as dependent as ever.

BAKU CRACKS DOWN ON ALTERNATIVE MEDIA AFTER CONCLUDING EUROPEAN GAMES

Mina Muradova

After 17 days of competition, the first European Games have ended in Baku. Yet the crackdown on dissenting voices continues in Azerbaijan. The country will be remembered not only for its capable hosting of a major sporting event, but also for its silencing of critical voices in connection with the event.

Azerbaijan's government hailed the games as a triumph and is now considering bidding for the Olympics. "The first European Games will go down in sporting history," the Minister of Youth and Sport Azad Rahimov said in a statement on July 3. "I'm very proud of what has been achieved in Baku and the positive feedback we have been getting ... It has been a success for Azerbaijan and will be a launch pad for future sporting events we will host. The coverage ... and the positive messages we have sent have really highlighted Azerbaijan on the world and European map."

Next year, Azerbaijan will host the 42nd Chess Olympiad and a Formula One race through the streets of Baku. It will also stage the Islamic Solidarity Games in 2017 and soccer matches in the Euro 2020 competition.

According to Rahimov, "There is a new culture growing, this is very important, of supporting the development of sport ... Every ticket sold is an important contribution to sustain and maintain our sporting arenas and develop our athletes in different

sports." Azerbaijan, enjoying loud support at every venue, has surprised many and was second in the medal table with 18 golds. Nearly 6,000 athletes from 50 countries competed in 20 sporting events at the Games that ended on June 28.

However, Azerbaijan was widely criticized before and during the games for politically motivated arrests and for banning the *Guardian*, along with a number of media outlets and human rights activists, from entering the country to cover the games.

Two days after the closing ceremony in the Baku Olympic Stadium, seating 68,000, the prominent human rights activist and director of *Meydan TV* Emin Milli posted that "It is remarkable that the government has started repressions against Meydan TV the day after the European Games' closing ceremony. Several journalists from Meydan TV have been banned from leaving Azerbaijan, stopped at the border and were not allowed to come for a short trip to Tbilisi, Georgia. ... from past cases, we may conclude that there is now a criminal case opened and an investigation going on against Meydan TV."

On June 26, Milli reported that he had received a threat from Minister Rahimov, in connection with his critical reporting on the European Games. Meydan TV is a Berlin-based online television station that provides alternative news coverage of

Azerbaijan. During the European Games, Meydan TV's materials were widely used by international media, including critical cartoons, stories on an Azerbaijani bus driver who crashed into three Austrian swimmers and an interview by a national television station of a fake British tourist – both of which were highly embarrassing to the ruling regime.

International human rights watchdog organizations expressed their concerns over “an increase in the government harassment of independent journalists” in Azerbaijan in the wake of the European Games. “We fear that this growing harassment is a forerunner of a new crackdown targeting Meydan TV's staff,” said Johann Bühr, the head of the Reporters Without Borders Eastern Europe and Central Asia desk.

Azerbaijan is ranked 162nd out of 180 countries in the 2015 Reporters Without Borders press freedom index. There are currently about 100 political detainees, at least 20 of whom are identified as “prisoners of conscience” by Amnesty International.

Sport for Rights calls on the Azerbaijani authorities to put an end to their ongoing attempts to silence critical reporting, and to take immediate steps to improve fundamental freedoms in the country, including by releasing all the journalists and human rights defenders currently behind bars for political reasons.

The campaign further calls on the European Olympic Committees to

speaking out, publicly condemning the threat against Milli, as well as the broader human rights crackdown taking place in the country. Finally, Sport for Rights calls on German authorities to provide Milli with immediate and full protection.