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ANALYTICAL ARTICLES:

BEYOND MANAS: RUSSIA'S GAME
IN AFGHANISTAN

Stephen Blank

SHRINKING REMITTANCES INCREASE LA-
BOR MIGRATION FROM CENTRAL ASIA

Erica Marat

KARZAI AND NATO:
A PARTING OF WAYS?

Richard Weitz

ANZOR ASTEMIROV: FROM MILITARY
DILLETANTE TO LEADING
POLITICAL STRATEGIST

Kevin Daniel Leahy

FIELD REPORTS:

COULD UZBEKISTAN HOST THE NEXT U.S.
AIRBASE IN CENTRAL ASIA?

Erkin Akhmadov

BERDIMUHAMMEDOV MAKES HISTORIC
CABINET RESHUFFLE

Chemen Durdiyeva

GENERAL PETRAEUS IN SEARCH OF ALTERNA-
TIVE SUPPLY ROUTES FOR AFGHANISTAN

Roman Muzalevsky

TAJIKS FACE RISING ENERGY PRICES AND
FALLING REMITTANCES

Alexander Sodiqov

NEWS DIGEST



*Central Asia- Caucasus Institute
Silk Road Studies Program*

Central Asia-Caucasus Analyst

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Contents

Analytical Articles

- BEYOND MANAS: RUSSIA'S GAME IN AFGHANISTAN** 3
Stephen Blank
- SHRINKING REMITTANCES INCREASE LABOR MIGRATION FROM CENTRAL ASIA** 7
Erica Marat
- KARZAI AND NATO: A PARTING OF WAYS?** 10
Richard Weitz
- ANZOR ASTEMIROV: FROM MILITARY DILLETANTE TO LEADING POLITICAL STRATEGIST** 14
Kevin Daniel Leahy

Field Reports

- COULD UZBEKISTAN HOST THE NEXT U.S. AIRBASE IN CENTRAL ASIA?** 17
Erkin Akhmadov
- BERDIMUHAMMEDOV MAKES HISTORIC CABINET RESHUFFLE** 18
Chemen Durdiyeva
- GENERAL PETRAEUS IN SEARCH OF ALTERNATIVE SUPPLY ROUTES FOR AFGHANISTAN** 19
Roman Muzalevsky
- TAJIKS FACE RISING ENERGY PRICES AND FALLING REMITTANCES** 21
Alexander Sodiqov

- News Digest** 23

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.

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

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

Svante E. Cornell

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BEYOND MANAS: RUSSIA'S GAME IN AFGHANISTAN

Stephen Blank

At first glance, Russia's policies regarding Afghanistan appear to be contradictory. On the one hand, Moscow has again approved the use of its territory for the transit of non-military goods to Afghanistan, reiterating its 2008 commitment to NATO on this point. Yet on the other hand, just as a new supply route through Central Asia which would have upgraded the role of Manas airport and led to increased benefits to Kyrgyzstan was about to begin, Moscow bullied Kyrgyzstan into evicting the U.S. from the base. This suggests that Moscow is ready to cooperate with the West only at a very high price - exclusive hegemony over the former Soviet space - something that Moscow is incapable of upholding and which would guarantee the continued instability of these regions.

BACKGROUND: At first glance Russia's policies regarding Afghanistan appear to be contradictory. On the one hand, Moscow has again approved the use of its territory for the transit of non-military goods to Afghanistan, reiterating its 2008 commitment to NATO on this point. It has also repeatedly stated that it wishes to cooperate with NATO and the U.S. and that it has no interest in a Taliban victory. It has indicated its willingness to sell the Afghanistan government weapons, provided a political understanding is reached first - although what it means by a political understanding remains unclear. Russia has good reason to want Afghanistan stabilized again, since Afghanistan is the largest source of heroin coming to Russia that kills an estimated 30,000 Russians annually, more than the Red Army lost in Afghanistan.

Yet on the other hand, just as a new supply route through Central Asia which would have upgraded the role of Manas and led to increased benefits to Kyrgyzstan was about to begin, Moscow bullied Kyrgyzstan into evicting the U.S. from its base at Manas by endless political and economic pressure since 2005. Indeed, as *Kommersant* reported on January 20, every Russo-Kyrgyz meeting has

raised Manas as an issue. Moscow even launched cyber-strikes against Kyrgyzstan on January 18, and allowed former President Akayev, who had been relatively silent since fleeing to Moscow, to publish in the Russian press saying he agreed that Manas should be closed to the U.S. In return, the Kremlin promised Kyrgyzstan US\$ 2 billion in loans and US\$ 150 million to construct a power station at Kambarata. Moscow will also evidently take over the base and deploy there, or so it claims, one division and one brigade as part of the CSTO, supposedly the equal of NATO's forces. But since it is well known that Moscow's promises to Central Asia are to a large degree written on the wind and often unfulfilled, it is clear that Kyrgyzstan is not the main beneficiary of this decision.

How, then, do we explain this seemingly contradictory policy? To begin with, we must realize that Moscow certainly does not want the Taliban to prevail there, not only because of the genuine narcotics threat, but also because, as its leaders well understand, a Taliban victory could destabilize all or part of Central Asia. Central Asian terrorist and insurgent groups are aligned with the Taliban and Al-Qaeda, hence victory in



Afghanistan opens up new and multiple avenues of support and revenue for them with which to destabilize the autocratic governments in Central Asia, many of which are precarious at the best of times and now even more so due to the global economic crisis. Consequently, in November 2008, when General Petraeus, Combatant commander of U.S. Central Command, suggested a strategy to co-opt disaffected or susceptible Taliban members or allies into the government of Afghanistan, Moscow registered its dislike of that idea, saying that the Taliban must be excluded from politics. At the same time, there is good reason to suspect that Russia, like everyone else, perceives the mounting difficulties that the NATO-U.S. forces are facing there with apprehension, fearing that it and its Central Asian partners might soon be left

to face this threat by themselves. Therefore it continues to say that it wants to cooperate with Washington and Brussels regarding Afghanistan.

However, simultaneously Moscow has been moving aggressively to consolidate what President Medvedev called its privileged relations with Central Asia and the CIS. This is not merely a question of locking up as much as possible of Central Asian (particularly Kazakh and Uzbek gas) energy supplies, although that is undoubtedly part of the equation. Moscow is also trying to upgrade the CSTO and gain rights for its deployment throughout the region; create a ruble bloc that will boost the value and demand for rubles, while tying these states further to its economy; creating a CIS-wide fund to bail out distressed states; lending money to Kyrgyzstan,

Armenia, and Belarus; establishing air, land, and naval bases in Abkhazia; signing an air defense agreement with Belarus that could provide for the stationing there of Iskander missiles with which to threaten Central Europe; and forcing Kyrgyzstan to evict the United States from Manas.

IMPLICATIONS: It would appear, then, that Moscow has come to the following decisions that explain its seemingly contradictory policies. It perceives a growing possibility of a NATO defeat that is not to its advantage. It also perceives that the mounting public disaffection between Afghan President Hamid Karzai and NATO, which has led him repeatedly to ask Moscow for arms and assistance as part of his balancing act against NATO, gives Moscow an opportunity to regain influence in Afghanistan. Therefore, it is prepared both to assist the U.S. and NATO and to sell arms to Karzai, but only under certain specific conditions. These conditions appear to be the following: Moscow will cooperate with the West in Afghanistan if it buries NATO enlargement to Ukraine and Georgia, abandons missile defenses in Central and Eastern Europe, recognizes not just the independence of Abkhazia and South Ossetia but also forces Georgia to do so as well, and acknowledges that the CIS is Moscow's exclusive sphere of influence.

Furthermore, Moscow wants a clearly demarcated sphere of influence in northern Afghanistan adjacent to Tajikistan. On January 13, Sergei Rogov, the very-well connected Director of the USA and Canada Institute told an American audience that "The only way to achieve some stabilization of the situation in Afghanistan is to invite Russia to join the IFOR", referring to the International Forces more commonly known as ISAF. "Russia", he went on, "should accept responsibility for Regional Economic Reconstruction Teams in [the] Northern provinces. Russian teams should be supported by

security personnel. The key problem will be to include Russia in the political decision-making mechanism on Afghanistan while Russia remains a non-member of NATO. A possible solution may be giving additional functions to the NATO-Russia Council, or the creation of [a] special body with decision-making authority. The Soviet experience in Afghanistan makes Russia very unenthusiastic about another engagement in this county. It will demand an extra effort from the new US Administration". On this basis, and evidently only on this basis, is Moscow prepared to cooperate with the West regarding Afghanistan.



This posture explains the basis for its communication to Karzai's government that there must be an unspecified political agreement before arms can be sold. Presumably that political agreement is the recognition by Karzai's regime of Russia's sphere of influence in the north. Moscow also clearly wants to force the U.S. and Europe to accept that henceforth, any security dealings with Central Asia must first go through Russia. Moscow certainly does not believe these are fully-

fledged sovereign states. Medvedev, for instance, recently upbraided Tajik President Rakhmonov for criticizing Moscow and warned him against acting “unilaterally”, i.e. without clearing his actions with Moscow first. The eviction of the U.S. from Manas is part of this scheme to close Central Asia (especially militarily) to outsiders and force them to accept Russia’s suzerainty over the area. This explanation of Russian policy reconciles the seeming contradiction in its approaches and makes sense of its recent moves in Central Asia and Afghanistan.

CONCLUSIONS: The implications of this posture are exceptionally negative for both the West and for Central Asia. First, it shows that contrary to much American commentary (not by the Administration however) Russia is not truly interested in cooperation with the U.S. and NATO regarding Afghanistan. It insists on its unlimited and exclusive hegemony in Central Asia, a task that is beyond its ability to sustain, as the price that must be paid in advance of its cooperation. But based on its promises to date those promises of cooperation remain just that – promises – which remain unfulfilled. Certainly the Russian army is incapable of fighting victoriously in Afghanistan and maybe in Central Asia even if it is deployed there. Likewise, the financial support promised by Russia comes with strings attached, particularly as regards the sovereignty of Central Asian governments, even if it is ever transmitted to them.

Instead, Moscow’s demand for a free hand in Central Asia and the CIS as a whole is ultimately

a guarantee that these states will not be able to meet the security demands of the contemporary world either in economics or in defense. The Central Asian states and Afghanistan will not be able to stand up to the Taliban or to their own domestic rivals if they remain tied to a backward, underdeveloped model of economic policy and in neo-colonial subordination to Russia. Neither does Russia have the resources to sustain this imperial fiction though it does not seem to understand that yet, in spite of an intensifying economic crisis at home.

Ultimately, the continuing pursuit of empire will place too much of a burden on Russia with unhappily predictable consequences, as in the past. The demand for a closed sphere in Central Asia and even in Afghanistan is, however, all too consistent with Medvedev and Putin’s policies. In the past, whenever confronted with the choice between empire and reform or cooperation with the West, Russia’s rulers have chosen empire. But this choice cannot save them or their clients in Central Asia. Instead, it makes the forthcoming crisis in both Russia and Central Asia all the more likely. Moscow’s pursuit of its own security at everyone else’s expense is finally a fool’s mission that will only lead to greater insecurity and more likely tragedy for all concerned.

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SHRINKING REMITTANCES INCREASE LABOR MIGRATION FROM CENTRAL ASIA

Erica Marat

As the global economic downturn became inevitable in mid 2008, most experts argued that a shrinking volume of remittances from labor migrants would be one major implication of the crisis in Central Asia. Yet, while it is true that remittances have dropped significantly in the fourth quarter of 2008, it does not necessarily imply that the decline will continue throughout 2009-2010 – the expected duration of the crisis. The situation on the ground suggests that after the initial drop of remittances, more Kyrgyz, Tajik and Uzbek citizens are seeking jobs abroad. This year, remittances per migrant are likely to decline as jobs will be scarcer, but the overall volume of remittances will remain roughly the same with more migrants working abroad.

BACKGROUND: By 2008, around 200 million people, or 3 percent, of the total world population lived outside their homelands. Although Central Asia represents only a fraction of the world's migrant population, the impact of migration on national economies is among the greatest. Tajikistan is the world's leading country in the proportion of remittances to its GDP. Experts estimate that between 600,000 to over one million Tajik migrants work in Russia. In 2007 they sent home over US\$1.8 billion through banks, or up to 30 percent of the national GDP. Other sources state that remittances comprise up to 46 percent of Tajikistan's GDP. Kyrgyzstan ranks fourth in the list, with 27 percent of its GDP, or US\$322 million, sent in 2007. Uzbekistan's immigrant population is the largest in Central Asia in absolute numbers. Over 2 million migrants are reported to reside in Russia, Kazakhstan, Kyrgyzstan, South Korea, the United States, and Europe. Uzbek migrants send roughly US\$1.3 billion in remittances annually, constituting over 8 percent of the GDP. Of all Central Asian countries, Turkmenistan has the lowest number of immigrants working abroad. Of a total

population of five million, 250,000 are reported to be working in Russia, Kazakhstan, and other countries.

Russia, Ukraine and Kazakhstan are the largest migrant recipients in Eurasia. During 2000-2007, Russia hosted on average 12 million migrants, making up 8-9 percent of its total population. Since the mid-2000s, Kazakhstan has emerged as a new popular destination for Central Asian migrants. Over 200,000 Kyrgyz, 50,000 Tajiks, and 250,000 Uzbeks worked in Kazakhstan in 2007. The vast majority of these migrants are forced to work illegally. Russian employers annually obtain over 300,000 work permits for foreigners, while even official records of migrants register from three to five million guest workers coming to the country. Migrant remittances surged dramatically between 2004-2007, when the construction sector boomed in both Russia and Kazakhstan. But recent downward trends indicate a rapidly changing picture.

IMPLICATIONS: In the fourth quarter of 2008, Tajik and Kyrgyz banks reported remittances dropping almost by half. This trend alarmed most international experts, who rushed to declare the catastrophic effect on Central

Asian economies caused by returning migrants. According to World Bank data, however, remittances are quite stable capital flows over time, compared to other types of financial flows during economic crises. Previous economic downturns have shown that remittance levels tend to remain the same or even increase. Although the current economic crisis is global, remittances are still expected to help alleviate economic shocks in both migrant sending and receiving countries. Alas, job opportunities will be scarce, work conditions and salaries will decrease, but migrants will seek to maximize their earnings and allocate larger sums for remittances. The pressure to earn money will be stronger on the poorest strata.

In fact, the number of migrants from Kyrgyzstan, Tajikistan and Uzbekistan leaving for Russia has increased since the economic downturn in late fall of 2008. A higher number of young men bought one-way tickets to Russian cities in November 2008 through January 2009, mostly to Nizhny Novgorod, Yuzhny Sakhalin, and Yekaterinburg. The initial shock of a sharp decline in remittances in late 2008 thus propelled more migrants to travel abroad.

Furthermore, returning and new migrants tend to disagree with the claims that Russian authorities force them out of the country. Some even mention that their Russian employers requested them to remain on construction sites despite lower salaries until the economy rebounds. This is explained by the fact that Central Asian labor migrants working in Russia occupy their own niche in the job market, which is often not attractive to Russian citizens. Common jobs include public transport drivers, construction workers, retailers, and street sweepers. These dynamics in the Russian job market are unlikely to change during the

economic crisis. Migrants, thus, compete mostly among themselves rather than with Russian citizens. This competition is likely to intensify further.

In December 2008, Russian Prime Minister Vladimir Putin argued that the migrant quota should be cut by up to 50 percent of the total 3.9 million legally registered guest workers. The Prime Minister argued that this is a natural reaction to the economic downturn in the country. His order, although depicted as one of the measures to ease Russian citizens' burden during the economic crisis, does not immediately lead to a significant cut of immigrants' numbers for two reasons. First, Putin referred to the official number of immigrants, which is significantly lower than unofficial data. And, second, the number of immigrants can be cut anywhere between zero and 50 percent. Thus, in the worst-case scenario, up to 1.9 million of the total unofficial 12 million migrants will be sent back. Indeed, Putin can change the regulations depending on circumstances.

Putin, furthermore, entrusted the Ministry of Health to define how the quota should be reduced across the country's cities and regions. Putin thus delegated the final judgment of how many migrants are allowed to stay in the country to the ministerial level. The Prime Minister's overall reaction to the immigration issue amid the crisis suggests that the leadership recognizes the importance of the foreign workforce in Russia, while realizing the local population's frustration with the economic slowdown and the need to take action. In the meantime, while Moscow announced a decrease in the quota for guest workers in 2009, other Russian regions requested an increase of the migrant quota for 2009. It is important to note that despite the slowdown of the construction

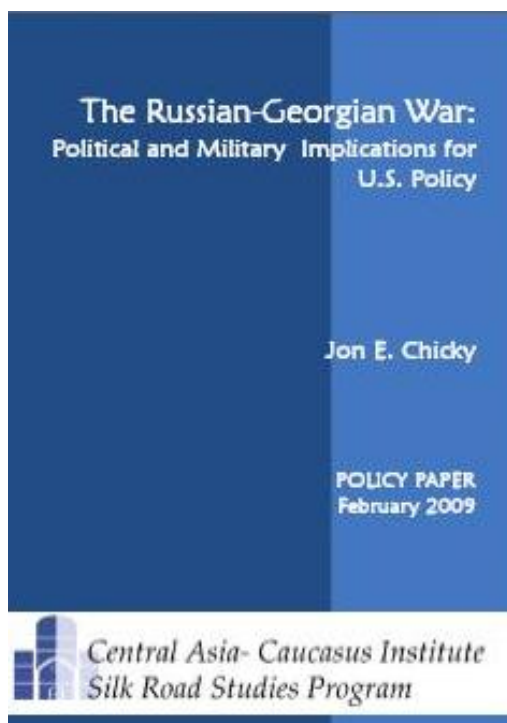
sector in Russia, prices for real estate and land resources remained fairly stable during late 2008 and early 2009.

Central Asian governments, in turn, make little effort to create jobs at home to avert at least a fraction of the labor emigration. On the contrary, the Uzbek and Tajik governments continue to impose strict controls over the cotton sector, which benefits a small number of government officials but worsens conditions for regular workers. In late 2008, Kyrgyz President Kurmanbek Bakiyev multiplied taxes for small and medium businesses sharply. The new regulations stifle businesses and fuels unemployment, forcing people to look for jobs abroad. Hundreds of small businesses mostly in Bishkek were been shut down in January.

CONCLUSIONS: The high numbers of returning migrants this winter to a large extent reflect the annual tendency of the vast majority of migrants to travel back home during winter. This was not necessarily indicative of the economic crisis influencing the migrants' earnings. Mostly due to the Central Asian governments' poor ability to create jobs at

home, the number of migrants seeking jobs abroad continues to grow. Especially during the economic crisis, Central Asian countries and Russia must seek to come up with bilateral and multilateral agreements to ease the migrants' amplified burden. But receiving countries prefer to take unilateral decisions disregarding the implications for sending countries. Likewise, migrant sending countries are mostly concerned with the political implications of potentially large flows of returning migrants, trying to further centralize their power. This year will likely be the most difficult for Central Asian migrants in their search for earnings abroad. But although remittances per migrant will continue to decline, the overall volume of remittances is likely to remain roughly the same as more migrants seek work abroad.

AUTHOR'S BIO: Erica Marat is a Nonresident Research Fellow with the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center.



New Policy Paper:

***The Russian-Georgian War:
Political and Military Implications
for U.S. Policy***

By Jon E. Chicky

This Policy Paper, written by a leading U.S. military expert on the Caucasus, lays out the implications of the war in Georgia for the United States.

The Paper can be downloaded free at
www.silkroadstudies.org.

KARZAI AND NATO: A PARTING OF WAYS?

Richard Weitz

Rumors are rife that the Obama administration and its European allies have concluded that Afghan President Hamid Karzai lacks the will or ability to address Afghanistan's critical problems—including corruption, narco-terrorism, and a debilitating insurgency that has prevented Karzai's regime from exercising much political authority in the provinces. Sensing growing allied dissatisfaction, Karzai has been seeking to deepen his ties with Moscow. Russian policy makers have been reciprocating Karzai's overtures while keeping open the option of exploiting NATO's weak position in Afghanistan to bargain for allied concessions regarding Georgia and other matters.

BACKGROUND: NATO Secretary General Jaap de Hoop Scheffer gave vent to NATO's frustrations with the Afghan government in a scathing commentary published in *The Washington Post* on January 18. De Hoop Scheffer blasted the Karzai administration's alleged corruption and mismanagement for fueling the Afghan insurgency: "The basic problem in Afghanistan is not too much

Taliban; it's too little good governance," he wrote. "Afghans need a government that deserves their loyalty and trust; when they have it, the oxygen will be sucked away from the insurgency." Alluding to Karzai's dependence on local warlords and regional drug kingpins, de Hoop Scheffer cautioned that NATO's patience with the regime was reaching its limits: "we have paid enough, in blood and treasure, to

demand that the Afghan government take more concrete and vigorous action to root out corruption and increase efficiency, even where that means difficult political choices."

In a speech to the Afghan national parliament a few



days later, Karzai responded by faulting NATO for waging the war against the Taliban poorly. He accused the allies of failing to address the rampant narcotics trafficking in the provinces and for employing tactics that have led to excessive civilian casualties. The President stated that he had submitted draft agreements to NATO and the United States that would allow the Afghan government to exert more control over foreign military activities in Afghanistan.

Karzai also blamed Afghan corruption on the misadministration of the billions of dollars of international aid by foreign donors: “If we can stop this kind of corruption, God willing, our administration will soon become free from corruption.”



(US Department of Defense)

In the past, senior members of the Obama administration have been very critical of Karzai. Vice President Joseph Biden became infamous in Kabul last year after he abruptly ended a dinner in the presidential palace after he concluded that Karzai was concealing the extent of corruption within the Afghan government. In a written statement at her confirmation hearings, Secretary of State Hillary Clinton described Afghanistan as a “narco-state” that was “plagued by limited capacity and widespread corruption.” In his past writings, newly appointed Special Envoy

for Afghanistan and Pakistan Richard Holbrooke has lacerated the Afghan government for its “massive, officially sanctioned corruption” and its failure to stem the country’s drug trade.

In his February 8 address to the Munich Security Conference, Karzai insisted that Afghanistan had made much progress under his leadership, especially in the area of providing greater public services. He denied that his

country had become a “failed” or “narco” state. Karzai also explicitly called for direct negotiations with those members of the Taliban unaffiliated with al-Qaeda or other terrorist networks that accept the current post-Taliban Afghan constitution. “And,” he added, “I would request the international

community to back us in this—fully.”

IMPLICATIONS: Karzai’s statement might be seen as an overture to Obama and Holbrooke, the latter having made his reputation in the Balkans through such diplomatic initiatives. Yet, some of the American officials at Munich spoke of a “reality gap” between Karzai’s glowing depiction and Afghanistan’s bleak reality. A recent survey of Afghan opinion shows growing dissatisfaction with their country’s situation. Karzai’s slipping popularity is encouraging influential challengers in the

August 2009 presidential elections to hope they might gain tacit backing in Washington and Europe.

Sensing an opening, the Russian government has been directly wooing the Afghan leader by offering him military supplies and other assistance. Karzai has shown interest in developing relations with Moscow, especially since many NATO governments have begun citing his misrule for their difficulties in Afghanistan. According to Russian sources, Karzai had initiated the request for Russian military aid last year. At a ceremony in January 2009 at Afghanistan's National Military Academy, Karzai boasted to the graduating cadets that, "I told America and the world to give us aircraft—otherwise we will get them from the other place!"

To enhance Moscow's leverage in Kabul, Russian officials have vigorously shored up support among Central Asian governments. President Dmitry Medvedev has made repeated trips to the former Soviet republics in the region. During his January visit to Tashkent, Medvedev described Russian-Uzbek relations as a "strategic partnership and alliance," adding that the two governments collaborate closely on Afghanistan since both consider that country's fate to be of "exceptional importance."

Russian officials have also sought to use the Shanghai Cooperation Organization (SCO), which includes Russia, China, and four Central Asian countries (excluding only Turkmenistan), as an instrument of influence in Afghanistan. The SCO has established a working group on Afghanistan and has invited Karzai to attend its recent annual leadership summits. On January 14, SCO deputy foreign ministers met in Moscow and announced plans to convene a special conference in the first half of 2009 on Afghanistan. According to one

source, the summit will occur in March and be open to the SCO observer members as well as other international organizations.

The Collective Security Treaty Organization (CSTO) also provides Moscow with a convenient tool of influence in Afghanistan's neighborhood. This Russian-dominated military alliance includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The Russian government and the CSTO secretariat, which is led by Moscow, have advanced the principle that the member countries cannot join alternative military alliances or host new foreign bases without the approval of the other treaty parties. Insofar as the other CSTO states adhere to this principle, it gives Moscow considerable leverage over their security policies. The CSTO has launched several initiatives aimed at curbing the export of narco-terrorism from Afghanistan, but with questionable results.

On February 4, moreover, the CSTO announced that the alliance would establish a standing collective rapid reaction force, akin to that of NATO. The decision would transform the existing joint force, consisting of 3,000 pre-designated military personnel under national command, into a 10,000 member force under a single unified command such as existed in the Soviet-led Warsaw Treaty Organization or some collective NATO units. Russia's clear military predominance within the CSTO would mean this restructuring would significantly tighten Moscow's control over the armed forces of the other member governments. It would also give Russia a means to conduct collective military interventions in Eurasia, a capacity the SCO has not developed.

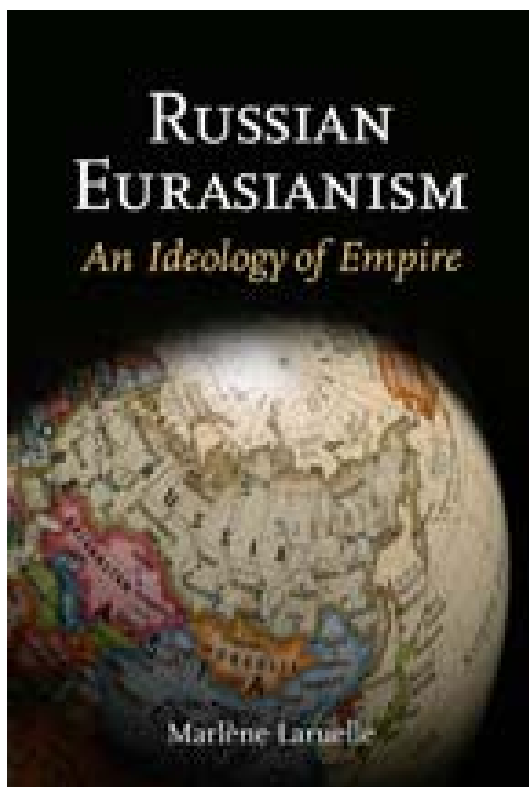
CONCLUSIONS: The recent events in Kyrgyzstan can be seen as another Russian effort to increase Moscow's influence in

Afghanistan. Russian and Kyrgyz officials deny the timing of President Kurmanbek Bakiyev's February 3 declaration that he would close the U.S. Air base at Manas was related to his meeting with Russian President Dmitri Medvedev a few hours beforehand. At the session, Medvedev confirmed the Kremlin's intent to write off US\$ 180 million in debt, lend Kyrgyzstan US\$ 2 billion, give US\$ 150 million in direct aid, and subsidize the construction of a multi-billion dollar hydropower plant in the impoverished Central Asian nation.

Yet, Moscow would gain considerable leverage in its relations with Washington if the United States could only bring supplies into Central Asia via Russian territory. At the same time that the Kyrgyz government was announcing its plan to close the American base at Manas, Russian Foreign Minister Sergey Lavrov

confirmed that the Russian government would permit the shipment of U.S. non-lethal equipment across Russian territory to Afghanistan through Central Asia. Denied use of the Manas Air Base, the United States and other NATO countries would depend on Russian government goodwill to continue supporting their Afghan contingents. Moscow could readily suspend access should NATO prove too recalcitrant regarding a CSTO presence in Afghanistan, Russian military bases in Georgia, or other disputed issues.

AUTHOR'S BIO: Richard Weitz is Director for Project Management and a Senior Fellow at the Hudson institute.



In recent years, leading Russian figures have begun to stress a geopolitics that puts Russia at the center of a number of axes: European-Asian, Christian-Muslim-Buddhist, Mediterranean-Indian, Slavic-Turkic. This volume by Marlène Laruelle examines the political presuppositions and expanding intellectual impact of Eurasianism. Using a wide range of sources, Marlène Laruelle discusses the impact of the ideology of Eurasianism on geopolitics, interior policy, foreign policy, and culturalist philosophy.

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ANZOR ASTEMIROV: FROM MILITARY DILLETANTE TO LEADING POLITICAL STRATEGIST

Kevin Daniel Leahy

The past two years have witnessed the emergence of Anzor Astemirov as one of the main ideologists of the rebel movement in the North Caucasus. He has grandly claimed responsibility for splitting the movement in late 2007 by conspiring with rebel leader Doku Umarov to establish the so-called Caucasus Emirate. This political achievement, in tandem with other political-military strategies he has helped develop over the past several years, marks him out as an actor of some significance within the often-opaque political structures of the Caucasus Emirate.

BACKGROUND: To casual observers of the situation in the North Caucasus, Anzor Astemirov is probably best remembered for leading an abortive rebel attack on the city of Nalchik, the capital of the republic of Kabardino-Balkaria, in October 2005. Doomed to failure before it ever began (local authorities were seemingly forewarned by informants) this

Astemirov should not shoulder the blame for this catastrophe alone. The raid on Nalchik was in fact planned, if not carried through, by late Chechen guerrilla leader Shamil Basayev. Watching proceedings unfold from a safe vantage point overlooking the city, Basayev declined to commit any of his own handpicked commandos to the fray and had reportedly left



operation quickly degenerated into a fiasco with local pro-government forces effectively routing Astemirov's inexperienced young charges.

the vicinity long before the final shot was fired in Nalchik. Astemirov's self-appraisal of his first command of a large-scale military operation hinted at his true value to the North Caucasus insurgency – his political talent. Deftly spinning the Nalchik raid as 'the first step on the path of the jihad', Astemirov preferred to skirt the awkward fact that dozens of inexperienced young fighters were sent to their deaths under his command. 'Our dead are in paradise, whereas their dead are in hell', he remarked tartly, 'not everything turned out as we would have liked.'

To all appearances, Astemirov escaped censure by his rebel colleagues for his involvement in this debacle. Indeed, he has since been appointed chairman of the rebels' Sharia court – in effect, the third most influential post in the rebels' political-military apparatus. The fact that his political standing has recovered, indeed drastically improved, in the three years since the Nalchik catastrophe indicates three things: firstly, that Astemirov is possessed of considerable political skill; secondly, that he enjoys strong popularity among the rebel rank and file; and thirdly, that he is well-connected with the various power-brokers among the Emirate's leadership. Early last year Astemirov provided a public demonstration of his political acumen by furnishing a leading rebel website with a detailed account of his role in the negotiations that led to the creation of the Caucasus Emirate. Palpably self-serving, but historically useful nevertheless, Astemirov's account details discussions he had with Basayev in 2005 about the possibility of his 'Yarmuk' Jamaat joining the rebels' greater Caucasus Front. This account has Astemirov virtually dictating the terms of Yarmuk's future cooperation to Basayev – an improbably haughty tone for a military and political dilettante to adopt when facing a legendary field-commander such as Basayev.

Indeed, this account has all the appearances of a classic piece of political chicanery: it elevates Astemirov, in terms of political status, to an equal standing with the talismanic Basayev, now conveniently dead and unable to confirm or dispute this sequence of events. Furthermore, in light of the October 2007 declaration of the Caucasus Emirate, Astemirov emerges from this account as the man who was right all along, agitating for the immediate proclamation of a Sharia-based state, while equivocators like

Basayev urged a 'softly-softly' approach lest the rebels should alarm the West and confuse their own rank and file.

IMPLICATIONS: Astemirov's political position has been further strengthened by a definite, though hardly dramatic, increase in rebel activity in his native Kabardino-Balkaria in 2008. Last January, Astemirov and his organization successfully carried out the assassination of Anatoly Kyarov, head of Kabardino-Balkaria's anti-organized crime directorate (UBOP). Taking full advantage of the public relations opportunity afforded by this assassination of a high-ranking police official, Astemirov claimed that Kyarov had been a major drugs dealer, also accusing him of involvement in child slavery and prostitution rings. This denouncement is consistent with a broader rebel strategy designed to marry specific military objectives – the assassination of Kyarov, for instance – with broader, popular social mandates such as opposition to social vices like drug taking and drug dealing, alcohol abuse and gambling. These social nuisances are conveniently proscribed by the code of Islamic laws – the Sharia – that defines Astemirov's political outlook.

Astemirov has long been an ideological proponent of this cunning strategy, which has been pioneered to considerable effect in Ingushetia and North Ossetia, where alleged drug dealers have been harassed and murdered while rebel arsonists have targeted gambling arcades and premises distributing alcohol. Astemirov is also in favor of tactics recently pioneered in Ingushetia whereby the homes of ethnic Russians have been burned down, either on the grounds that the victims had been contravening some aspect of Sharia law or because they had been collaborating with the local authorities. One of Astemirov's chief

lieutenants has elaborated on the rationale for adopting such an irreconcilable attitude toward the Russian population of the region, observing that '[t]he vast majority of Russian colonists are informers, employees and agents of the occupation structures.'

These ruthless methods of continuing the struggle against Russian rule in the North Caucasus have been eagerly enacted by younger rebel leaders like Astemirov in Kabardino-Balkaria and Akhmed Yevloyev, alias 'Magas', in Ingushetia. Unlike his counterpart in Ingushetia, Astemirov cannot lay claim to a catalogue of military successes. His efforts to establish a robust rebel organization in Kabardino-Balkaria have thus far met with only



modest success. In terms of his political profile, Astemirov is entirely different from colleagues like Magas and Doku Umarov in that the political power he currently wields has not, to invoke Mao's famous euphemism, grown out of the barrel of a gun. Instead, his political strength derives almost entirely from his reputation as a learned Islamic scholar (educated in the Middle East, Astemirov is fluent in Arabic). His successful campaign to make the imposition of Sharia law the central plank of the rebel's political platform has won him strong support among the younger generation of rebel fighters and activists; and his clever manipulation of subsequent public

relations opportunities (his internet article 'How we prepared the declaration of the Caucasus Emirate', the Kyarov assassination) have further garnished his reputation in this increasingly important constituency.

CONCLUSIONS: For most advocates of the Emirate project, the definitive split in the rebel ranks occasioned by the October 2007 proclamation of the Caucasus Emirate was a welcome development. For Anzor Astemirov and likeminded colleagues, cutting themselves off once and for all from the group gathered around Akhmed Zakayev, a London-based Chechen nationalist, was a necessary purification of the rebel agenda which has now – at least on the face of things – been brought

closer into accordance with the so-called ideology of global jihad. But Astemirov has also somewhat instrumentalized the Emirate project in the interests of securing his own narrow political objectives. As we have seen, his internet article 'How we prepared the declaration of the Caucasus Emirate' was, in several respects, self-serving and therefore highly political. Realizing that his relative lack of military experience and achievements places him at a certain disadvantage vis-à-vis other rebel luminaries, Astemirov has been forced to compensate by bringing his full array of political skills to bear whenever opportunity presents itself. The adeptness with which he has done so should mark him out as a figure of considerable import to those interested in the internal political workings of the Caucasus Emirate.

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FIELD REPORTS

COULD UZBEKISTAN HOST THE NEXT U.S. AIRBASE IN CENTRAL ASIA?

Erkin Akhmadov

On February 6, 2009, President of Kyrgyzstan Kurmanbek Bakiyev officially announced his intention to suspend the agreement on U.S. utilization of the Manas airbase. Some time passed before the Kyrgyz Parliament adopted a final decision on the issue on February 9. While there is much a speculation on the reason for the Kyrgyz authorities' actions, the biggest issue of concern seems to be the question "what next?". In light of President Obama's increased emphasis on the military operation in Afghanistan, the presence of the U.S. military in the region would seem vital. However, these plans seem to contradict the will of the largest regional power in Central Asia – Russia. Thus, several versions of possible unfolding scenarios circulate in local media.

U.S. presence in the region was established in 2001 after September 11, 2001, and the start of the "War on Terror". Central Asian states became geostrategically important for the success of military operations in Afghanistan. Initially, U.S. military bases were present in Kyrgyzstan and Uzbekistan. In 2005, however, Uzbekistan closed the Khanabad airbase, leaving Kyrgyzstan as the only state in the region with a U.S. airbase. Currently there are over 1,000 military personnel at the base and the number is planned to increase. Thus, Kyrgyzstan's decision to close the Manas airbase on the eve of President Obama's intention to move the main anti-terrorism focus from Iraq to Afghanistan seems even more significant.

Right after the announcement on terminating the agreement on the U.S. airbase, U.S. officials hurried to state that the decision of the Kyrgyz authorities will not significantly affect their plans concerning Afghanistan and that there are many other options available. Some of those perhaps include a proposal by the President of Tajikistan to provide its airspace for transportation of non-military NATO supplies for Afghanistan. Pakistan could be another option; however this route is marked with instability because of frequent terrorist attacks. Uzbekistan is viewed by many as the most suitable alternative, due to its location as well as its highway and railway connections to Afghanistan. However, it seems that Uzbek authorities are in no hurry to announce their readiness to let Americans in.

At the moment, American officials deny that any negotiations on using an airbase in Uzbekistan are being held. A media service representative of the U.S. Embassy in Uzbekistan clarified that American representatives and Uzbek officials negotiate only on purchasing certain goods – construction materials, food and water for U.S. military personnel in Afghanistan. Moreover, they claim that present negotiations with Uzbek authorities have no connection to Kyrgyzstan's decision on the Manas airbase whatsoever. Thus, it seems that both the Uzbek and American counterparts try their best to give the public a clear message: there will be no US military airbase in Uzbekistan.

While the outcome of the situation is to be decided in the nearest future, several possible scenarios are at hand. It is important to keep in mind that after 2005, diplomatic relations between Uzbekistan and the U.S. are uneasy. Moreover, the recent visit of Russian President Dmitri Medvedev to Uzbekistan signaled significant improvements in relations between the two states and an increase of cooperation in the political, economic and military spheres. In other words, Moscow promised Uzbekistan investments for development as well as support in several issues of regional importance. However, Dmitri Medvedev also mentioned that Russia is ready to cooperate with the U.S. on providing security and fighting drug trafficking in Afghanistan, adding that cooperation should be “of equal value and full-scale”. Thus, it is possible that after providing promises to Russia, Uzbekistan is

careful and avoids public discussion on its deals with the U.S. However, developments could take a completely different turn if U.S. promises will override those of Russia.

Last but not least, an event that should be considered in the present situation is the visit of the Commander of Central Command General David Petraeus to six states of Central and South Asia on January 20, 2009. By the end of the tour, General Petraeus announced that the U.S. and Central Asian states have agreed on the creation of alternative “routes for supplying military personnel in Afghanistan” that will decrease the U.S.’ and NATO’s dependence on Pakistan. No official agreements have yet been signed, and the signing of these agreements would perhaps clarify the position of all states in the present situation.

BERDIMUHAMMEDOV MAKES HISTORICAL CABINET RESHUFFLE

Chemen Durdiyeva

On January 15 and 21, 2009, Gurbanguly Berdimuhammedov held an extensive session in the cabinet and later in the National Security Council in the Military Academy of Turkmenistan, initiating the largest dramatic government shake-up since being elected president in February 2007. While government reshuffles may seem a regular occurrence in Turkmenistan, dismissing nearly two dozen officials from the country’s most strategic sectors appear to have caused confusion among the public and increased the control over officials’ leeway.

Conducting purges among senior state officials due to their “grave shortcomings” used to be a common practice of President Niyazov, under whom encouraging frequent promotion in government services but subsequently subjecting his closest aides to criminal charges created a shortage of professional cadres in government. After assuming

office, however, Berdimuhammedov promised more “leeway” to statesmen, aiming to dismantle the old paranoid system. However, the latest unexpected shake-up raised many questions about whether old practices are being reintroduced.

Among the dismissed are three ministers, the governor of Lebap province, and the chiefs of seven major state agencies and ten governors of different major sub-provinces nationwide. Several cabinet members including Tachberdi Tagiev, Deputy Prime Minister for oil and gas issues, the governors of four provinces and other officials were issued “a strict reprimand” for their “shortcomings at work” and failure to supervise their subordinate agencies and sectors. Turkmenistan’s energy sector among others received a major blow from the shake-up. Particularly, several key officials such as Minister of Energy and Industry Gurbannur Annaveliev, the chief of the state oil and gas concern *Turkmennebit*

Garyagdy Tashliev and Sapargeldi Jumaev, head of the state exploration company TurkmenGeology were fiercely criticized and publicly asked to leave the meeting room. Hoshgeldi Babaev, Deputy Foreign Minister in charge of Caspian Sea issues was also dismissed due to what Berdimuhammedov termed “making no progress in his field so far.”

Several of the purged figures such as the chief of Lebap province and the chairman of the state cotton corporation Turkmenpagta were fired due to what has been referred to as “selfish interests” and poor performances in the cotton industry, the second largest sector of Turkmenistan’s economy after oil and gas. Speaking of grand agricultural reforms to be announced at next month’s annual session of the Council of Elders, Berdimuhammedov said he would tighten his control over the agricultural sector and make agricultural reforms one of the cornerstones of his priority policies.

In a follow-up to the reshufflings, President Berdimuhammedov held an expanded session of the National Security Council where he accepted a new Military Doctrine of Turkmenistan, which called for a need to reform the military and law enforcement agencies to meet the growing transnational threats. During the session, the Prosecutor General Chary Hojamyradov reported the results of investigations, which laid out massive “violations” in the military as well. This provided for the dismissals of Agageldi Mammetgeldiev, the

longest serving Defense Minister since Niyazov’s time, and the Chief of the State Border Service Bayram Alovov. Defense Minister Mammetgeldiev reportedly resigned voluntarily by going on a pension on the basis of health reasons and therefore did not face discharge.

Berdimuhammedov’s sudden purge of the members of his entourage gave rise to different speculations among political analysts. Émigré opposition sources claim that reshufflings of senior government figures such as the Defense Minister is another indication of Berdimuhammedov’s willingness to remove the officials that had a strong loyalty to President Niyazov. The supporters of this view also associate the president’s move with the latest measures of dismantling the personality cult and the entire heritage related to the former President. Some analysts argue that Berdimuhammedov has reached the time to assert his own power after two years in office in order to be able to make decisions independent of those senior officials who have actually been supporting him so far. Local observers claim that sacking such a big number of officials is closely tied to the President’s desire to form a strong team for strengthening the energy sector at a time of financial crisis and also provide better conditions for meeting transnational security challenges. However, whether the cabinet reshuffle will bring an end to old practices or signals a continuation of these remains to be seen.

GENERAL PETRAEUS IN SEARCH OF ALTERNATIVE SUPPLY ROUTES FOR AFGHANISTAN

Roman Muzalevsky

The recent tour of the US commander for the Middle East and Central Asia, General Petraeus, to the Central Asian states highlights the US efforts to develop a working strategy in Afghanistan, where costs for the US failure could be very high for Barack Obama. The timing coincides with instability in Pakistan, the country on which

NATO relies for supply routes, Russian President Medvedev’s visit to Uzbekistan shortly after, and Russia’s recent massive economic assistance to Kyrgyzstan reportedly in exchange for its decision to shut down the US air base at Manas.

As a result of the unstable situation in Pakistan’s North-West Frontier Province, the US has been

reassessing its existing supply routes for the NATO mission in Afghanistan. Recent Taliban attacks on NATO convoys have threatened the security of the supply route over the Khyber Pass, compelling Washington to search for additional routes in the former Soviet Union. "There have been agreements reached and there are transit lines now and transit agreements for commercial goods and services in particular, that include several of the countries in Central Asia and Russia," - Petraeus said. The US plans to double the number of troops on the ground to about 60 000 to address a growing insurgency, provide security for the upcoming Presidential elections and complete a nation-building effort in Afghanistan. The US strategy could extend to Iran as well, through Europeans rather than Russians: "NATO is looking at flexible, alternate routing. I think that is healthy," John Craddock, NATO's top commander, mentioned when talking about the ability of the NATO allies to freely negotiate with Iran on alternative routes. This could provide the US with geopolitical advantages in its relations with Iran while reducing Russia's bargaining power in Central Asia on existing and future related deals. But the Kyrgyz Government's decision points to the opposite.

On February 3 in Moscow, the Kyrgyz President Bakiev announced the government's intention to shut down the US base in the country, introducing relevant legislation to Parliament. The decision came after Bakiev secured US\$ 150 million in aid, US\$ 180 million in debt forgiveness, and US\$ 2 billion in loans from Russia for financially wrecked Kyrgyzstan. "Eight years have passed...We have repeatedly raised with the United States the matter of economic compensation for the existence of the base in Kyrgyzstan, but we have not been understood," - said Bakiev. Mars Sariev, a political analyst, believes the removal is unlikely: "We should understand that the US base eviction entails a withdrawal of huge Western investments, not only from the US, but also from the whole Western world." Any US plans to provide a bigger compensation to Kyrgyzstan for the base will probably be futile given Russia's massive economic

assistance to Kyrgyzstan and willingness to provide its own territory for the supply routes.

This worst case scenario for Washington probably triggered Petraeus' earlier visit to other regional states for alternatives. At a meeting with Kazakh President Nazarbaev, Petraeus credited Kazakhstan for its efforts in Iraq: "Kazakh soldiers have destroyed more than 5 million explosives, provided medical assistance to hundreds of Iraqi citizens, and trained hundreds of Iraqi soldiers to deactivate explosives." Both sides also discussed Kazakhstan's role in Afghanistan's economic development. Petraeus thanked Nazarbaev for allowing NATO to use the country's air space and the reached agreements on transit of non-military supplies.

President Rahmon of Tajikistan, which is severely hit by the financial crisis and energy deficits, also agreed to the General's plan. A senior economist with the Ministry of Economic Development and Trade Hodjimuhhammad Umarov considers that "cooperation with the US, apart from creating highly necessary jobs, will help strengthen Tajikistan's entrepreneurial base." Rashid Abdullo, a political analyst, believes that "considering the recent revitalization of extremist organizations, especially the Taliban, a permanent US presence can serve as a guarantor of peace for Tajikistan." The Turkmen reaction, however, is obscure. The country dismissed claims appearing in Russian press that it would provide its territory to NATO training camps and rear bases.

While the Kyrgyz President appeared in Moscow on Medvedev's invitation, Tajik President Rahmon did not. Furthermore, Tajikistan's participation at the upcoming summits of the CSTO and EEC is a big question mark. "Vremya Novostey" believes Rahmon's decision was taken after the meeting between the presidents of Russia and Uzbekistan on January 22, where Medvedev threatened to disengage from regional energy schemes if no agreement by all sides was secured. Tajikistan and Uzbekistan have repeatedly fought over the issue of water distribution, with Uzbekistan allegedly obstructing Tajikistan's unilateral energy projects with Russia.

Earlier Russia's Chief of General Staff General Nicolay Makarov stated: "...The US created bases in Romania, Bulgaria, and, according to our data, plan to create military bases in Kazakhstan and Uzbekistan." Petraeus, however, denied such plans in Kazakhstan. Although Uzbekistan has a history of tense relations with Russia, Russia still exercises leverage over Uzbekistan through regional energy projects, especially given Tashkent's equally visible history of stern relations with Washington.

Medvedev's efforts in Central Asia implicitly seek to obstruct, though not prevent, US plans for

alternative supply routes in Central Asia. For now, its depleting cash reserves might help it remove the US base from Kyrgyzstan, offering its own territory for NATO supply routes to Afghanistan. Russia most likely seeks to strike a better bargain with the US on other security issues in Europe, especially given its limited ability to pressure all cash-stripped regional states longing for Western investments in what is more likely to be supply routes for non-military goods rather than additional US military bases in its underbelly.

TAJIKS FACE RISING ENERGY PRICES AND FALLING REMITTANCES

Alexander Sodiqov

In early January 2009, the Tajik government announced that consumers in this impoverished Central Asian country will have to pay almost 60 percent more for gas and 25 percent more for electricity supply. A sharp rise in natural gas prices has been caused by Uzbekistan's decision to raise the price it charges Tajikistan for gas from last year's US\$ 145 per 1000 cubic meters to US\$ 240 in 2009. Although the Tajik energy officials protested Tashkent's decision suggesting that the new price was "unaffordable", the Uzbek gas company said even the increased cost was far below the real market price. Russia's Gazprom will be paying US\$ 301 per 1000 cubic meters of Uzbek gas in the first quarter of 2009.

Consuming about 800 million cubic meters of gas per year, Tajikistan remains almost entirely dependent on gas supply from Uzbekistan. Dushanbe has lately been trying to reduce this dependency by developing its own gas fields. In June 2008, the Tajik government signed a deal with Russian energy giant Gazprom to jointly develop four promising gas fields. These, according to Gazprom, may in two to three years bring Tajikistan's annual gas production to 2 billion cubic

meters, making Uzbek gas imports unnecessary and turning Tajikistan into a net gas exporter. Besides Gazprom, Dushanbe has also signed a contract with Canada's Tethys Petroleum to extract gas and oil. In January the company began to supply natural gas to the town of Kulob, the major support base of President Emomali Rahmon, at about one-third of the price charged by Tashkent. The capital city Dushanbe will soon also be partially supplied with natural gas by Tethys Petroleum at a similar price.

While Dushanbe blames Tashkent for the rise in gas prices, the rise in electricity tariffs for consumers from US\$ 0.014 per kilowatt/hour (kWh) to US\$ 0.0175 per kWh has been a purely domestic decision. The state power monopoly Barqi Tojik said it increased the prices to keep the ailing power sector afloat and make new Tajik power generating projects more attractive to foreign investors. The company plans to introduce an additional 15 percent increase in tariffs in May 2009, according to the Avesta news agency. The authorities in Dushanbe have steadily raised electricity tariffs over the last several years reportedly at the recommendation of the International Monetary Fund and World Bank.

Meanwhile, Barqi Tojik did not increase electricity prices for industrial enterprises, including Talco, the giant state-controlled aluminum smelter. The smelter, which remains the biggest domestic contributor to the state budget, consumes almost half of the country's electricity output, according to the Asia Plus news agency.

Independent experts warn that the rapid rises in energy prices put too strong a pressure on the country where more than 50 percent of the population lives below the poverty line. Even before the recent tariff surges, many Tajik households particularly in rural areas were frequently unable to pay their gas and electricity bills. The new prices come at a time when Tajiks begin to experience the impact of the global economic crisis. Remittances regularly sent home from roughly one million Tajik labor migrants began to decline rapidly as the economic slowdown led to massive cuts in Russia's construction industry, which employs the largest share of Tajik workers. Migrants' cash transfers that helped keep millions of Tajiks out of extreme poverty decreased by 50 to 60 percent between September and November 2008, according to the Ministry of Economy. A recent World Bank report estimates that remittances, which in 2008 accounted for almost 46 percent of Tajikistan's gross domestic product, will steadily shrink in 2009. Job cuts in Russia have already caused thousands of Tajiks to return home where they have little hope of finding another source of income.

Observers suggest that the authorities in Dushanbe have done little to help people cope with the consequences of soaring energy prices and diminishing cash flows. On the one hand, the declining aluminum prices, spring draughts and a failed cotton harvest have left the state finances in

shambles. With a foreign debt of US\$ 1.3 billion, or roughly 29 percent of the country's GDP, Tajikistan will most probably soon have to borrow more heavily to avoid a financial collapse. In this situation, Dushanbe is unable to commit significant resources to efforts aimed at alleviating the mounting social pressures.

On the other hand, despite warnings from local and international experts Tajik authorities have done little to avert the current crisis or lessen its impact on the population. International humanitarian organizations now estimate that 800 000 people require emergency food assistance and up to 30 percent of the country's population is at risk of going hungry in the coming months. To a large extent food shortages have been caused by the government's stubborn unwillingness to allow farmers growing grain instead of cotton.

It appears that the authorities in Dushanbe have left ordinary Tajiks to mend for themselves amidst the increasing social and economic pressures. In his New Year's address to the nation, President Emomali Rahmon suggested that the current problems were "temporary" and urged people to believe in a better future.

NEWS DIGEST

AZERBAIJAN, ARMENIA RECOGNIZE PROGRESS AT TALKS ON KARABAKH

29 January

Baku and Yerevan have recognized progress at the recent talks on the Nagorno-Karabakh settlement held by the presidents and foreign ministers of Azerbaijan and Armenia in Switzerland. "New as well as older principles were discussed," Azeri Foreign Minister Elmar Mamedyarov told journalists. There are certain unsettled issues in the basic principles that were discussed at presidential level, he said. "Each of the presidents expressed his opinion in an atmosphere of mutual understanding. Naturally, this is a complex process but we should be moving forward. There is no alternative to it," Mamedyarov said. "Both presidents recognized certain dynamics in tackling the Karabakh conflict meaning that the sides are beginning to understand each other better from meeting to meeting and trying to resolve the existing problems," Armenian Foreign Minister Edvard Nalbandian said. "I want to say that currently the settlement principles are being developed. After the key principles are agreed the sides will start work on basic documents," Nalbandian said. U.S. cochairman of the OSCE Minsk Group Matthew Bryza spoke of the productiveness of the presidential meeting. There is development, dynamics has increased, and this is a positive element, he said. (Interfax)

AZERI OFFICIALS TALK GAS AT DAVOS

30 January

Azeri officials met with top energy executives on the sidelines of the World Economic Forum in Switzerland to discuss production at the Shah Deniz gas field. Azerbaijan's President Ilham Aliyev met with Helge Lund, chief executive officer with Norwegian StatoilHydro oil and gas firm, to discuss the State Oil Co. of Azerbaijan Republic accelerating development of Phase 2 of the offshore Shah Deniz, the Azeri Press Agency reported Friday. SOCAR and StatoilHydro are the major developers of the offshore gas field in the Caspian

Sea. Aliyev boasted about his country's huge energy potential and said he hoped to secure further cooperative agreements with the Norwegian and other firms whose representatives attended the economic summit in Davos. The Azeri president also met with Turkish officials to discuss bilateral economic ties. Turkey would host the planned Nabucco gas pipeline to Europe, which is expected to include Azerbaijan as a major supplier. Aliyev met with Polish Prime Minister Donald Tusk Wednesday to discuss a framework for energy cooperation on Nabucco as well. The \$10.7 billion, 2,051-mile Nabucco pipeline would link Middle Eastern and Caspian suppliers to bring natural gas to Europe. (UPI)

SUICIDE BOMBER KILLS 21 POLICE OFFICERS IN SOUTHERN AFGHANISTAN

2 February

A Taliban suicide bomber has killed at least 21 police officers in southern Afghanistan, the provincial police chief said, one of the deadliest attacks on the force in recent months. The bomber made his way into a police compound in Tirin Kot, the capital of Uruzgan Province, and blew up explosives attached to his body, Uruzgan police chief Juma Gul Hemat told Reuters. "Nineteen police have been killed and seven more wounded," he said. He had no other details. Taliban insurgents claimed responsibility for the attack.

Separately, the Defence Ministry said Afghan troops arrested three would be suicide bombers in another part of Uruzgan, which like most of the volatile south is an area of high Taliban activity. The United States is considering requests from commanders for up to around 25,000 more U.S. troops to be sent to Afghanistan, most of them to the south where mainly British, Canadian, and Dutch troops are struggling to contain the Taliban insurgency. Dutch and Australian troops are stationed in Uruzgan. (UPI)

TOURISM IN GEORGIA FALLS 80% AFTER THE WAR – MINISTER

3 February

Georgia needs “to re-brand” itself and recreate its image of safe country in order to offset falling tourism after the August war, Lasha Zhvania, the acting economy minister, told lawmakers from the parliamentary committee on foreign affairs and European integration on February 3. “Our tourism fell by 80% after the Russia’s aggression, which is a serious blow to this industry, including to hotels and service sector,” Zhvania said. “This is very important sector, capable to quickly create new jobs. So Georgia now needs re-branding, meaning to remind potential tourists that Georgia is a safe country,” he added. According to the Georgian National Investment Agency international arrivals reached “an all-time record” of 1.051 million in 2007 and the total number of international visitors, crossing national borders of Georgia, has been increased by 7% compared to 2006. (Civil Georgia)

TBILISI SAYS WILL NOT SIGN NON-USE OF FORCE TREATIES WITH SOKHUMI, TSKHINVALI

3 February

Georgia has no plans to sign separate agreements on non-use of force with the authorities of breakaway regions, as such move will legitimize “puppet regimes,” Georgian Foreign Minister, Grigol Vashadze, said on February 3. He also stressed that Georgia had already committed itself not to use force under the August 12 ceasefire agreement and it remained committed to this agreement. The remarks were made in response to the Russian Foreign Ministry’s February 2 statement in which it called on Tbilisi to sign binding treaties with Sokhumi and Tskhinvali on non-use of force. Russian Deputy Foreign Minister Alexander Grushko raised the issue at a meeting with the ambassadors from the EU Troika in Moscow on February 2, the Russian Foreign Ministry said. According to the Russian MFA, the ambassadors raised the issue of Russia’s plans to station military bases in the two breakaway regions. The Russian Foreign Ministry said that Moscow’s plans were not in contravention of the Medvedev-Sarkozy agreements from August 12 and September 8. The Russian Deputy Foreign Minister has also expresses concern over, what he called, mobilization of Georgian troops in the vicinity of South Ossetia. The Georgian Foreign Minister said on February 3, that Georgia had unilaterally restricted deployment

and movement of its armed forces in the areas adjacent to Abkhazia and South Ossetia under the memorandum of understanding signed between the Georgian Defense Ministry and the EU Monitoring Mission in Georgia (EUMM). “Instead of voicing absurd requirements, the Russian Federation would better de-occupy our territories, withdraw its occupying forces and stop construction of military bases [in the breakaway regions],” Grigol Vashadze said. (Civil Georgia)

KAZAKHSTAN DEVALUES TENGE 18%

4 February

Kazakhstan’s central bank devalued the tenge by 18 percent, joining Russia, Ukraine and Belarus in abandoning attempts to prop up exchange rates as currency reserves dwindle and the economy staggers. Central Asia’s largest energy producer will keep its currency at about 150 tenge to the dollar, the Almaty-based National Bank of the Republic of Kazakhstan said in a statement. The central bank is letting the tenge weaken for the first time since it started managing the currency in 2007, after draining \$3.5 billion, or 16 percent, of its foreign-exchange reserves. Two decades after the Soviet Union’s collapse, Kazakhstan’s economic growth is slowing to 1 percent from 10 percent and the nation’s four biggest banks have been seized by the government as part of an emergency program costing the equivalent to 20 percent of gross domestic product. Nursultan Nazarbayev, who has been president since communism ended, is looking to Moscow to take over its biggest bank, just as Russia struggles to arrest a 35 percent devaluation and Ukraine battles a 47 percent drop. “The situation is so similar to Russia, being highly dependent on oil prices and the banking sector being weak due to large foreign debt and the collapse of the housing market,” said Gaelle Blanchard, an emerging-market analyst at Societe Generale SA in London, who expects the tenge to fall to 170 per dollar. The devaluation will make it harder for banks to repay their \$40 billion of foreign debt, of which \$19 billion is due this year, said Nordea Bank AB, the Nordic region’s biggest bank. Stocks rallied 14 percent, the most in three months, led by commodity exporters. (Bloomberg)

GEORGIAN OSCE ENVOY QUILTS, COULD JOIN OPPOSITION

4 February

Georgia’s ambassador to the Organization for Security and Cooperation in Europe has resigned in

what Georgian media said was likely to be a defection to opposition ranks. Viktor Dolidze's resignation came amid a push by the Greek OSCE chair to salvage its monitoring mission in Georgia from a dispute between Moscow and the West over its mandate in the wake of Georgia's five-day war with Russia last year. But Georgian media reports suggested the decision was linked to internal politics and an opposition push to unseat President Mikheil Saakashvili. Dolidze told Georgian television he had quit the Vienna-based European rights and security body and would explain why on his return to Tbilisi next week. He is seen as close to Irakly Alasania, Georgia's popular former ambassador to the United Nations, who quit after the war and called on Saakashvili to stand down. Georgian media reports say Dolidze is likely to join forces with Alasania, who has pledged to enter the opposition and is seen as a potential challenger to Saakashvili. Deputy Foreign Minister Giga Bokeria told Reuters: "I can confirm that our ambassador to the OSCE has resigned. I do not wish to elaborate on the reasons for his resignation." The president's opponents accuse him of walking into a war Georgia could not possibly win, when he launched an assault on breakaway South Ossetia after months of skirmishes and Russia responded with a devastating counterstrike. (Reuters)

SOKHUMI SAYS IT WANTS SEPARATE UN MISSION

5 February

UN should have a separate mission in Abkhazia if its observers want to stay in the region, Sergey Shamba, the foreign minister of breakaway Abkhazia, said. He said on February 4 that although Sokhumi was interested in the mission's continued presence, the mission should be renamed and called "UN observer mission in Abkhazia," instead of "in Georgia." In October, the UN Security Council agreed on technical four-month extension of UN mission's mandate, till February 15. The text of resolution does not even mention the mission's official name – UN Observer Mission in Georgia (UNOMIG); instead it was referred as "UN mission." "If our proposals are accepted, the activities of the UN Mission in Abkhazia will continue. If they try to impose on us some projects, which are against our interests, we will simply not accept them, and accordingly, there will be no mission here and no prolongation of their mandate," Apsnipress news agency reported quoting Sergey Shamba. Officials in Tbilisi say that Russia may

also veto extension of UN observers' presence in Georgia at the Security Council after it had already blocked extension of OSCE mission's mandate. Like in case of OSCE mission, which among other things was dealing with the South Ossetian conflict, Russia is also pushing for having a separate, independent UN mission in Abkhazia, which will not be linked with the mission's headquarters in Tbilisi. Speaking after meeting in Sokhumi with special envoys from UN, EU and OSCE – who are co-mediators at the Geneva talks, Shamba also said that Sokhumi was strongly against of letting EU monitors inside the breakaway region, citing that their mandate was covering Georgia and not Abkhazia. "There were times, when we trusted the European Union more than UN, but now the EU's position is absolutely unacceptable for us. The statements by EU representatives that Abkhazia will never be recognized and that Russia should revoke its recognition decision do not trigger any hope for cooperation. This will not lead to anything constructive," Shamba said. He, however, also said, that Sokhumi would not be against if the EU observers participated in the quadripartite meetings in the village of Chuburkhinji of the Gali district, if such meetings were resumed. No such meetings have been held since November 2006. (Civil Georgia)

TAJIKISTAN TO TRANSIT NATO SUPPLIES TO AFGHANISTAN

6 February

U.S. Ambassador to Tajikistan Tracey Ann Jacobson has said after a meeting with President Emomali Rahmon that the Tajik leader "confirmed his readiness to offer the country's airspace for nonmilitary NATO supplies bound for Afghanistan." The announcement comes after Kyrgyz officials announced they would order the closure of a U.S. air base at Manas that sends supplies and personnel to Afghanistan. Jacobson also said that a bridge on the Panj River on the border between Tajikistan and Afghanistan would soon function 24 hours a day. The bridge -- in the Panj district of Khatlon Province -- was funded by the United States at a cost of some \$30 million. Jacobson said the Tajik government proposed building another bridge in the Farkhor district of Khatlon Province that also borders Afghanistan. She added that the Tajik and U.S. militaries will have two six-week joint training sessions this year for special forces in the Regar district bordering Uzbekistan. (RFE/RL)

TURKMENISTAN, EUROPE PLAN NABUCCO TALKS

6 February

The Nabucco gas pipeline to Europe is at the top of the agenda for a Feb. 13 meeting in Turkmenistan by the president of the European Council. Turkmen President Gurbanguly Berdimuhamedov was invited to attend the meeting in Ashgabat next Friday. Mirek Topolánek, the Czech premier and head of the European Council, said he would discuss Turkmenistan's cooperation in the \$10.7 billion project, RIA Novosti reported Friday. The planned 2,051-mile artery would carry natural gas from potential suppliers in Central Asia and the Middle East to travel through Azerbaijan, Georgia, Turkey, Bulgaria, Romania, Hungary and Austria, bypassing Russia and Ukraine. Construction has been tentatively scheduled to begin in 2010.

Interested parties to the project, which is viewed as a partial solution to Europe's energy diversity woes, expressed their commitment for the project during a Jan. 28 meeting in Budapest, Hungary.

A declaration signed in Budapest offered support for the conference in Turkmenistan, a potential supplier, and a later summit in Bulgaria, a potential host. The Czech presidency of the European Union agreed to organize a May 7 conference and put an intergovernmental agreement on the agenda for a later conference in Turkey, which would host a major leg of Nabucco. (UPI)

INGUSH SECURITY AGENCIES LOOKING FOR THREE MEN PLANNING TERROR ATTACK

6 February

Ingush security agencies are looking for three suicide bombers who have arrived in the republic to commit a major terrorist attack, Ingush President Yunus-Bek Yevkurov said at a conference with local law enforcement and security agencies in Magas on Friday, which was shown on local television. "We have information that two young men and a woman have arrived in Ingushetia and that they are suicide bombers planning a terrorist attack," Yevkurov said. Photos of these people will be shown on local television and will be posted at schools, in mosques, and at markets, he said.

"Terrorists have no ethnic background, and therefore I am not saying who they are. Those who guide them are also people without kith or kin, who are hiding behind some radio nicknames," he said.

"But there is one more thing: These people have found shelter in our homes. They are living

somewhere with our relatives, who don't understand that, by giving refuge to such people, they may be harmed themselves and harm others," he said. (Interfax)

IRAN IS BUILDING FOUR MORE SATELLITES, REPORT SAYS

8 February

Iran is building four more satellites, the telecommunications minister was quoted as saying, after the Islamic republic put its first domestically produced satellite into orbit last week. Iran launched a research and telecom satellite, called Omid, on February 3, a step that worried Western powers who fear Tehran is seeking to build a nuclear bomb and missile delivery systems. Iran insists its nuclear work is to generate electricity and said the satellite launch was for peaceful purposes. The long-range ballistic technology used to put satellites into orbit could also be used for launching warheads. "There are now four other satellites being manufactured by Iranian experts," Telecommunications Minister Mohammad Soleimani was quoted by Mehr News Agency as saying, without saying when they might be launched. "Details about these four satellites will be announced subsequent to their final preparation," he said adding that, following the launch of Omid, Iran "will try to raise the weight and altitude of the satellites to be launched." He also said Omid, which means "hope" in Persian, was performing its mission successfully. State media had earlier said Omid would return to Earth with data after orbiting for one to three months. (Reuters)

KAZAKH MINISTER PROMISES "DRASTIC MEASURES" TO BREAKERS OF WATER ACCORDS

9 February

Kazakh Energy and Mineral Resources Minister Sauat Mynbayev has declared water problems with neighbors. "We have a rather serious problem with our southern neighbors. Things are bad as never before in Kyrgyzstan and Tajikistan. We work side by side but may apply certain drastic measures in order to preserve our market. Such measures may have consequences for our neighbors," he said at an intercom government conference in Astana on Monday. Vice-premiers of Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan agreed in Almaty on October 18, 2008, that they would coordinate the use of common water and hydropower resources in winter and spring of 2008/2009. The peculiar pattern of the

water and hydropower network of Central Asia makes regional countries coordinate the amount of taken and released water. For instance, the amount of electricity produced by the Toktagul hydropower plant is significant for the amount of water dumped from the Toktagul dam lake. Kazakhstan President Nursultan Nazarbayev offered his neighbors in 2003 to form a water and hydropower consortium in order to ensure equal distribution and mutually beneficial use of water resources, yet no steps to that effect have been taken. (Interfax)

ELECTRICITY RATIONING TIGHTENED IN TAJIKISTAN

10 February

New power rationing in the Tajik capital has imposed a limit on residents of 11 hours of electricity per day, RFE/RL's Tajik Service reports. Some regions of the country recently had their energy ration eliminated and now have no electricity at all. Uzbekistan stopped transporting Turkmen electricity to Tajikistan in December in a move that the Tajik side claims is a breach of contractual obligations. The Uzbek move prompted Tajik electricity distributor Barqi Tojik-main to ask the government to impose restrictions. Dushanbe residents currently have power from 5:00 a.m. to 9:00 a.m. and again between 4:00 p.m. and 11:00 p.m. Dushanbe city spokesman Shavkat Saidov told RFE/RL that the restrictions apply to all but state-owned buildings. (RFE/RL)

KAZAKHSTAN TO CUT EXECUTIVE PAY AS CRISES BITES

10 February

Kazakhstan's prime minister has said executives at state-run firms and banks should not be paid more than him, capping their salaries to try to prevent social unrest in his Central Asian state. Prime Minister Karim Masimov set his monthly wage as the sector benchmark, hoping to address growing public concerns over rising unemployment and falling incomes in the oil-producing country's worst economic crisis in a decade.

"We know that even in the leading developed countries executive pay has come under intense scrutiny," Masimov told members of his government. "I think we should not ignore this issue. I suggest that...chief executives [at state companies] should not be paid more than the prime minister." Masimov wrote in his blog, primeminister.government.kz, that his monthly pay

was about 700,000 tenge (\$4,700). This is a modest sum compared to what executives earn at some of the former Soviet republic's big oil and mining companies, but it is nearly 12 times the average monthly wage. His decision is likely to be implemented immediately, because state companies follow government orders. It follows moves in other countries to limit bonuses and salaries in sectors where a culture of large bonuses and high pay is held partly responsible for the financial crisis. Kazakhstan has been hard hit by the global financial crisis, which has brought economic expansion to a virtual standstill and left the central bank trying to prop up the tenge.

The government sees growth in 2009 of around 2 percent, but the International Monetary Fund projects only a 1 percent expansion. This compares with 3.1 percent growth in 2008 and nearly 9 percent in 2007.

Although President Nursultan Nazarbaev has been accused in the West of showing little commitment to democracy, he has long been popular in Kazakhstan, Central Asia's biggest economy. But the tough economic times have rekindled memories of the chaotic 1990s when the collapse of the Soviet Union was followed by years of high inflation, unemployment, and crime. Criticism of the president remains taboo in Kazakhstan but many Kazakhs fear salaries will be eroded and some have accused the government of mishandling the crisis, although there have been no signs of public unrest. "Respect, Karim Kazhimkanovich!" one visitor wrote on Masimov's blog page. (Reuters)

KYRGYZ PARLIAMENT POSTPONES DEBATE ON U.S. AIR BASE

11 February

The opposition Social Democratic Party says the parliamentary discussion on the cancellation of Kyrgyzstan's agreement with the United States on use of the air base at Manas Airport will not take place this week. The debate on a draft law canceling the agreement on U.S. use of the Manas air base was postponed because Kyrgyz Foreign Minister Kadyrbek Sarbaev could not attend, the Kyrgyz parliament's press service reported. Meanwhile, Communist Party leader Iskhak Masaliev told RFE/RL's Kyrgyz Service that Kyrgyzstan needs to cancel bilateral agreements with some 11 countries because the Manas air base is shared with other members of the international antiterrorist coalition. So far, only one parliament committee has voted to cancel the bilateral U.S.-Kyrgyz agreement on the

air base, which is just outside of Bishkek and has been used by the U.S.-led coalition for operations in Afghanistan since 2001. (RFE/RL)

IRAN: CHANGE UNDER OBAMA WILL BE "HAPPY NEWS"

11 February

A change in U.S. foreign policy under President Barack Obama would be "happy news," the foreign minister of arch-foe Iran has said. "We look positively on the slogan that Obama raised in the elections. The world has really changed," Foreign Minister Manuchehr Mottaki said through an Arabic interpreter at a news conference during a visit to neighbouring Iraq. "If the American administration wants to keep up with the changes, this will be happy news." Mottaki's remarks were the latest in a series of recent comments from Iranian leaders hinting at prospects of a thaw with a country that has been an arch enemy for nearly 30 years. "We think these changes will provide good opportunities for the American administration in its relations with the countries of the world," Mottaki added. "As diplomats, we are destined to be optimistic, and we wish this would come true." Obama has said he is willing to start talks with Iran, which the United States and its Western allies accuse of supporting terrorism, meddling in Iraq and seeking nuclear weapons, all charges Tehran denies. On February 10, President Mahmud Ahmadinejad said Iran was ready to hold talks "in a fair atmosphere with mutual respect." (Reuters)

RUSSIA SAYS MAY OFFER AIRCRAFT FOR AFGHAN TRANSIT

11 February

Russia could offer its military aircraft to help supply NATO-led soldiers fighting Taliban insurgents in Afghanistan, Foreign Minister Sergei Lavrov has said. The Kremlin views Afghanistan as an area

where Russian interests coincide with those of the United States, despite fierce disagreements on other issues.

When asked about ways to improve ties with the United States under new President Barack Obama, Lavrov said Russia was ready for close and wide cooperation on Afghanistan. "Nonmilitary transit has already been granted as part of our agreements with NATO and the United States very recently received our agreement...for delivery of their cargoes for the needs of the international forces," Lavrov said.

"Additional steps are also possible," Lavrov said at a news briefing with European Union foreign policy chiefs in Moscow. "I would remind you that in April and May of last year we discussed with our NATO colleagues an agreement on the use of Russian military transport aviation for the needs of the international forces. There could be other agreements too." "As President [Dmitry] Medvedev confirmed again recently, we are ready for the very closest and very widest cooperation on Afghanistan," Lavrov said. Discussions between Russia and NATO on transit to Afghanistan, and other issues, were suspended by the alliance in response to Moscow's war with Georgia last year. Dialogue has been restarted in the past few weeks. The NATO-led force in Afghanistan is seeking alternative supply routes after convoys of trucks passing through Pakistan were attacked by militants. The United States uses an airbase in ex-Soviet Kyrgyzstan to help supply its operations in nearby Afghanistan, but the Kyrgyz government said last week it was closing the base. Moscow, which has been suspicious of the U.S. military presence near its borders, has denied any link between the closure of the base and Russia's decision to give Kyrgyzstan a \$2 billion loan package. (Reuters)