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THE CENTRAL ASIA-CAUCASUS ANALYST

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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.

<u>Field Reports</u> 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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NORTH CAUCASIAN FIGHTERS JOIN SYRIAN CIVIL WAR

Emil Souleimanov

In mid-July, the Chechen Republic's President Ramzan Kadyrov admitted that Chechens have taken part in the Syria civil war on the side of the Free Syrian Army (FSA), allegations that he categorically denied one year ago. Simultaneously, the formal leader of the Caucasus Emirate Doku Umarov reversed his stance on the participation of Chechens in Syria. Umarov has earlier appealed to Chechen and North Caucasian youth to refrain from joining the Syria jihad and instead fight the "infidels" in their native land, but has now expressed his support for North Caucasian jihadists going to Syria, with the ultimate goal for them to return and join the insurgency upon their return from the Middle East.

BACKGROUND: The statements of both rival leaders suggest that the participation of Chechens, as well as other North Caucasians, in the Syrian civil war has gained momentum in recent months, a fact that many foreign observers have increasingly pointed out. According to some estimates, hundreds of North Caucasians along with natives of Central Asian republics, particularly Tajikistan and Uzbekistan, and to a lesser Volga-Ural region extent the Azerbaijan have been fighting on Syrian battlefields, with Chechens and Dagestanis in the numerical lead.

Recently, Andrei Konin, the head of the FSB's regional branch, admitted that about 200 residents of Dagestan are currently in Syria, most of which are fighting alongside the rebels. The actual number of Chechens is likely even higher. The majority of post-Soviet Muslims recruited to the Syrian jihad come from their respective native However, countries. due to strict surveillance and a threat of collective punishment for insurgents and their family members imposed by the pro-Moscow Chechen authorities as part of the highly controversial counterinsurgency policy within the republic, the majority of Chechen fighters stem either from among the ethnic Chechen community in northern Georgia, Chechen diaspora groups in Europe (particularly Norway, France, Austria, and Poland), or Chechen students of Islamic theology in the Middle Eastern countries.

The increasing numbers of North Caucasian fighters have been paralleled by a growing inflow into Syria of mujahedeen from across the Islamic world, not least from Arab countries and Turkey. This illustrates the increasing appeal of the Syria jihad, whilst multiplying reports of inhuman treatment of innocent people at the hands of the Assad forces and pro-regime militia has caught the imagination of pious Sunni Muslims from Morocco to Indonesia. Accordingly, anger toward the Putin regime's blatant support "Assadites" along with the brutal counterinsurgency practices in the North Caucasus seems to play a leading role among the North Caucasian volunteers



who decide to join the Free Syrian Army (FSA).

Post-Soviet insurgents usually form distinct groups fighting on their own with leaders stemming from their native areas, and the extent of cooperation with the FSA varies significantly from group to group. As a rule, North Caucasian volunteers are inclined to acting on their own, showing relatively little subordination to the FSA's divided leadership, even some of their units have recently started to merge with the FSA's unified battalions. This is the case of the recently formed Jaish al-Muhajireen corps, which is composed of the mostly Arab Hattab and Jaish brigades and the mostly Chechen Muhajireen Brigade.

On average, the North Caucasian fighters are regarded as more professional, experienced and well-equipped than Syrian fighters. They have earned a reputation as fierce warriors and hence enjoy respect among the international network of jihadi fighters, even though their involvement has sometimes sparked controversy among the local population.

IMPLICATIONS: According to some local sources, a quite effective network of Salafi activists has recently been established in Russia with the aim of coordinating the recruitment of North Caucasian, Central Asian, and Tatar fighters to Syrian battlefields. They are increasingly adopting a virtual mode of

operation. In this regard, a Russian media outlet has recently alleged that Salman Bulgar, also known as Ayrat Vahitov, an ethnic Tatar originally from Naberezhnie Chelny in Tatarstan who is himself a Salafi with military experience from the Afghanistan war, is considered one of the "recruitment officers" in charge of headhunting through internet resources, running a Facebook profile and several other virtual resources as a sort of recruitment department. Yet sources believe that some sort recommendation is still needed for the application to be taken seriously by the "recruitment officers." In order to prevent Russian agents from infiltrating the recruitment process as well as fraud, the potential recruits usually need some previous experience with membership in Salafi communities and thus recommendation from the leaders those communities. However, other sources assert that such activities cannot take place without at least surveillance by the Russian secret services.

Indeed, at the time being, the Russian authorities appear to avoid impeding the of process recruitment, although according to some sources, they routinely monitor the activities of the Salafi activists in the Internet and elsewhere. It seems that their major aim is to allow for would-be Jihadists to travel from Russia in relatively large numbers to ensure they do not join the ongoing insurgency in the North Caucasus or the Volga-Ural area, which would aggravate the security of the forthcoming Olympics in Sochi. Albeit enabling the transfer of young Russia-based Jihadists to Syria possibly suits Moscow's interests in the short term, this will potentially create a serious

problem for Russian authorities after the civil war in Syria is over and the jihadists, trained in guerilla warfare, will seek to return to their homeland in Russia's predominantly Muslim areas with the ultimate aim of continuing the jihad. It will hence be crucial for Russian authorities to either prevent their return to Russia or imprison them on arrival. On the other hand, a part of the jihadists are likely to die on Syrian battlefields, which could be another explanation Moscow's relaxed attitude towards the engagement of North Caucasians in the conflict. Russian authorities have seemingly concluded that the outmigration of jihadists from the country will reduce the vitality of the domestic insurgency.

Some sources claim that experienced jihadists are likely to travel also to areas like Afghanistan and Iraq in an effort to carry out Jihad. This could help destabilizing West-supported regimes in both countries and constitute a relative blow to U.S. interests, which might also suit Moscow's agenda of weakening U.S. positions in those key areas. The fact that the Russian secret services routinely record the identities of Russian citizens traveling abroad is crucial for effectively hampering their return to Russia.

CONCLUSIONS: The involvement of North Caucasian fighters in the Syrian war is also sponsored by Persian Gulf countries. Moscow's concerted efforts to disable international support for the Sunni insurgents, its material support for the Assad regime, and the growing number of Iran-backed and Moscowapproved Shia fighters in the war have

infuriated the sheikhs who have become eager to provide solid support for the North Caucasus insurgency, centered on logistical issues. Salafi activists obtain financial resources from Gulf countries, most notably Saudi Arabia and Oatar, that enable the fighters to travel to Turkey and then cross the Turkish-Syrian border to join the ranks the FSA. Money is usually transported from Istanbul to Moscow, Rostov-na-Donu, Kazan and some other Russian cities through a network of agents, some of whom pose as Turkish or Russian businessmen. Given the deterioration of relations between certain Gulf countries and Russia, the forces of the Caucasus Emirate might in the foreseeable future solid financial enjoy support possibly also a safe haven from the sheikhs. Along with the hundreds of experienced fighters that will soon seek to return to the North Caucasus, this might pose a serious threat to Moscow's interests in the region in general, and Russia's internal security in particular.

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RUSSIA PRESSURES ARMENIA TO JOIN CUSTOMS UNION

Stephen Blank

The centerpiece of current Russian foreign policy is integrating as many post-Soviet states as possible in what will ultimately be a Eurasian Economic Union (EEU). The first step of this process is to join a Customs Union and Russia is bringing enormous pressure to bear upon Kyrgyzstan, Tajikistan, Ukraine, and now Armenia to join. It is being made clear to these states that if they join the EEU or what Moscow calls EURASEC, they will not be able to join other trade organizations, e.g. those inherent in the EU's Eastern Partnership. While most publicity has focused on Ukraine, recent Russian policy towards Armenia is no less revealing of Moscow's tactics and goals.

BACKGROUND: Armenia has recently announced that drawing closer to the EU and signing an Association Agreement with Brussels are its main priorities. Once Armenia made that announcement Moscow drew up its heavy artillery. Even though EU Commissioner for Enlargement and the European Neighborhood, Stefan Fule, stated that this Association Agreement would not affect Armenia's deep cooperation with Russia who has a military base and military deployment extensive Armenia and controls its energy policy, Moscow announced its opposition to that "integration" with Europe. Vyacheslav Kovalenko, Russia's former Ambassador to Armenia, warned that Armenia would get few tangible benefits from the agreement with the EU while risking Russia because alienating Association Agreement would preclude Armenia's entry into the Eurasian Economic Community and its Customs Signing the agreement with Union. Brussels would place boundaries between Russia and Armenia and lead to the withering of the current allied relations.

Meanwhile Gazprom simultaneously announced its intention to acquire all the shares in the majority-owned Armenian natural gas distribution company rather than simply retain its 80 percent holding of those shares as is presently the case extinguish any leverage Armenia might have as a result. As part of its demands for Armenian entry into the Customs Union, Moscow announced plans for a 60 percent gas price rise. It settled for an 18 percent rise but even that might become excessively onerous for Armenia which almost totally depends on Russian energy.

Yet, Russia's support is crucial if Armenia wants to hold onto Nagorno-Karabakh, where Russia has also, through arms sales to both Armenia and Azerbaijan, demonstrated that it plays both sides against the middle to perpetuate that conflict and its ensuing leverage in the Caucasus. Not surprisingly, Armenia's political opposition has strongly denounced Russia's pressure on Armenia and the potential giveaway of Armenia's remaining stake in its gas distribution network. It should also be clear to



outside observers that Moscow has sought to bring similar pressures upon Kyiv to give up control of its distribution network to Russia in return membership in the Customs Union. Such a deal, even if it briefly led to lower gas prices (and experience shows that this does not, in fact, happen) would also mean the effective renunciation of Ukraine's (and Armenia's) independence. Such tactics clearly explain these states' resistance to Russia and Gazprom, albeit with varying degrees of success. These tactics also show the similarity across geography of Moscow's tactical use of energy to blackmail states it believes should be in its thrall

IMPLICATIONS: Moscow's two abiding goals are to integrate the entire post-Soviet space under its domination and as part of that larger multidimensional process, ensure that it is the only security manager in the Caucasus. Not only is it now using energy blackmail against Armenia; it has consistently tried to maintain the Nagorno-Karabakh conflict simmering level by providing large-scale military assistance to both Armenia and Azerbaijan to ensure its domination of any processes connected with conflict resolution there. But Russia's Caucasus games do not end there. Leaving aside its determination to enforce an amputation

of Georgia's territorial integrity and sovereignty upon Tbilisi, it is projecting its power against Azerbaijan as well even if Azerbaijan has announced on June 28 that Azerbaijani gas will go to Europe through the Trans-Adriatic pipeline and not through Gazprom.

Despite Baku's June 28 announcement, apparently fearing Russian intervention the October 2013 in presidential elections, Azerbaijan made "unbelievable promises" to Rosneft about having it explore for oil in Azerbaijan, on land and in the Caspian Sea. When Moscow hosted a summit for countries exporting gas and did not invite Baku it thus sent unmistakable signal understood along with its ability and past willingness to interfere in Azerbaijan's domestic politics at a sensitive time. Baku's moves show the power residing in Russian energy firms that goes beyond the Russian Federation's borders. But it also reflects the Azerbaijani reaction to Moscow's more or less unveiled fist displayed in the Caucasus.

Although the EU has stated its support for Armenia's efforts to broaden its foreign policy, something more is needed if Armenia is to be able to stand up to Russian pressure. We must understand what will ensue if Yerevan cannot do so. Becoming ever more dependent upon Russia, Armenia will then be unable to move on its own accord either to break the impasse on Nagorno-Karabakh peacefully with Azerbaijan or needed effectuate much domestic democratizing economic and political continued reforms This means backwardness, authoritarian governance, and dependence upon Russia as both a protector and model. At the same time

the state of high tension around Nagorno-Karabakh with both sides rearming and constant skirmishes occurring continue. And further conflict could then break out, especially if there is no movement towards resolution. Only Russia benefits from both this tension and the potential of actual conflict. Neither Azerbaijan nor Armenia gains anything from it. If anything, their economic-political development freely chosen integration into Europe is impeded by such trends. In domestic politics, the preservation of Putin-like regimes throughout may be seen as a boon to Russia but actually represents a major and ongoing threat to peace for everyone, including those regimes.

The Caucasus then becomes not just a hotbed of potential regional conflicts and of stagnant regimes that could easily give rise to major domestic upheavals given the widespread demonstrations against governments in Greece, Turkey, Egypt, Syria, and potentially other nearby countries. It also remains one of the most militarized areas of the world because of the very large and continuing Russian buildup here since 2008 which has not enhanced security but rather Russian domination. Indeed, Russian domination of any region in the CIS immediately lowers the level of security enjoyed by the local governments there, hardly a situation that any of them could want. In view of the repercussions of the Georgian-Russian war of 2008 spread far beyond Georgia, the prospect of renewed strife and instability in the Caucasus is not one that should be viewed with complacency and/or equanimity.

CONCLUSIONS: Until now, the United States and Europe have essentially pursued a policy of neglect in the Caucasus, all of whose implications are malign as we can see from local trends in the security of the South Caucasus. More recently, in her confirmation testimony to be Assistant Secretary of State for Europe and Eurasia, Victoria Nuland inveighed against the policy of doing nothing to resolve the frozen conflicts not just Nagorno-Karabakh - that continue around the Black Sea to include Georgia's conflicts and Moldova. One hopes that these remarks are not just and rhetoric actually betoken American realization that allowing Russian domination of the Caucasus and taking a hands off policy towards the area's conflicts – a policy that is really two sides of the same coin – undermines regional security, makes conflict all the more likely, impedes democratization as integration well as the of local governments into Europe and thus contradicts the national interests not only of these states but also of the U.S.

In this regard, Russia's unceasing employment of the tactics of energy blackmail and its attempt to force all of its neighbors into an economic and ultimately political union neither benefits them, nor the West. Worse yet Moscow's tactics would force all of its neighbors into accepting long-term backwardness and dependence upon a criminalized an increasingly economically incapable Russia.

The practical question is whether the West will step up and expose Russian economic and political machinations for what they are and thus counter them or let another opportunity slip. As the

history of the CIS over the last few years should remind us, opportunities to bolster the standing of the new post-Soviet states, once surrendered or lost, cannot be regained and then both they and the West pay the price for that malign neglect.

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SHOULD KYRGYZSTAN SEARCH FOR INVESTORS AT HOME?

Rafis Abazov and Talaibek Koichumanov

The Kyrgyz government has announced new initiatives aiming to attract foreign direct investments (FDIs) into the Kyrgyz national economy. The country needs significant resources to deal with chronic mass unemployment – especially high among rural youth – as well as widespread poverty and an aging manufacturing infrastructure. Yet, the experience of some developing countries, such as Bangladesh, India and China, suggests that help might be much closer than politicians think: in the so-called Bamboo Capitalism, diaspora-sponsored business development. According to various estimates, the rapidly growing Kyrgyz diaspora and domestic Kyrgyz businesses keep between US\$ 1 and US\$ 3 billion in foreign accounts, properties, businesses and equities. Can Kyrgyzstan utilize this unique opportunity to revive its national economy?

BACKGROUND: Kyrgyz government officials have announced a number of measures to attract FDIs into struggling economy. For the last 3-5 years the national economy has been experiencing very tough times due to the impact of the global financial crisis and increasing competition in the region for investments. The impact has been felt in such diverse sectors as tourism and the garment industry. The country experienced an almost 20 percent decline in FDIs from US\$ 438 million in 2010 to US\$ 391 in 2011 (World Bank est.). It needs to at least double the inflow of investments and technologies in order to achieve the necessary level of economic growth to create jobs for its growing population and to meet the demand for spending on national programs. The budget situation is so tight government officials in Bishkek have been discussing the possibility shutting down several ministries.

The economic difficulties and dim prospect of positive economic change are putting a huge pressure on the population to migrate. Indeed Kyrgyzstan has emerged as one of the top migrantsending countries in the CIS zone along with neighboring Tajikistan. Estimates vary but experts put the numbers anywhere between 300,000 and one million people; an additional 80,000 to 120,000 people are involved each year in seasonal migration. In fact an entire generation of school and university graduates sees their future outside of their own country, regularly filling foreign-language schools across linguistic spectrum ranging from Russian and English to Korean and Japanese and often citing a future career abroad as their first choice in school essays.

Migration is a very controversial topic in Kyrgyzstan. On the one hand, a significant number of educated and highly-skilled young professionals have left or are leaving the country. On the other hand, these migrants have begun contributing to the economic development of Kyrgyzstan in a very different way - by sending home remittances. According to World Bank estimates, remittances in Kyrgyzstan reached US\$ 1379.3 million or 28 percent of the country's GDP in 2010, up from US\$ 112.7 million in 2003.



Migrants began sending remittances home during the 1990s, but over the last few years the country has experienced a steep rise in remittances through both legal banking transfers and informal channels similar to *havala* – informal money transfer services popular in South Asia and the Middle East.

IMPLICATIONS: Already for several years the government of Kyrgyzstan has been struggling to keep budget and financial stimulus tools balanced. Many developing countries use a variety of public policy and economic tools to competitiveness increase their stimulate economic activities to jumpstart national economies. Unfortunately Kyrgyzstan is still at the bottom of the Global Competitiveness Index. remaining in 126th place (out of 142) in 2011-2012

And yet a visitor would be surprised to see that the country is seemingly booming. The capital Bishkek and large urban several centers are experiencing construction and consumer booms. Construction companies completing new business offices. apartment buildings, private houses and large country residences (dachas), and the streets are full of expensive cars including large SUVs and limousines imported directly from the U.S.

At the center of these activities are vigorous private, family-funded small entrepreneurs – what some economists call Bamboo Capitalists because like bamboo they are small, flexible and numerous.

However, a careful economic analysis would reveal that most of the economic activities are limited to consumption and consumption-servicing sectors and are financed almost entirely by the inflow of remittances. Much of the construction work is funded by private individuals and is limited largely to housing, including luxury housing.

The retail sector in the country is also experiencing a mini-boom, with prices in the major stores such as Tsum and Beta-Mall catching up with prices in energyrich capitals such as Astana, Baku and Moscow. Businessmen and women complain that they have no choice but to invest in short-term consumer markets, as they are not sure about the security of long-term investments in manufacturing and agriculture. Experts inside and outside the country hotly debate the impact of all these remittances on the economic development of Kyrgyzstan. Some argue that the large-scale remittances have a significant distorting effect on receiving countries as they exclusively stimulate consumption. Others argue that there is also a significant positive impact on the economic dynamics through stimulating domestic consumption as well contributing to the growth of the service sector and creating jobs.

CONCLUSIONS: Extended-family "Bamboo" businesses, funded by relatives through remittances, have been

increasingly talking about the deterioration of the business environment and increasing risks and red tape. For example, Kyrgyzstan declined from 41st position in 2010 to 69th position in 2013 in the World Bank's Doing Business Ranking. Some businesses have been closed or have downsized their activities and even started investing in other countries. Anecdotal evidence suggests that Kyrgyz entrepreneurs have begun investing in neighboring Kazakhstan, Russia and even such distant places as the Baltic States and the Czech Republic. The classic case of sustainable economic development for developing and leastdeveloped countries is about using the right combination of financial and policy tools to stimulate a positive and dynamic business environment. The government of Kyrgyzstan should prioritize core sectors and provide legal protection and more transparent taxation initiatives for diaspora investors and treat them as foreign investors. It should also consider a greater use of free economic zones, not only to attract foreign direct investments but also investments from the Kyrgyz diaspora. Representatives of the Kyrgyz government do maintain contacts with the Kyrgyz community in various

countries, but fail to work systematically on business and investment issues with them. The government also needs to develop the national strategy to support and stimulate the development of the SME sector and family businesses, and to find financial and other stimuli to direct remittances from pure consumption to investment inflow reaching SMEs and bringing know-how from successful diaspora businesses in foreign countries.

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THE DOHA PROCESS AND AFGHANISTAN'S FUTURE

Naveed Ahmad

The Taliban finally have an address, far from their power base in Afghanistan. The place, commonly referred to as the "Taliban Embassy" by Doha taxi drivers, is receiving mixed reactions. After its opening on June 18, Pakistan welcomed the decision; India expressed caution that the office may confer "legitimacy" to the terrorist group while China found the development as "encouraging" and "positive progress." Afghan President Hamid Karzai continues to stall the tripartite talks besides putting on hold a fourth round of negotiations on the status-of-forces agreement (SOFA) with the U.S.

BACKGROUND: Not every commander and foot soldier of the Taliban militia is ready to accept negotiations with the U.S. or its allied Karzai regime, although this may change whenever the negotiations begin and more information trickles down the ranks of the Taliban. The first formal round of negotiations among the U.S., Afghanistan's High Peace Council and the Taliban may not result in a breakthrough.

The Taliban's interest in a negotiated settlement can be gauged from the fact that its Supreme Commander Mulla Omar has appointed none other than his brother-in-law and spokesman Mulla Mohammad Omar Tayyab Agha as top negotiator in the Qatari capital. The militia's former ambassador in Saudi Arabia Maulvi Shahabuddin Dilawar, alongside some key commanders, forms a multi-faceted negotiation team. The entourage has been in Qatar since January 3, 2012, holding several rounds of talks with U.S. delegations, without any major breakthrough. Meanwhile, their wives have enjoyed the time in cosmopolitan Doha malls and restaurants while their children attended modern schools and colleges.

Since U.S. Secretary of State Hillary Clinton coined the term "good Taliban," negotiators and diplomats have had scores of rollercoaster rides. For the U.S.-led campaign in Afghanistan, the primary goal was to defeat and disable the militia, a disastrous failure across the country including the Afghan capital. U.S. commanders then requested troop reinforcements in the so-called surge and zoned the country's troubled regions based on insurgent groups. This did win partial success but at a slow speed and a high price. Exhausting all other options, the U.S. chose to do the right thing. The Taliban are now recognized as legitimate stakeholders. By actively engaging Pakistan's Chief of Army Staff General Ashfaq Pervez Kiani, U.S. Secretary of State John Kerry could gain what Clinton failed to achieve owing to a catastrophic decline in relations between Islamabad and Washington.

A confident Taliban team has now added leverage particularly after Afghan President Karzai's outbursts against the U.S. administration, NATO and Pakistan. Mulla Omar's men have already tested



the patience of U.S. and Qatar by hoisting their white flag and branding the office as the Islamic Emirate of Afghanistan. The symbols were removed on the request of Qatar's government.

The Taliban may be following the outline of a draft reconciliation agreement prepared in 1996 during Benazir Bhutto's government in Pakistan. Islamabad was a go-between then as well but short-sighted U.S. policies underestimated the militia's resilience besides miscalculating the strength of warlords allied with Washington.

The content of the negotiations reveals that the Taliban had limited connection with al-Qaeda while Osama bin Laden was invited to Kabul from Khartoum by none other than President Burhanuddin Rabbani. The Taliban supreme leader had even agreed to hand over bin Laden to any neutral Muslim country such as Turkey. The talks broke down as the U.S. refused the offer and later opted to fruitlessly fire cruise missiles. The angered Taliban embraced "Shaikh" Osama bin Laden and adopted a hard line posture. Engaging the Taliban, again with the help of Pakistan, the U.S. demands are no different from what the militia was offering 16 years ago.

IMPLICATIONS: The softening U.S. position vis-à-vis the Taliban can be a game-changer, even more so with Pakistan onboard. The Afghan High

Peace Council (HPC), led by Salahuddin Rabbani, has proven functional despite the brutal murder of its chairman, Burhanuddin Rabbani. While the U.S., the Taliban and the HPC are set to engage with more contentious issues. President Hamid Karzai is getting increasingly isolated. With his second and final presidential term ending next year, Karzai has been desperate to preserve the political office in his vicinity. Intensive negotiations with likely but temporary hiccups imply an uncertain future for Hamid Karzai, who has no supporters in Islamabad – a much bigger problem for Washington than for New Delhi.

On the negotiating table, the U.S. will push the Taliban to reject al-Qaeda, accept an effective ceasefire in the wake of a security handover, and to respect and participate in the political process. The Taliban, on the other hand, find the existing political, bureaucratic and military setup discriminatory against the majority Pashtun population. The militia will push for a greater role for the marginalized ethnic segment.

The Taliban are eager to have five Guantanamo prisoners released, Mulla **Fazal** Akhund, Khairullah Khairkhwa Noorullah Noori, Abdul Haq Waseeg and Mohammad Nabi exchange for U.S. soldier Bowe Bergdahl who has been in their custody since 2009. In a symbolic move, U.S. President Obama has re-initiated the process for closing Guantanamo. Pakistani media reports that Islamabad has also facilitated low profile interaction between the non-Pashtun Northern Alliance and the Taliban to strengthen the trust of all stakeholders including the U.S.

Once a serious bone of contention, the Taliban's Haqqani chapter is no longer an irritant in Pakistan-U.S. relations but a partner in the Doha peace talks, a development that annoys President Hamid Karzai as well as his ally New Delhi. Pakistan will have to release more Taliban prisoners on Afghanistan's request of as gesture of goodwill. Islamabad has already freed 26 Afghan prisoners belonging to the militia.

The opening of a Taliban office followed by initial statements from both sides has already started to benefit Pakistan. Islamabad experiences reduced pressure to carry out a military operation in the semi-autonomous Waziristan region. Instead, its army chief General Kiani has called upon the internally displaced persons to return home. With the financial assistance of the United Arab Emirates, a 50 kilometer road linking it's the region's two key cities, Wana and Angoor Adda, has been inaugurated while other healthcare and education projects near completion. Moreover, a smooth transition of power in Afghanistan will help Pakistan tackle its extremist problem in the tribal areas, where Tehreek-e-Taliban Pakistan has safe havens and sympathizers.

The table is set for negotiations but the real task of hammering out a power-sharing formula has yet to be worked out. Afghan President Karzai seems the most uncertain variable, owing to his insecurity with regard to a possible role for Mulla Omar or his rival Abdullah Abdullah. With Saudi Arabia and Qatar being guarantors of the negotiations, Pakistan and the Taliban have little incentive to derail the process.

The sooner the Taliban categorically distances itself from al-Qaeda, denounces global terrorism and announces ceasefire, the greater the prospects for an Afghan-led transition. The U.S. may have to be patient in the wake of hardline guerrilla attacks against its soldiers and material for some time. The reconciliation process has yet to take roots and Pakistan, Afghanistan, the U.S. and the Taliban must be watchful of any provocations.

The SOFA will surely test the maturity of the reconciliation process as other stakeholders will not accept agreements between President Karzai and the U.S. and its allies. The likely presence of troops in post-2014 Afghanistan is set to become a tricky and divisive question in the Doha talks.

CONCLUSIONS: The stalled Doha process must be speeded up to end the 12-year-old Afghan war by late 2014. A prolonged delay in resuming the Doha process is bound to have serious ramifications for NATO's withdrawal plans. The U.S. Secretary of State has already had talks with Afghanistan, India and Pakistan on this issue. Washington knows well that a suspension of talks is advantageous to the Taliban. President Karzai, however, has been trying to find leverage over the issue ahead of the April 2014 presidential elections. Afghanistan may confront a chaotic post-2014 future unless stakeholders avoid hardline posturing.

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TURKMENISTAN AND TURKEY LAUNCH CONSTRUCTION OF INTERNATIONAL PORT

Tavus Rejepova

On August 15, the Turkey's Prime Minister Recep Tayyip Erdogan paid a one-day visit to Turkmenistan to promote Turkmen-Turkish cooperation development of the trade and tourism industry. Alongside the visit, Prime Erdogan Minister and President Gurbanguly Berdimuhamedov participated symbolic in groundbreaking ceremony of the construction of the new international port of Turkmenbashi on Turkmenistan's Caspian Sea coast.

A government delegation consisting of Turkey's Economy Minister Zafer Caglayan, Minister of Energy and Natural Resources Taner Yildiz, as well as representatives of major Turkish businesses accompanied the Prime Minister during the visit. Prior to his arrival in Ankara, Erdogan was quoted as saying that the volume of projects carried Turkish companies bv Turkmenistan has reached US\$ 35 billion in total

Turkey's Gap Insaat Company, owned by Calik Group, was announced as the general contractor for the design and construction of the new international port in Turkmenbashi. Ahmet Calik, owner of Calik Group presented the sketches and video slides of the estimated US\$ 2 billion international port to President Berdimuhamedov and Prime Minister Erdogan. Turkmen media reported that Gap Insaat was selected out of six other major companies bidding for the project. The new international port includes a construction of ferry, passenger and

container terminals. In addition, the port complex will have a general loading terminal and a bulk cargo terminal, as well as a ship building and repair facility accordance with International Classification Societies Association regulations. The total area of the seaport is over 1.2 million square meters. The new port's territory will also include several coastal lines for transportation services, such as 2,200-meter long highways and 5,300-meter long railway lines. The passenger terminal is going to have a port hotel, trade and entertainment centers as well as the local offices of state migration and passport control services. In order to protect the environment of the Caspian Sea, biotreatment equipment will be installed in each terminal as per the so-called "Green port" international standards and requirements.

The project is expected to be completed the end of 2017 and by implementation is in line with President Berdimuhamedov's general development plan of the Turkmenbashi international seaport and national merchant marine fleet by 2020. Once completed, the annual freight turnover at the port is expected to grow to 25 million tons by 2020, compared to the current estimated 10 million tons. Gap Insaat is planning to train the local specialists and operators in how to manage and operate the new port by international standards. President Berdimuhamedov authorized the State Service of Maritime and River Transport of Turkmenistan to sign a separate

contract with a German company "Inros Lackner AG" for overseeing the progress of work on the conceptual design and construction of the Turkmenbashi seaport.

Prime Minister Erdogan's visit follows Turkish President Abdullah Gul's trip to Turkmenistan on May 29-31 when the countries signed 12 bilateral agreements in the fields of energy, agriculture, sports and tourism. "We show much interest in modernizing the Turkmenbashi seaport," Abdullah Gul was quoted as saving during this visit in May. Turkey and Turkmenistan had then struck deals to deliver Turkmen gas to Europe via Turkey, and also to export 600 million kW/h of Turkmen electricity to Turkey through Iran annually starting from July 1, 2013 to July 1, 2016. Granting such a major project to a Turkish company is also connected with President Berdimuhamedov's last visit to Turkey in August 2012 when he got closely acquainted with the Turkish portconstruction know-how and service infrastructure during tours of the ports in Istanbul and Izmir

Turkmenistan remains a leading market for Turkish companies abroad in many areas including the oil and gas sector, transport and communications, power generation, textile industry and construction of apartment buildings, plants, roads, bridges and resort areas. Polimeks, Turkey's leading construction company in Turkmenistan signed a US\$ 2.2 billion contract in early 2013 to build a new modern airport in the capital city Ashgabat and it is also building a three phase, US\$ 5 billion Olympic sports complex in Ashgabat to be completed before the 2017 Asian Indoor and Martial Art Games. Currently, over 600 Turkish companies are registered in Turkmenistan and the trade turnover between two countries in 2011 reached over US\$ 3.5 billion. Turkish companies also hope that the Turkmen government will let them participate in other major projects such as the construction of the Turkmenistan-Afghanistan-Tajikistan railway.

Following the official ceremony over the seaport, Berdimuhamedov and Erdogan gave long speeches stressing that the new Turkmenbashi seaport on the Caspian Sea will become an important transportation link fostering economic and commercial ties between Asia and Europe. However, while this project may seem to be a major investment into the country's transportation sector, it will be difficult to turn it into a busy transportation hub in the future unless there a sustainable service infrastructure is developed on the ground.

KAZAKHSTAN BOOSTS ANTITERORIST POLICIES IN RESPONSE TO GROWING THREATS

Georgiy Voloshin

On August 14, President Nazarbayev adopted new procedures regarding the notification of terrorist threats and the coordination of antiterrorist activities by competent state bodies. According to these rules, threats are now divided into three distinct categories each having its own color: yellow for potential security risks identified by law enforcement authorities, orange for confirmed risks and red for perpetrated terrorist attacks or the possibility of repeated attacks. In an interview to local media, the secretary of the ruling party NurOtan, Erlan Karin, said that Kazakhstan's leadership had previously acknowledged serious gaps in the management of security risks, including terrorist extremist and activities.

On the same day, an Astana court sentenced a group of five persons accused of terrorism to different prison terms ranging from five to ten years. As the prosecution reported, they had planned to stage bomb attacks directed against the country's key political figures at the inauguration of Astana's new Opera and Ballet Theater which opened its doors to the public in late June. Furthermore, the Palace of Peace and Concord and the headquarters of the National Security Committee (NSC) in the capital could also have become possible targets. The final goal of the terrorist group was the destruction of the political system and establishment of an Islamic state in Kazakhstan

Earlier August, Kazakhstan's in Prosecutor General's Office reported that at least 75 members of the extremist organization Tablighi Jamaat had been identified in the country since the start of the year. While the list of terrorist organizations forbidden by Kazakhstani authorities includes 15 structures. Tablighi Jamaat has been mostly absent from the criminal records in recent years but remains a serious challenge to the stability of Kazakhstan's southern neighbors, including Kyrgyzstan and Tajikistan. Despite repeated attempts to set up regular security cooperation among the Central Asian republics, each of the five states mostly prefer to stick to national measures. While forthcoming summit of the Shanghai Cooperation Organization scheduled for mid-September is expected to further regional boost the dimension. Kazakhstan is already close to finalizing its national antiterrorist strategy up to 2017.

According to the preliminary version of this strategic document presented in May 2013 by the General Prosecutor's Office, over US\$ 1.3 billion would be spent from both national and regional budgets for the financing of antiterrorist policies including measures aimed to prevent the spread of religious radicalism. This strategy is in response to the worsening statistics in recent years in terms of combating terrorism and extremist ideologies. Thus, the number of persons sentenced to prison terms for their participation in clandestine terrorist

organizations increased from 27 in 2008 to 171 last year, whereas those preaching religious extremism were only 56 in 2008 and almost 170 in 2012. The government also plans to modernize the equipment used by law enforcement officers, spending over 30 percent of the allotted funds on the purchase of new technological and physical protection solutions

Furthermore, Nazarbayev decreed on June 24 the establishment of a new antiterrorist center which thus replaced a similar structure created back in 1999 for the purpose of coordinating Kazakhstan's response to terrorism under the authority of the NSC. Henceforth, the antiterrorist center will conduct its working meetings on a regular basis with the participation of the heads of 23 ministries and agencies as well as regional governors and the mayors of Astana and Almaty. The first such meeting already took place on July 10 and was chaired by the NSC head, Nurtay Abykayev. The operation of this refurbished coordination body will also be complemented by regional antiterrorist commissions accountable to the governors and tasked with the implementation of the national strategy and its specific action plans.

While the Kazakhstani government is increasingly focused on hard security measures, the eradication of radicalism also requires a strong social component in order to tackle the very sources of insecurity, such as chronic unemployment or everyday injustices. The Ministry of Regional Development established in September 2012 officially in charge of spreading the benefits of Kazakhstan's economic growth powered by oil and gas exports across the country. However, the recent economic troubles caused by decreasing global demand for some of the raw materials and diminished tax revenues have only aggravated wealth disparities among Kazakhstani provinces. Likewise, President Nazarbayev's succession remains a major source of uncertainty as far as Kazakhstan's shortand medium-term political prospects are concerned. The potential loss of control by the center over the regions dominated by local elites and interest groups could thus lead to more instability, since the state's capacity to cope effectively with terrorist risks necessitates a strong vertical of power and centralized governance.

ARMENIA FACES TOUGH DECISION OVER ASSOCIATION AGREEMENT

Haroutiun Khachatrian

A peculiar situation has occurred in Armenia as the opposition and many non-politicians speak about external threats that the country may face in the near future. The issue under discussion is the EU's Eastern Partnership program. Armenia is a participant in that program and talks with EU representatives on an Association Agreement were successfully concluded on July 24. This

means that Armenia can initial its Association Agreement at the Eastern Partnership Vilnius summit in November. Along with Armenia, Georgia and Moldova can also initial their agreements, while Ukraine expects to sign its agreement at Vilnius. Belarus and Azerbaijan were not involved in talks at this stage.

In parallel, a customs agreement drafted by Russia was presented to Armenia. Previous signatories to this agreement include Russia, Belarus and Kazakhstan, who are set to establish the Eurasian Union by 2015. According to former Russian Ambassador to Armenia Vyacheslav Kovalenko. Armenia's membership in the Customs Union excludes any Association Agreement with the EU. Armenia has rejected its membership in the Customs Union saying that it has no common borders with its current members.

Simultaneously, a public movement has gained momentum in Armenia, claiming that an agreement with the EU would provoke Russia, Armenia's most important ally. Many Russian media outlets publish articles claiming that Armenia must not initiate an agreement with the EU (even a largely economic one), but there is not a single Russian official among the authors of these publications. Even Kovalenko was no longer Ambassador and occupied the post of deputy director of the Institute of Caspian Cooperation at the time of the interview. To fill this gap, discussion participants in Armenia, both politicians and analysts, present other facts that they believe to be indirect indications of worsening Armenian-Russian relations.

Firstly, Armenia's strategic ally Russia has recently sold weapons to Azerbaijan worth over US\$ 1 billion. Explanations that the trade was strictly business, or that the weapons will not shift the current regional balance which is in Armenia's favor, are mostly ignored. Secondly, some Russian officials, including President Putin, state that Russia will introduce stricter migration rules the end of 2015. This will greatly affect Armenia, whose population gets over one third of its income from Russia. The fact that Armenians constitute a minor part of migrant workers in Russia, and that this move should hence not be considered as anti-Armenian is, again, largely ignored. Thirdly, President Putin recently visited Baku, while it is yet unknown whether he will visit Yerevan.

Fourthly, Russian TV correspondents frequently repeat Hrachya that Harutyunyan is a citizen of Armenia. Harutyunyan is suspected of causing a serious car accident in Russia on July 13 in which 18 people were killed. Armenian speakers were especially upset by the fact that Harutyunyan was brought to the courtroom dressed in slippers and a woman's robe. Some see worsening Armenian-Russian relations also in this fact. Fifthly, the exact content of the Association Agreement is still unknown, and it is frequently demanded that it is published, although experts maintain that a document cannot be publicized before it is initialized. Sixthly, according to the critics, the adoption in June of the Armenian law "On the equal rights and equal opportunities of men and women" is a precondition of the Association Agreement. According to them, the EU thus opens the door to alien practices that will lead to a breakdown of the traditional family, such as gay-parades and same-sex marriages.

Such a position may also harm the Armenian military service, the critics say, and call on the government not to initial the document in Vilnius in order to maintain a distance to the EU.

Due to the scarcity of news scoops during summer, this sort of criticism is being disseminated by almost every newspaper and has a certain influence on public opinion, making it more anti-European. The governing Republican Party itself seems to have few concerns about the agreement. Apart from the party's leader, President Serzh Sargsyan, who presented his position as early as in March, the Republican parliament deputy Samvel Nikoyan also spoke about this matter on July 25. The position of the authorities in favor of the Association Agreement is shared by a number of their

opponents, including the Heritage party, former foreign minister and current parliament deputy Alexander Arzumanian, and former Deputy Defense Minister Vahan Ishkhanian. arguments of the Agreement's supporters can be summarized as follows: it is an economic document that will allow Armenia to improve its production in accordance with European standards and hence open European markets for Armenia and vice versa. Armenia will have the chance to achieve an additional growth of 2.3 percentage points of its GDP. This will not affect its cooperation with Russia and the CIS in the political, military and economic spheres. According to the latest statements, Armenia also hopes that the Agreement will create new incentives for opening of the Turkish-Armenian border and for resolving the Nagorno-Karabakh conflict.

GIRL TRAVEL BAN PASSED IN KYRGYZSTAN

Aigul Kasymova

On June 12, 2013, the Kyrgyz Parliament passed legislation restricting girls under the age of 22 from travelling abroad. In total, 59 MPs voted in favor of the legislation and 2 against it. Social Democratic Party MP Yrgal Kadyralieva was the initiator of the legislation. According to Kadyralieva, the legislation is designed to protect young Kyrgyz girls from becoming prostitutes and working in brothels abroad, a problem that has increased in recent years. The regulation restricting free movement of girls under the age of 22 resulted in a widespread

public disapproval in the capital of Bishkek despite Kadyralieva's intensions, as stated in various public appearances, to protect the so-called moral welfare of the Kyrgyz nation.

According to the decree, Kyrgyz girls under the age of 22 will require parental permission to travel abroad. The restriction, however, does not apply to girls who go abroad to study, get medical treatment, or employment as long as they have the necessary supporting documents. In an interview to kloop.kg, Kadyralieva defended her initiative by

stating that she wants to fight human trafficking and sexual slavery. The MP noted that the legislation does not violate the Constitution but is designed to keep young Kyrgyz girls from travelling to foreign countries and becoming prostitutes, according since Kadyralieva, being a prostitute is immoral.

While according to Kyrgyz Constitution, everyone has the right to free movement, MP went on to note Constitution's article 20, which states that "to protect the health, safety and morals of citizens their freedom of movement may be restricted." The MP stressed that the legislation does not prohibit young girls from travelling, but simply asks the parents to take full responsibility for their daughters' actions or decision to go abroad and for any activities they might engage in. If the parental permission is granted, no prohibition can apply. In case of parental absence, a girl will then need written consent from her relatives. Kadyralieva concluded by saying that all she wants to have is a piece of legislation that will protect the national, social and moral security of the Kyrgyz nation.

Kadyralieva is calling the resolution Sapargul. Sapargul was the name of a young female migrant who was brutally attacked by the so called "Patriot" Russia. movement in The **Patriot** movement was comprised of Kyrgyz migrant men who interrogated their female compatriots for allegedly having sexual encounters or relations with foreign men. Although the MP defends her legislation by stating that she has the interest of her people at heart, especially young girls, critics and activists for women's rights argue that this legislation will not change the problems migrant women face abroad.

The legislation proposed by Kadyralieva, designed to protect the "dignity" of Kyrgyz girls and keep them from becoming sex slaves raised public debate on the issue. Following the proposal of the regulation, activists and youth began voicing their opinions through social media outlets. Certain activists argued bill violates this not Kyrgyzstan's Constitution but is also human rights. Kyrgyzstan's Ombudsman Tursunbek Akun spoke against the resolution and criticized the MP's decision to pass it. Others agreed with the proposed legislation by drawing on their own personal experiences (this mainly came from individuals who worked as migrant workers in Russia) and stating that the reality of young Kyrgyz girls engaging in so-called immoral activities abroad is not only awful but also brings shame to the nation. Other supporters of the legislation used social media to voice their support for Kadyralieva and her attempt to preserve the innocence of young girls and protect them from any abuse they might encounter abroad. The dispute Kadyralieva's legislation sparked debate on gender equality in and the right to free Kyrgyzstan movement. Certain activists began raising the question of whether women's safety should come before women's right including freedom freedom, movement.

The fact that the legislation was passed in Parliament does raise serious questions about the extent of the state's interference in the private lives of its citizens and reflects the general attitude towards women in Kyrgyz society.