

Central Asia-Caucasus Analyst

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*Central Asia- Caucasus Institute
Silk Road Studies Program*

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THE CENTRAL ASIA-CAUCASUS ANALYST

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

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

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

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Svante E. Cornell

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MOPPING UP GIMRY: “ZACHISTKAS REACH DAGESTAN

Emil Souleimanov

In the early hours of April 11, a group of spetsnaz, Russian elite forces, came under fire in the vicinity of Gimry, a large village located in the Untsukul district of Central Dagestan. During the skirmish that followed, Russian forces took fire from the village of Gimry. This along with the concerns that part of the insurgents might have been based in Gimry prompted law enforcement units to launch a massive crackdown on the village next day.

BACKGROUND: For many Dagestanis, Gimry bears a huge symbolic meaning. It is the birthplace of two legendary imams, Gazi Mahomed and Shamil, who led the long successful resistance of Dagestani (and also Chechen in the case of Shamil) peoples against the Russian colonization of the Northeast Caucasus in the 19th century. In the post-Soviet history of the republic, Gimry has been known as a stronghold of resistance, a highly conservative area inhabited by many adherents of Salafi Islam. Importantly, secular (that is federal) laws have nearly ceased to apply in the village and its surroundings, with local police units being practically absent. In the past, several attempts were made by both local and federal authorities to bring Gimry back under Makhachkala's control, yet due to a variety of reasons they all failed. In all instances, villagers of Gimry, many of whom are bound by family ties, have shown themselves as committed to defending their de facto autonomy, and solidarity whenever natives of the village allegedly involved in the insurgency movement were put in danger by republican authorities.

The village has a strategic location as well. Situated in the foothills of mountainous

Dagestan, it is at the crossroads of Makhachkala to the east and highland areas to the west and south. In fact, Gimry controls an extensive automotive tunnel linking nine hardly accessible mountainous provinces of Dagestan with Buynaksk and then down to the east to Makhachkala; the tunnel is the only effective way to get to the mountainous areas at all times of the year regardless of weather conditions, which has also raised Gimry's importance given the authorities' recent commitment to isolate rural areas in the mountains from urban areas, an important precondition for crushing the local insurgency. Yet in the recent past, the villagers of Gimry have often sealed off the tunnel, raising political demands.

Having started on April 12, the operation was still underway at the time of writing in and around Gimry, and according to official reports claimed the lives of three insurgents, natives of the village. Since then, Gimry has been blocked by spetsnaz, who have obtained solid reinforcement in personnel, as well as armored fighting vehicles and other equipment. According to some Dagestani officials, the group that has engaged the spetsnaz in the Gimry area is led by Ibrahim



Hajidadayev, an infamous Dagestani gunman and native of the village, who according to official reports was recently killed in a Makhachkala suburb. According to some villagers, the spetsnaz have launched a massive crackdown on the village, aimed at identifying insurgents and their supporters. This has been accompanied by plundering, beatings, the killing of cattle and destruction of gardens. Some local reports allege that episodic exchanges of fire have taken place during the ongoing “zachistka” in a village whose inhabitants were partially evacuated.

IMPLICATIONS: According to some Dagestani sources, the assault on the Russian forces was most likely provoked by the permanent stationing of the spetsnaz in the vicinity of the village. Russian and Dagestani law enforcement units must have known that insurgents have long set foothold in the area of Gimry, both in the village itself and the surrounding mountains. Due to the recent crackdown on the Hajidadayev group which, among other things, claimed the lives of Ibrahim or his brother, the insurgents would have been eager to make a use of a chance to attack the spetsnaz in an act of vengeance. This, in

turn, would give the siloviki a carte blanche for launching a massive assault on the village that has long been pain in the neck for both republican and federal authorities. Yet given the symbolic meaning of the village and efforts to avoid bloody confrontation with the locals, Makhachkala authorities have rather hesitated to carry out zachistkas. A decision to launch a massive attack on Gimry that would most likely leave some locals dead and injured should have grounded on a solid pretext. Yet as the Dagestani insurgency gains momentum and the Sochi Olympics near, Moscow authorities seem to lose their patience with the preservation of “islands of Jihadism” of the kind that Gimry constitutes. In recent operations of strategic importance, Moscow has relied upon use of federal units, both police and particularly army, that were redeployed in Dagestan in the course of 2012. ([See 14 November 2012 issue of the CACI Analyst](#)).

According to Dagestani sources, there is an additional important element concerning the situation in and around Gimry: the recent change of leadership in Dagestan. In contrast to the previous leadership of the republic and notwithstanding all talks about reforms and peace, Ramazan Abdulatipov and his closest circle have considerably less motivation to engage in negotiations with Salafis. Abdulatipov should be considered “Moscow’s man,” and has long lived outside Dagestan and thus has little knowledge of the problems the republic has been facing; his intentions are bound and predetermined by the wishes of Russian siloviki (power ministries) and the Kremlin, who appointed him, thus Abdulatipov's main mission is to

pave the ground for a breakthrough in the war against insurgents in Dagestan.

Importantly, the developments in and around Gimry have evolved against the backdrop of “death lists” in another part of the republic. In recent months, a list of adherents of local Salafi Islam was put together, allegedly by the “traditionalist” inhabitants of the village of Hajalmakhi, located in Central Dagestan's Levashi province. In an attempt to get rid of those who recruit into insurgent units or provide support for them, Salafis of the village were urged to leave the village or face death. Soon thereafter, three adherents of Salafism, though not of its militant (Jihadist) form, were shot dead, which gave the threats credence. Unlike many other other places, the village has been known for the absence of serious tension between traditionalists and Salafis, who have managed to live in peace and harmony for years. Yet members of local law enforcement have routinely taken part in the meetings of fellow countrymen organized to put an end to the Salafi presence in the village. According to Dagestani sources, this sheds light on the real masters of the endeavor: it was local siloviki branches that carried out the killings. This illustrates the ongoing shift toward a “Chechenization” of the Dagestani counterinsurgency, likely inspired by Moscow, since stirring up internal conflict between locals in a clan-based society where the prevailing custom of blood feud ensures swift mobilization would break Dagestanis into two warring groups, which Moscow presumably thinks would ease the task of effectively combating the insurgency.

CONCLUSIONS: The ongoing “zachistka” in the village of Gimry is the first instance of such an operation carried out in Dagestan entirely by the Russian forces – with the specific exception of the August 1999 fighting in the villages of Karamakhi and Chabanmakhi. As of today, the eyes of many Dagestanis are fixed upon the Untsukul district. Depending on how the crackdown on Gimry and its surroundings works out, whether it is conducted in an indiscriminate and violent manner or the other way around, will have a significant impact on the way many politically neutral Dagestanis, who still prevail in the republic, will evaluate the ongoing counterinsurgency. Should the mop-up operations proceed in a correct, sensitive and highly personalized way avoiding numerous casualties, a solid share of Dagestanis would most likely tolerate them as a lesser evil given many secularists' aversion to Gimry. By contrast, should the use of Russian forces lead to disastrous consequences, this would strengthen the already prevalent anxiety of many Dagestanis towards both the involvement of federal troops in the republic and further reduce their negative stance toward the republican leadership. Given the overall record of Russian spetsnaz both in the North Caucasus and outside, it is highly doubtful that these elite units, as well as police and army forces, would act in a sensitive way that would ensure local sympathies, which in itself is a difficult task in any counterinsurgency campaign. Yet since many Dagestanis are not used to brutal zachistkas that have been common in neighboring Chechnya, it is likely that the Gimry-style efforts by federal authorities to

put an effective end to local insurgency in the rural areas will lead to a renewed circle of violence that would be further reinforced by the increasing application of “Chechenization” policies throughout the republic.

WHAT IMPACT WOULD TURKISH MEMBERSHIP HAVE ON THE SCO?

Stephen Blank

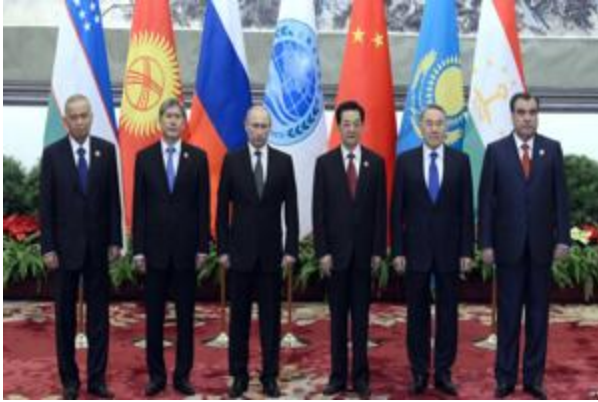
Turkish Prime Minister Tayyip Erdoğan earlier this year announced Turkey's desire to join the Shanghai Cooperation Organization as a full member. He openly alluded to the frustration generated by the EU's refusal to consider Turkey seriously as a member. Erdogan's speech quickly led to French and German concessions regarding membership negotiations in the EU and most commentators opined that Erdogan was not serious about the SCO. But what if the Turkish government sees no incompatibility between memberships in these two organizations? This article provides an initial attempt to assess the impact of a Turkish membership for the SCO.

BACKGROUND: When the Central Asian states became independent in 1991, many U.S. leaders and Turkish elites assumed that they might look to Turkey as a model of a Muslim country that was nonetheless secular and modernizing if not democratizing. Turkey's efforts to assume the role of an "elder brother" quickly fell flat as they grated on Central Asian leaders who rejected any such "patronage." Moreover, it soon became clear that Turkey could not effectively project power into the Caucasus let alone Central Asia. After 1993, Central Asia fell off the list of priority issues in Turkish foreign policy.

But in recent years that has changed. The Fetullah Gülen educational movement that has deep roots in Turkey has spread across much of Central Asia. The ideology of Turkish foreign policy has become self-consciously Islamic even as Turkey has become more democratic since the 1990s. Turkish investment and interest in Central Asia, not least for its energy assets, has also grown considerably. To the degree that Turkey takes for granted that it is foreordained to play the role of an energy hub between the Caspian and Central Asian

producers and European consumers, Turkey's interest in gaining a secure and recognized foothold in Central Asia has grown. In the last several years, Erdogan and President Abdullah Gül have made several visits to Central Asian states to promote Caspian energy shipments to Europe through Turkey and to obtain contracts for large-scale Turkish construction and other investment projects with some success.

All this activity suggests a rising interest in expanding Turkey's profile in Central Asia. Erdogan also obtained for Turkey the role of a dialogue partner of the SCO and there was talk before January 25 of Turkey becoming an observer, a step that would mark not just Turkey's heightened interest in Central Asia but a kind of acknowledgement of that interest by the members of the SCO. In other words, the record of the recent past offers no grounds for assuming a priori that Turkey's or Erdogan's interest in becoming a member of the SCO is merely a tactical feint to increase pressure on the EU. While that could be the case; Erdogan's remarks suggest that he sees no incompatibility between membership in the EU and the SCO as such membership would give Turkey a



recognized, formal, and enduring status within the SCO and enable it to play an important role in its processes, thereby gaining greater standing throughout Central Asia.

IMPLICATIONS: Turkey's SCO membership would certainly signify a seal of Central Asian and Russo-Chinese approval of Turkey's ambition to play a key role in Central Asia. But the implications of membership go farther than that. If membership confers a presence and real status it allows states like Turkey and India to upgrade their effective influence in Central Asia. The SCO observers Iran, Pakistan, and India have also all sought membership. Not only would membership in the SCO demonstrate Turkey's determination to play a major role in Central Asia consistent with its increased interest and investments there, it would also facilitate Turkey's efforts to gain access to Central Asian oil and gas, and realize its obsession with being an energy hub. Membership in the SCO might also strengthen the forces making for an Islamist turn or even Pan-Turkic visions in Turkish foreign policy.

There are many signs that Turkey is stepping up its efforts to play a leadership role as a provider of security in the Caspian basin. Indeed, Turkey recently led an effort with Azerbaijan, Mongolia, and Kazakhstan to set up a gendarmerie organization to strengthen ties among these governments' paramilitary forces and ensure security. Such activities are entirely consistent with membership in the SCO and its charter and signal a desire for greater Turkish participation in Central Asian security affairs.

At the same time Turkish membership in the SCO, particularly if the EU talks continue to sputter, could reinforce the Islamist imperatives in Turkey's domestic policy that continue to obstruct its full democratization. Enhanced domestic Islamism could generate domestic pressures inside of Turkey to spurn Europe for a highly authoritarian group that regards democratization as anathema. Also, although all the members of the SCO reject Turkish pretensions to leadership in Central Asia and its official Islamism; Central Asian states certainly would welcome more Turkish investment while Beijing and Moscow might regard Turkey's application to join as another sign of the weakening of the West that they wish to encourage. Turkish membership could then be construed as Turkey's turning away from Europe and the U.S. towards a policy posture more compatible with SCO members' political values and ideologies.

Furthermore, while China would certainly welcome Turkey's commitment to the three principles of fighting terrorism, secession,

and extremism that comprise the SCO charter, as that would force it to reduce if not terminate support for Uyghur nationalists in China, it is unlikely that Russia would welcome another economically vibrant and ideologically fortified Muslim rival in Central Asia. While China has cautiously suggested a favorable response to Turkey's interest, Russia has remained silent. Turkey's move could also furnish China with another excuse for delaying India's bid. Thus, perhaps inadvertently, Turkey's move highlights Russia's dilemmas vis-à-vis the SCO and China in Central Asia while potentially heightening China's prominence there.

CONCLUSIONS: The full implications of Erdogan's gambit remain to be seen. Turkey may actually be using the specter of the SCO merely to compel the EU to grant it concessions. Alternatively the members may decide to turn Turkey away as membership issues have previously revealed serious fissures between Russia and China, most notably regarding India and Pakistan. Similarly their suspicions of Iranian policies, not least its nuclear program, have also led them to reject Iran's many efforts to gain membership in the SCO. If Turkey were to succeed in becoming a member, that might lead Tehran to an interesting process of rethinking some of its past policies and it would probably engender a comparable process of rethinking in India and Pakistan both of whom have also frequently expressed their desire for membership.

Therefore if Turkey is not bluffing and genuinely seeks full membership in the SCO, it has possibly triggered a new dynamic in

the organization that could have several interesting and potentially serious ramifications. A serious Turkish quest for membership could add a new item to the agenda of Sino-Russian rivalry. Second, it could stimulate a new approach to India, Iran, and Pakistan's efforts to gain membership and enhanced standing in Central Asia more generally. Third, it could add a new dimension to the strains in Russo-Turkish relations due to Syria's civil war, Cyprus' energy finds, and Turkey's quest for becoming an energy hub in Eurasia. Fourth, despite Central Asian suspicions of Turkey's religious stance and ultimate objectives, it is entirely possible that Central Asian members would welcome another economically vibrant member into the group so that they could further pursue their own "multi-vector" policies toward the larger powers by stimulating a three-sided economic rivalry among Turkey, China, and Russia for economic and political influence in Central Asia. That rivalry could well work to reduce Russia's competitive profile in Central Asia, especially if Turkey can forge a mechanism for a Trans-Caspian pipeline to bring oil and/or gas from Central Asia to Europe that does not transit Russia. Beyond Central Asia, Turkish membership in the SCO would also have serious reverberations in the Caucasus where Turkey has recently solidified its partnership, if not alliance, with Azerbaijan. Success in moving energy through the Caspian would also greatly strengthen Azerbaijan, leading it and Turkey to potentially think about increased pressure on Armenia or support for Georgia's distancing from Russia.

In other words, Erdogan was not necessarily bluffing even if he used the SCO to threaten EU members with some success. The signs of greater Turkish interest and presence in Central Asia are indisputable. If Turkey is truly interested in joining the SCO, it is clear that it has imparted a new dynamic element into the international competition for influence and standing in Central Asia

whose outcome cannot be predicted at present, but whose course will undoubtedly engender very consequential developments.

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CHECHNYA AND RUSSIAN FEDERAL CENTER CLASH OVER SUBSIDIES

Tomáš Šmíd

The Accounts Chamber of the Russian Federation recently issued a press release with information on the budget implementation audit of the Chechen Republic. The audit has revealed errors and violations amounting to 7.9 billion rubles (ca. US\$ 252 million). While it has not yet been stated whether the violations will be classified as crimes, the Chechen leadership will have to explain how they handle the federal budget funds. To make things more complicated, the question emerges at a time when debates at the federal level increasingly question whether federal subsidies for Chechnya should be retained.

BACKGROUND: Financial relations between the federal center and the Chechen Republic are a frequent topic of discussion in Russia. Like most North Caucasian republics, Chechnya belongs to the so called “subsidy regions,” whose financial support from the center is disputed by a majority of Russians. This is an effect both of the prevalent Caucasophobia in Russian society, which would rather see these resources spent in ethnically Russian regions, and of the fact that federal subsidies to republics like Chechnya are often spent without transparency, and reasonable suspicion exists that a large proportion of the subsidies are simply stolen. The Accounts Chamber’s last audit supports these suspicions as it found transgressions amounting to 7.9 billion rubles in Chechnya’s budget for the year 2012. While similar problems have regularly been noted in the last few years, this audit coincided with debates on the federal level on the prospect of exempting Chechnya from federal funding and letting the region become self-sufficient. Such suggestions are definitely not received positively by the Chechen leadership under Ramzan Kadyrov.

Since the Chechen political regime is strongly vertical with a crucial role of the head of the republic, responsibility for the management of budgetary funds lies fully with Kadyrov and his immediate associates. This distinguishes Chechnya from the neighboring “subsidy republics” – Dagestan and Ingushetia – where power is much more fragmented and several stakeholders compete for appropriations.

Kadyrov has managed to establish a semblance of stability and development in Chechnya, but closer examination reveals that many projects are ineffectively financed and often carry the features of so-called Potemkin villages. Numerous hotels and a football stadium were built in Grozny, and a high-quality road was constructed from Grozny to Gudermes. Yet, the city still lacks many basic elements of social infrastructure such as kindergartens, schools and quality health care facilities.

The transport and industrial infrastructure is also not developing as expected. The Accounts Chamber audit argues that Chechnya has insufficiently fulfilled the Development strategy of the North



Caucasian federal district until the year 2025, and failed to adopt solutions for the renewed rail link between Grozny and Nazran and the construction of a Grozny oil processing plant as examples of the shortcomings. Moreover, a number of projects in education, culture and health care have not been completed. Yet, problems are also related to the cut in finances of the federal target program of socio-economic development of the Chechen Republic by about 12 billion rubles.

The Chechen leadership will also have to explain the lack of implementation of the program on combating corruption in the Chechen Republic in the years 2011 - 2013, which the audit also revealed. Chechnya, along with the entire North Caucasus Federal District, is Russia's leading region in terms of corruption and money laundering. The problem is connected to the fact that the region lacks a sufficiently developed banking system and a series of transactions are operated through the shadow economy. The same can be said about the entire financial system, which is one of the main reasons why a large amount of budgetary resources are either stolen or inefficiently used.

IMPLICATIONS: Transforming Chechnya into a common budgetary regime instead of a subsidy republic could cause a number of complications. Firstly, Chechnya does not represent a unique case in the Russian context, as it belongs to the top twenty subsidy recipient regions – both in absolute and per capita numbers. Nevertheless, Chechnya does not receive revenues from the raw materials located on its territory, which consists mainly of high-quality oil. The extraction and transport of oil is more or less controlled by the Russian state company Rosneft, which is now headed by former Deputy Prime Minister Igor Sechin.

In this context, Kadyrov has long sought to obtain revenues by placing the export of Chechen crude oil under the control of the Chechen Republic, i.e. under Kadyrov himself. These efforts began already during the rule of his father Akhmat, who publicly stated in spring 2004 that he demanded serious talks with President Putin about Chechnya's oil. In the end, negotiations were precluded by Akhmat Kadyrov's assassination.

Kadyrov has even raised the specter of involving Azerbaijan in the issue and the possible construction of new refineries by Azerbaijani investors.

However, even in the case that Chechnya would manage to obtain control of the revenues from oil exports, the Chechen leadership still fears losing its federal budgetary funding. In fact, Kadyrov's government seeks to increase the subsidies, simply because it needs the money and has grown accustomed to this mode of economic planning. In addition, the ruling elite as well

as ordinary Chechens perceive the subsidies as a kind of tax that the federal center pays for the complete devastation of Chechnya during two brutal wars.

Kadyrov has counted on the federal contribution to such an extent that according to some Chechen observers, he has not hesitated to take loans in Chechen banks with future subsidies as a guarantee. In order to curb embezzlement, subsidies are normally paid by the end of the year and are calculated in relation to projects that were actually implemented. Consequently, the loans have constituted a means for Kadyrov's leadership to evade federal control.

Kadyrov has failed to build a profitable industrial base. The construction boom is slowly ebbing out, and has in any case not decreased the unemployment significantly as locals have rarely been employed by foreign companies. Consequently, the Chechen leadership suggests that federal funding should pay also for the construction of industrial and commercial buildings.

It is obvious that the visions of the Chechen leadership and the federal center are in conflict and that the level of distrust is increasing. The head of the North Caucasian federal district, Alexander Khloponin, does not hide his dissatisfaction and has already declared on several occasions that the federal district is the most problematic Russian region in terms of money laundering, which often happens through investment projects in Chechnya. He has also pointed out that in ten years; the center has not managed to cut financial support for the "boyeviks," a comment clearly aimed at Kadyrov, whom Moscow supports mainly because of his role

as a guarantor of Chechen stability and an ally against the so called illegal armed formations.

CONCLUSIONS: The question of financing the Chechen Republic and handling the federal budgetary resources is a complicated issue to resolve. While Chechnya is a subsidized region it does not represent any exception in the North Caucasus region, and receives proportionally less subsidies than Dagestan and Ingushetia. Chechnya does not receive any revenues from its natural resources. While it has a share of the business controlled by the Russian state company Rosneft, it has no control over the oil wealth. As The Accounts Chamber of the Russian Federation has revealed, Chechnya does not manage the budgetary resources transparently and responsibly and it is also probable that the audit has not disclosed all the controversies.

Chechnya will likely continue to be funded primarily from the federal budget as it would otherwise not be able to function and the situation in Chechnya could dramatically destabilize. The Kadyrov leadership's reaction would be highly unpredictable in such a situation. The Chechen leadership is economically dependent on the federal center; but in a historical perspective, it is politically unprecedentedly sovereign. The more successful Kadyrov will be in bolstering the illusion of stability and his effectiveness in the struggle against the illegal armed formations, the less probable it is that any significant changes in the mode Chechnya is

financed will appear, regardless of the Accounts Chamber's audits.

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KYRGYZSTAN BETWEEN CHINA AND RUSSIA

Dmitry Shlapentokh

China's new President Xi Jinping has underlined the crucial importance of China's relationship with Russia and proclaimed that Russia would be his first foreign destination. Yet, despite mutual assurances and common interests in some areas, China and Russia also increasingly compete in Central Asia, not least in their approaches to Kyrgyzstan. In 2012, Kyrgyz authorities signed several agreements with both Russia and China. Agreements with Russia primarily stress military strategic matters, while those with China emphasize economic ties that, barring major conflict in the area, will be more important than military help for Kyrgyzstan. Hence China, not the U.S. or Turkey, is emerging as Russia's major competitor for influence in Kyrgyzstan.

BACKGROUND: Kyrgyzstan is one of the most impoverished countries in Central Asia. It lacks own deposits of natural gas and oil, the major commodities on the world market which some of its Central Asian neighbors possess in abundance. The lack of resources and related poverty is one of the major reasons why Kyrgyzstan has proven to be possibly the most politically unstable country in Central Asia. Pressed both by a lack of resources and external as well as internal threats to the regime, Kyrgyzstan's political elite has engaged in a continuous search for foreign sponsors. Bishkek's foreign policy has proven highly unstable and has fluctuated in sync with the country's internal instability. Three presidents have left office over the last twenty years, two of which were overthrown. The latest such development was the ousting of President Kurmanbek Bakiyev during the 2010 revolution and his eventual replacement with Almazbek Atambaev. Atambaev has, similar to the country's previous leaders, been preoccupied with finding foreign sources of cash. While Russia stands out as

one of the most likely donors and Atambaev has also sought to reinforce Kyrgyzstan's ties with Turkey, the resources possessed by China dwarf those of any alternative international patron.

Atambaev's active effort to attract Chinese investment is slowly starting to pay off. Bishkek assumes that the presence of Russian forces will provide the Atambaev regime with a modicum of security, although no guarantees exist in this direction as was demonstrated by Moscow's reluctance to intervene during the 2010 events when Bishkek openly pled for help. Yet, it is clear that Moscow's incentives for considerable economic investments in Kyrgyzstan are limited. As a consequence, Atambaev has turned to other potential donors, most notably Turkey. Turkey's economic interest in Kyrgyzstan is enhanced not just by the notion of Turkic solidarity and Ankara's latent pan-Turkism merged with Neo-Ottomanism, but also by Atambaev's personal business ties in Turkey. As a result, Kyrgyzstan has benefited from an increasing amount of Turkish investment.



Yet, the potential of Turkey as an economic partner for Kyrgyzstan is clearly limited in comparison to China. Consequently, Bishkek has sought to encourage Chinese engagement in a variety of economic projects while simultaneously reinforcing its relationship with Moscow in the security sphere. In August 2012, Atambaev visited China and discussed a range of possible investments with China's President Hu Jintao. These included opening branches of Chinese banks in Kyrgyzstan and building a railroad connecting China, Kyrgyzstan and Uzbekistan. In December 2012, Premier of China's State Council Wen Jiabao visited Bishkek during a summit of the Shanghai Cooperation Organization (SCO), during which Atambaev stated that "We mainly discussed economy."

IMPLICATIONS: While many of these projects are still at the stage of preliminary discussion, others have already been implemented. Chinese investors have built an oil refinery in Bishkek and the new electric switch station Datka in Kyrgyzstan's Jalal Abad province. Indeed, Beijing has displayed an increasing interest in the region in response to overtures from Bishkek and other Central Asian states.

There are several reasons for these developments. First, the region can provide China with additional access to natural resources, primarily oil and gas. In addition, Central Asia possesses other crucially important raw materials, not least including Kyrgyzstan's considerable deposits of uranium. China currently receives most of its imports of raw materials by sea where it is still far from a dominant power. The June 2012 announcement by then U.S. Secretary Of Defense Leon Panetta that the bulk of the U.S. navy would be relocated to the Pacific Ocean by 2020 clearly increased Beijing's concern that its supply of vital resources could be cut off in case its relationship with the U.S. deteriorates. Central Asia is out of reach for the U.S. navy and the U.S. departure from Iraq and pending departure from Afghanistan imply a significantly reduced U.S. presence in this part of the world. Russia could certainly become a key supplier to China of important raw materials such as oil, yet China also needs alternatives. Central Asia, including Kyrgyzstan, is promising in this perspective.

China also looks to Central Asia together with other parts of Asia as an increasingly important market for Chinese goods. It is true that Central Asia could hardly replace the West, particularly the U.S., as a market in this respect. Yet, considering the slowdown of Western economies and the impediments to their recovery, Central Asia is becoming increasingly important as additional outlet for Chinese products.

Finally, Kyrgyzstan holds specific importance to Beijing in other important respects. While Russia and the U.S., at least

during the Clinton and Bush eras, relied on military force to assert their positions in the region, China has employed different methods. As recent displays of China's naval power and its continuously growing military budget demonstrate, Beijing does not discard the use of military force and China indeed increasingly demonstrates its naval power far from its shores. However, China's foreign policy emphasizes a "peaceful rise," with a clear stress on economic clout. Beijing's regional influence in this context relies on indirect control through creating a web of economic dependencies, where military force is seen as a means of last resort but not as a major tool.

Following this strategy, China is seeking to create a financial institution under the framework of the SCO where Chinese capital, under the control of the Chinese state, would dominate. Beijing views Bishkek as an important partner in promoting this idea to the detriment of Russia, which would rather see the SCO evolving into an Asian version of Warsaw Pact where Russia, as Kremlin officials believe, could be a dominant power.

China's increasing economic and cultural, and implicitly geopolitical, influence in

Kyrgyzstan is likely to become more visible in years to come. A Chinese school is already opening in Bishkek and negotiations are ongoing to open a Chinese university. In the long run, if present trends continue, both Moscow and Washington may well discover that their mutual rivalry in Central Asia, including over Kyrgyzstan, prevents them from comprehending the rise of China's influence which could eventually allow China to emerge as the dominant power in the region.

CONCLUSIONS: After long periods of geopolitical maneuvers, Kyrgyzstan seems to be moving closer to Russia in the military sphere due to its fear of Uzbekistan and Islamists from Afghanistan. Yet, economic interests instead move Bishkek closer to Beijing which in turn needs Kyrgyzstan to strengthen its position in Central Asia, for access to vital raw materials, and as an increasingly important trade partner. While Chinese influence is no larger than that of Russia, the U.S. and Turkey, this situation is likely to change if China's economic expansion continues.

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FIELD REPORTS

CRIMINAL BOSS RELEASED FROM PRISON IN KYRGYZSTAN

Joldosh Osmonov

The early release from prison of one of Kyrgyzstan's most influential criminal bosses received a negative public reaction and provoked new disputes among political groups in the country. While Kyrgyzstan's authorities claim that the release was lawful, the parliament mounted an unexpected attack on the government, calling on the country's leadership to punish responsible officials.

On April, 9 the Naryn city court released the criminal leader Aziz Batukaev, an ethnic Chechen *thief in law*, from prison notwithstanding the fact that his term should have lasted for another eight years. The prison officials claim that Batukaev was released due to his health condition – he allegedly suffers from a serious form of leukemia and is likely to die in a matter of days. Immediately after his release, the boss departed for Grozny, Chechnya, on a private airplane.

Batukaev was sentenced to four years of imprisonment in 2004 for purposeful infliction of damage to a person's health and for illicitly obtaining and possessing weapons. In 2006, after the tragic mass

disorder at the Moldovanovka prison that led to the deaths of four people including then MP Tynychbek Akmatbaev and the head of the State Penitentiary Service Ikmatullo Polotov, Batukaev was sentenced to additional prison terms for organizing mass disorders and illicit possession of weapons. As a result, Batukaev was to serve a total of 16 years and 8 months in jail.

According to some sources, Batukaev allegedly controlled the illegal drug trafficking transiting Kyrgyzstan on its way from Afghanistan to Russia and Europe between 1993 and 2006. His long-lasting confrontation with rival criminal leader Ryspek Akmatbaev has led to the deaths of dozens of people during different periods of time. Batukaev was accused of murdering Tynychbek Akmatbaev, Ryspek Akmatbaev's older brother, when the MP was visiting the Moldovanovka prison to get acquainted with the prisoners' conditions, but was not found guilty.

The discharge of the criminal boss caused resentment among the Kyrgyz public and gave way to various assumptions and speculations. Local media outlets recalled

rumors circulating several months ago about influential people in Chechnya offering large amounts of money to Kyrgyz authorities in exchange for Batukaev's release. The Kyrgyz parliamentarian Ravshan Jeenbekov said that some mass media outlets are talking about US\$ 1.5 million that Batukaev allegedly paid to Kyrgyz officials.

Meanwhile, former Kyrgyz Prosecutor General Kubatbek Baibolov said that a number of Russian high officials – members of the Russian parliament, mostly from Chechnya – frequently addressed him with requests for assistance in releasing Batukaev from prison. Baibolov claims that such requests were made before his time as Prosecutor General and probably still were being made after he left the office.

The incident caused an exchange of accusations in the Kyrgyz parliament. Parliamentarians from different political factions, including pro-governmental forces, heavily criticized the central authorities for allowing the thief in law to leave the country. Some parliament members even demanded the resignation of the cabinet of ministers. The pro-governmental “Ata-Meken” parliamentary faction officially requested President Atambaev and the Prosecutor General to investigate the case and punish the responsible officials for Batukaev's pre-term release. The parliamentary faction claimed that the State Penitentiary Service instructed the State Registry Service to issue a passport for the criminal boss on March 11, 2013, whereas the inter-departmental commission considered the issue of Batukaev's release only on March 28. In effect, the mentioned officials knew about

the decision in advance, implying a criminal deal and a conspiracy, according to the faction.

In response, vice Prime Minister Shamil Atakhanov has stated that all procedures were followed ahead of Batukaev's release and he does not have any reasons to accuse the prison officials of violating any laws. Regarding the rumors about alleged financial rewards in exchange for the release, Atakhanov asked parliamentarians to stop making baseless and unsupported statements. Nevertheless, after the heated and emotional debates, the MPs decided to create a parliamentary commission for investigating the circumstances of Batukaev's release.

Many local political experts believe that Batukaev would not be released without the consent of the country's leadership, especially since the release took place in the midst of a heavily publicized governmental campaign against organized crime and despite the recent adoption of a package of draft bills aimed at enhancing the fight against organized crime, which also foresees excluding the possibility of pre-term release for convicted members of organized criminal groups. Batukaev is in fact the first convict in Kyrgyzstan to be released ahead of time due to health conditions.

Local expert Mars Sariev claims that Batukaev was released in exchange for ceasing criminal activities in the country. After leaving for Chechnya, he will not be active in Kyrgyzstan, which could help Kyrgyz authorities to control the criminal situation in the country, although it remains to be seen to which extent these expectations are met, Sariev said.

NAZARBAYEV VISITS CHINA TO MEET ITS NEW LEADERSHIP

Georgiy Voloshin

On April 6, Kazakhstan's President Nursultan Nazarbaev paid an official visit to the People's Republic of China where he met with the new Chinese leader Xi Jinping to discuss the state of bilateral relations between Astana and Beijing. As Nazarbaev recalled during his interview for China Daily, the strengthening of the Kazakhstani-Chinese partnership remains one of the priorities of the "Kazakhstan-2050" strategy unveiled in late December 2012.

According to official statistics, the bilateral trade turnover between Kazakhstan and China grew by more than 12 percent last year, reaching the level of US\$ 24 billion. The same level of cross border trade was registered with regard to the Kazakhstani-Russian economic partnership, which proves Kazakhstan's ambition to develop equally broad trade relations with both of its regional neighbors. While Kazakhstan, Russia and Belarus are preparing to launch the Eurasian Union on January 1, 2015, whose membership may further be extended to such former Soviet republics as Kyrgyzstan, Tajikistan, Ukraine and Armenia, the Kazakhstani-Chinese bilateral relationship will continue to enjoy special treatment.

During their recent meeting, Nazarbaev and Xi Jinping publicly pledged to increase the trade turnover between the two countries to over US\$ 40 billion no later than 2015. For this purpose, Kazakhstan's Sovereign Welfare Fund "Samruk-Kazyna" and the China International Trade Promotion

Committee signed an agreement establishing the Kazakhstani-Chinese business council. At the same time, "Samruk-Kazyna" concluded a cooperation agreement and a roadmap for the strengthening of economic and investment relations with CITIC Group, a state-owned investment entity formerly known as the China International Trade and Investment Corporation. Finally, the two sides agreed on the expansion of Kazakhstani supplies of grain and flour eastwards in the direction of Xinjiang.

Another important area of cooperation, extensively discussed during Nazarbaev's visit to Beijing, concerned the transit of China-bound goods across Kazakhstan's territory. As President Nazarbaev noted in his speech, the effective launch of the Western Europe-Western China highway, currently scheduled for 2015 with the completion of the Kazakhstani segment, would allow bringing the total volume of goods transported by road between China and Kazakhstan to 33 million tons as of 2016. Last year, this figure amounted to only 12 million tons of merchandise.

As regards rail traffic, 16 million tons of cargo was delivered between China and Kazakhstan between during 2012. Kazakhstani authorities already reduced the distance from Xinjiang to Central Asian markets by 500 kilometers five months ago after the Altynkol-Khorgos rail crossing became operational. While its throughput is expected to grow to 4.5 million tons of

transported goods by 2015, this passage may further be reinforced in order to allow for the transit of no less than 25 million tons every year.

When discussing China's role in Kazakhstan's lucrative energy sector, Nazarbaev said that the share of Chinese oil and gas companies in his country's total hydrocarbon production was hovering above 25 percent. Following Nazarbaev's visit to the Middle Kingdom, the energy cooperation between the two countries is likely to intensify. For instance, Kazakhstan's national oil and gas company KazMunaiGas and China's CNPC concluded an agreement providing for increased cooperation in the extension of the Kazakhstan-China oil pipeline.

Nazarbaev and his Chinese colleague also discussed a comprehensive cooperation program implying full access to raw materials in exchange for advanced processing technologies and infrastructure investments. Currently, CNPC owns 50 percent in the Atasu-Alashankou oil pipeline, whose transit capacity is still far from being fully used. In early November 2012, it was officially announced that this pipeline would send 43 percent more of Kazakhstani oil to

China by 2014. Today, China and Kazakhstan are engaged in the implementation of four large-scale joint projects related to the transport of energy resources at a total cost of US\$ 18 billion. In addition, another ten investment projects worth over US\$ 5 billion in the oil and gas sector are currently being implemented on Kazakhstani soil.

Nazarbaev's April 2013 visit to China is a new demonstration of the specific role the latter plays in Kazakhstan's foreign policy. With Xi Jinping's reciprocal visit to Kazakhstan being scheduled already for June, the two countries are clearly poised to deepen their bilateral relationship by exploring non-traditional sectors, including the processing industry and tourism, and making further progress in such strategic fields as oil, gas, mining and agriculture. At a time when European economies are increasingly strained by their debt crises, China has become an indispensable partner not only for Kazakhstan and its Central Asian neighbors, but also for Russia whose leader, Vladimir Putin, chose the Middle Kingdom as his first foreign destination following his renewed election to the presidency in March 2012.

GEORGIAN GOVERNMENT TO PROBE AUGUST 2008 WAR *Eka Janashia*

The Georgian Government has declared its intention to revisit the investigation of the war in August 2008. The renewed process envisages interrogations of President

Mikheil Saakashvili and other high ranking government officials. The Saakashvili's United National Movement (UNM) labeled

the government's decision an attempt to undermine Georgia's national interests.

Georgia's Minister of Justice Tea Tsulukiani stated on April 8 that the prosecutor's office would investigate allegations related to the August war, drawing upon the complaints filed by citizens and non-governmental organizations from various countries at the International Criminal Court (ICC) based in Hague. The complaints suggest that war crimes were committed during the war, and that the investigation of such crimes includes questioning officials regardless of their citizenship and ethnic origins, she said. Tsulukiani also stressed that since Georgia is a signatory to the Rome statute – the founding document of the ICC – it has to conduct the investigation, but at local level without hearings at the international tribunal.

With reference to the minister's statement, PM Ivanishvili unveiled two important remarks on the August war at a press conference on April 10. He said that Saakashvili's government did not have sufficient reasons to deploy forces to South Ossetia on August 8 as "tensions and shootings ... in the conflict zone ... were not serious enough to require large-scale involvement of Georgian troops." Further, Ivanishvili proclaimed that "it was unjustifiable to start military actions before Russian [troops] crossed into Georgian borders," suggesting that the Georgian side launched the war. Ivanishvili's statement caused considerable reactions among the Georgian public, compelling the PM to assert that he had "never stated that Georgia was the aggressor and that Georgia started

the war." His written statement, released on April 12 reads: "our army has not ... intruded into another country's territory."

Saakashvili offered a strong condemnation of Ivanishvili's statement: "Not a single official in the world, except of Russian officials and except of Hugo Chavez, has ever accused Georgia of ... launching the war," the president said and pledged that he would never cooperate "with an anti-state investigation aiming to undercut Georgia's statehood and its national interests."

The Prosecutor's Office of the ICC started a "preliminary examination" shortly after the August war. During the examination, it maintained communication with Georgian and Russian authorities, urging both sides to pursue their respective investigations into alleged war crimes. To this end, ICC representatives visited both countries several times and in November 2012 released a Report on Preliminary Examination Activities. The report states that "the alleged intentional directing of attacks against Russian peacekeepers, has to date proved inconclusive." Kakha Lomaia, the former Secretary of the National Security Council of Georgia, stated on Rustavi 2 talk show Position that this is an important declaration verifying that Georgian artillery had in fact not attacked Russian peacekeepers, an allegation used by Moscow to justify its intervention.

Lomaia argued further that Georgia has been providing trustworthy evidence to the ICC for years, which provided a basis for inserting such an important declaration in the report, though it was impossible to submit additional materials since Georgia's

Prosecutor office did not have access to the war scene in occupied South Ossetia and could not interrogate high military Russian officials. Lomaia also quoted evidence presented in the respective reports produced by an independent commission led by the Swiss diplomat Heidi Tagliavini, the Prosecutor Office of Georgia, and the Investigative Commission of the Georgian Parliament, of crimes committed by separatists and Russian forces on Georgian territory during the 5-day war and stressed that any shift in the overall picture outlined by those reports would definitely unleash a process of disintegration in Georgia.

Nevertheless, PM Ivanishvili insists that many war-related questions remain unresolved and require answers. Among them, the most important issues are why Saakashvili could not evade an obvious provocation plotted by Kremlin; what mistakes were made by the supreme commander and high ranking officials during the pursuit of military operations that caused chaos, disorder and a large

number of casualties among the civilian population. In addition, Ivanishvili does not believe that a probe will damage Georgia's international image: "We should live with the truth and ... clarify what happened," he said.

Meanwhile, in an interview with the Russian-language RTVi channel on April 9, Russia's Foreign Minister Sergey Lavrov greeted the new Georgian government's "pragmatic" approach towards Georgian-Russian relations. Many in Georgia connected this statement to the new initiative, further encouraging speculation over Ivanishvili's possible linkages with Moscow.

Discussions on the August 2008 war have gained new momentum in Georgia. Beyond the official motivations for a renewed investigation, however, it also seems intended to damage the reputation of Saakashvili and the UNM. It is also politically timely in light of the UNM's planned protest rally scheduled for April 19 in Tbilisi.

AZERBAIJANI AUTHORITIES CLOSE OPPOSITION UNIVERSITY

Mina Muradova

On April 10, Azerbaijani authorities shut down the Azad Fikir University (AFU, Free Thought University) set up by Western-educated youth leaders to promote human rights and other democratic values among youth. Human rights activists consider this step as representative of the government's

increasing pressure on alternative voices in the country ahead of the presidential election in October, 2013. On April 10, AFU informed its ca. 16,000 Facebook followers that representatives of the Chief Prosecutor's Office arrived at the AFU without warning, sealed the door and closed the office.

The AFU project was launched in 2009 by the OL! (To Be!) youth movement as an alternative education institution and a platform for discussions aimed to educate Azerbaijani youth on human rights and democratic values, youth and public life, etc. through weekly interactive lectures and free debates. AFU reports that over 4,000 young people have attended almost 300 events organized by the university over four years, while the number of unique visitors on the university's internet page has reached over 35,000. The institution has been supported by the U.S. and British embassies in Baku, USAID, National Endowment for Democracy and other Western organizations.

The prosecutor-general's spokesman Eldar Sultanov denied the closure of the university, noting that an investigation regarding activists of the opposition Nida Citizen's Movement found offenses in the activities of the two movements Nida and OL!, who are running the AFU project. In particular, he reported that OL! is not registered as an organization and has not submitted financial reports to governmental agencies about grants received from foreign organizations. "We seized documents from the organizations in order to find out what purposes funds from foreign organizations have been spent for," Sultanov said. Seven members of the movement were arrested in March after organizing a series of protests over the noncombat deaths of conscripts in the Azerbaijani army.

In response, OL! has stated that in Azerbaijani legislation, there is neither a

mechanism for registering movements, nor for banning non-profit organizations for not being registered. According to the statement, AFU has not received any grants since the law imposing administrative fines on grant-funded non-registered organizations came into force on March 11, 2013. "The new law cannot have 'ex post facto' effects. Thus, we reject the prosecutor's statement and consider the closure of AFU's office as groundless ... We call on Chief Prosecutor's Office to remove the seal from the office door and open the university to its audience," the statement says.

Following news of the AFU closure, U.S. Ambassador to Azerbaijan Richard Morningstar met the group at a hotel on April 11 to give a previously scheduled speech. "I have been troubled by the government's reaction to protests this year, including the arrest and interrogation of youth active in protests and in civil society movements. I was particularly disappointed to hear that authorities closed Free Thought University's office just last night," Ambassador Morningstar said, adding that as "a friend of Azerbaijan" he wanted to see "government engagement with citizens, especially its young citizens, to address their legitimate concerns." Several unusually large street rallies have taken place in downtown Baku this year. Human rights groups have accused the government of stifling dissent and harassing journalists.

The authorities have also accused foreign organizations of supporting what they term "radical political opposition" groups seeking to foment a colour revolution in the country. Azerbaijani officials have accused the local

office of the U.S.-based National Democratic Institute (NDI) of “distributing grants without a special registration” in its work with youth organizations and stated that US\$ 1 million had been withdrawn without disclosure from the bank account of the NDI head in Baku, Alex Grigorievs. Grigorievs, who is currently in the U.S., denied the charges: “Suggestions that NDI is involved in any other activities are completely false,” he wrote on his Facebook page. NDI later issued a statement terming some media reports “fabrications and malicious propaganda” and denied the accusations as “completely baseless.” The NDI statement said the organization is transparent with Azerbaijani authorities and fully complies with local laws, including those applying to financial disclosure.

Shahin Hajiyev, an editor of the Turan news agency, characterized the situation in

Azerbaijan as “deplorable ... There was not such a situation before” in an interview to Voice of America, adding that a number of civil organizations are persecuted openly, evicted and have their offices shut down, while attacks against media have increased and journalists cannot work, especially outside Baku. “It shows that the authorities use as much repression as possible ... previously attacks have been informal or behind closed doors; from Wikileaks we could learn that U.S. non-governmental organizations’ activities strongly provoked the Azerbaijani government, but now accusations of interference in the country’s internal affairs are brought against them openly. If it continues this way, new arrests, new restrictions are awaiting us in future,” according to Hajiyev.