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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.

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RUSSIA'S REGULATION OF LABOR MIGRATION SET TO HURT CENTRAL ASIAN ECONOMIES

Nurzhan Zhambekov

The slowing Russian economy suffered a triple shock in the form of Western economic sanctions, falling oil prices, and the plummeting Russian ruble in 2014, resulting in a negative impact on Central Asian states. In addition, tighter migration regulations in Russia, in force since early 2015, are having an effect on the flow of migration from Central Asia, particularly from Kyrgyzstan, Tajikistan, and Uzbekistan. These three countries rely heavily on remittances from their migrant workers in Russia. The drop in remittances could increase socioeconomic disaffection in parts of Central Asia that are dependent on labor migrants' earnings.

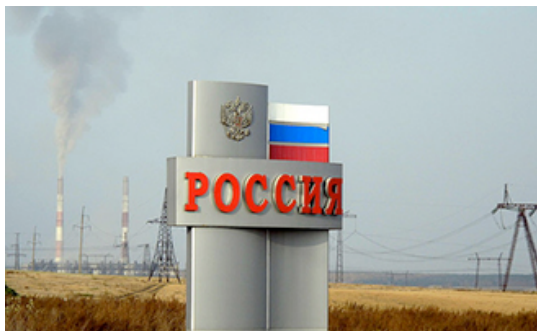
BACKGROUND: The Russian economy ground to a halt in 2014 as the U.S. and EU imposed sanctions on Russia over the conflict in Ukraine. In addition, falling oil prices led to the worst currency crisis since 1998. Russia is the world's second largest host country for labor migrant workers, after the U.S. The vast majority of migrant workers are citizens of former Soviet republics, whose knowledge of Russian language, as well as visa-free travel, has made working in Russia easy for migrant workers. Central Asians, particularly from Kyrgyzstan, Tajikistan and Uzbekistan, account for a large share of migrant workers in Russia. They are mostly employed in the construction and service sectors, the sectors most negatively affected by Russia's economic slowdown.

New regulations that came into effect on January 1, 2015, imposed increased costs and bureaucratic hurdles for migrant workers from outside the Eurasian Economic Union (EEU),

including Armenia, Belarus, and Kazakhstan in addition to Russia. Kyrgyzstan is expected to join later this year. Citizens of the EEU are exempt from the new rules, which require migrants to pass Russian language and history tests, buy health insurance, and pay higher fees for work permits. In addition, citizens of non-EEU countries can no longer travel to Russia using domestic ID cards. Instead, they are required to use international passports, which are more expensive for labor migrants. The Russian government adopted the new regulations due to the economic slowdown, as well as an increase in negative sentiment toward labor migrants in Russian society.

According to statistics from the Russian Federal Migration Service, the number of migrants from Tajikistan and Uzbekistan fell while the number from Kyrgyzstan increased slightly in January 2015 compared to January 2014. The official number of registered migrants from Uzbekistan fell from 2.32

million to 2.22 million, and the number of registered Tajik migrants fell from over 1 million to 999,000. In contrast, the number of Kyrgyz migrants rose from 524,900 to 545,000. The migrant laborer population from the EEU states increased substantially, particularly from Belarus (32 percent) and Armenia (10 percent), due to simplified regulations for citizens of EEU member states. This factor suggests that the new regulations are negatively influencing the flow of migration from Central Asia to Russia.



(Source: [Peretz Partensky](#))

The slowdown in the Russian economy and the new tighter rules for migrant workers will potentially further reduce remittances sent by Central Asian migrants to their respective countries. The collapse of the construction sector, a major source of migrant employment, has led to substantial job losses. The ruble's depreciation against the US\$ reduced the value of remittances sent to home countries.

According to the latest statistics from Russia's Central Bank, remittances sent to Uzbekistan from Russia decreased more than 9 percent, from US\$ 2.3 billion to US\$ 2.1 billion, in the third quarter of 2014. So far, remittances from Russia to Tajikistan have remained constant at US\$ 1.4 billion.

However, future statistics will most likely indicate a reduction of remittances due to the new migrant labor regulations, the worsening economic outlook, and the sharp devaluation of the ruble in late November and early December 2014.

IMPLICATIONS: The slowdown of money transfers to Central Asia and the further projected decrease in remittances has far-reaching implications for the region, particularly for Kyrgyzstan, Tajikistan and Uzbekistan. According to World Bank estimates, total remittances constituted about 52 percent of Tajikistan's gross domestic product (GDP), thereby making Tajikistan the most remittance-dependent country in the world. Remittances make up over 30 percent of Kyrgyzstan's GDP and about 11 percent of Uzbekistan's GDP. The official estimates of the remittances for all three countries may understate true remittance numbers.

The drop in remittances will impact the Central Asian economies negatively. According to the Asian Development Bank's estimates, economic growth in Kyrgyzstan slowed to 3.6 percent in 2014, from 10.9 percent in 2013, due to the weakened economies of Russia and Kazakhstan, Kyrgyzstan's major trading partners and sources of remittances. Kyrgyzstan's projected GDP growth for 2015 is only 1.7 percent. Inflation in Kyrgyzstan is likely to exceed 10 percent in 2015. Tajikistan's economy slowed to 6.7 percent in 2014 from 7.4 percent in 2013. The GDP forecast is 4.8 percent for 2015 and the projected inflation rate is at

around 10 percent. Although Uzbekistan's GDP growth looks impressive at 8.1 percent, the inflation is projected at about 10 percent.

Reduced remittances will exacerbate the already falling standards of living in all three countries and put further pressure on their respective currencies. Their projected currency devaluations will make imports more costly, thereby increasing the rate of inflation and further reducing the population's already low purchasing power. In particular, low income households will be hit hardest economically.

Returning laid-off migrant workers will add to the large ranks of unemployed in their home countries, further fueling socio-economic discontent and increasing the risk of unrest. According to the International Labor Organization's (ILO) estimates, the rate of unemployment in the total labor force is 8 percent in Kyrgyzstan and 10.7 percent in both Tajikistan and Uzbekistan. Based on the same ILO estimates, the youth unemployment is 15.7 percent in Kyrgyzstan and Tajikistan and 20.3 percent in Uzbekistan. The true number of both estimates could be much higher.

Due to the worsening economic outlook, there is a risk for unrest in Central Asia. The highest potential for instability is in Kyrgyzstan, where citizens enjoy more political freedoms than in other parts of Central Asia. The country has an established history of unrest since independence, with the latest ethnic clashes taking place in Osh in 2010. Kyrgyzstan's forthcoming accession to the EEU later this year will

most likely temper protest sentiment depending on Russia's economic performance. Socioeconomic discontent and potential for unrest will likely grow in Tajikistan and Uzbekistan as well. However, the risk of unrest in Tajikistan and Uzbekistan is not as high as in Kyrgyzstan. The governments of both countries do not tolerate manifestations of dissent and are likely to crack down on any form of public protest, particularly in light of the overthrow of the Ukrainian president by popular protests in late 2013.

CONCLUSIONS: The economic slowdown in Russia due to Western sanctions over the Ukraine conflict, falling oil prices, and a substantial drop in the value of the Russian ruble have led to a fall in remittances sent to Kyrgyzstan, Tajikistan, and Uzbekistan. In addition, tighter regulations enacted in early January 2015 will make it more difficult for migrant workers from Central Asia's non-EEU countries to work in Russia legally, thereby further reducing remittances to three most remittance-dependent states in the region. Reduced remittances from Russia will have far-reaching economic, political, and social implications for Central Asia.

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MOSCOW CFE KILL THREATENS CAUCASUS STABILITY

Richard Weitz

On March 10, Russia effectively ended its participation in the Treaty of Conventional Armed Forces in Europe by withdrawing from its Joint Consultative Group. This move, encouraged by the inadequate Western response to earlier Russian violations to the treaty, has given Moscow a freer hand to develop and apply its military power in Eurasia and elsewhere. In particular, the move could further increase tensions in the South Caucasus between Azerbaijan and Armenia, as well as Georgia, and Russia.

BACKGROUND: The Conventional Forces in Europe (CFE) Treaty, perhaps the most comprehensive conventional arms control treaty in history, helped consolidate the end of the Cold War and the Russian military withdrawal from Central Europe. The treaty, signed in Paris in 1990, established limits on the major conventional weapons systems that could be deployed in Europe west of the Ural Mountains and mandated reporting and notification of large military activities in that region.

When the Soviet Union collapsed, the newly independent successor states of Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia, and Ukraine reached an agreement in 1992 at Tashkent to divide the USSR's CFE arms quotas among themselves. For example, Russia was allowed to have as many as 6,400 tanks as its share of original 13,500 tanks granted the Soviet Union. However, Azerbaijan and Georgia never ratified the Tashkent Agreement, while other countries rapidly fell below their CFE-mandated force limits due to their post-Cold War defense cuts.

Of greater importance for the military balance in the Caucasus region is that the CFE Treaty established geographic sub-regions with stricter ceilings on ground-based weapons such as tanks, armored combat vehicles, and artillery pieces. One of these covers parts of southern Russia (the former Soviet North Caucasus Military District, which includes Chechnya), parts of northern Turkey, and Armenia, Azerbaijan, Georgia, Bulgaria, Romania, and Greece.

The Russian government quickly exceeded its southern flank limits by deploying additional military forces in the Caucasus after the Russian military intervened to suppress separatist forces in Chechnya. At the 1996 CFE Treaty Review Conference, the State Parties relaxed some limits on the Russian forces there in return for Moscow's supplying additional information about Russian military activities in the zone.

The State Parties tried to achieve more comprehensive changes at the 1999 OSCE summit in Istanbul, where they forged an Agreement on Adaptation of the Treaty on Conventional Armed

Forces in Europe. This Adapted CFE would replace the obsolete bloc ceilings with a system of national limits and make explicit the requirement for host nation consent for foreign bases and deployments. But all the NATO governments plus the neutral CFE parties have refused to ratify the Adopted Treaty because Russia has not withdrawn its military forces from Georgia's autonomous regions of Abkhazia and South Ossetia as well as Moldova's Russian-speaking separatist region of Transnistria. Those deployments do not comply with the treaty's principle that foreign troops can only remain in a host country with the consent of its internationally recognized government.



(Source: Wikimedia Commons/S. Sutherland)

Following years of fruitless talks, at the end of 2007 Russia “suspended” its implementation of the CFE Treaty. After that, the Russian government has failed to provide treaty-required data about the size, location, and activities of its treaty limited equipment (TLE) west of the Ural Mountains – either on Russian territory or in the occupied territories of Georgia and Moldova – and has denied CFE routine as well as challenge inspections on these territories. The U.S. State Department concluded in a January 2014 report that

Russia has been violating the overall limits for active military units as well as the more restrictive force limits that apply to Russia's flank regions.

IMPLICATIONS: In retrospect, NATO's failure to seriously challenge Moscow's treaty violations in 2007 was a serious mistake. The CFE States Parties largely ignored the Russian suspension, merely calling on Moscow to resume participation; they continued to share data with Russia and adhere to the treaty themselves. It was only in November 2011 that NATO members, joined by Georgia and Moldova, followed Moscow's lead and ceased providing CFE-related data to Russia.

One reason for the lackadaisical Western response, which encouraged further treaty violations, was that the Russian military in 2007 was large but weak and unlikely to present a major threat to its neighbors or anyone else. But then Russia and Georgia went to war in August 2008, abruptly undermining the prospects of the treaty's renewal or replacement. The Russian military performance, though mediocre, was good enough to overwhelm Georgia's weaker military and occupy the country's breakaway regions of Abkhazia and South Ossetia.

The war itself inflicted another serious blow on the treaty. The Russian government subsequently recognized these two regions as independent states, which have since allowed the Russian armed forces to establish large bases on their territories, located in the heart of the CFE's most sensitive sub-zone, as well as take charge of their local defense militias. It now looks like

Moscow might annex these territories outright, as in Crimea. Russia's mixed performance in the Georgia War also spurred Moscow to implement comprehensive military reforms that have made the Russian armed forces a much more formidable foe than in 2007.

The inadequate Western effort to uphold the CFE Treaty has worsened the unresolved Nagorno-Karabakh conflict. According to the State Department, both Armenia and Azerbaijan are violating the CFE Treaty by exceeding their arms quotas, failing to fully report their military holdings and activities, and, in the case of Armenia, "stationing ... forces on the territory of Azerbaijan without Azerbaijani consent." Although the State Department report notes that "a successful political settlement to the Nagorno Karabakh conflict could have a positive impact on Armenia's and Azerbaijan's ability to resolve their Treaty compliance issues," no NATO country has made this a priority in recent years.

Meanwhile, fears persist that either or both countries will also withdraw from the CFE Treaty. Although the Treaty constrains a regional arms race, Armenia and Azerbaijan have for years accused each other of violating the CFE. Russia has been fueling tensions by becoming the main arms supplier to both Azerbaijan and Armenia to gain leverage over both countries, which also ensues from the two Russian military bases in Armenia.

Russia's withdrawal from the JCG has not yet provoked a major response from Turkey, but Moscow's failure to

comply with its CFE obligations has remained a source of tension between the two countries, along with Syria and Russian occupation of the Crimea. Ankara's policy still affirms the importance of the flank ceiling limiting Russian military activities near Turkey's border and strives to avert another Russian military intervention like that against Georgia in 2008.

In this regard, the Russian armed forces have recently been conducting large-scale "snap" military exercises with little or no advance warning near the South Caucasus and elsewhere. These surprise combat drills could facilitate the kind of surprise attack the CFE was designed to prevent. Russia held such a snap exercise to cover its military occupation of the Crimea in early 2014. Russia could use a snap exercise to occupy Tbilisi before any NATO counter-intervention force could rescue Georgia. Russia's blitzkrieg potential in the South Caucasus aims to enhance Moscow's leverage over all these governments.

CONCLUSIONS: The Russian government wants all European countries to negotiate a new conventional arms control treaty to replace the CFE accord. But negotiating and ratifying a new treaty could take decades given the many governments involved and the Russia-NATO differences on key issues. Western governments still want Russian troops to withdraw from foreign countries and insist on keeping an "Open Door Policy" to further membership enlargement. The Moscow-backed separatists in Georgia, Nagorno-

Karabakh, Transnistria and now Ukraine have many weapons that are limited by the CFE Treaty but not accountable to any state party, creating another problem for any arms control agreement. An interesting question is how long Turkey will continue to overlook Russian actions against Azerbaijan, Georgia, Ukraine, and the CFE. Until now, Turkish diplomacy has downplayed these issues to avoid disrupting the important economic and energy relationship between Russia and Turkey.

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CAUCASUS EMIRATE FACES FURTHER DECLINE AFTER THE DEATH OF ITS LEADER

Emil Aslan Souleimanov

On April 19, 2015, the Caucasus Emirate's leader Aliaskhab Kebekov, nom de guerre Ali Abu Mukhammad, was killed in a special operation carried out by Russian elite forces in Dagestan's Buynaksk district. His death came at a time of profound decline of the North Caucasian jihadists, coupled with the ongoing split in their ranks as an increasing number of fighters and insurgent leaders turn to the Islamic State (IS). Upcoming months will show whether the North Caucasus insurgency, and particularly its Dagestani branch, will become dominated by IS sympathizers and ink up with the global jihad, or remain a largely local endeavor.

BACKGROUND: Kebekov, a 43-year-old theologian, was in many regards distinct from his predecessors. An ethnic Avar from Dagestan, he was the first non-Chechen leader of the Caucasus Emirate. In March 2014, many were surprised by his appointment (see the [08/05/2014](#) and [05/07/2014](#) issues of the CACI Analyst), which signaled the dramatic weakening of Chechen insurgent groups. In the previous years, Chechen jihadists had suffered from the split in their ranks, the loss of important insurgent leaders, the formal reign of Doku Umarov – a debilitated and diseased leader with little control on the ground, and from the massive deployment of brutal counterinsurgent tactics by *kadyrovtsy*, targeting the relatives of local insurgents and their supporters (see the [08/19/2010](#), [02/06/2013](#), [02/06/2013](#), and [12/10/2014](#) issues of the CACI Analyst).

Importantly, Kebekov was the first insurgent leader lacking combat

experience. A former *qadi* (supreme religious authority) of the Caucasus Emirate, Kebekov lacked the reputation of a gifted military commander. This made it difficult for some of his formal subordinates, insurgent leaders based in Dagestan and beyond, to take him seriously. In 2014, his authority was further undermined by the increasing scarcity of experienced insurgent leaders in Dagestan, following the liquidation of Magomed Vagabov (2010), Israpil Velijanov (2011), Ibragimkhalil Daudov (2012), Ibragim Gajidayev (2013), and others. Since the emergence of highly reputed jihadist leaders of North Caucasian origin in Syria, particularly Umar ash-Shishani and his associates in ISIS, and the ensuing competition for the allegiance of North Caucasian jihadists both in their native region and in Syria, Kebekov's lack of reputation curbed his ability to appeal to fellow jihadists (see the [08/05/2014](#) issue of the CACI Analyst).

Lasting slightly over a year, Kebekov's formal reign was the shortest in the history of the virtual theocracy. This is a further indication of the increasingly effective counterinsurgency tactics deployed by Russian and local forces against jihadist groups across the North Caucasus – particularly in the easternmost republic of Dagestan, which has since the late 2000s constituted the hotbed of regional insurgency (see the [09/29/2010](#) issue of the CACI Analyst).



(Source: Wikimedia Commons/S. Sutherland)

IMPLICATIONS: The Caucasus Emirate is currently undergoing the most serious crisis in its history. First, insurgent groups in the Northwest Caucasus, particularly in Kabardino-Balkaria, Ingushetia, and Chechnya, have taken substantial losses. On the eve of the Sochi Winter Olympics, Russian security services redoubled their efforts to break the backbone of local jihadist groups to ensure a smooth execution of the international event.

In Kabardino-Balkaria, and to an extent also in Karachayev-Cherkessia, where popular support to insurgents has traditionally been half-hearted, the authorities succeeded in infiltrating and decapitating locally based insurgent groups. Consisting of an average of 6 to 12 people and largely confined to urban

areas, the liquidation of these groups was a relatively easy but also urgent task for Russian authorities, given the security risk they posed and their geographical proximity to the Sochi Olympics site.

In Ingushetia, a tiny mountainous republic of around 4,000 square kilometers, local authorities have carried out increasingly selective attacks against members of insurgent groups, abandoning previous tactics of indiscriminate targeting, imprisonment, and torture of hundreds of suspects. Over time, this has significantly reduced the number of prospective avengers, which previously constituted a reliable source of recruits for insurgent groups.

In Chechnya, the *kadyrovtsy's* overwhelming control over Chechnya's territory and populace, coupled with the consistent deployment since the early 2000s of lethal violence against the relatives of insurgents and their supporters, has increased the cost of insurgent activity and pro-insurgency support. Therefore, many Chechens have come to either postpone or renounce retaliation in order to save their relatives' lives.

Against this backdrop, Dagestan has constituted an anomalous case. In the relatively unrestricted republic, particularly compared to Chechnya, many young Dagestanis have since the 2000s joined local insurgent groups in order to combat the corrupt authorities and retaliate against *siloviki*, members of local security forces infamous for their use of indiscriminate violence against real and alleged Salafis, without

fear of their relatives becoming exposed to retributive violence. The episodic efforts of Dagestani authorities to impose collective guilt on local fighters' relatives, drawing on the Chechen example, have largely failed. Yet the relatively large recruitment of Dagestanis to jihadist units has become a problem for Dagestani jihadists. According to local sources, this has enabled federal and local authorities to increasingly infiltrate insurgent ranks and destroy them from within, concentrating on insurgent leaders. Dagestani experts assert that Kebekov's liquidation was made possible by intelligence gained from within the insurgency: the *amir* was killed in a house that seemingly served as a bunker and headquarter for the insurgents.

Importantly, the counterinsurgents have increasingly used *zachistki*, mop-up operations, in Dagestan (see the [04/17/2013](#) issue of the CACI Analyst). While these operations have frequently included destruction and theft of property, they have largely avoided civilian casualties. Unlike mop-up operations carried out in Chechnya in the early 2000s, where dozens were killed or "forcibly disappeared" as a result of indiscriminate *zachistki*, local inhabitants have usually been evacuated by *siloviki* from these besieged areas.

Although the deployment of *zachistki* may still produce a certain number of avengers, these operations have nevertheless neutralized a number of key pro-insurgent spots in Dagestan's rural areas, particularly in Central and

East-Central Dagestan. Several garrisons of elite Russian forces were installed in strategically important areas, particularly in the foothills and outskirts of urban centers on the Makhachkala-Khasavyurt highway. Aside from complicating local support to the insurgents, this has also severed communication between insurgents based in urban and rural areas, which has in many respects been crucial to their survival. The deployment of thousands of Russian troops in the republic, concentrated particularly on the roads connecting the eastern coastline and the East-West passage with mountainous areas, has further contributed to this isolation. Importantly, Moscow has increasingly deployed experienced local and federal units – Army and Ministry of Interior Special Forces – in locally fought insurgent operations, which has also increased the efficacy of counterinsurgent operations.

CONCLUSIONS: Somewhat paradoxically, the ascent of ISIS also seem to have benefited the counterinsurgency. A growing number of young North Caucasians, including Dagestanis, fascinated by the strength and fame of ISIS, have sought to travel to Syria in order to participate in the jihad there (see the [04/01/2015](#) issue of the CACI Analyst). According to Dagestani sources, local sympathizers have come to consider ISIS as a vital competitor to the Caucasus Emirate. The latter's incapable leadership, constant internal disputes, and retreat in the face of counterinsurgency is contrasted against ISIS's tangible control over territory, standing army,

and significant financial resources. Currently, hundreds of North Caucasians are reportedly involved in the Syrian civil war (see the [08/21/2013](#) issue of the CACI Analyst). The departure of this significant number of young and frustrated North Caucasians, particularly Dagestanis, has made a difference in the ranks of local jihadist units, some of which are allegedly experiencing a hitherto unprecedented scarcity of new recruits. In the meantime, a number of Dagestani insurgent leaders have recently switched allegiances to the ISIS leader al-Baghdadi (see the [04/15/2015](#) issue of the CACI Analyst). While Kebekov managed to partially outbalance the “defectors,” mobilizing the support of the newly appointed *amir* of the Dagestani Vilayat Kamil Saidov, and Magomed Suleymanov, the second person in the virtual theocracy’s hierarchy, Kebekov’s death could seriously damage the standing of Caucasus Emirate loyalists in their conflict with the proponents of ISIS. However, even if the North Caucasus insurgency becomes dominated by ISIS loyalists, the implications on the ground will be limited by the structural problems facing regional jihadists. Unless ISIS provides North Caucasians with tangible support in terms of manpower, weapons, and financing – unlikely for a variety of reasons – the Caucasus Emirate will likely continue to decline.

KAZAKHSTAN AND NEIGHBORS SEEK STRATEGIES TO COUNTER EMERGING THREATS

Jacob Zenn

Central Asian governments are speaking openly about threats they face from the multiple security and economic crises surrounding their region. In November 2014, Kazakhstan's President Nursultan Nazarbayev discussed in his annual address the region's "worsening geopolitical context" with new crises in Ukraine, as well as in Syria and Iraq, the still unresolved "old" conflict in Afghanistan, and the negative impact on Central Asian economies resulting from Western sanctions on Russia. To counter these negative security and economic trends, Central Asian governments have adopted various approaches ranging from more progressive ones in Kazakhstan to stagnant or indecisive ones in other countries.

BACKGROUND: Since achieving independence in 1991 after nearly 100 years in the Russia-dominated USSR, all Central Asian countries have sought to chart their own course in the post-Cold War world order. However, the current state of affairs has forced these countries to evolve to deal with emerging threats in the "post-post-Cold War" world order.

Kazakhstan – Central Asia's largest country (and the world's 9th largest) – pioneered a "multi-vector" foreign policy focused on diverse international partnerships to reinforce its stability and freedom to maneuver geopolitically in difficult times. The country maintains friendly relations with Russia in the Eurasian Economic Union (EEU), which Kazakhstan joined in 2014, but it also maintains close ties with China in the Beijing-led Shanghai Cooperation Organization (SCO) and Asia more generally through the Kazakhstan-led initiative called Conference on Interaction and

Confidence-Building Measures in Asia (CICA). At the same time the country maintains close relations with the West through strategic partnerships with countries like the U.S. and Germany.

Moreover, rather than relying on Russia and China for trade, Kazakhstan developed its domestic infrastructure to serve as a "land-link" nation connecting trade from East Asia to Europe. In currying international favor and prestige and to distinguish it from other nuclear powers in the region, Kazakhstan fully abolished its nuclear weapons program and used that credibility to host dialogue between Iran and the U.S. in 2014, which opened a gateway for the deal reached between the U.S. and Iran in April 2015. Most notably, however, Kazakhstan also has taken steps since 2014 to open up space for civil society, which established the country's credentials among democratic nations, according to statements from international election observers from

the U.S, European Union and South Korea.

Uzbekistan, the most populous nation in Central Asia, has adopted a different approach in recent years. It has sought to balance major powers by upgrading relations with Russia, the U.S., or China to secure concessions from the others. For example, Uzbekistan hosted a U.S. military base near the Afghan border until relations soured in 2005 due to perceived U.S. interference in Uzbek internal affairs. Then Uzbekistan joined the Russia-led Collective Security Treaty Organization (CSTO) until abandoning it in 2012. In February 2015, Uzbekistan renewed military cooperation with the U.S. and received 300 armored vehicles from the U.S. to patrol the Afghan border.



(Source: Kremlin.ru)

As for Kyrgyzstan, despite its transition to a presidential and parliamentary system, its two coups in 2005 and 2010, high level of unemployment, ethnic tensions, and small territory limit its ability to develop an independent foreign policy similar to Kazakhstan and Uzbekistan. Like Tajikistan, Kyrgyzstan allows Russia extensive basing rights on its territory, which grants Russia a degree of influence in both countries' affairs.

Turkmenistan, for its part, has maintained a foreign policy of strict neutrality, but its disengagement from the international community has also led to a degree of economic, political and cultural stagnation.

IMPLICATIONS: While Central Asian countries have all solidified statehood since independence, the challenge for them in 2015 is to navigate an increasingly multi-polar and unpredictable international system with multiple state and non-state actors vying for influence in the region. Central Asian governments see tensions between the U.S and Russia with Ukraine as the boiling point, the flow of nearly 1,000 foreign fighters to Syria and Iraq (and dozens who have returned to the region), and Central Asian jihadists and Taliban factions pledging allegiance to Islamic State (IS).

Economically, the depreciating Russian ruble means economic hardships for millions of Central Asian laborers in Russia and decreased exports from Central Asia to Russia and Europe. It is not a coincidence that many of the Central Asian foreign fighters for IS were radicalized and recruited while in Russia, struggling to earn decent wages to remit home and to deal with xenophobia.

To avoid external factors from undermining the country's internal stability, Kazakhstan has taken the most cautious approach in the region, possibly due to the fact that it shares Central Asia's longest borders with Russia and China and has seen a surprising 200 to 300 of its citizens

“migrate” to Syria for jihad. The most immediate decision the country took was to hold presidential elections one year earlier than expected on April 26, 2015. This was in order to prevent political matters from coinciding with pressing security and economic matters, such as the U.S. withdrawal from Afghanistan and falling global oil prices, which could trigger a recession in Central Asia. In addition, Kazakhstan was forced to recalibrate its budget to avoid falling into debt, which likely means sacrificing construction of some infrastructure projects to allow for the continuation of social welfare programs.

In terms of strategic affairs, despite Russia’s economic crisis President Nazarbayev announced that Kazakhstan will honor its commitment to remaining in the EEU. But he simultaneously distanced the country from Moscow by calling for respect for Ukraine’s territorial integrity, largely in alignment with the West. The country’s leading think-tanks have also conducted analyses of the drivers of recruitment of foreign fighters to Syria and concluded that Kazakh citizens join ISIS for three main reasons: the desire to escape debt or unemployment; the false belief that “jihad” in Syria is a religious duty; and fanaticism for combat. While promotion of martial arts and coordination with muftis who promote tolerance between Sunni and Shia Muslims and Jews and Christians responds to the latter two categories of recruits, dealing with the first category will be a challenge so long as the region faces an economic downturn.

Uzbekistan appears to be preparing for potential instability as a result of the U.S. withdrawal from Afghanistan not only by tightening military cooperation with the U.S., but also by allowing NATO to hold an office in Tashkent, which is at the very least a symbolic rebuff to Russia. It is also expanding economic ties with the U.S. by allowing companies such as General Motors to have a factory in the country. But it is also facing a currency crisis and has not been particularly transparent about the budgetary adjustments to deal with the possible recession in the region. Another issue for Uzbekistan is that although its security services are tracking foreign fighters and extremist groups and the government promotes religious tolerance, the Islamic Movement of Uzbekistan (IMU) appears to have long-term sustainability. The IMU’s affiliation with ISIS will likely provide a reliable source of funding and recruits to the IMU.

Kyrgyzstan and Tajikistan rely on their security services to prevent or detain IS recruits in their countries and have thwarted several operations. But their economic reliance on Russia, particularly through laborers, will not offset jobs that Chinese or other countries’ companies provide. Thus, these two countries remain vulnerable. Turkmenistan, which in recent years has been relatively immune to extremism and terrorist attacks, has come under increasing pressure from the Taliban and also reportedly IS affiliates on its borders. This is a security threat that the country is unprepared to manage, given its

isolation and lack of strategic military alliances.

CONCLUSIONS: Although Central Asia has experienced relative stability and prosperity compared to the state of the region in 1991, economic and security crises may stymie this growth. Kazakhstan has attempted to counter emerging threats with policies, research and measures to prepare for worst-case scenarios. The rest of the region, however, sees negative trend lines, but has not articulated strategies to manage threats. As such, the near-term prospectus for Central Asia will remain volatile until there is greater coordination between Kazakhstan and its neighbors and the international community and the region to assess threats and develop crisis management strategies.

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KYRGYZSTAN'S PRIME MINISTER RESIGNS

Arslan Sabyrbekov

On April 23, Kyrgyzstan's Prime Minister Djoomart Otorbaev has announced his decision to step down, even though the country's lawmakers have rated his government's performance for the year 2014 as satisfactory. He is the fourth Prime Minister to resign in the last five years and the 26th since the country's independence.

When announcing his resignation, the now interim Prime Minister thanked the majority coalition for recognizing his work as satisfactory. He refrained from giving any motive for his decision, simply stating that "No monopoly of power can exist in a democratic country. Therefore, the branch of government should be shaken again. I pursued the goal of the country's development and advancement and hope that with this decision, the majority coalition can choose a more decisive head of the executive and that this will become a normal practice in the political culture of the country, when high officials leave their posts voluntarily." Otorbaev also stated that his resignation will not affect the country's path towards assuming full membership in the Eurasian Economic Union this May.

Immediately after Otorbaev's decision, Kyrgyz political and expert circles put forward various reasons for his resignation. According to Asylbek Djeenbekov, the Speaker of Parliament, Otorbaev's decision comes amid a renewed controversy over the

operations of the Kumtor Gold Company, which remains one of the biggest unresolved issues for the country. Indeed, much of Otorbaev's time in office was marked by difficult negotiations with Toronto-based Centerra Gold over the future of the Kumtor Gold Company, which according to various estimates accounts for 12 percent of the country's GDP and nearly half of its industrial output.

Currently, the Kyrgyz government controls around one-third of the Company, with Canada's Centerra Gold controlling the rest of the shares. In recent years, the country's opposition and public have made numerous demands to nationalize the mine or to create a new joint venture with a 50-50 split in ownership, an initiative hampered several times by international tribunals. The Prime Minister opposed this idea as well, stating last month that the launch of a joint venture is no longer in the country's national interest due to Centerra's new, lower estimate of the gold reserves. Instead, Otorbaev expressed his intention to increase the government's representation on Centerra's board of directors, coming under massive attack from a number of parliamentarians.

However, a number of political experts believe that Otorbaev's resignation has nothing to do with the fate of the Gold Company. Former MP Alisher Mamasaliev sees pure political motives behind the unexpected move. In his

words, “the ruling political leadership cannot afford to have a government in place, which is very much unpopular in the eyes of the electorate, especially shortly before the parliamentary elections, and is striving to appoint a loyal head of the executive.” Others are already speculating who will become the 27th prime minister, mentioning the current Deputy Prime Minister and the Minister for Economy, both fitting the criteria that the Kyrgyz White House is currently looking for.

Otorbaev’s resignation has also prompted local political analysts to speak of the overall crisis in the country’s management system. Since last September, 10 out of 15 Ministers announced their decision to resign, with some elaborating on the matter and others giving no comments. This speaks in favor of the argument that in times of socio-economic instability in the country, with crucial issues unresolved, no one is willing to take responsibility. On April 24, President Almazbek Atambayev accepted the Prime Minister’s resignation, which according to the country’s constitution means the resignation of the entire government. The current three-party majority coalition has 15 days to nominate a new head of the executive to the legislature.

Local media are also speculating over Otorbaev’s future. Some claim that the urbane, Western-oriented, English-speaking politician, who previously worked for Philips Company and taught physics in the Netherlands for several years, might assume a senior position in one of the international

financial institutions. Others argue that he will be competing for a parliamentary seat in the upcoming elections.

ISLAMIC STATE REACHES OUT TO GEORGIA

Eka Janashia

In April 2015, youths from the Pankisi gorge a territory in Georgia's north-east adjoining Russia, left for Syria as a result of the recruitment by the terrorist group calling itself the Islamic State (ISIS) of Georgian citizens.

Pankisi's rugged terrain is mostly populated by the descendants of ethnic Chechens settled there in the 18th, and later in the 20th, centuries during the Russia-Chechnya wars, and are referred to as Kists. They compose 75 percent of the 11,000 people settled in the valley.

Despite their considerable cultural confluence with Georgians, Kists largely maintain a Muslim confession, having practiced Sufi Islam traditions for centuries. Yet more recently, radical Salafi Islam, also termed Wahhabism, has become increasingly popularity and attracted a growing number of followers among the young generation, gradually supplanting Sufi clout in the gorge.

Religious radicalization in the gorge seems to present a looming menace for the economically weak and insecure Georgia. The exact number of Kists fighting for ISIS is unknown, but could according to some estimates amount to around 100 warriors. Some Kist fighters appear to have been successful in combat operations and achieved leading military positions in the ISIS army. For example, Georgian citizen Umar Al-Shishani, whose real name is Tarkhan Batirashvili, is an ISIS military emir in Syria from Pankisi, and was added to

the U.S. list of Specially Designated Global Terrorists in 2014.

On April 2, 16-year-old Muslim Kushtanashvili and 18-year-old Ramzan Bagakashvili left their native Pankisi without their parents' permission. Bagakashvili's mother was told by the Ministry of Internal Affairs (MIA) that her son had taken a flight from Tbilisi airport to Turkey. Bagakashvili verified this information via a message he sent to his family.

Kushtanashvili's grandmother reported that before his disappearance, the teen had been attending a Wahhabi mosque despite his father's objection. Although Georgia and Turkey exercise passport-free border-crossing rules, it is unclear how the underage Kushtanashvili was allowed to cross the border without his parents' consent. Interior Minister Vakhtang Gomelauri pledged to investigate the case and punish the responsible.

Meanwhile, Kushtanashvili and Bagakashvili sent a photo to their families, apparently taken in Syria, where the teens are sitting behind an ISIS flag, dressed in military fatigues and holding machine guns.

On April 20, the 19-year-old Pankisi resident George Borchashvili reported that unknown Chechens had threatened him with decapitation unless he went to Syria. Borchashvili applied to the police for help.

Local Kists claim that a specific group of radical Muslim recruiters is targeting

young civilians in Pankisi for recruitment to IS combat, most likely in Syria, and call on the government to tighten border control.

Aside from the Pankisi gorge, cases of recruitment have been reported in the Kvemo Kartli (Borchali) region, bordering Azerbaijan and Armenia, and the Autonomous Republic of Adjara, bordering Turkey. Although Muslims compose around 10 percent of Georgia's population, some Adjarian villages have a Muslim population of over 90 percent. Because these villages are situated along state borders, radicalization can have dire implications for national security.

The ISIS presence in Pankisi is critical in this perspective. The valley edges Russia's restless North Caucasus, which has made it an easy target and alternative route for Chechen rebels. While Pankisi is unlikely to become a central node of ISIS' Caucasus network, Russia has historically displayed it as a "hotbed" of Islamist militants. In the early 2000s, Moscow dubbed Pankisi a shelter for Al-Qaeda and has since vigorously sought to place the valley in the media spotlight, diverting attention from North Caucasus where radical Islam has made a much larger imprint. Such accusations potentially provide the Kremlin with another justification for military interference in Georgia's territory. Whereas this threat is specific for Georgia, ISIS activities on Georgian territory also implies general risks that are familiar to other countries experiencing similar recruitment.

In an attempt to address these risks in January 2015, the Georgian government

initiated a package of legislative amendments criminalizing the participation of Georgian citizens in illegal armed formations abroad, their travel overseas for the purpose of terrorism, as well as the promotion of such activities. The bill has yet to be approved by the parliament, and even after it enters into force, it will be difficult to detect militants covertly engaged in terrorist combat operations abroad.

The move is an important measure, but remains a minor step towards addressing the growing threat of radicalization.

The government seems incapable of either strengthening control in villages targeted by ISIS or articulate an integration policy for the Muslim population compactly settled in remote areas. While economic development in border regions should be an urgent question, the problem must also be addressed at a deeper, societal level. The failure of developed European countries to prevent the departure of youth to Syria suggests that the most important reason for the radicalization of local Muslims is their alienation from the rest of society. Without addressing this question, Tbilisi will hardly be able to prevent radicalization and recruitment among Georgia's Muslims.

In addition, some analysts point out Georgia's need to pursue strategic dialogue with partner countries to share their experience in fighting IS and to make the country's participation in the anti-IS coalition more visible.

ARMENIA'S PRESIDENT VISITS THE VATICAN

Erik Davtyan

On April 9, Armenia's President Serzh Sargsyan paid an official visit to Italy and the Vatican City, which was remarkable not only in the context of Armenia-Italy or Armenia-EU relations, but also for Armenia's policy towards the Armenian Genocide Centennial. During the visit, Sargsyan met with his counterpart Sergio Mattarella and discussed a wide range of issues concerning Armenian-Italian relations. Armenia's President expressed confidence that his busy official visit will give new impetus to the friendly relationship between Armenia and Italy. The Presidents stressed that in recent years cooperation between the two countries has intensified, both bilaterally and in the frame of the EU, and underlined that the history of nearly 20 years of diplomatic relations have already resulted in more than 30 legal documents, signed at different levels. The Italian President welcomed the fact that "after joining the EEU, Armenia continues to take steps aimed at developing relations with the European Union and added that the membership also opens up new horizons for the development of Armenia-Italy relations".

Sargsyan also met with Pietro Grasso, President of Italy's Senate, and Laura Boldrini, President of Italy's Chamber of Deputies, as well as Defense Minister Roberta Pinotti. Sargsyan and Pinotti mentioned that Armenia and

Italy successfully cooperate in the military field, especially in peacekeeping operations. In November 2014, more than 30 Armenian soldiers were engaged in the mission of maintaining the military base in Shama, Lebanon, which was carried out under the Italian command of the UN Peacekeeping Forces. Furthermore, the two states successfully collaborate in the area of military education. In his interview to *Corriere Della Sera*, President Sargsyan mentioned that Italian merchants have since the middle ages used Armenian commercial networks, therefore Armenia and Italy will currently seek to "re-operate that ancient habit," and concluded that the bilateral trade turnover will definitely increase quickly.

At the end of the visit, Sargsyan visited the Vatican on April 12 and took part in a liturgy devoted to the Armenian Genocide Centennial, performed personally by Pope Francis at the Saint Peter's Basilica. The ceremony was also attended by Garegin II, Supreme Patriarch and Catholicos of all Armenians, and Aram I, the Catholicos of Cilicia of the Armenians, as well as Armenia's Minister of Foreign Affairs Eduard Nalbandian. During his speech, Pope Francis termed the Armenian Genocide the "first genocide of the XX century." The Pope's speech received considerable attention in Armenia, Turkey, and many other countries. In his interview to the Italian website

Adnkronos.com, Foreign Minister Nalbandian stated that Pope Francis' speech "was an important message of solidarity with the Armenian people, it was also a message of support to the efforts of the international community for the prevention of new crimes against humanity, new genocides."

The Mass service in the Vatican and Pope Francis' speech were widely commented both in Armenia and Turkey and in international media. The Armenian National Committee of America (ANCA) Executive Director Aram Hamparian said that "Turkey underestimates, at its own risk, the power of the Armenian worldwide movement – a profoundly moral movement inspired by truth and driven by shared hope for a fair and enduring peace based on a just international resolution of the Armenian Genocide." As to the Turkish reaction, Prime Minister Ahmet Davutoglu stated that "an evil front is being formed before Turkey ... now the Pope has joined it and these plots." Reacting to Davutoglu's comment, Foreign Minister Nalbandian mentioned that Pope Francis is the spiritual leader of 1.2 billion people, so if Turkey does not agree with that approach, then it opposes the position of many countries. On April 12, immediately after the Mass service, Turkey recalled its ambassador to the Vatican for consultations.

The Pope's speech served as a unique message to the entire world, and the event drew diverse reactions. On April 15, the European Parliament (EP)

adopted a resolution condemning the Armenian Genocide and urging Turkey to recognize it. A week later, on April 22, the Genocide was officially recognized by the Austrian Parliament. Above all, it can be inferred that President Sargsyan's visit to Italy and especially the Holy See may serve as a new impetus for a wider recognition of the Armenian Genocide, one of Armenia's most important foreign policy objectives.

AZERBAIJAN DEMOTED TO EITI CANDIDATE

Mina Muradova

In mid-April, Azerbaijan was sanctioned by the International Board of the Extractive Industries Transparency Initiative (EITI) meeting in Brazzaville, Congo, for crackdowns on civil society. EITI is a global partnership supported by a coalition of governments, companies and civil society working to promote open and accountable management of natural resources. Azerbaijan committed to EITI in 2003, became a candidate country in 2007, and was the first country to become compliant in 2009.

Having been the first state to join the 48 country transparency initiative, Azerbaijan has now been demoted back to candidate status. Brendan O'Donnell, civil society representative to the EITI International Board and leader of the Global Witness oil campaign said, "Accountability to citizens is the professed essence of the EITI and while citizen groups involved are gagged or controlled by the state in a member country the initiative has no credibility." The closed meeting in Brazzaville considered the situation for civil society organizations (CSOs) in Azerbaijan "unacceptable" and that EITI could not be properly implemented given the current circumstances for CSOs.

The EITI Board called on the government of Azerbaijan to reaffirm its commitment to work with CSOs and ensure an enabling participative

environment. Specifically, the Board called on the government to ensure that NGO Coalition members could resume their role within EITI and be allowed to: 1) access their bank accounts and register new grants for EITI implementation activities; 2) speak freely about the EITI process and express views without fear of reprisal or harassment; 3) organize training, meetings and events related to the EITI process.

The decision followed a recently published EITI Validation report. Validation is EITI's independent evaluation mechanism and Azerbaijan is the first country to be validated against EITI standards. The October EITI Board meeting in Myanmar agreed that "the situation facing civil society in Azerbaijan is clearly problematic" and called for early validation expressing concern for the ability of civil society to engage with the EITI process in Azerbaijan.

The EITI has thereby become the first international body to reprimand Azerbaijan. "This is long overdue," said O'Donnell. "This has long been a crisis for the EITI Board and things have only worsened, with continued intimidation, funding streams outlawed and the state taking over coordination of the coalition of citizens groups. These issues must be reversed to prevent Azerbaijan being thrown out of the initiative." According to EITI's Chair Clare Short, Azerbaijan can

regain compliant status if it implements “corrective” actions after 12 months or face suspension. To have its membership restored, Baku needs to “ensure that civil society in Azerbaijan can participate in the EITI in a meaningful way.”

Human Rights Watch welcomed EITI’s decision and called it as “unprecedented.” Rachel Denber, Deputy Director of the Europe and Central Asia Division, said “Finally one of [Azerbaijan’s] international partners has made the government bear some consequences for its conduct ... It’s the first time EITI has taken this step against any country, and it was richly deserved.”

Since 2013, the Azerbaijani government’s concerted efforts to silence the country’s independent civil society has undermined its ability to effectively participate in EITI and compromised the initiative’s standards. The government has arrested and imprisoned dozens of activists, frozen the bank accounts of dozens of groups, and adopted new, highly restrictive laws on funding of independent groups.

Denber noted that in fact the government had made it so [difficult](#) to operate that many independent organizations involved in EITI had to suspend their activities, some closed down altogether, and some activists had to leave the country: “In the wake of its EITI downgrade, the government can no longer claim to be a global leader on transparency.”

According to the Validation report, in 2014 about 40 local and international companies and 109 NGOs were

members of the Multi-Stakeholder Group (MSG) on the implementation of EITI in Azerbaijan, although numbers of participating NGOs has fluctuated significantly, with 158 NGOs listed in the 2012 Activity Report.

Azerbaijani authorities have not yet reacted to the news. However, Shahmar Movsumov, Executive Director of State Oil Foundation of Azerbaijan and Chair of the MSG, expressed his indignation following the EITI Board’s decision: “The major goal of the Azerbaijani government has been to ensure full transparency of revenues from extractive industries for the citizens when it joined the Initiative in 2003. However, today Azerbaijan is criticized by organizations with double standards. It is unacceptable that EITI is becoming such an organization ... Azerbaijan has not joined this Initiative to be accountable before any organization outside the country and listen to any critics not related to the mandate of EITI. Azerbaijan is not going to tolerate pressures with regard to this matter. Given all this, the government of Azerbaijan will consider whether to leave the EITI.”

A week after the EITI decision, a Baku court sentenced Intigam Aliyev, Azerbaijan’s leading human rights lawyer, to seven years and six months in prison. One of the country’s most well-known human rights lawyers and head of the Legal Education Society, Aliyev worked extensively to promote the rule of law in Azerbaijan and defend peaceful activists. He submitted hundreds of cases to the European

Court of Human Rights, winning a number of them.

Baku's Grave Crimes Court convicted Aliyev on charges of tax evasion, illegal business activities, embezzlement, and abuse of authority. On April 16, 2015, the same court sentenced Rasul Jafarov, another human rights defender, to six-and-a-half years on the same charges.

Human-rights activists called the conviction "politically motivated," while a spokesman for Azerbaijan's Foreign Ministry Hikmet Hajiyev rejected it and said: "It has nothing to do with the human rights activity. No one is prosecuted for professional activity and political affiliation in Azerbaijan."