

BIWEEKLY BRIEFING

Wednesday, August 13, 2003

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Wednesday/August 13, 2003

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EDITORIAL PRINCIPLES

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Analytical articles require a three to four sentence introduction to the article based on a news hook. Rather than a general, overarching analysis, the article must offer considered and careful judgment supported with concrete examples.

Analytical article structure:

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BACKGROUND: 200-300 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: 200-300 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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Field Reports focus on a particular news event and what local people think about the event, or about the work of an NGO. Field Reports address the implications the event or activity analyzed has for peoples' lives and their communities. Field Reports do not have the rigid structure of Analytical Articles, and are shorter in length, averaging ca. 500'700 words.

Those interested in joining The Analyst's pool of authors to contribute articles, field reports, or contacts of potential writers, please send your CV to: svante.cornell@pcr.uu.se and suggest some topics on which you would like to write.

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TALIBAN ATTACKS INTENSIFY IN AFGHANISTAN

Rahimullah Yusufzai

The American and British invasion of Iraq triggered a noticeable increase in the number of attacks on the U.S.-led coalition forces and their Afghan allies in Afghanistan. Though the Taliban and other anti-US groups were involved in such attacks even before the occupation of Iraq, their campaign has assumed urgency in recent months. The US military officials have conceded that the number of attacks against their troops doubled in the spring of 2003 and became more sophisticated. Regrouped and willing to take risks, Taliban military commanders are now threatening to extend their theatre of operations from their strongholds in southern, southwestern and eastern provinces to northern Afghanistan.

BACKGROUND: By retreating from major cities instead of putting up a last stand in late 2001, the Taliban were able to save most of their fighters and hide away some of their weapons –a wise move, since the Taliban could have faced decimation at the hands of the superior fighting machines of the U.S.. With the US now pre-occupied with growing resistance in Iraq and the Afghans getting restless over the slow pace of reconstruction of their war-ravaged country, the Taliban and other opposition groups are finding it relatively easy to find recruits for their anti-U.S. cause and strengthen the resistance.

There have been daring assaults in recent months, such as the ambush in Gereshk in Helmand province in which suspected Taliban fighters killed three Afghan and two American soldiers and wounded several others, the murder of an expatriate engineer working with the International Committee of the Red Cross (ICRC) in Urozgan province, the killing of four German soldiers who were part of the International Security Assistance Force (ISAF) in an apparent suicide bombing in Kabul, and the death of several Afghan soldiers, policemen and aid workers in Taliban guerilla attacks in small towns and outposts. Religious scholars supporting President Hamid Karzai's government have also been targetted. Missiles fired on coalition bases, hit and run attacks on their patrols and remote-controlled bombs targetting their vehicles have also continued.

Though the ISAF and the U.S. military headquartered north of Kabul at Bagram airbase had maintained all along that they didn't expect the war in Iraq to cause a deterioration in the security situation in Afghanistan, the importance of the US-led attack on Iraq and the space it created for the

anti-U.S. forces wasn't lost on the Taliban. One of their top military commanders, Mulla Dadullah Akhund, used the opportunity to claim responsibility for some of the attacks on the coalition troops and threaten further assaults. Referring to the U.S.-U.K. invasion of Iraq, he argued that it was part of the Crusades against Muslims and urged the Afghans to join the "jehad" to evict "all foreigners, all Crusaders" from Afghanistan. It was the first time since losing power that a top Taliban leader had agreed to be interviewed, a move that

explained their growing confidence after remaining underground for more than a year.

IMPLICATIONS: The increased attacks against coalition forces in parts of Afghanistan, particularly in the areas inhabited by the ethnic Pashtun majority, show that some Afghans were heeding the Taliban appeal. As Dadullah Akhund claimed, the Taliban have regrouped under 10 military commanders appointed by their supreme leader Mulla Mohammad Omar, forged new alliances and waged a guerilla campaign in the Pashtun-inhabited provinces bordering Pakistan. By declaring that the guerilla-style attacks would henceforth be executed in the non-Pashtun majority northern provinces, where the Taliban have traditionally enjoyed little or no support, their military commanders were hoping to exploit the frustration which ordinary Afghans feel towards pro-U.S. warlords who continue to abuse human rights and indulge in corruption.

Likeminded former mujahideen leader Gulbaddin Hekmatyar has also declared "jehad" against the foreign forces in Afghanistan and tried to deride President Karzai by terming him a puppet of the U.S.. Though both Hekmatyar and Taliban have denied forming an alliance to fight the foreign troops and Karzai government, it is likely that their fighters are cooperating at the local level while confronting the common enemy. With his party's organizational and propaganda skills, Hekmatyar would be able to bolster the strength of the Taliban, who retain a reservoir of fighters but lack resources and are inept at handling the media.

The Karzai government's public support for the US invasion of Iraq didn't go down well with most Afghans and the perception that their president was an American creation became stronger. The fact that President Karzai still needed American bodyguards for his protection further damaged his reputation. His efforts to rein in the warlords and make the slowly emerging but Tajik-dominated Afghan National Army ethnically balanced is turning members of his coalition into enemies. With presidential elections next June in sight, the former mujahideen as well as the pro-West royalists and liberals are coalescing into rival alliances to stake claim for

power. In the process, the uneasy, Karzai-led coalition cobbled together as a result of the UN-sponsored Bonn conference in December 2001 is threatened with split.

The apparent disarray in the ranks of the Afghan government is causing disaffection among its supporters and providing a window of opportunity to the Taliban and other opposition groups. The increased Taliban guerilla activity has also fuelled tensions on Afghanistan's border with Pakistan due to Kabul's allegations that the attackers have their hideouts in Pakistani territory. U.S. military officials had to intervene recently to prevent an escalation in hostilities when the Pakistan embassy in Kabul was attacked by a mob protesting alleged encroachments by Pakistani military on Afghan territory. The resultant instability in the area has benefited the resurgent Taliban.

CONCLUSION: The Taliban and their allies, however, would have to overcome a number of challenges before they can revive their credibility and inspire the war-weary Afghan people. First, majority of Afghans are fed up of war and their preference is for peace and reconstruction of their warravaged country instead of another round of fighting. Second, the six-year Taliban rule was not a particularly happy

period for many Afghans and most of them would refuse to back their return to power. Third, the Afghans are aware that Afghanistan would again become isolated and foreign economic assistance would stop in case the Taliban regained power. Fourth, most non-Pashtuns kept their distance from the Taliban in the past and would do so again. Fifth, the Taliban lack resources that are required to sustain an armed struggle and there is no indication that any outside country or organization is ready to finance their campaign. Sixth, past rivalries and ideological and personal disputes would continue to haunt efforts to forge an effective alliance between the Taliban, Hekmatyar and other anti-U.S. groups. In such a situation, the Taliban at this stage are capable of rendering parts of Afghanistan insecure but are unlikely to bring down the Karzai government or force the U.S.-led foreign troops to pullout from Afghanistan.

AUTHOR'S BIO: Rahimullah Yusufzai is an executive editor of The News International, an English daily published from Islamabad, Pakistan. He is also a correspondent of the BBC, ABC News and Time magazine. He has published research papers on Afghanistan and travelled widely in that country since the communist revolution of April 1978.

OVERCOMING CORRUPTION IN KYRGYZSTAN'S EDUCATION SECTOR

Widespread corruption within the system of education in Kyrgyzstan is not a secret to anyone in the country. Bribing is there on every level of the educational system. Very often, parents have to provide "financial" assistance" to a principal to place their children at prestigious schools. It is hard to get a doctor of science degree without paying a certain amount of money. Corruption in the process of university admission and scholarship allocation has also caused much dissatisfaction among the Kyrgyzstani public. The procedure of awarding high school graduates with gold medals, that provides chances to get government-paid seats at the university without examinations, was often subjective and fraught with corruption. At many occasions, gold medals were awarded to

Such a practice left many bright students from less well-off families without an opportunity to get higher education, as their parents could not pay university tuition fees. Bribing was becoming an accepted norm, as it was almost impossible to be accepted to prestigious programs at the university unless one has given a bribe to the school staff. In 2001, the Ministry of Education and Culture, headed at

those students whose parents paid money, but

not to those who studied hard.

that time by Camilla Sharshekeeva, initiated a series of reforms, aimed at eradicating corruption in the education sphere of the republic. The practice of granting gold medals was immediately eliminated at all the country's high schools. An alternative new system of distribution of government grants for higher education has been worked out.

With the financial support of the US Agency for International Development through its EDNET project and with the administrative support from ACCELS (American Council for Collaboration in Education and Language Study), the Ministry of Education has developed a new system of graduate entrance examinations. Together with ETS (Educational Testing Service) in Princeton, ACCELS has designed a SAT-type verbal and quantitative aptitude test that is to be offered in Kyrgyz, Uzbek and Russian.

An independent testing body, separate from the Ministry of Education and Culture, was established to hold annual tests and grant students, based on their test results, with state tuitions to study in the republic's higher education establishment on their choice. In June 2002, the first National Merit Scholarship Test (NMST) was held to examine the knowledge of more than 13,600

high school graduates and to award 5,103 state scholarships to different Kyrgyzstani universities. This year, more than 35, 200 students took part in testing to compete for 5, 085 budgeted places at state institutions of higher education in Kyrgyzstan.

Many observers are very optimistic about the implementation of the republican scholarship testing as it provides fair, transparent and equal opportunities for all Kyrgyzstani youth to higher education. The new testing system helps to show the real level of knowledge independently from grades in high school diploma. It enables bright and talented students from poor families to continue their education. In addition, the unified testing also helps to monitor the educational level throughout the regions of Kyrgyzstan. In her interview with the author, the initiator of the program Camilla Sharshekeeva, currently the provost of the American University of Central Asia, said that the NMST might not have rooted out corruption in the admission process to higher education on the whole, but it definitely has eliminated corruption in the process of state scholarship distribution.

Maria Utyaganova, Bishkek, Kyrgyzstan.

CHALLENGES AHEAD FOR ILHAM ALIYEV, AZERBAIJAN'S NEW PRIME MINISTER

Svante E. Cornell

On August 4, ailing Azerbaijani President Heydar Aliyev's son Ilham was appointed prime minister, thus paving the way for his ultimate election to the presidency. Although the move was long expected, it was received as a shock by many in the country. Opposition parties immediately labeled the appointment as "illegal" and a "seizure of power", but seemed completely unprepared for the event. Given the weakness of the opposition, the main challenge to Ilham Aliyev's position may sooner come from within the ruling elite itself. For now, the ruling Party remains united on the surface, but Ilham Aliyev's ability to maintain control over the party, prevent an internal coup, and avoid foreign interference will determine his political future.

BACKGROUND: Ilham Aliyev has long been groomed for the Presidency in Azerbaijan. His appointment to the positions of first deputy chairman of the ruling New Azerbaijan Party, first vice president of the state oil company (SOCAR), president of the National Olympic Committee, and Member of Parliament and head of the Azerbaijani delegation to the Council of Europe indicated that President Aliyev was creating opportunities for his son to gain experience in state management and expand his networking both in the international arena and within the ruling elite. Indeed, within ten years of Aliyev's Presidency, Ilham transformed from an unknown person to many in the country to one of the key leaders in the government. As the ailing 80-year old President remained in the Turkish Gulhane military hospital under intensive medical care for most of July and was then transferred to a clinic in Cleveland, it came as no surprise that he appointed Ilham Prime Minister, giving him the ultimate power to run the country in his absence.

The most striking element of the appointment, which surprised local observers, has been the seeming unity, at least on the surface, of the ruling elite. The ruling New Azerbaijan Party has been known for its internal fragmentation since the mid-1990s. These divisions are partly along regional lines, and partly along generational lines. Powerful figures of the old guard such as the President's brother Jalal Aliyev, his Chief of Staff Ramiz Mekhtiyev, and National Security Minister Namik Abbasov are often mentioned as possible contenders for political power, and have all been known to be opposed to Ilham's succession to his father. Ilham Aliyev, on the other hand, is viewed as a member of the younger and reformist wing of NAP.

His approval speech was a clear move to placate internal tensions, noting that some political forces are trying to plant seeds of discontent inside the ruling party, but that there is only one team in Azerbaijan – Heydar Aliyev's team, and that he is a member of this team and does not have a team of his own. He also added that he would continue his father's policies, and, most significantly, that he will not introduce major staff changes in the government – easing fears of a major shake-up.

A distinct challenge to Ilham Aliyev originates from the political opposition, whose leaders see the upcoming presidential elections as their last chance to come to power after ten years in opposition. However, they have failed to overcome their strong, mainly personal differences in spite of urges to unite and field a single candidate. This has strongly weakened their support base in the population in the last one to two years, making the opposition less of a relevant factor in the power struggle in Azerbaijan. While containing the opposition is a major task for Ilham Aliyev, it has become less of a threat to his position than was expected. Likewise, there is no tangible negative public reaction in Azerbaijan to his appointment. Outside opposition circles, the population is complacent, while some place a hope for change for the better in Ilham's appointment.

IMPLICATIONS: The appointment of Ilham Aliyev as Prime Minister paves the way for his eventual election to the Presidency. With control over the administrative resources and the state hierarchy and bureaucracy, Ilham Aliyev will be in a most advantageous position for the victory. His appointment significantly reduced the chances of the opposition parties, who are already weak in financial resources and in their ability to mobilize the population. The fact that the opposition parties did not offer much resistance to the appointment shows their total lack of preparation for this situation and, consequently, their acceptance of it. This, in turn, has lowered the morale and hope for victory among the members of opposition parties. If Ilham Aliyev manages to prevent major street violence and chaos on the eve of the presidential elections, the opposition is unlikely to pose a major challenge to him.

What might pose a bigger threat to Ilham Aliyev is his own party. There are some powerful figures within the ruling elite who see Ilham as a threat to their economic interests and therefore will not accept him as a leader. At the same time, there are forces within NAP, who believe that it is in their best interest to unite behind Ilham Aliyev and maintain control over the political power and economic resources of the country than start internal fighting and loosing everything. Should these forces manage to prevail, Ilham Aliyev's power will be further strengthened and there would

remain no doubts about his election in October. At present, time seems to be on his side. The deadline for the registration of candidates for the Presidency ended on August 7, hence there will be no other candidates from the ruling party expect Heydar and Ilham Aliyev. This enhances his chances of rallying even reluctant members of the ruling elite behind him

CONCLUSION: Ilham Aliyev's ability to consolidate political power will depend on his ability to secure the unity of the ruling elite, which will become clear within the next two to three months. Influential members of the ruling party are unhappy with his appointment. Yet on the whole, they have no better choice than supporting him, because at least Ilham Aliyev guarantees their current status, whereas any opposition party, should it come to power, will pose a threat to their position as well as financial interests. Meanwhile, as the elections near, the opposition will have less and less chances of victory. Their only chance lies with a possible destabilization of the political situation in the country,

something that Ilham Aliyev and his team will likely not allow.

In this situation, the attitude of key regional players such as Russia, the U.S., and Turkey and Iran toward Ilham Aliyev will be crucial. Should an external player throw in their support for another candidate, the incentives for a coup will be higher. Avoiding destabilizing interference from Iran and Russia is a priority issue, that can be balanced only through active support for stability on the part of Turkey and the United States.

AUTHOR BIO: Svante E. Cornell is Deputy Director of the Central Asia-Caucasus Institute and Editor of the Central Asia-Caucasus Analyst, as well as Course Chair of Caucasus Area Studies at the Foreign Service Institute of the U.S. Department of State. He most recently authored, with Fariz Ismailzade, the chapter on Azerbaijan in Freedom House's yearly publication *Nations in Transit* (www.freedomhouse.org/research/nattransit.htm).

PARTNERSHIP FORUM HELD IN KYRGYZSTAN

On July 19, a Partnership Forum or the fourth roundtable discussion under the title of "Kyrgyz Statehood in the Third Millennium: New Mechanisms for Partnership between the State Authorities and Civil Society" was held in Bishkek.

Participants were government officials, leaders of a number of political parties, representatives of non-governmental organizations and mass media, who along with the socio-economic situation discussed such issues as the upcoming presidential and parliamentary elections, the role and responsibilities of civil society, political parties and mass media in the country's development process.

In his speech, Prime-minister Nikolai Tanaev said that political pluralism in the country is expanding, and civil society is livening up. In the speeches of the participants there were also remarks about stability and improvements in the social-economic sphere as well as other positive achievements and processes in the country.

Apart from such banal statements, other important issues were also discussed at the forum. President Askar Akaev, who also took part in the discussion, stated that he would not run again for the presidency. The President said that the new version of the constitution does not allow him that and he assured the participants that the 2005 elections would be held in strict compliance with the new version of the constitution as well as with the principles of democracy. Lately some politicians have been predicting that the presidential and parliamentary elections might be held ahead of

time. At the forum, the Kyrgyz President refuted such predictions and said that they would be held the day indicated in the new version of the constitution. Another issue that Akaev expressed his view on was the imprisonment of the leader of "Arnamys" opposition party Felix Kulov. In the opinion of the President, the imprisonment of Kulov had not been politically motivated but was due to his criminal acts.

The President's pledge not to run in the next presidential elections was perceived differently. Some see the President's announcement as a big democratic step and as a challenge to other Central Asian leaders, by stepping down voluntarily. Opposition figures, as one would presume, are doubtful about the sincerity of the President's commitment not to run for the presidency. In an interview to IWPR, the deputy head of the "Arnamys" party Emil Aliev said that Akaev made one of the traditional announcements in order to calm the public and his opponents. The leader of the "Erkindik" party Topchubek Turgunaliev said that he would not believe Akaev's commitment until he actually leaves his post.

The results of the Partnership forum are also receiving different evaluations. Edil Baisalov, leader of the NGO Coalition for Democracy and Civil society, says that the roundtable discussion was important in terms of the President's pledge to leave his post and in terms of the confirmations of the dates of parliamentary and presidential elections, which he thinks will provide a basis for stability in the country. In the opinion of the opposition figure

Tursunbek Akun, the Partnership forum was far worse than the last year's forum and nothing substantial was achieved. Others think that the Partnership Forum demonstrated the failure of the continuing attempts to establish a constructive dialogue between the government and the radical opposition as the leaders of the "For Akaev's resignation and public reforms" movement were not invited to the forum. On the other hand, the first deputy Prime Minister Kurmanbek Osmonov stated that the forum was successful and a declaration was adopted, which, in his opinion, reflects the established dialogue among all political forces. He also refuted the accusations that the forum was another 'showcase' for the international community. Meanwhile, the OSCE Permanent Council in Vienna on July 24 discussed the Partnership Forum held in Kyrgyzstan having listened to the report of Kyrgyzstan's Representative to the OSCE Alikbek Jekshenkulov. The OSCE approved of the forum's results and the Kyrgyz leadership's democratic reforms.

The roundtable discussion itself and the very fact that it was held is a positive event for maintaining regular dialogue among major political forces in Kyrgyzstan. However, the fact that some opposition members were not invited and did not make their contribution downplays the potential of the forum. Now its success for the most part depends on the follow up work and the actions that will be taken to address the issues raised at the forum.

Aisha Aslanbekova

THE ENDANGERED ALLIANCE: TURCO-AMERICAN RELATIONS AND THE CAUCASUS Stephen Blank

By all accounts the U.S.-Turkish alliance is under severe strain if not in danger of coming apart. At present, it is likely that Turkey's post-conflict policies regarding Iraq will conflict with American policy there, and that this will also cause grave discord among the two allies in other critical theaters like the Caucasus, with possibly profound repercussions there. Those repercussions are particularly important with regard to Azerbaijan since it is clear that regime change there is imminent and could likely be accompanied by severe instability that jeopardizes both American and Turkish interests which are sizable and in Turkey's case, arguably vital.

BACKGROUND: It is well known that the Turkish government failed to have the U.S. request for assistance and for the right to station U.S. troops in Turkey before the war with Iraq passed in parliament. In the current postwar situation there, the United States has asked Turkey for up to 10,000 troops to assist in post-conflict reconstruction and stability operations in Iraq. Those forces would be deployed in the southern, largely Shiite areas of Iraq. In turn Turkey has reportedly demanded certain conditions for the placement of its troops there. These may or may not include a UN mandate, but there are others that are critical to any future Iraq.

Reportedly Ankara is demanding that the U.S. civilian leader in Iraq, L. Paul Bremer, appoint a Turkish deputy, and that the American military commander Lt. Gen. Ricardo Sanchez, similarly appoint a Turkish general of appropriate rank as his deputy. Furthermore all of Iraq, i.e. all the Kurds, must be disarmed, the Turcoman population must enjoy special privileges and protection, and the United States should also fulfill the entire obligation of credits it promised to Turkey in March, 2003, a figure amounting in sum to \$8.5 billion.

From this vantage point, it seems highly unlikely that Washington will allow itself to pay this price. For these terms are seen as blackmail in the U.S. and reflect serious Turkish miscalculations about the relationship and American policy. Washington Turkish simultaneously fear that the United States is angling to create an independent Kurdish state in Iraq, yet at the same time maintain that America needs Turkey more than Turkey needs America because it has asked Ankara for help. On both counts these elites are profoundly wrong. While Washington is certainly not favoring an independent Kurdish state, it will insist on a legitimate Kurdish role in a future Iraq. Nor will it likely to be willing to accept a Turkish protectorate over Iraqi Kurdistan and special privileges for the Turcomans. Neither is Washington likely to acquiesce in policies that make it seem as if Turkey will get control over northern Iraq's oil holdings.

IMPLICATIONS: Thus Turkish fears over Kurdistan, bordering on paranoia, lead Ankara to take excessive

counsel of its fears and create threats where they do not exist. Those fears then breed misconceived policies that cause more problems among Turkey's friends. At the same time, Turkey is profoundly mistaken if it thinks that Washington needs its support more than it needs Washington's support. In fact in the Caucasus where equally vital Turkish interests are at stake this works exactly the other way. Without the alliance connection to the United States, Turkey's ability to project effective power and influence is substantially reduced, even more than is Washington's, if the alliance does indeed rupture. Reports from Azerbaijan indicate that this is already taking place.

Inasmuch as Azerbaijan, the key state for Turkey and perhaps to a somewhat lesser degree America, is on the imminent verge of a regime change, harmony among the two allies is critical. Azerbaijan is already a highly stressed state with one of the greatest refugee populations in the world after the conflict with Armenia over Nagorno-Karabakh, a war that has no political resolution in sight. Once President Heydar Aliyev leaves the scene, the way will be open for all kinds of intrigues, not least those fomented by Moscow and its clients there, to gain control of the state and its huge energy revenues. It is very likely that Moscow already has a plan and cadres in place for this eventuality. Were there harmony among the U.S. and Turkish governments, it is probably just as likely that they could have worked out a plan for this contingency. But if the alliance is falling apart and is plagued by conflicting signals, interests, and mutual misreadings, it will be very difficult to project any sort of Western influence or power into the area, not to mention formulating and implementing an effective policy for Azerbaijan.

Should this process deepen further, Turkey, more than Washington will be undermined because Azerbaijan is vital to Turkish energy and security interests and is the linchpin of its Caucasian strategy to keep Russia away from its borders and from dominating the Caucasus. If that policy fails, Turkey comes under immediate economic and strategic threat with few supporters around to help it. And it certainly will be unable to offer Georgia, the next

Russian target, much assistance of any kind under those conditions.

CONCLUSIONS: It is very clear that the strength of U.S.-Turkish relations exercises a major impact on the shape of postwar Iraq and the Middle East. The same holds true for the Balkans. But it is no less the case in the former Soviet Union, especially the Caucasus, and even more particularly in Azerbaijan. A major political struggle over the succession to Aliyev is brewing there and if Turkey and America cannot coordinate their policies then they will both lose out, as will the people of the Caucasus, who will face very strong pressures for becoming Russian

satellites once again. There is much more at stake in U.S.-Turkish relations than the phantoms of a Kurdish state and one can only hope that policymakers in both capitals will focus on real threats and genuinely common interests rather than on the products of long outdated fears that have no basis in reality.

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OIL-RUSH FUELS CONTROVERSIES IN KAZAKHSTAN

So far, Kazakhstan's all-out attempt to bring its oil on the world market at low possible economic and political costs seems to be as fruitless as it is ambitious. But putting into operation the huge oil-processing complex and the Karachaganak — Ulken Shagan — Atyrau pipeline at the beginning of this month, a significant event solemnly marked by top government officials, brings the country nearer to that goal. It is also likely to fan long-running controversies about oil revenues.

The completion of the second phase of the oil complex construction in Karachaganak fields significantly increases the oil export capacity of the country, putting the annual production of hydrocarbons at 8 million tons. Karachaganak is just one of the more than two hundred oil and gas deposits discovered in Kazakhstan. The final agreement to develop Karachaganak on product sharing basis was reached between BG-Group. Italian ENI, Chevron-Texaco, Russian Lukoil consortium and Kazakh government in 1997. More than 500 Kazakh companies were involved in this project. Foreign companies hired thousands of local workers in Western Kazakhstan, thus alleviating, even if only for a limited period, the acute unemployment problem of the region.

Despite some sense of uncertainty among oil officials alarmed at continuing American presence in the oil-rich Middle East, analysts from leading government papers predict a bonanza age for Kazakhstan. Proven reserves on land are estimated to make up 2,9 billion tons of oil and condensate, and 1,8 trillion cubic meters of gas.

There is a good ground for optimism. Over the past ten years, foreign investment in Kazakhstan's economy amounted to \$20 billion. Notably, 85% of the investment money was funneled to oil and gas industry. Since the beginning of 2002 the oil production in Kazakhstan has increased by 50%. According to government sources this year the oil output will reach 52 million tons. If that pace of production is to be sustained, the country's ambitious aim to increase the annual output to

minimum 150 million tons by the year 2015 appears to be easily achievable.

Optimists are apt to call Kazakhstan a second Kuwait. But it would be more appropriate to liken Kazakhstan to a battlefield for oil giants of the world, rather than a Kuwait. It is getting increasingly difficult for the government to reconcile insatiable foreign companies with needs of domestic economy.

Early in June Chinese leader Hu Jintao used his first visit to Kazakhstan to conclude two major agreements aimed at expanding Chinese investment in Kazakhstan and boosting the construction of a pipeline from Kazakhstan to China. Just a week before that, the Chinese National Petroleum Company, which had owned 75% shares in Aktobemunaygaz, acquired an additional package of shares of that company. Western companies reacted jealously to the move. The British company BG Kazakhstan was quick to announce its projected sale of 16,67% shares in the North Caspian project to ENI, Royal Dutch/Shell, TotalFina Elf, ExxonMobil, ConocoPhillips and Inpex. The move thwarts the hopes of two Chinese companies - CNOOC North Caspian Sea Ltd., and Cinopec International Petroleum Exploration – to take part in the development of Kashagan oil field, which is estimated to hold 1,7 billion tons of hydrocarbons. While rivals were crossing swords over Kashagan, Ukrainian Minister of Energy held encouraging talks with the general director of

"Kaztransportgaz" pressing on the Kazakh side the Odessa – Brody route for shipment of Kazakh oil. Ukraine also hopes to purchase 1.5 billion cubic meters of Kazakh gas annually. Possibly, Kazakhstan will eventually join the Russian-Ukrainian "gas alliance".

What is increasingly irritating the Kazakh public, however, is that nobody in the government bothers to explain how the huge proceeds from the sale of oil are being used. Not long ago,

Almaty NGOs held round-table discussions on the management of revenues from oil export. Only one out of 19 invited national and foreign companies took part in the discussion.

"It is not surprising that oil companies, operating in our country, openly shun public discussions. They have much to hide", says Meruert Makhmutova, director of the Public Problems Research Center. Among the honorable guests of the discussion was the manager of the Caspian Revenue Watch project George Soros, the tireless supporter of NGOs. He said that oil extracting companies must publicly account for their revenues and expenses, since huge sums are being spent irrationally. According to him, mass media has a greater role to play in restoring confidence between government and wide public by providing accurate and unbiased information on revenues.

"What we need most at the moment is the absolute transparency of oil contracts and availability of information on oil companies and their owners. That should be the starting point in monitoring the revenue flow. We are going to submit to parliam ent a draft law, which will enable to use effectively this instrument of transparency", says the chairman of "Ak zhol" party Alikhan Baymenov.

Government officials often come under fire from opposition leaders for mismanagement of the National Fund, where already about \$2 billion have been accumulated. Parliament members have repeatedly inquired ministers about revenues of oil producers and tax-dodging companies, but no one can explicitly account for the use of oil money. Experts estimate that 80% of oil deals are carried out in offshore zones. That leaves much room for dishonest practices and tax-evasion. The major battle for transparency is looming ahead.

Marat Yermukanov

CENTRAL ASIAN BORDER TENSIONS: THE WORSENING KYRGYZ-UZBEK RELATIONS Gulzina Karim kyzy

On July 16 a Kyrgyz civilian was shot dead by Uzbek border guards on the Kyrgyz-Uzbek border near the town of Karasuu of Kyrgyzstan's Osh province. This is not the first event of this kind between signatories of an "Eternal Friendship" agreement of 1996, but the latest in a long line of incidents. The death of 21-year old Adyljan Urkinbaev highlights the increasing difficulties that local people have been facing from growing isolation and tightening border regimes. While a peaceful resolution of the situation is desperately needed, no cooperative efforts on the part of Bishkek and Tashkent can be seen. In a state of increasing border-related tensions at the local level, the latent tension may easily turn into an open conflict.

BACKGROUND: As the countries of Central Asia gained independence in 1991, areas that had constituted a single economic, social and political system were divided from one another. Boundaries that were of little importance acquired a lot more significance having a striking influence on ordinary lives. One such area is the Ferghana Valley, a multiethnic area unified by common history, culture, social and economic networks, but now spanning parts of three countries – Kyrgyzstan, Uzbekistan and Tajikistan. The Kyrgyz The Kyrgyz Ferghana Valley, which embraces three southern provinces of Kyrgyzstan - Osh, Jalal-Abad and Batken – for years has been facing a number of economic, political and social challenges. Among them, border-related tensions with Uzbekistan have been particularly acute and have placed an onerous burden on the local population. Complicated border crossing procedures and visa requirements imposed first by Uzbekistan under the pretense of security needs have caused serious hardships for the local population of the Ferghana Valley, where life has traditionally been based on joint existence and activities. Requirements for visas, which are normally available in capitals and at a high price, have made cross-border movement and trade for ordinary people an arduous process. Locals that could easily visit friends and relatives just across the borders without any hindrance came to face numerous obstacles.

Besides formalities, people have suffered from harassment and corruption among border guards and customs officials. The incursions made by the Islamic Movement of Uzbekistan into Kyrgyzstan in 1999 and 2000 as well as the fight against terrorism and religious extremism have led to tighter border regimes causing more problems to the local people and making the already tough border issues even more difficult to resolve. In 1999, shortly after the IMU incursions, Uzbek air strikes launched on the Kyrgyz village of Karatevit killed seven people, wounded 13, and created large material damages. The same year, Uzbekistan started to safeguard its security by taking unilateral measures such as laying mines on its borders with Kyrgyzstan and Tajikistan, on territories that were yet to be demarcated. The minefields created new tensions in Kyrgyz-Uzbek relations as they not only resulted in significant economic losses by killing livestock, but also caused deaths and injuries to Kyrgyz locals. Since 1999, there were 14 cases of mine blowing on the Kyrgyz-Uzbek border, as a result of which three people were killed, three were seriously wounded, and many people were deprived of their livestock.

IMPLICATIONS: What is striking is that Uzbekistan has at times imposed restrictive border regimes not for the sake of security interests per se, but for other interests such as safeguarding the country's protectionist economic policies. The recent incident is an example. The victim was a local man who earned a living by leading people on a wooden footbridge across the river Sharkansai. Despite objections among locals in 2000, Uzbekistan dismantled the bridge over this river, which used to unite the Kara-Suu town of the Osh province with the neighboring rayon of Uzbekistan. The closure of the bridge caused serious impediments to economic relations in the region, and forced residents of Kara-Suu to make a 40-kilometer detour to travel through the official border crossing. Locals then started to use the footbridge in order to avoid complex and time-consuming border-crossing procedures to trade and visit relatives on the other side of the border. Although official Tashkent explained the dismantlement of the bridge as a quarantine restriction to contain a flu epidemic and as an additional security measure, locals have been citing an attempt to stop the outflow of Uzbek currency to Karasuu as the underlying cause, as Kara-Suu has one of the biggest and the most popular markets in the Ferghana Valley. A number of people have drowned while trying to make the crossing. Thus apart from increasing obstacles to cross-border cooperation and trade, excessive border restrictions have become threatening to people's lives. The latest incident is unlikely to force any breakthrough to ease the difficulties on the border. The Kyrgyz government responded by sending a protest note to the Uzbek government just as it did when another Kyrgyz citizen was killed by Uzbek border guards last autumn. The incident seems to intensify the diplomatic tensions between Bishkek and Tashkent. For the past two weeks, both governments have exchanged protest notes. The Uzbek side, besides blaming the Kyrgyz authorities for the incident by having allowed an illegal border crossing, is also blaming it for prolonging the process of border delimitation.

Although Bishkek threatens to 'take appropriate measures' after each such incident, it has actually adopted an indifferent approach, unwilling to jeopardize its relations with its neighbor. As the region's most populous and militarily most powerful state with strengthening ties with the United States since the war on terrorism, Uzbekistan has been using its relative strength to exert pressure on and ignore the demands of its neighbors. Uzbekistan has so far refused and at best ignored Kyrgyzstan's demands to punish Uzbek border guards, who are alleged to take up arms at the slightest provocation and accused of brutal treatment of civilians. The repeated requests and later demands of Bishkek to hand over the map of the minefields have so far also been successfully Given the continuing 'blame game' between Kyrgyzstan and Uzbekistan, a compromise any time soon seems unlikely. The deterioration of Kyrgyz-Uzbek relations as a result of border-related issues may not only hinder the

demarcation process of disputed thousands of square miles, but may also increase the potential for conflict in the region.

CONCLUSION: There is an urgent need to open up borders and encourage cross-border cooperation in Central Asia, especially in Ferghana Valley. It is the local population that has suffered first and foremost from the increasingly tightening border regimes imposed in the name of security. Constructive measures from both the Kyrgyz and Uzbek government are desperately needed. External pressure on the two governments to loosen border restrictions and open the way for regional cooperation could speed up this process. Given the difficult economic and social situation in the region, only a conciliatory and cooperative approach can prevent local tensions from gathering steam and turning into a major conflict in the long term.

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PAKISTAN'S FOREIGN POLICY: REGIONAL AND INTERNATIONAL DIMENSIONS

The Department of International Relations, University of Peshawar, Pakistan, in collaboration with Hanns Seidel Foundation, organized a recent two-day international conference on "Pakistan's foreign policy: regional and international dimensions" in the conference hall at the Sir Sahibzada Abdul Qayyum Museum, University of Peshawar

The main theme of the first session was the Change of Pakistan's Afghan Policy and its Regional Implications. Najmuddin Å. Shiekh, former secretary of foreign affairs (Pakistan) spoke on, "The current Pak-India impasse: prospect for an early resolution". He said that India will not initiate a war but will continue to make war -like noises so as to deflect the pressure from the international community. Prof. Tahir Amin, while presenting his paper on Pak-Afghan relations since the fall of Taliban, said Pakistan needs to have a strategic vision in terms of devising a long-term Afghan policy keeping in view the rapidly changing domestic, regional and global scenario. He said that Pakistan's Afghan policy has been in complete disarray since its U-turn after Taliban debacle and the U.S. invasion of Afghanistan. Pakistan has encountered a deep-seated hostility from both the Northern Alliance as well as from Pukhtuns who had formed the main support base for the Taliban. Dr. Artem Rudnistky said that Pak-Russian relations have been substantially contributing to

Dr. Artem Rudnistky said that Pak-Russian relations have been substantially contributing to regional development and the academic myth was changing into political reality. He said that lack of proper economic interaction between the two countries was the main obstacle, which needs to be

overcome. He was of the opinion that Russian stand on Kashmir issue was not offensive to either side. The recent visit of Pakistan president to Russia and Pakistan's efforts against combating terrorism are milestones in redefining Pak-Russia relations. Ms. Farzin Nia of Iran in her paper on "Pak-Iran relations Back on Track" said that both countries should take solid steps to remove the prevailing hurdles in trade and economic ties including smuggling and drug trafficking. Both countries should also cooperate in the reconstruction of Afghanistan. Mr. M.B. Naqvi said that the foreign policy of a country is determined by domestic affairs, and unfortunately; Pakistan's domestic political situation had been disturbed from 1953 onward when the Pakistan army interfered in the political affairs of the country.

Gen. (Retd) Mirza Aslam Beg presented his paper on IndiaPakistan standoff and the stability of nuclear deterrence. There is no balance in respect of military might (army, navy, air force) between India and Pakistan, but he argued it is the nuclear deterrence that balances the power of the two states. Dr. Pervez Iqbal Cheema spoke on "Pakistan-India and the U.S. Campaign against terrorism." He said that there is no universal definition of terrorism, even the UN is unable to define it, and also that there are three reasons for terrorism: denial, injustice, and deprivation. Dr. Farooq Hasnat expressed his views on new perspectives on Pakistan's relations with Central Asian Republics.

Dr. Maqbool Ahmad Bhatti delivered his paper on Pakistan's relations with China and Japan. Both

countries are very important for Pakistan. Pak-China and Pak-Japan has recently celebrated their golden jubilees of relations. China is the only great power with which Pakistan has direct boundaries. Pakistan and China have many common features: both are developing countries, both have similar approaches to world economics, both have a friendship based on trust and confidence. Japan is the biggest investor in Pakistan and politically it has a security pact with U.S.. Japan put economic sanctions on Pakistan in 1998 after the nuclear tests it conducted, but lifted it when Pakistan became ally of U.S. during the war against terrorism. Dr. Talat Wizarat read out her paper on Pakistan and Middle East. She said that the U.S. bases in Pakistan have negatively influenced the relations of Pakistan with many Middle Eastern Countries.

Dr. Shirin Mazari presented her paper on, "New Strains and Future Prospects for Bilateral Relations." She said that Indo-U.S. strategic cooperation and jointly patrolling in the Indian Ocean is posing a security threat to Pakistan. The influence and presence of the two countries in Afghanistan will also create new strains in the bilateral relations. She said that the U.S. administration has ignored state terrorism of which Kashmir and Palestine are main victims. She also said that the presence of FBI in Pakistan, raids on houses and institutions would lead to conflict in civil society. She suggested that Pakistan should prefer multilateralism.

Dr. Zahid Anwar, Assistant Professor, Area Study Centre, University of Peshawar

NEWS BITES

DOZENS KILLED IN RUSSIA BLAST 2 August

A bomb attack on a military hospital in southern Russia has killed more than 30 people, officials have said. Eyewitnesses say a lorry packed with explosives crashed through entrance gates at the hospital, and a suicide bomber at the wheel blew himself up. The blast destroyed the four-storey building at a military base in the town of Mozdok, 10 kilometres (six miles) away from the breakaway Russian province of Chechnya. The blast left a crater at least eight metres wide (26 feet) and three metres (10 feet) deep. About 150 people - a mixture of soldiers and civilians - were believed to have been in the hospital at the time of the blast. "Judging by the scale of the destruction and the number of people who were in the hospital... the number of casualties will probably be much higher," Russian deputy general prosecutor Sergei Fridinsky said at the site of the attack. Russian President Vladimir Putin has sent Defence Minister Sergei Ivanov to the scene of the latest attack. Mozdok is the headquarters for Russian troops fighting separatists in Chechnya for most of the past decade. A Russian official told Interfax news agency that the hospital treated Russian servicemen injured during the country's conflict with the Chechen separatists and this may have been why the building was a target. In June, a suicide bomber from Chechnya blew herself up on a bus in Mozdok, killing 18 people, most of them Russian military police. There was no immediate claim of responsibility for the attack. However, Salambek Maigov, Moscow spokesman for moderate rebel Chechen leader Aslan Maskhadov, said the separatist leadership was not involved. "The Chechen presidency is not responsible for terrorist acts and denounces such acts," he told the French news agency, AFP. President Putin has scheduled a presidential election in Chechnya for 5 October, but Chechen rebels have rejected the plan and have vowed to resist Russian forces. (BBC)Russian and Georgian government working groups met in Tbilisi on 31 July to discuss measures to expedite the return of Georgian displaced persons to Abkhazia in line with an agreement reached during talks in Sochi

FIRST RESULTS OF AZERBAIJANI PRESIDENT'S MEDICAL EXAMINATION IN U.S. HOPEFUL 8 August

The first results of Azerbaijani President Heydar Aliyev's medical examination at a Cleveland hospital in the United States are encouraging, according to the clinic's press release obtained by Interfax on Friday. The Azerbaijani president is currently being treated for heart and kidney problems. He is not experiencing any neurologic problems, the press release reads. President Aliyev flew from Turkey to the United

States on Wednesday to continue his medical treatment in Cleveland, Ohio, where he underwent a coronary bypass in 1999. (Interfax)

KAZAKHSTAN AND UZBEKISTAN ARE BEGINNING THE DEMARCATION OF BORDER 8 August

The delimitation process was finished last year. It is necessary to work out 1 251 km. Both of the countries hope to finish the demarcation during 1,5 of the year. The special Kazakhstani governmental delegation conducted the consultation together with Uzbek colleagues in Tashkent. Murat Atanov, Ambassador on special missions of the Ministry of Foreign Affairs of RK said that the setting of that signs exactly shows the territory of the state. At the moment they create laws. It doesn t mean any barbed wires or barriers as the Presidents agreed not to do it. (Khabar)

AZERI PRIME MINISTER ILHAM ALIYEV RECEIVED INVITATION TO PAY OFFICIAL VISIT TO TURKEY TO GET SUPPORT OF ANKARA 8 August

Newly appointed Azeri prime minister Ilham Aliyev has received an invitation to pay an official visit to Turkey. The prime minister of Turkey Recep Tayyip Erdogan told Turkish media that this issue was discussed in the course of a telephone conversation between the two premiers. It should be mentioned that it will be the first official visit of the newly appointed Azeri premier to a foreign country. According to the experts, this first visit to Turkey is conditioned with unstable political situation in Azerbaijan as of the forthcoming presidential visit and intentions of Ilham Aliyev to get support of Turkey. At present, the date of the visit is being specified via diplomatic channels. (CNA)

TURKMENBASHI AIRPORT RECONSTRUCTION IS TO FINISH SOON

8 Augus

The new 26 000 square meters platform construction meeting ICAO international norms has been finished at the airport of Turkmenbashi city where the next annual session of the Khalk Maslakhaty (the People's Council) will take place, August 14-16, 2003. The first stage of Turkmenbashi airport modernization was completed in the framework of the Civil Aviation National Development Program two years ago. The French Thomson implemented technical re-equipment of the airport by having built the new radar station covering 400 km of airspace in accordance with international standards of air traffic monitoring. One more project has been started this spring aimed at strengthening the airport infrastructure. Both

Turkmen and foreign companies together with Decolight Trading LLC from the UAE are implementing this project, the correspondent of Turkmenistan.ru reports from Ashgabat. The reconstruction of traffic lanes with total length of 1600 meters is nearing its finish. The best construction material was used in preparation of the multilayer base carcasses of these objects. They have been made of concrete as opposed to the former asphalt surface. As the National Civil Aviation Authority believes the airport of Turkmenbashi became the best of the modern once in the country. The modernization of the traffic navigation system and air-technical base has enabled to enhance airplanes traffic security over the territory of Turkmenistan, airplanes maintenance security in the airport and enhance its traffic capacity. (Turkmenistan.ru)

OVER 127,000 JOBLESS REGISTERED IN ARMENIA IN FIRST HALF OF 2003 7 August

Armenia's economically active population in January-June 2003 averaged 1,404,100 people. Of these, 90.9 per cent, or 1,276,800 people, were employed, and 9.1 per cent, or 127,300 people, were unemployed and were registered by the Armenian employment service under the Social Security Ministry and received unemployed status. According to the Armenian National Statistics Service and the monitoring service of the Trade and Economic Development Ministry, the number of officially registered unemployed people in 2003 comprised 93.9 per cent of the number of jobless people officially registered during the same period in 2002. A total of 78.8 per cent of the population were employed in the private sector, 21.4 per cent in the public sector and management, and 0.3 per cent in public and religious organizations and foundation. (Noyan Tapan)

MOSCOW WELCOMES ILHAM ALIYEV'S APPOINTEMENT AS AZERI PRIME MINISTER 7 August

As it was reported to RIA "Novosti" at the Russian MFA press service, Moscow believes the appointment of Ilham Aliyev the Azeri prime minister to contribute to the consolidation of the State system of the country. In his telegram of congratulation to Ilham Aliyev Russian prime minister Mikhail Kasyanov underscores that "the worked out potential of strategic cooperation between the two countries will receive further development for consolidation of friendship between the both peoples, peace and stability in the South Caucasus". Let us remind that August 4, basing on the corresponding items of the constitution, Azeri Milli Mejlis adopted the resolution to confirm the acting president's son to the post of the prime minister of the republic. (RIA-Novosti)

PUTIN SAYS RUSSIA MIGHT JOIN ISLAMIC CONFERENCE 5 August

Concluding a two-day visit to Malaysia on 5 August, President Vladimir Putin made the surprise announcement that Russia is considering joining the Organization of the Islamic Conference (OIC). Putin noted that Russia has more than 20 million Muslims, more than many OIC members, including Malaysia. On 5 August, Council of Russian Muftis Chairman Ravil Gainutdin wholeheartedly endorsed Putin's proposal. "That move would be especially important now that fighting with international terrorism is in full swing," Gainutdin told ITAR-TASS. Also on 5 August, a spokesman for the Russian Orthodox Church told the news agency that Russia is a multiconfessional country and therefore "it would be quite logical for Russia to seek membership in European as well as Oriental organizations, including the Islamic Conference." (ITAR-TASS)

AZERI LEADER'S SON CHOSEN AS PM 4 August

Parliament in the oil-rich ex-Soviet republic of Azerbaijan has elected the son of ailing President Heydar Aliyev, Ilham, as prime minister. The move appears designed to cement the first dynastic succession in the former Soviet Union, as the 80-year-old president puts his son in line to take over if he becomes incapacitated. Heydar Aliyev, a former KGB officer and Politburo member who has run Azerbaijan for much of the past 35 years, has been in hospital in Turkey for much of the past month with heart problems. The opposition rejected parliament's overwhelming vote to approve Ilham as prime minister on Monday. "We believe this is an attempt to put into effect a neo-monarchist scenario in Azerbaijan, and we are confident that this... will not succeed," Isa Gambar of the opposition Musavat party told a Russian television station. The opposition called on Mr Aliyev to resign if he could not prove he was well enough to govern. Under Azeri law, the prime minister would assume power in the event of the president becoming too ill to govern until elections could be held. Heydar Aliyev pushed the new succession law through in a controversial referendum last summer. Ilham Aliyev, 41, has been groomed for succession, holding senior posts in the Azerbaijan state oil company and ruling New Azerbaijan political party. (BBC)

CHECHENS BLOCK HIGHWAY TO PROTEST ABDUCTION OF TEENAGE GIRL 5 August

Residents of the village of Samashki blocked the main highway linking Chechnya and neighboring Ingushetia on 5 August to protest the Chechen Interior Ministry's failure to locate and free Elza Katsaeva, who was forcibly abducted from her home in Samashki on 2 August. Abdul-Khakim Sultygov, who is President Putin's commissioner for human rights in Chechnya, said finding Katsaeva is "a challenge" for the Chechen police force and that "the criminals involved in the abduction should be found and put on trial." (Interfax)

PLAGUE SOURCE REPORTED FOUND IN KAZAKHSTAN

5 August

The recent outbreak of plague in western Kazakhstan has been traced to desert gerbils found near the village of Zhangeldi in Mangystau Oblast, the home of the three confirmed plague victims, and at desert camps not far from Aktau, the oblast administrative center. Local residents and the staff of the oil and gas companies working in the oblast are being vaccinated against the disease. Oblast health officials are reportedly trying to find out why a vaccine given to camels in Zhangeldi did not prevent one of the animals from passing the disease to the three victims. Presumably the camel had picked up infected fleas from local gerbils. (khabar)

UN SUSPENDS ROAD TRAVEL OVER SAFETY 10 August

The United Nations has suspended road travel in parts of southern Afghanistan following a spate of attacks on Afghan aid workers and policemen by unidentified assailants. A resurgent Taleban movement has been attacking government targets and those connected with foreign aid organizations in the south-east of the country in recent months. The worsening situation in the south comes as NATO is about to take over leadership of the international security force in the capital on Monday. The UN announcement follows three attacks in recent days. Ten Afghan workers for a local aid organisation were severely beaten in a district of Kandahar province last week when they refused to hand over the keys to their vehicles. On the same day, five policemen were wounded in the same district, when men armed with rocketpropelled grenades and heavy machine guns attacked their checkpoint. Also last week, six government soldiers and a driver for an American aid organisation were killed in the neighbouring province of Helmand. UN missions have now been ordered to avoid travel in parts of Kandahar and Helmand provinces and in all of Uruzgan and Zabul. These travel restrictions will limit the work of UN supported reconstruction and aid projects in rural areas of the south. These provinces were the heartland of the Taleban movement. Their renegade leader, Mohammed Omar, is still at large, possibly hiding in the mountainous interior of this part of Afghanistan. The attacks come amid growing concern about security in Afghanistan. NATO is to take over control of ISAF, the international security force for Kabul, on Monday, when Germany and the Netherlands complete six months leading the force. But ISAF has no mandate to operate outside the capital. There have been repeated demands for an extension of ISAF operations beyond Kabul, but military observers say there is no nation willing to supply the extra troops such an extension would require. (BBC) German Defense Minister Peter Struck told a news conference in Tashkent on 10 August that the Uzbek government has agreed to the stationing of additional German troops at an airfield in the southern Uzbek city of TermezOpposition parties convened a mass protest in Baku on 9 August against the appointment of President Aliev's son Ilham as prime minister. Estimates of the number of participants ranged from 3,000, Abkhaz National Security

Service Chairman Givi Agrba denied that Abkhaz were responsible for the abduction of four Georgians early on 7 August from the village of Chuburkhindji in Gali Raion. Russian parliament speaker Ruslan Khasbulatov told Interfax on 8 Nino Burdjanadze outlined the main tenets of her political platform in Tbilisi on 8 August. She advocated the creation of a "united strong state" with a foreign policy oriented toward integration into Euro-Atlantic structures and the EU. She said she

AZERI ELECTION COULD BE POSTPONED12 August

The Azeri government has proposed an amendment to the country's electoral law that a presidential election should be postponed in case of the incumbent president's illness or resignation. According to the Azertaj news agency, the Constitutional Court of Azerbaijan has agreed to consider the Cabinet's request. Heydar Aliyev, the ailing 80-year-old Azeri President, is being treated at the Cleveland Clinic in Ohio. He has serious heart and kidney problems. The opposition believes that the recent appointment of Heydar Aliyev's son Ilham Aliyev as Prime Minister and a possible support of the government's request by the Constitutional Court will secure the presidential post for Ilham Aliyev. However, despite his heart problems, Heydar Aliyev is going to run for a third term in office. (Those who strive for power will have to wait until 2003, when next presidential elections are scheduled, but they should know that they will have to deal with me, Mr. Aliyev said in an interview, alluding to the opposition. The presidential election in Azerbaijan was scheduled for October 15. So far, only two candidates have registered to stand for the election - Heydar Aliyev and his son Ilham, who was appointed Prime Minister of Azerbaijan a week ago. According to the TURAN news agency, 102 parliamentarians voted for Ilham Aliyev, and one v against him. The appointment of Ilham Aliyev as Prime Minister makes him second in line for presidency. Under the Azeri Constitution, Prime Minister becomes acting president in the event the president is incapacitated or resigns. (RBC)

BREAKAWAY SOUTH OSSETIA, ABKHAZIA READY TO FORGE MILITARY TIES

11 August

South Ossetian has reaffirmed its interest in forging military ties with the breakaway republic of Abkhazia. "Last year, Abkhazia and South Ossetia agreed on staging joint antiterrorist exercises and these plans are still valid," South Ossetian Prime Minister Gerasim Khugayev told Interfax. The two unrecognized republics "need allies to protect" their territories, Khugayev noted. "The state entities similar to South Ossetia, namely Abkhazia, Nagorno-Karabakh and Transdnestria, are the most reliable allies," he said. "The unrecognized republics principally maintain socioeconomic ties. If a military need arises, appropriate support will be extended," he said. South Ossetia is about to wrap up the

establishment of its professional army, which includes 6,000 servicemen. (Gazeta.ru)

SHEVARDNADZE GUARANTEES SAFE BUSINESS FOR UES IN GEORGIA

12 August

"The Russian company has all the guarantees that its business in Georgia will be profitable," the President Shevardnadze said on August 11 while commenting on the entry of Russian Unified Energy System (UES) to the Georgian energy market. Under a contract between the US company AES and UES, the Russian company acquired 75% of shares of AES-Telasi electricity distribution network, two 600 megawatt power plants of AES-Mtkvari, power lines to transit electricity to Turkey and Armenia, as well as rights to manage Khrami I and II power plants. The deal caused protest of the opposition political parties, which fear that the monopolization of the Georgian energy sector by the Russian state-owned company might lead to mounting political pressure on Georgia. "Somebody may ask, why we have not brought this company to Georgia nine years ago. Because

UES would never agree to buy Telasi before, since it was unprofitable. Its sale has become possible only after the US company AES modernized the entire electricity network, thus creating a precondition for the entry of the Russian company," Shevardnadze said in his radio broadcast today. He stressed that the US company invested about USD 240m in the energy sector of Georgia, "however AES went bankrupt and had to sell some of its enterprises throughout the world." While commenting on the statement made by former Minister for the State Property Management Mikheil Ukleba, under which a confidential agreement between AES and the Georgian authorities prohibited the sale of the US company shares in Georgia to the neighboring countries, Shevardnadze said there existed no secret agreement. "There were just certain paragraphs of the agreement, which were not subject to publishing," he said. However President refrained to specify details of this confidential agreement. (Civil Georgia)

