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President Vladimir Putin called an expanded session of the Security Council in order to discuss developments in Georgia. It seems clear that this meeting was not convened to discuss policy options following the capture (and release) of four GRU agents in Georgia, but rather to present a united front of Kremlin, governmental and military leaders on Russian policy vis à vis Georgia.

The Security Council, as initially conceived, was intended to bring together a small group of Kremlin insiders to make important decisions (initially regarding the military and staffing the fledgling Russian Defense Ministry) and to present action plans, which could be authorized for implementation by presidential decree (which would, in turn, give Security Council decisions the force of law). Implementation of Security Council decisions long has been rumored to be on the verge of acquiring coercive enforcement, but the Security Council, particularly once it became an institution enshrined within the RF Constitution, has yet to live up to its reputation. (1)

In the Putin era, the Security Council has shown glimpses of potential as a Star Chamber, yet President Putin has chosen not to exploit the constitutional authority of the Council, choosing instead to use it much as Yel'tsin did in the later years of his term: as an advisory body, a talking shop and convenient, face-saving landing for high officials passed laterally from their posts.

The composition of the 1 October expanded session of the Security Council, along with the official list of attendees, raises some familiar questions about the
significance of placement and standing within the Kremlin. As the possible 2008 presidential succession approaches, the believability of any contender’s claim to the mantle of successor becomes increasingly important. (It becomes imperative for a putative successor to continue to appear to be a plausible contender both in order to keep his name in play and to reap the short-term benefits of the position—and the potential of the next position—until the succession actually occurs.) When a high-profile event with the President occurs, physical proximity to the leader may not carry the same weight as was evident under the Soviet regime, but the compilation of a list of names of attendees likely still requires thought as to the relative status of each participant. The 1 October session of the Security Council attendees (in addition to the President) were "Prime Minister Mikhail Fradkov, Chairman of the Federation Council Sergei Mironov, Chairman of the State Duma Boris Gryzlov, Chief of Staff of the Presidential Executive Office Sergei Sobyanin, First Deputy Prime Minister Dmitri Medvedev, Deputy Prime Minister and Defence Minister Sergei Ivanov, Secretary of the Security Council Igor Ivanov, Foreign Minister Sergei Lavrov, Director of the Federal Security Service Nikolai Patrushev, Interior Minister Rashid Nurgaliyev, and Director of the Foreign Intelligence Service Sergei Lebedev.

Also taking part in the meeting were Chairman of the Central Bank Sergei Ignatiev, Chief of the Armed Forces' General Staff and First Deputy Defence Minister Yuri Baluyevsky, Transport Minister Igor Levitin, and Information Technology and Communications Minister Leonid Reiman." (2)

It would not appear to bode well for the Chief of the General Staff to linger in the second paragraph with the Transport Minister and Information Technology Minister—however much that position may suit Baluyevsky. Interestingly, the President's Chief of Staff, Sergei Sobyanin, is given significant prominence, ahead of the two "front runner" successors (Dmitri Medvedev and Sergei Ivanov). Other presumed Kremlin heavyweights such as Igor Sechin, Vladislav Surkov and Viktor Ivanov appear not at all.
This attendance list provides but one glimpse inside a crucial Kremlin meeting, and is a useful analytical tool only in combination with more detailed information about decision-making within Putin's inner circle. Nonetheless, as a critical succession approaches, the thirst for information about the relative fortunes of various Kremlin denizens demands the review of all possible scraps.

At this week's meeting, Putin chose to address the participants in language that made clear that Georgia and Russia were closer to clash than reconciliation. Speaking of the arrest by Georgian officials of alleged GRU agents (and ignoring the obvious question regarding GRU's mission in Georgia), Putin claimed: "our military servicemen in Georgia have been seized and thrown in prison in what looks like a sign of the continuation of the policies of Lavrenty Pavlovich Beria…" (3)

The cause of this round of accusations and recriminations between Georgia and Russia, the Georgian capture of four Russian "spies" or "military servicemen," has been resolved—Georgia handed the "spies" over to the Chair of the OSCE, Karel De Gucht, the Belgian Foreign Minister, in a gesture of "goodwill." (4)

Russia's continued protest over the incident elicited the following response from Georgian President Mikhail Saakashvili: "The message of Georgia to our great neighbour Russia is: enough is enough. We want to have good relations, we want to be constructive, we want to have dialogue, but we can't be treated as some second-rate backyard to some kind of re emerging [sic] empire." ... "We want to have a civilized relationship. We want, together with Russia, to be part not of a world where there is a culture of intimidation, blackmail, bullying and pressure, but a world of civilized dialogue." (5)

It is unclear whether or not this incident will incite the larger confrontation widely expected between Russia and Georgia, over the breakaway regions within
Georgia's sovereign territory. International response to the events however, demonstrates an uncertainty in international relations that Putin and the Russian Foreign Ministry have questioned and for which it is becoming increasingly important to find an answer: After the Kosovo precedent, are state sovereignty and territorial integrity still fundamental components of the state system or have they been replaced (and by what)? (Please see Caucasus section below for more information on the situation in Georgia.)

Source Notes:


(2) President Putin's remarks at a meeting with the Russian Federation Security Council in expanded format, 1 Oct 06 via www.kremlin.ru.

(3) President Putin's remarks at a meeting with the Russian Federation Security Council in expanded format, Ibid. While Putin is normally less than critical of previous Security Service officials, it seems unlikely in this context that the reference to Beria is meant to be laudatory.


(5) Ibid.

Russian Federation: Domestic Issues and Legislative Branch

By Robyn Angley
Dmitri Kozak, a Saint Petersburg native, was appointed as the presidential envoy to the Southern Federal District in September 2004. The appointment was presented as a response to the terrorist attack in Beslan, North Ossetia, in which hundreds of schoolchildren were taken hostage on the first day of school. (1) Kozak previously held influential positions within the Kremlin, including that of Chief of Staff. At times, he has been viewed as a potential presidential successor. (2) Although his appointment to the Southern Federal District may have been more a demotion than a promotion, Kozak’s access to the Kremlin makes him the most likely to succeed of all the presidential envoys. A look at the score card, however, yields inconclusive results.

The North Caucasus is legendary for its inter-ethnic and religious strife, with Chechnya being only the most well-known case of many. As one of his first tasks, Kozak tackled a dispute between the regions of North Ossetia and Ingushetia, an issue of great importance since some of the terrorists in the Beslan attack were ethnic Ingush and tensions between the two regions were running particularly high at the time of Kozak’s appointment. The most recent disagreement harkens back to a brief, but fierce, war skirmish between the two groups in October 1992. As so often happens, the conflict involves a border dispute. The Ingush claim that the Prigorodnoye district of North Ossetia is rightfully theirs and that Ingush refugees should be allowed to return to the district. North Ossetia disagrees. Kozak inherited the problem after the abolition of the President’s Office for Adjustment of Ossetian-Ingush problems in 2004 and his office constructed a plan with a procedure for reconciling the territorial disputes and received preliminary consent from the governments of both North Ossetia and Ingushetia. On 6 April, North Ossetia’s Aleksandr Dzasokhov and Ingushetia’s Murat Zyazikov met with Kozak to sign the protocol. At the last moment, citing pressures within his republic because of the Ingush who participated in the Beslan terrorist attack, Dzasokhov backed out of the agreement and refused to sign. Kozak’s first attempt at problem-solving in the North Caucasus came to naught. (3)
Kozak identified one of his major challenges as the clannish and corrupt structure of government in the North Caucasus. In a June 2005 report to President Putin, Kozak complained that regional leaders awarded high positions to their relatives. “As a result,” he said, “the whole system of checks and balances has been destroyed, which is leading to the spread of corruption.” (4) Kozak has had some success in seeing the old leadership in his district replaced. At Kozak’s suggestion, Mukhu Aliev was appointed to succeed Magomedali Magomedov as head of the republic of Dagestan. Similarly, Taimuraz Mamsurov replaced North Ossetia’s long-since compromised Aleksandr Dzasokhov and Arsen Kanokov succeeded Valery Kokov as president of Kabardino-Balkaria. (5)

There may be changes in leadership ahead on the Chechen horizon. On 25 July, a delegation of ministers including Kozak, Economic Development and Trade Minister German Gref, Finance Minister Alexei Kudrin, and Education and Science Minister Andrei Fursenko traveled to Chechnya to inspect the rebuilding process. A secondary aim of their visit also seems to have been the evaluation of Ramzan Kadyrov as the republic’s next president. (6) Kadyrov turns thirty on 5 October, making him eligible to be nominated to succeed Chechnya’s current president, Alu Alkhanov. As Alkhanov’s outspoken prime minister and as the son of Alkhanov’s predecessor, Akhmed-hadji Kadyrov, Ramzan Kadyrov already exerts more influence in the erstwhile republic than Alkhanov. His means of maintaining that control certainly have not been of the scrupulously ethical kind. While Kadyrov receives credit for rebuilding much of his home city of Gudermes, human rights groups such as Memorial also have found him, and the secret police he heads, responsible for much of the crime and kidnapping that has taken place in Chechnya. (7) Despite his volatility, Kadyrov does appear to command some respect from the war-weary Chechen population. Whether or not Putin will appoint him to succeed the easily eclipsed Alkhanov remains to be seen.
Another critical issue faced by Kozak has been the economic development of the region. Putin and Kozak hosted a meeting in late August for some of Russia’s wealthiest businessmen, including LUKoil President Vagit Alekperov, Gazprom CEO Aleksei Miller, Rosneft President Sergei Bogdanchikov, and Alfa Group co-owner Mikhail Fridman. The meeting was part of Kozak’s attempt to attract investment in the North Caucasus. Kozak has chosen specific projects in which he wants these entrepreneurs to invest. To sweeten the deal, he has selected offerings in which regional authorities are willing to confer a controlling stake. (8) The offerings range from hydro-electric power stations in Ust-Dzhegutinsk and Samarkovskaya to a national tree park in Prielbrus. (9)

The meeting is not the first attempt by the Kremlin to facilitate economic development through investment from Russia’s most lucrative companies. State-controlled companies already have found themselves “investing” heavily in places such as Chechnya. RAO Unified Energy Systems, for instance, has sunk nearly $300 million dollars into Chechnya’s energy sector. (10) It appears that one advantage of having the state so heavily invested in certain sectors of the economy is that it allows state officials to delegate some of the costs of rebuilding and economic development to the very companies that benefit most from state involvement.

As an interesting post-script to Kozak's search for investors, Putin recently has established a special federal commission for the Southern Federal District's social and economic improvement. The commission will consist of eleven federal ministers and thirteen regional leaders. It will exert control over the region's budgets and implement measures to cut economic crime. The decision essentially substitutes federal for regional oversight in the region’s economic development. (11)

In conclusion, Kozak has not been an unqualified success in his attempts to address the region’s problems, but he is making an effort to bring economic
stability to the region and that stability may ease some of the region’s seething social issues and ethnic tensions.

Source Notes:
(1) For more on the Beslan attack and the inept response of the state and security forces, see The NIS Observed, Vol. 9, No. 14, 15 Sep 04.
(2) “Southern Russia envoy won’t run for presidency in 2008,” 23 Sep 05, Interfax; FBIS Transcribed Text via WNC.
(3) “Dmitri Kozak erred on Ossetia,” 11 Apr 05, Kommersant; WPS via Lexis-Nexis.
(7) Barabanov, Ilya, "Chechen Kidnap Figures Disputed, Kadyrov Said 'Scheming' Against Alkhanov," Gazeta.ru, 8 February 2005 via WNC.
(8) “Business will move into the mountains,” 17 Aug 06, Vedomosti; WPS via Lexis-Nexis.
(9) Ibid.
(10) Ibid.
(11) “Southern unitary district,” Vedomosti, 21 Sep 06; WPS via Lexis-Nexis.

Russian Federation: Security Services

By Fabian Adami

FSB: Patrushev under threat?
In February 2002, a major scandal struck the FSB, when it emerged that a senior officer within its ranks had aided and abetted two large furniture companies in their income and customs tax evasion. (1) The companies involved, Grand and Tri Kata, were jointly owned by Sergei Zuev and Yevgeni Zaostorvtsev. Zaostorvtsev's son Yuri was at the time a Deputy Director of the FSB, responsible for the agency's economic crimes unit. (2) Yuri Zaostorvtsev's name had appeared before, in connection to Solntsevo, one of Moscow's largest organized crime groups. Specifically, Nezavisimaya gazeta alleged at the time that Yuri Zaostorvtsev had been the recipient of substantial bribes from Solntsevo bosses. (3)

Although an investigation into the corruption was begun, the leadership's part originally was diverted away from the FSB—possibly to protect Director Nikolai Patrushev—when Mikhail Vanin, the Customs Agency's lead investigator on the case, alleged that Patrushev personally had been involved in the scandal. (4) Within days of Vanin's allegation being aired, the Prosecutor General's office took over the investigation, subsequently charging Vanin and several other officials with abuse of office. (5) The case disappeared from public view within weeks, apparently with no action taken against Zaostorvtsev or any other FSB officials who may have been under suspicion. In recent weeks, allegations of corruption against the FSB have reappeared.

Early in September, Viktor Cherkesov, Head of the State Narcotics Control Committee, reported to President Vladimir Putin and, apparently as a result of their meeting, a Presidential Decree was signed, which called for the dismissal of some nineteen senior FSB officers, including: Lt. General Aleksandr Kupryazhkin, Chief of the FSB's Internal Security; Colonel General Sergei Shishin, Head of the FSB's maintenance branch; and Colonel General Vladimir Anisimov, FSB representative at the Federal Technical & Export Control office. (6) Apparently, "most" of the individuals on Cherkesov's list were, at one time or
another, in charge of the FSB’s Internal Security. (7) Cherkesov’s investigation reportedly involved the smuggling of commodities to and from China.

Aside from the criminal interest, the current investigation offers the possibility of intrigue. Why is Cherkesov, as Russia’s “drug tsar,” running a corruption investigation, instead of the Interior Ministry?

One possible answer may lie in Cherkesov’s personal history. Several years ago, he was Patrushev’s rival for the FSB Directorship, and, apparently, he has long harbored ambitions for Patrushev’s post. (8) As such, he may be seeking to incriminate and usurp Patrushev's position. This conjecture may be supported by the fact that the dismissals apparently were made without Patrushev’s prior knowledge or approval: Patrushev was out of Moscow on vacation when the Cherkesov-Putin meeting occurred, as well as when the nineteen officers were dismissed. (9) It should be noted that political moves in Russia often are made when the putative target figure is not present in Moscow—as was the case with the 1991 coup, launched while Gorbachev was on vacation in the Crimea. The idea of a "coup" against Patrushev is not the only possibility. It is possible that the press is incorrect in asserting that Patrushev had no knowledge of the dismissals—instead, Patrushev may have chosen to be “absent” from Moscow when the "purge" took place, so as not to be viewed by his own officers as compliant in the act. If Patrushev’s position is indeed under threat, it seems likely that he will be fired, or asked to "tender his resignation" in the coming weeks or months. The corruption investigation bears careful observation.

Winston Smith vs. Oceania: 1984 writ large?

On 25 September, Rashid Nurgaliyev, Russia’s Interior Minister, announced that his agency had prepared a new draft law providing for the genetic registration of citizens. (10) Nurgaliyev claimed that the new legislation would allow both voluntary and mandatory registration; the groups included in the mandatory category are soldiers, police officers, firemen, and those convicted of "grave
As part of the project, the Interior Ministry has begun collecting blood samples from the scenes of serious crimes and accidents, and is working to upgrade and build 34 DNA laboratories nationwide to support the system.

The idea of a national DNA database bears close inspection for several reasons: first, is registration truly voluntary—what repercussions will there be for citizens who baulk at the idea of the state holding their data—albeit for allegedly benevolent reasons? Secondly, given Russia’s complete lack of proper juridical process and respect for civil rights, such a database could be abused easily. What recourse for appeal will an individual “convicted” by “DNA evidence” have? How is the DNA gathering process to be overseen, and by whom? Until these questions are satisfactorily answered, it can only be assumed—given Nurgaliyev’s background—that the FSB is in charge. Administered incorrectly, or by the wrong individuals, a DNA database could be seriously abused—blurring the lines between government power and responsibility and civil rights and freedoms—and hearkening back to the days of an all-powerful internal security service.

**Update: Borders**

In 2003, Russia’s Border Guard Service—until then an independent entity (since 1991)—was amalgamated into the FSB by Presidential Decree. During the spring of 2005, General Vladimir Pronichev, the unit’s commander, announced a R15 Billion program designed to strengthen Russia’s borders, particularly in the southern part of the country, bordering Georgia. An unspecified slice of the aforementioned funds was to be dedicated to procuring new radar, video and satellite technologies.

Apparently intending to publicize the "paucity" of Russia's southern defenses, General Pronichev, along with his superior, FSB Director Patrushev, undertook a “familiarization trip” to the Karabardino-Balkaria region, bordering the Pankisi
Since then, President Putin and Patrushev have continued to make statements regarding the weakness of Russia’s southern borders.

Between 29 August and 1 September, Patrushev met several times with Putin in order to discuss measures to be implemented before the end of this year, including the positioning of 2 Russian mountain troop brigades, and 1 interior ministry brigade (supplementing the border troops) on the Georgian border. According to Patrushev, Russia will be able to “speak of an entirely new level of security.”

The positioning of extra troops (non-border guard troops) on the southern border is first and foremost a manifestation of the escalation of the Georgian-Russian crisis. (For details on the arrest of alleged GRU officers in Georgia, please see the Caucasus section of The ISCIP Analyst). The posting of active, regular army troops (their effectiveness notwithstanding) also is designed to be a deterrent to Tbilisi, warding off any putative "rash" moves vis à vis South Ossetia and Abkhazia or, simply, to intimidate Georgia.

Source Notes:

(2) Ibid.
(3) Ibid.
(4) RFE/RL Newsline, 20 Jan 02.
(7) Ibid.
Military discipline....mobster style
This week's high-profile trial of Russian Army Junior Sergeant Aleksandr Sivyakov raises as many questions as it answers. Sivyakov was found guilty and sentenced to four years confinement for what officially was termed "exceeding authority, resulting in grave consequences." (1) The "authority he exceeded" was to beat his subordinate army conscript, Private Andrei Sychyov torturously, nearly to death. The "grave consequences" were the resultant amputation of both Sychyov's legs and his genitalia. The gruesome circumstances of this incident, and more so, the willingness of a civilian doctor to speak out against the military may be the only reasons this case ever made it to trial. (2)
While not the only problem facing the Russian military, hazing or "dedovshchina," (literally, the “rule of grandfathers”) (3) is a disease that, until cured, will serve to undermine any progress made toward developing a professional military corps. Human rights groups have been aware of the problem for years, but not until the Sychyov incident has the problem gained much attention in the press or at higher levels within the military and government. In fact, the regularity with which these incidents are thought to occur may only be matched by how often they are covered-up as "accidents" or, in the worst cases, "suicides." Additionally, many of the actual suicides that take place in the Army can be linked directly to beatings and other abuses to which soldiers are subjected. In July of this year, “a young conscript jumped out of a ninth-floor window leaving a suicide note saying constant hazing had forced him to take his own life.” (4) In a letter to his mother, the soldier claimed “the older conscripts told us to bring them money, alcohol, cigarettes, prepaid telephone cards, and beat us severely, tortured us and did not let us sleep if we didn’t do what we were told…and they [also] beat us for no particular reason, just out of boredom or when they were drunk.” (5)

The statistics for non-combat related deaths among military members are inconsistent, but nonetheless sobering. The “official statistics provided by the Russian defense ministry show 1,064 military personnel died in 2005 outside of combat operations and that 276 took their own lives.” (6) While only 16 deaths officially were attributed to bullying incidents, "even the armed forces concede that 6,000 soldiers were victims of abuse last year alone.” (7) The Union of Soldiers’ Mothers Committee, a group whose purpose is to bring these atrocities to the attention of the press and public, claims that “80% of cases of violence against soldiers go unreported, [and those] that do come to attention are usually reported by relatives of victims, doctors, and rights groups.” (8)

Since January when the Sychyov case was brought to light, more incidents have been reported. Just weeks later, the death of 23-year-old Private Nursullah Dautov was begrudgingly made public. It seems that Dautov’s fatal mistake was
to refuse to wash the barracks floors on the morning of 8 February. (9) This act of insubordination earned him a beating that led to a brain hemorrhage, internal organ damage, facial trauma, and his eventual death three days later in a city hospital. (10) Also earlier this year, conscript Private Yevgeny Koblov was the victim of dedovshchina. Koblov attempted to end his months' long string of beatings by hiding in a basement in sub-freezing temperatures. Twenty-three days later, he was discovered by comrades unconscious and frozen to a point which required his legs to be amputated. (11)

Immediately following the Sychyov incident, the blame for such institutionalized and savage attacks was being tossed around like a hot potato. In a shameful argument, Defense Minister Sergei Ivanov claimed that the case had been instigated by prosecutors attempting to make "political capital out of the armed forces’ existing problems." (12) He placed the blame on both Aleksandr Savenkov, the Chief Military Prosecutor, and Vladimir Ustinov, the Russian Prosecutor General for allegedly over-politicizing the case. Although this argument doesn’t even begin to address the roots of the hazing problem, both of these prosecutors since have been replaced by Putin loyalists who have agreed to let the Defense Ministry “handle” its own discipline issues. (13)

Unfortunately, the discipline problems cut much deeper than just hazing. “There has [also] been an increase in theft, particularly on the part of officers, sadly enough.” (14) Corruption seems to have become accepted and accounted for as an everyday "cost of doing business." Corruption has become so routine that there are generally accepted prices for "getting things done." “When servicemen (husband and wife) move from Chechnya to a new place of service they have to pay if they wish to come to one military district. One of the lieutenant colonels, father of three who did not pay the personnel department and commanders, was sent to [the] Siberian Military District and his wife was sent to the Leningrad Military District.” (15) For the price of approximately two months' pay, the couple could expect to be in the same district. Moreover, for a bribe equal to four
months' pay they could serve in the same city. (16) Military members must pay bribes for nearly everything: decent housing, promotions, even awards and decorations. (17) In the suicide note left by one young soldier, he explained how “his commanders had sent soldiers to work on commercial [construction] projects and received money for the labor force.” (18)

Chief Military Prosecutor Sergei Fridinsky explains the epidemic as simply a reflection of Russian society as a whole. (19) The same practices take place among “law-enforcement agencies, tax collection and customs agencies, military recruitment offices, and paradoxically, housing and utilities organizations.” (20) In fact, in a recent independent study, Russia was ranked a miserable 128th place out of 159 countries on a corruption index…worse than Honduras, Belarus, Ukraine, and Kazakhstan. (21)

Solutions to these deeply rooted problems must seem unattainable to most Russians…especially to the subjects of such abuse. Military and political leadership must embrace the need for officers and sergeants truly to value their profession. But, current pay levels for the Army make it difficult to survive, let alone find pride in their work. For comparative purposes, “the salary of a welder…at Admiralty Shipyards in St. Petersburg amounts to 30-35K rubles a month, subway and bus drivers in Moscow earn 25-30K rubles monthly, and even a janitor in Moscow earns up to 13K rubles a month.” (22) On the other hand, a platoon commander in the rank of lieutenant or captain receives 5-6K rubles a month. (23) Likewise, a regiment commander in the rank of colonel will only earn 10-12K rubles a month. (24) Where’s the motivation to lead people and build a strong military unit when they could simply sweep the floor of some government building for the same pay?

The government has made promises of significant pay increases over the next two years. Defense Minister Ivanov says “Pay for military service personnel and pensions of citizens discharged from military service will be increased 10% as of
January 1, 2007, 15% on November 1, 2007, and 15% on September 1, 2008."

(25) A windfall in petrodollars has provided the means, and the recent media highlights of scandals, abuses, and corruption have provided the motivation, to right the many social wrongs in the Russian military. The challenge will be to encourage senior military members to trade in their "dirty" profits and ill-conceived benefits for legitimate pay raises, the satisfaction of doing the right thing, and an opportunity to lay the foundation for a professional military. While only time will tell, institutional change of this magnitude may simply be a bridge too far.

Source Notes:

(4) “Soldier Takes His Life Over Hazing In Moscow,” 27 Jul 06, RIA Novosti via en.rian.ru.
(5) Ibid.
(6) “Six Years Jail Demanded for Chief Suspect in Maimed Conscript Case,” 19 Sep 06, Agence France Presse – English via Lexis-Nexis.
(7) Parsons, Robert, “Russia: Outrage Prompts…,” 14 Feb 06, RFE/RL, Ibid.
(8) Bigg, Claire, “Russia: Brutal Hazing Incident…,” 27 Jan 06, RFE/RL, Ibid.
(9) Parsons, Robert, “Russia: Outrage Prompts…,” 14 Feb 06, RFE/RL, Ibid.
(10) Ibid.
(13) Ibid.
(14) Sharov, Andrei, “Prosecutor Romance – Sergei Ivanov and Sergei Fridinsky Turn Over a New Page in Relations Between the Military and the Prosecutor’s Office,” 6 Sep 06, Current Digest of the Post-Soviet Press via Lexis-Nexis.
(15) “Military Trade; A New “Marketing” Russian Army Was Formed in Chechnya,” 31 Aug 06, Novaya gazeta, Agency WPS, 4 Sep 06 via Lexis-Nexis.
(16) Ibid.
(17) Ibid.
(18) “Soldier Takes His Life Over Hazing In Moscow,” 27 Jul 06, RIA Novosti, Ibid.
(20) Leonov, Sergey, “Corruption in Kazakhstan and Russia,” 30 Aug 06, RIA Novosti via en.rian.ru
(21) Ibid.
(23) Ibid.
(24) Ibid.

Russian Federation: Armed Forces (External)

By Daniel DeBree

Market day in Moscow
Russian arms sales have been particularly brisk in recent years and weapons with Cyrillic writing have been popping up in some surprising places lately. Last week, the Stockholm International Peace Research Institute (SIPRI) labeled Russia as the world’s leading arms retailer for the period 2000-2004, beating the United States to this title for the first time in many years. (1) Although there is some dispute over the methods of calculation, as SIPRI uses “military value” to compute its rankings rather than actual sales negotiated prices, there is little dispute over the fact that Russia is doing a robust business in the defense industry. (2) In fact, the Russian leadership is downright pleased with the fact: both President Putin and Defense Minister Sergei Ivanov announced that Russia had broken a record with $6b in arms sales for 2005. (3)

In addition to raw numbers, there has been a surprising variety to the sales, with Russian gunrunners venturing into traditionally excluded markets and also re-entering markets that fell by the wayside in the 1990s, after the collapse of the Soviet Union. The most visible (and controversial) sale lately has been the more than $3b in arms that were purchased by the vehemently anti-US Venezuelan President, Hugo Chavez. This purchase included some fairly serious weaponry: 24 SU-30 fighter aircraft, more than 50 helicopters, and licensing rights to build 100,000 AK-103 automatic rifles to arm the Venezuelan army. (4) This foray into Latin America angered the US, and some Russian analysts have attributed the US-imposed sanctions on Rosoboronexport and Sukhoi specifically to this deal, rather than to arms deals with Iran (which constitute the ostensible justification for the sanctions). (5)

Less than two weeks after the ink dried in Caracas, Russia poisoned relations with the US even further by announcing a planned arms deal with Argentina. This time, in the first military arms negotiations between the two countries, Russia has agreed to sell Argentina helicopters, fast patrol boats and automatic rifles, in return for beef supplies. Russia is already the largest importer of Argentine beef, and this arrangement will help Argentina buy long sought after arms, despite dire
financial circumstances in the country. With Latin American arms purchases increasing more than 7% last year, and given President Chavez’s stated goal of “armoring” Venezuela with a sophisticated anti-aircraft defense system, the Latin American market should be good for Russia in the near term. (6) So much for the Monroe Doctrine.

Russian negotiators have been active in many regions recently. Last year, Russia agreed to sell 30 Tor-M1 short-range air defense systems to Iran. This state of the art air defense system will be used to defend “key state and military facilities,” in addition to the Isfahan, Bushehr, and Tehran nuclear sites. (7) Unofficially, it is rumored that they also agreed to overhaul and modernize Iran’s aging fleet of SU-24 long-range fighter aircraft this July. This sale, and others, represent a return to the Middle East of sorts, as Russia lost much of its market in this region to US and European competitors during the 1990s. It also runs afoul of the US’s Iran Non-Proliferation Act of 2000, which sanctions any companies “making a material contribution to Iran’s weapons of mass destruction.” (8) In any case, this was a significant addition to Iranian military capabilities, with the deal reaching more than $3b USD.

African fields have also been fertile grounds for Russian arms manufacturers. Russian leaders not only have stated their intention to “intensify dialogue” with African nations over the purchase of military equipment, but also have proven that actions speak louder than words with completed sales. (9) Again conducting business with regimes of dubious international reputation, Russia recently has sold $200m worth of MIG-29 fighter aircraft to Sudan and is negotiating an additional $50m deal for 10 MI-17 helicopters. (10) Algeria also has been courted with an erasure of more than $4b in debt in return for a robust $7.5b contract for fighter aircraft, helicopters, missile systems and main battle tanks. This arrangement includes provisions for “expanded bilateral cooperation in the fields of energy, transportation and infrastructure.” (11) Unlike Venezuela, though, Algeria has been very careful to keep open its ties to the US and
European arms markets. Regardless, both of these sales represent significant Russian gains in the African market.

Farther afield, Russian deals have been negotiated both in Europe and the Pacific. Significant loans have been fronted to Indonesia, in return for unspecified defense contracts. (12) But more substantially, Greece has been negotiating heavily with Russian representatives over its 27b (Euro), 10-year armament plan. The Greeks are looking at purchasing a significant amount of hardware, including armored vehicles, air defense systems, fighter aircraft, speedboats and small arms. (13) The US actively opposes this deal.

So what factors are driving this expansion of the Russian arms trade? First and foremost, it may be a purely financial concern. More than 80% of the Russian defense contracts traditionally have been negotiated with only two countries: India and China. Both of these relative military powerhouses have a full complement of modern conventional equipment and now are looking to modernize with the next generation of military hardware. (14) It is precisely in this arena that Russia fares the worst. The bulk of its military wares consists of technology that was developed in the 1980s, with the sole exception of the ballistic missile systems, which cannot be sold to foreign buyers without violating anti-proliferation treaties. (15) In fact, in many cases, both India and China have bought Russian or Soviet equipment and retrofitted Western avionics/electronics on them before using them operationally. At this point, there is very little else Russia has to offer these countries to advance their military capability.

The perfect example of this phenomenon is India’s $5-6b quest for a fifth generation fighter aircraft. All indications are that the competition will end in a choice between the US-built F-16/F-18 or Russian-built MIG-29SMTs or MIG-35s. In this case, both of the US airframes are already in series production, while the Russian competitors have yet to reach this milestone. Although the Indians already have models of the MIG-29 and the Russian models probably will be
significantly cheaper than their American counterparts, they are still at a serious disadvantage to their “proven” American competition. Although the decision is by no means pre-ordained, the Russians are at a serious risk of losing market share, due to their stagnation in the fields of research and development in the 1990s relative to their Western counterparts. (16)

Defense Minister Ivanov is well aware of this perception and is pursuing a solution, at least on the aviation front. The newest Russian fighter aircraft in development is the I-21, which is scheduled to have its maiden flight in 2009. As the only competitor against the US Joint Strike Fighter (JSF), which will fly its maiden voyage in 2007, the I-21 has an accelerated schedule. Using spiral development techniques, the Chief of Staff of the Russian Air Force has stated that the I-21 will now make its first flight in 2007 with a currently available engine, so engineers can work out bugs in the system while the production engine is being developed. This will position the I-21 nicely to compete with the JSF for foreign sales in the 2010-2015 timeframe. (17)

Clearly the Russians have not written off the Indian and Chinese markets, but have switched to a joint development strategy. They have already announced that they will produce more than 200 airframes of a joint Indian-Russian medium lift transport. (18) Even with this limited initiative, it’s clear that Russia must find some avenue to make up lost market share from its two largest customers until it can build its technological base back up to parity with the West. The only saving grace for the short term in these markets might be the EU’s continuance of the 17-year ban on weapons sales to China, at the urging of the US. (19)

A second reason for Russian expansion into uncharted arms sales has more to do with a different kind of capital—political. In today’s environment, a Russia that is flush with petro-dollars deals on a much more equal level with the US. Arms deals with Venezuela, Argentina, Greece, Algeria and especially Iran are all bargaining chips that may be used to influence the US concerning such issues as
Russian membership in the World Trade Organization and sanctions against Iran. Although Russia has not yet been able to leverage any of these arms deals effectively against the US, only the combination of a more confident Russia and competition in a shrinking global arms market would warrant courting regimes like Hugo Chavez' Venezuela in the face of US wrath.

Source Notes:
(1) "Arms Race for Profit," Moscow News, 14 Jul 06 via Lexis-Nexis.
(2) Izvestia, 31 May 06, p. 6 via Lexis-Nexis.
(3) "Arms Race for Profit," Ibid.
(7) Xinhua General News Service, 26 May 06 via Lexis-Nexis.
(9) Interfax, 19 Sep 06 T10:24:55Z; OSC-transcribed text via WNC
(10) Nezavisimoye voyennoye obozreniye, 18 Sep 06; OSC-translated text via WNC.
(12) Asia Pulse, 3 Jul 06 via Lexis-Nexis.
(13) Rossiyskaya gazeta, 14 Sep 06; OSC-translated text via WNC.
(14) Nezavisimoye voyennoye obozreniye, 18 Sep 06; OSC-translated text via WNC.
(15) "Arms Race for Profit," Ibid.
(16) "Arms Race for Profit," Ibid.
(17) "Arms Race for Profit," Ibid.
(18) Gazeta.ru, 8 Aug 06 T15:28:37Z; OSC-translated excerpt via WNC.
(19) Associated Press, 1207 GMT, 11 Sep 06 via Lexis-Nexis.
(20) Kommersant, 26 Jul 06, p. 5; WPS via Lexis-Nexis.
Sakhalin controversy highlights Russian foreign policy tool – Energy
Lately, most media attention pertaining to Russian foreign policy has focused on Iran. However, this past week, a lesser-known territory has demanded the media’s time – the Sakhalin oblast’.

Besides being strategically located between Russia, Japan and Alaska, Sakhalin Island boasts substantial deposits of oil and natural gas. In 1994, Royal Dutch Shell Oil Corporation, along with two Japanese corporations, Mitsui and Mitsubishi, embarked on the ambitious Sakhalin II project under the company name of Sakhalin Energy Investment Company (1) The project was set to be the first off-shore production-sharing agreement in Russia. (2) Shell, which holds a 55 percent stake in the company compared to Mitsui and Mitsubishi’s 45 percent stake, originally told the Kremlin that the project would cost around $10 billion. However, last July, Shell revised the estimated cost upwards of $20 billion. (3) This development appeared to anger Kremlin officials, who feared delays in tax revenues and, therefore, postponements in Russia’s oil profit from the project. (4)

Last week, more controversy surfaced regarding Sakhalin II. On September 18, Russia’s Ministry of Natural Resources withdrew its approval of the project, citing unfulfilled environmental obligations. Natural Resources Minister Yuri Trutnev told Japan’s ambassador to Russia, “Recommendations were given three years ago, but they have not been fulfilled…It could be argued that they have been implemented in part, [but] I want to remind [you] that we cannot preserve nature by half.” (5)

International responses from Japan, Great Britain, and the United States expressed frustration: Japan’s chief cabinet secretary and now prime minister, Shinzo Abe, expressed his concern that Russia’s decision may cause “major
delays” and “have a negative influence on overall Japan-Russian relations;” (6) British Foreign Office spokesman Andy McGuffie said his country was “deeply concerned” and British officials have informed “the Russian government at a number of levels” of these concerns; (7) a US State Department deputy spokesman issued a statement claiming that the Sakhalin II license revocation: "[C]ast doubt on Russia’s willingness to uphold its recent commitments, including the commitments that were made by all G8 countries at the St. Petersburg [Russia] summit and those commitments including agreeing to the development of transparent, efficient and competitive global energy markets, as well as specific obligations to uphold contracts and to generate sufficient, sustainable international investments upstream and downstream in the energy sector." (8)

Along with state diplomatic criticism of the Russian decision, private analysts speculated as to the real motivation behind the decision to revoke the project’s environmental license. Most of these analyses said little of environmental consequences. The most prevalent view maintains that Russia’s decision is an attempt to renegotiate the contract in order to lift the restrictions of the production-sharing agreement, which limits the amount of state influence the Kremlin can exert as well as its incoming profits.

Robert Amsterdam, attorney to captive Russian oil baron Mikhail Khodorkovsky, explained that in the original contract, state-run Gazprom was completely left out of the negotiations. That, combined with Shell’s earlier budget problems, caused Russia to worry about when the Russian state would get its return. (9) Former Duma member Konstantin Remchukov noted, “It’s a strong sign that all the P.S.A. [production-sharing agreement] oil fields could be taken and given to the state…They are dreaming up reasons [to renegotiate].” (10)

The Kremlin, however, was quick to defend its decision. Russian Foreign Minister Sergei Lavrov became the main spokesperson, defending the environmental justification for the project’s license revocation: “Suggestions that a revision of
the production-sharing agreement is being considered or that foreigners are being driven out of Russia’s energy sector are groundless.” (11)

Recent Kremlin history suggests that foreign investors should be cautious; Russia increasingly has used its energy supply as a means of negotiating foreign policy. Last winter, Russia temporarily shut off Ukraine’s natural gas supply. State-run Gazprom insisted that the blackout was a purely business affair, but many analysts suggested otherwise, considering that the timing of the shut-off coincided with the height of winter. (12) Shortly after that, Georgia and Azerbaijan experienced similar shutdowns in gas supply, with analysts likewise attributing coercive motives to the actions. (13)

Russia’s use of energy as a foreign policy tool extends beyond the near abroad. During last July’s G8 summit in St. Petersburg, Russian energy supply and security issues neared the top of the agenda with Russia failing to ratify the EU- and US-backed European Energy Charter. In an effort to render it illegal, the Duma passed a bill that gave Gazprom the sole right to export gas. (14)

The Sakhalin II setback most greatly affects Asia, Europe and the United States. Not only does Shell face fines of up to $50 billion, but the revocation also would cause Sakhalin Energy to break contracts with Japan, South Korea and the United States regarding liquefied natural gas deliveries that were set to go into effect in 2008. (15)

It is also important not to overlook the fact that Russia’s Foreign Minister became the most prominent spokesperson on the Sakhalin controversy. This speaks volumes about the role of energy in Russia’s foreign policy-making environment.

The economic gains that Russia seems to be pursuing through this latest action should not overshadow the potential political consequences. Russia is already in a precarious position, attempting to balance obligations in its proclaimed
“multipolar” foreign policy plan. Continuing to use energy as a means of leveraging political power could upset the balance and result in reducing multipolarity to rhetoric, undermined by the Kremlin's own actions.

Sources Notes:

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(7) Ibid.
(9) Fleming, Sam, “Putin’s power games over oil revokes license for the Sakhalin II scheme,” 20 Sep 06, Daily Mail; McClatchy-Tribune Business News via Lexis-Nexis.
(12) See the ISCIP Analyst, Caucasus, 27 Jan 06.
(13) Ibid.
Newly Independent States: Caucasus
By Susan Cavan and ISCI Staff

GEORGIA
A "very well founded case"
To describe the South Caucasus as a tinderbox seems to give in to a worn cliché, nonetheless, recent months have seen a steep escalation in threatening rhetoric between Russia and Georgia that evokes images of dry brush under a lightning-filled sky.

At the end of last month, rhetoric turned to action as Georgia arrested five Russian servicemen from the Group of Russian Troops in the Trans-Caucasus, identifying four (one was released) as GRU (Russian Military Intelligence) officers and accusing them of espionage and planning provocations against the Georgian government. Eleven Georgian citizens were arrested along with the GRU officers.

Georgian television aired footage of the arrests by plainclothes officers from various locations around Tbilisi and Batumi. (1) Earlier, Georgia's Interior Minister, Vano Merabishvili, announced the arrests:

"[T]oday the Interior Ministry's counterintelligence department detained several people, in particular, four active officers of the GRU [the Russian general Staff's main Intelligence Directorate] operating in Georgia and more than 10 Georgian citizens. This group operated in Georgia and was led from Yerevan by Anatoli
Ivanovich Sinitsin….  On Georgian territory, in Tbilisi and Batumi, this group of five GRU officers has for months, or rather, for years, been carrying out intelligence activities. We had information that this group was planning a major act of provocation. That is why we took an urgent decision to arrest these people…." (2)

Merabishvili identified the GRU officers detained as Colonel Aleksandr Sergeyevich Sava (labeled as the head of the spy ring within Georgia); Lt-Col Dmitri Ivanovich Kazantsev (both arrested in Tbilisi); Lt-Col Aleksandr Arkadyevich Zavgorodnyy and Maj Aleksandr Anatolyevich Baranov (both arrested in Batumi). (3)

The specific target of the group's espionage activities, according to Merabishvili, were "Georgia's defence capability, Georgia's programme and future plans for integration into NATO, Georgia's energy security, opposition political parties and NGOs, the personnel and weaponry of individual units of the Georgian Defence Ministry, military purchases, seaports, railways and freight movements, and armed units in the conflict zone." (4)

By Friday, September 29, the four Russian GRU officers in custody were charged with spying in the Tbilisi City Court, and Russian response to the crisis had reached such a fevered pitch as to raise concerns of possible military maneuvers in retaliation.

Initially, Russia recalled its Ambassador in Georgia to Moscow, but by the end of the week, a full evacuation of embassy personnel was implemented, along with a temporary cessation of its military withdrawal from Russian bases on Georgian territory. At the United Nations Security Council, Vitali Churkin, Russia's envoy to the UN, accused Georgia of "serious provocations" (5) and Russia's Defense Minister, Sergei Ivanov, referred to Georgia as a "bandit" state, and ridiculed Georgia's espionage charges: "I would not be surprised if the Georgian side
accuses Russian servicemen of an attempt to steal the sun and the sky." (6) Russia imposed a travel and transportation ban and partial blockade of Georgia, in addition to the ban on select exports imposed by Moscow earlier this year.

On 1 October, after discussions with the US and European states, Georgian officials worked out a deal for the return of Russia's GRU officers through the Organization for Security and Cooperation in Europe (OSCE).

Georgian television aired the handover: "A police guard escorted four handcuffed Russian officers from the building of the General Prosecutor’s Office and then an official from the prosecutor’s office read the official accusations to each of the suspects.

"You are accused of espionage against Georgia… for this reason you are being expelled from the country. Starting from this moment, you are banned from entering the territory of Georgia," the statement read in part.

Then a delegation of the OSCE, led De Gucht and accompanied by Georgian Foreign Minister Gela Bezhuaishvili, appeared in the yard.

Following Deputy Interior Minister Eka Zguladze’s announcement that Georgia is handing over the spy suspects to the OSCE, the police guard escorted the officers to OSCE cars, which took them to the Tbilisi airport. The Russian Emergency Ministry sent a plane on October 2 to return the officers to Moscow." (7)

Georgian President Mikheil Saakashvili defended the arrests, "I want to make it very clear: we had a very well founded case, it is a very solid case of espionage, subversion trying to destabilize my country. This case has been documented; it has all the legal proofs and evidence...." (8)
Despite the resolution of the original incident, with the return of the GRU officers, Russia has ratcheted up its reaction by threatening to cut off financial flows from Georgian immigrants within Russia back to Georgia. An estimated 500,000 Georgians live and work in Russia, and they send funds, by World Bank estimates 10% of Georgia's GDP, back to relatives within Georgia. (9) Choking off this revenue stream could prove a serious hardship to Georgian citizens.

Roman Gotsiridze, President of the National Bank of Georgia suggested that transportation and economic sanctions imposed on Georgia by Russia, immediately after the GRU officers were handed to the OSCE, could sully Russia's reputation in the international community and damage its chances of attaining World Trade Organization accession (negotiations for which have been lengthy, detailed and trudging thus far). (10)

President Putin responded to the suggestion of international ramifications for its actions taken against Georgia by warning third parties not to become involved: "I would not advise anyone to talk with Russia in the language of provocation and blackmail." (11) Putin's remarks were made before the Russian State Duma.

The weightily unbalanced response by Russia to the arrests of four of its military servicemen—and there has been no denial of their involvement with GRU—suggests that Moscow has been seeking a pretext to take action in the Caucasus. As the arrests and Russia's response play out, it may be well to remember the remarks of Russia's Energy Minister, made at the opening session Black Sea Energy Conference held in Sochi last week: "The Black Sea region is an indispensable part of the global energy market as a connecting link between Europe and Asia." (12)

Source Notes:
Newly Independent States: Central Asia

By Monika Shepherd

Will the Tekebaev cloud have a silver lining?
Omurbek Tekebaev's 6 September arrest on drug smuggling charges, followed by allegations that the drugs were placed in his luggage by members of the
Kyrgyz National Security Service (NSS), caused a new political storm to erupt in Kyrgyzstan, one which at first seemed to threaten President Bakiev himself. However, the removal of NSS Chairman Busurmankul Tabaldiev and Deputy Chief Janybek Bakiev (President Bakiev’s brother) from their posts, coupled with the president’s 14 September speech to the Jogorku Kengesh (Kyrgyzstan’s parliament) have, at least temporarily, poured oil on the troubled waters of Kyrgyzstan’s domestic politics.

Tekebaev’s arrest at the Warsaw airport and the subsequent parliamentary investigation into the circumstances of his arrest, exposed a clumsily organized plot by the NSS to discredit the former speaker of parliament, which initially raised questions about President Bakiev’s involvement in the plan. The evidence against the NSS seems to be irrefutable: a written statement by Manas Airport Vice President and former NSS officer Nadyr Mamyrov that Janybek Bakiev ordered him to plant heroin (hidden inside a matrioshka doll) in Tekebaev’s luggage and videotape from a security camera showing airport employee Ilhom Davuzov taking the former speaker’s luggage and then returning it fourteen minutes later. (1) However, Mamyrov (who has been fired from his post), has denied writing the statement, dismissing it as a forgery. Janybek Bakiev has also denied having played any role in the operation to discredit Tekebaev, instead calling it a “provocation” carried out by those whose goal is to destabilize Kyrgyzstan’s government. (2) In his 14 September address to the Jogorku Kengesh, President Bakiev likewise suggested that enemies of his government, perhaps even foreign spies, might have been involved in the operation against Tekebaev. (3) In response to a question from MP Alisher Sabirov about the possible involvement of Western secret services in the Tekebaev incident, the president replied: “Some forces could potentially be dissatisfied with the political stability in Kyrgyzstan and Central Asia. There are forces, which do not want the sustainable development of Central Asian countries, including Kyrgyzstan, and we should consider this theory.” (4)
President Bakiev’s eagerness to pin the blame for the Tekebaev operation on forces which are outside Kyrgyzstan and thus far removed from his own government is quite understandable, but under the circumstances, his theory seems more than a little far-fetched. Mr. Mamyrov’s and Mr. (Janybek) Bakiev’s denials notwithstanding, the NSS’s direct involvement in the plot appears to be indisputable, and there is no indication that anyone outside the Kyrgyz government was involved. Polish authorities in Warsaw have stated that they received a faxed message from Astana that alerted them to the possibility that a Kyrgyz airline passenger might be carrying contraband in his luggage; however, this hardly constitutes proof of foreign involvement. (5) Far more relevant questions are whether Kyrgyz officials in any other branches of government were involved in the operation and who stood to gain the most by discrediting Tekebaev. Omurbek Tekebaev is a well-known opposition leader and a very vocal critic of President Bakiev, so it is certainly plausible that the plot was engineered by the president’s supporters in the security services. It is also possible that the goal of the operation was to bring down President Bakiev and his administration – if the Kyrgyz public can be convinced that the president had any knowledge of the plot, he could be forced to resign.

However, just as every cloud has a silver lining, there may yet be the possibility for a positive development from this scandal. There are currently three commissions investigating the circumstances surrounding Mr. Tekebaev’s arrest (Polish authorities released him and he has returned to Kyrgyzstan), including a parliamentary commission and one established by the president – hopefully, at least one of these bodies will have the courage not only to conduct a thorough inquiry, but then to make the results of that inquiry public. The Tekebaev incident has provided the Bakiev-Kulov “tandem” with an opportunity to launch a public investigation into the corrupt and criminal practices of its own administration and to prove to its constituents that the post-Akaev era government can conduct business in a fair and open manner, free of nepotism, cronyism, corruption, and fraud, an opportunity which it can ill afford to squander.
Source Notes:

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(2) “President's Brother Denies Role In Heroin Doll Case,” China Daily Source: Financial Times Information Limited - Asia Intelligence Wire, 14 Sep 06 via Lexis-Nexis Academic Universe.
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Newly Independent States: Western Region

By Tammy Lynch

BELARUS
EU backing down on Belarus?
After months of barking, the EU appears to have very little bite regarding Belarus.

On 26 September, an expert trade committee of EU members voted not to suspend Belarus from the Generalized System of Preferences (GSP). If upheld, this decision would mean that Belarus would continue to receive preferential tariffs in its trade with the EU. (1)
The European Commission had proposed that Belarus be removed from the GSP after the country’s 19 March presidential poll failed to meet standards for a free and fair election. The Commission increased its criticism following a crackdown on those who opposed President Aleksandr Lukashenko in his re-election bid, and on those who attempted to monitor the election.

In the days leading up to and following the poll, over 1,000 election monitors and political opposition activists were arrested. Many were held for several hours and released; many are still being held. In its appeal for international support for those arrested, Amnesty International sharply criticized the “mass arrests of civic activists.” The human rights organization noted, “All over the country armed policemen in masks detained activists of the civil initiative for election observation Partnerstva [Partnership]. Searches were carried out in the apartments of the civil initiative activists. All office equipment was seized.” (2)

The EU, US State Department and individual EU Member States also called for the release of Partnership activists – four of whom have since been sentenced to between six months and two years in prison. A statement from the EU presidency underscored the organization’s concern about the state of human rights in Belarus. “The EU notes with regret that the Belarusian authorities continue to intimidate civil society activists and to demonstrate unwillingness to respect international standards in democracy and human rights,” a statement said. (3)

The EU also sharply criticized the arrest of Aleksandr Kozulin, one of Lukashenko’s opponents in the election, who was later sentenced to more than 5 years in prison for "aggressive hooliganism" and "organizing disturbances." Those disturbances were peaceful demonstrations against an oppressive and unbalanced electoral environment. "I think this is revenge against a man who dared to say the truth at the moment of the election," fellow opposition politician
Aleksandr Milinkevich said. (4) Milinkevich himself was released from prison in May after a 15 day jail sentence. (5)

Following the election, the EU, the US, Canada and a number of other countries announced travel bans against dozens of Belarusian officials. The EU also prohibited "persons who are responsible for the violations of international electoral standards and the crackdown on civil society and the democratic opposition" from accessing bank accounts or resources on EU territory. (6)

But, the removal of preferential trade tariffs was to be the sharpest rebuke yet to Belarus, and it was to send an important message about respect for human rights. Now, it appears that the message sent is one of disunity within the EU about how to handle Belarus.

Ironically, those countries that have criticized Belarus most heavily in the past were the most vocal in their opposition to the removal of Belarus from the GSP. Lithuania, Poland and Latvia voted against the sanction, saying that the measures would harm small cross-border traders and the Belarusian people. Their votes, however, were expected.

Italy’s was not. Quite simply, the measure would have passed if Italy had not chosen to abstain. The abstention was said by most to be a protest technique to pressure other EU countries to support Italian antidumping charges against Chinese shoe manufacturers. Yes, Chinese shoe manufacturers. “There was a gentlemen’s agreement that member states would protect each others’ manufacturers,” an EU diplomat told the EU Observer. “The northern countries, which import shoes, broke it and now the EU shoemaking countries are attacking their policies in other areas.” (7) Italian officials said publicly, however, that they wanted to provide Belarus with another chance to comply with EU regulations.
After the vote, an unnamed “European Commission official” said “the political fallout would be huge” if the decision stands, particularly since the vote was scheduled after an extensive 18-month trade and human rights investigation. (8) Therefore, the EU has scheduled another vote for 12 October, in the hopes that, by then, EU Ambassadors can come to an agreement.

Unfortunately, Belarus’ imprisoned activists will have to wait and see what happens, since it seems they won’t be able to help Italy by purchasing Italian shoes any time soon.

**Russia and Belarus: Where is the love?**

Last week, Aleksandr Lukashenko invited over 80 journalists from all over Russia to visit Minsk and attend a press conference with him. The event was most notable for Lukashenko’s repeated railing at Moscow for everything from supposedly not fulfilling agreements in the formation of the union state, to the status of the CIS, to natural gas pricing.

Lukashenko blasted what he categorized as Russia’s attempts to absorb Belarus into Russia. “As soon as Belarus becomes part of Russia, it’ll be worse here than in Chechnya,” he said. “We'll have people coming in from Georgia, from Russia, Ukraine, Poland, and the Baltic countries. They are ready today to come with weapons.” (9)

In the same interview, however, he also lashed out at Russia for refusing to honor a past equal pricing accord – and refusing to honor their union state. “If Belarus and Russia build one state,” he said, “they should have uniform prices, including fuel prices.” (10)

He further threatened to cut all ties, “particularly in the economy,” if Russia raised the price of gas for Belarus. “You will survive,” he warned, “but you will lose [your] last ally. You will simply lose face.” (11)
In exchange for a lower gas price, Lukashenko offered to sell Russia 50% of the natural gas monopoly Beltransgaz – for $2 billion. Russia reportedly values the shares at between $300 million and $500 million. The country balked at Lukashenko’s terms.

And Lukashenko is unlikely to have any more luck with his other proposals to “reinvigorate” the CIS or move forward on the union state – which may explain his obvious irritation during the press conference. While it is true that Russia is more isolated than it has been at other times in the past, Belarus is far less important to Russia than Russia is to Belarus.

Russia subsidizes Belarusian energy, food supplies, medicines and military forces. In the past, it also has supported Lukashenko’s re-election bids with both financial help and public support from President Vladimir Putin. Belarus’ unreformed economy benefits from special agreements with Russian manufacturers both to import raw materials and to export Belarusian products. The impact of “full severance of all ties,” as Lukashenko termed it, likely would be devastating to Belarus, while merely a blip in Russia’s expanding economy. The psychological impact of “losing” Belarus can’t be measured, of course, and if it ever occurred, would be a major blow to Putin’s attempts to maintain Russia’s dominance in the post-Soviet region. Still, this doesn’t seem to be a concern to either Putin or his closest allies, who sent Lukashenko a clear message after his marathon press conference; they simply ignored him.

UKRAINE

Our Ukraine Bloc withdraws from government; transfers to opposition

On 4 October, Roman Bezsmertny, the leader of the Our Ukraine Bloc, announced that his bloc had voted to officially move into opposition against the government of Viktor Yanukovich. He also said the bloc would ask all cabinet ministers representing Our Ukraine to either resign from the government or the
bloc. This involves the Foreign, Justice and Defense Ministers, as well as the Interior Minister, who was appointed by Yushchenko. Should these ministers resign, it likely would lead to a major foreign policy shift for the country. Even if they officially resign from the party and remain, their precarious status will undermine their already somewhat limited potential to impact policy.

Bezsmertny’s announcement came after two months of official negotiations, and many more months of unofficial talks, between Our Ukraine and the Party of Regions. The decision places President Viktor Yushchenko—the honorary head of the bloc’s core party, People’s Union Our Ukraine—in a place of opposition to his own Prime Minister. The decision also effectively signals the death of the vaunted Declaration of National Unity – heralded loudly by Yushchenko two months ago as a guarantee that former rival Prime Minister Yanukovich would follow the policy directives of the president.

It did not turn out that way. The Declaration had no legal enforcement mechanisms, and, even at its signing, Yanukovich signaled that he might only adhere to those points that coincided with the wishes of his supporters. He has done exactly as he suggested, and a little more.

Since assuming office on 5 August, Yanukovich has: scuttled Yushchenko’s plan to bring Ukraine into NATO; signaled a delay in Ukraine’s planned entry into the WTO; suggested he would dismiss those ministers loyal to the president; attempted to dismiss governors supporting Our Ukraine; ignored Yushchenko’s comments on the 2007 budget; and refused to implement presidential decrees on Ambassadorsial appointments.

But most importantly, Yanukovich has made it clear that the support of Our Ukraine is not necessary for him to fulfill his policies. The Party of Regions, supported by the Socialists and the Communists, now controls a parliamentary
majority of 242 out of 450. Why do they need Our Ukraine? Obviously, they have decided that they do not – at least presently.

Our Ukraine’s current leadership historically is averse to participating in opposition activities, even though they are often ideologically opposed to those in power. The Bloc consists of two primary wings – the larger business wing, which has had good relations with business interests inside the Party of Regions, and the “political reformer” wing, which wants no accommodation with Yanukovich. The business wing is exemplified by the Party of Industrialists and Entrepreneurs of former Prime Minister Anatoliy Kinakh and the former Solidarity Party members loyal to “chocolate king” Petro Poroshenko. This wing includes up to four-fifths of the membership in the bloc, depending on the day.

The “political reformer” wing is led by Our Ukraine Political Council head Mykola Katerinchuk, who stated repeatedly over the last two months that he and his allies would not follow Our Ukraine into a coalition with Regions if its membership chose that option. Katerinchuk was a staunch opponent of the nomination of Yanukovich as prime minister and attempted to convince President Yushchenko instead to dismiss parliament. He was opposed in his opinion by Kinakh, Poroshenko and former Prime Minister Yuriy Yekhanurov, who favored links with Yanukovich and counseled Yushchenko to find accommodation with him.

It appears, in the end, this was impossible even for the business wing. Instead, they found their activities investigated and their assets questioned over the last several weeks as Yanukovich consolidated his control.

**So, what sort of opposition will be created now?**

Several members of Our Ukraine have stated already that they do not want to unite in one opposition with former Prime Minister Yulia Tymoshenko – who opposed Yanukovich’s nomination and began creating an opposition before he was confirmed. This is not surprising, since the two forces rarely have agreed on
the path to take. Even during the revolution – the time of greatest unity among democratic forces – Tymoshenko, Yushchenko and certain members of his party vehemently disagreed on the best course of action. (This was exemplified during the eighth day of the revolution, when the crowd on Independence Square first was told by Yushchenko to “go home and rest,” and then two hours later was told by Tymoshenko to form columns for a march to the presidential administration to “reinforce the barricades.”)

Our Ukraine has stated repeatedly that it would rather be in power, and would only move into the opposition if there was no other choice, and if their “demands” were not met. This has been a difficult sell, since the bloc placed third in the March elections with only 13.7% of the vote, behind Yanukovich (32%) and Tymoshenko (22%).

Directly following the election, the bloc also negotiated both officially with Tymoshenko to create a new Coalition of Democratic Forces and unofficially with Yanukovich. Despite lengthy talks, both negotiations ended with no result.

Therefore, it appears that, while there will be coordinated work within the parliament, there will not be one unified opposition. Additionally, the majority of Our Ukraine will shy away from working actively to provoke the dismissal of the Yanukovich government, since its membership tends to view this type of activity as destructive and harmful to the country. They also may hesitate to question certain corruption-related issues, as a number of Our Ukraine’s members are alleged to have benefited from certain business deals involving Regions in the recent past. They deny these allegations.

However, the bloc contains some very effective legislators who will be of great benefit to the opposition in general, as it struggles to influence policy. The Our Ukraine membership’s understanding of Western-style economics outpaces most
of those within the Yulia Tymoshenko Bloc, and their assistance in creating alternatives to government initiatives will be invaluable.

This is, of course, if they remain in opposition. Roman Bezsmertny implied at his press conference (announcing the move to opposition) that the bloc would be open to additional negotiations with Regions, but would not initiate them. Given the bloc’s preference for being within “the power,” it would not be surprising if new negotiations were announced sometime in the near to medium future.

Source Notes:

(2) “Amnesty International Holds Action In Support of Partnerstva Activists,” 1145 CET, 8 Jun 06 via www.charter97.org.
(3) “EU calls on Belarus to free election monitors,” Agence France Presse, 1413 GMT, 11 Aug 06 via Lexis-Nexis.
(4) Agence France Presse, 1833 GMT, 13 Jul 06 via Lexis-Nexis.
(5) Agence France Presse, 0741 GMT, 12 May 06 via Lexis-Nexis.
(6) Agence France Presse, 1545 GMT, 18 May 06 via Lexis-Nexis.
(8) Ibid.
(9) “Belarus warns against gas price hike,” The Moscow Times, 2 Oct 06, p. 5.
(10) “Russia's withdrawal from pricing accord unprecedented – Lukashenko,” ITAR-TASS, 1001 EST, 29 Sep 06 via Lexis-Nexis.
(11) Reuters, 29 Sep 06 via Google News.

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