Russian Federation: Executive Branch

By Susan Cavan

Succession stress: division of authority and assets

President Putin and President-elect Medvedev thus far have accomplished a major breakthrough in Russian politics by setting a precedent in presidential succession. Putin's decision to obey the constitutional limits of his presidency coupled with Medvedev's victory in elections (however "managed" and flawed), has provided a foundation for all future leaders – gone is the debate over changing the constitution, the early resignation, the "premature" demise, or the cloistering of regents; however imperfect the Putin-Medvedev diarchy, the decisions they have made will reverberate, possibly even in a positive direction, for Russia's next generations of leaders.

While the exact distribution of powers between Putin and Medvedev has not been resolved, and likely will not be demarcated thoroughly until the two clash over policy or personnel at some future point, the outlines of each one's sphere are becoming more clear. Both eschew the idea of amending the constitution, but fortunately, the text of the constitution does provide a broad prerogative to the prime minister in the organization of the government; an authority Putin may choose to exercise in May, assuming that he is named Prime Minister (Government Chairman) following Medvedev's inauguration. According to the constitution, "Not later than a week after appointment [the Chairman of the Government of the Russian Federation] shall submit to the President…proposals on the structure of the federal bodies of executive power." (1)

It seems likely that policy formulation and implementation will follow structure, which will be determined by priorities in policy. For now, Medvedev responds to
questions about how his power "tandem" with Putin will operate by drawing vivid yet programmatically vague distinctions between the role of the presidency and government:

"It is the president who sets out the main directions of domestic and foreign policy. He's the commander in chief, he makes key decisions on forming the executive. He's the guarantor of rights and freedoms of Russian citizens. The government has its own very extensive area of competence. ... The government's job is complex, large, and challenging. And it's quite obvious that it has enough of its own business to attend to. In other words, it's all simple. Russia is a presidential republic with a strong executive authority. (...) Each branch of power must deal with its own set of affairs. The president is guarantor of the constitution. ... The government deals with its respective business. This is perfectly normal." (2)

While much is left unsaid in Medvedev's description of the division of authority, what is clear is an evolving view of the presidency as a non-executive branch of the Russian governing system. While only time (and the inevitable use of power in practice) will tell, Medvedev seems to make a case for the presidency as formulating guidelines and goals for the government to implement.

Medvedev also outlined the priority goals for his presidency (in an interview in the foreign media) and placed a significant emphasis on the need to overcome Russia's "legal nihilism," a theme he mentioned during the campaign, as well. Medvedev describes himself as "a lawyer down to my bones" and set the sights of his presidency on asserting the "supremacy of the law" in Russia. (3) Medvedev pointed to the positive foundation of Russian traditions stemming from "the continental Romano-Germanic law family," but quickly noted that all layers of Russian society, from the state, executive, bureaucratic, and even the individual willing to hand over (let alone demand) a bribe need to understand "the necessity and desirability of observing the law." (4)
Of course, the need for reform of, and eventually, respect for the judiciary also plays a significant role in Medvedev’s presidential plan. There is a familiar ring to Medvedev’s focus on respect for the rule of law; it hearkens back to Putin’s cruder, but thematically similar plan for a "dictatorship of laws." In fairness, Putin’s administration took a stab at legal and judicial reforms as envisioned by Dmitri Kozak, but there was little follow through on implementation, and Kozak was soon dispatched out of Moscow to quell unrest in the south of Russia.

Kozak is said to be close to the incoming president, and perhaps he will be prevailed upon, once again, to undertake an evaluation and produce a reform plan that will instill respect for the law and the courts, to replace the "legal nihilism" Medvedev currently finds rampant in Russian society.

Is transition last chance for current apparatchiki graft?
The question of who is close to Medvedev—who will have influence and office in the next administration—occupies much analysis of the transition period. There does seem to be a clique of individuals who recognize that the time to have their "snouts in the trough" of government service is coming to an end. (4) Some among these individuals may be so shameless that their activities potentially threaten the stability of the succession and transition that Putin and Medvedev have endeavored to attain.

It appears that there is a great deal of discontent among members of the Armed Forces, Ministry of Defense and General Staff over the actions of the current defense minister. In late February, after a clash with Defense Minister Serdyukov, allegedly over his fire sale of DefMin property to associates in St. Petersburg, Colonel General Viktor Vlasov reportedly took his own life. (5) Vlasov, who was the acting Chief of the Troop Housing (Billeting) Service of the Defense Ministry (and apparently was due to be promoted to Chief of the
division) reportedly left a suicide note that some sources claim complains of Serdyukov's "privatization policies." (6)

According to reports, either the Russian Prosecutor's Office or the Military Prosecutor's Office are investigating the possibility that Vlasov, who is said to have had a "hard-hitting talk" with Serdyukov the night before taking his own life, was driven to the suicide. (7)

The sources for the numerous stories regarding Vlasov include officers from the Billeting Service and some of those involved in the investigations into Vlasov's death. According to some reports, Vlasov would not accede to Serdyukov's attempts to divide military assets and sell off those deemed unnecessary to the Defense Ministry and was soon to be replaced by a Serdyukov ally. As Lieutenant-General Yuri Netkachev, a consultant with the Association for the Social Protection of Special Services Veterans explained, "It is by no means certain that Serdyukov and his team will remain at the helm after the presidential election. That's why the tastiest morsels of property in Moscow and St. Petersburg are being broken off for privatization already." (8)

The circumstances surrounding the death of General Vlasov garnered greater scrutiny recently when it was reported that Chief of the General Staff Yuri Baluyevsky, who has had repeated clashes with Defense Minister Serdyukov, once again submitted his resignation. According to reports, Vlasov's suicide "was the last straw" for Baluyevsky. (9) Along with General Baluyevsky, several other members of the Armed Services are said to have resigned or to be considering taking the step. The Defense Ministry has denied reports of Baluyevsky's resignation, and at least one report suggests that the conflict between the Defense Minister and the Chief of the General Staff centers on the lack of progress in military reform, despite increased funding, during Baluyevsky's tenure. (10)
Clearly, the resignations of several high-ranking military officers would focus unwelcome attention on possible corruption among government officials, and some deal may be in the works to avoid that eventuality. However, Medvedev may find it necessary, out of respect for the law, to make an example of government officials or apparatchiki quite early in his presidency. Fortunately for Medvedev, there are numerous corruption investigation committees already working on this very problem.

Source Notes:
(3) Ibid.
(4) Reference to a Medvedev comment on stealing from the state. "Interview with Itogi Magazine," 18 Feb 08; www.medvedev2008.ru via Johnson's Russia List (JRL), 27 Feb 08, 2008-#42.
(6) "Signaling a purge at the Defense Ministry," Ibid.
(7) "General in charge of army housing shoots himself," Ibid.; "Army housing chief takes his own life," Ibid.
(8) "Signaling a purge at the Defense Ministry," Ibid.
(9) "General Staff moving into opposition," Nezavisimaya gazeta, 24 Mar 08, pp. 1,3; Defense and Security (Russia) via Lexis-Nexis Academic.
Freedom of speech: a short-lived phenomenon?

In spite of promises of free speech and open communication in Russia, the past eight years have brought unprecedented government command of the national message as state-controlled corporations and Kremlin-friendly individuals have purchased most of the country’s national television stations and major newspapers. As a result, reporters and the media outlets for which they work have been hindered by both outside regulation and the looming threat of Kremlin retribution, forcing Russians who seek unfiltered news to find other sources. By far, the most popular of these alternate news outlets is the Internet, whose relative anonymity allows for unfettered freedom of speech. There are currently more than 35 million Russians with access to the Internet, with 20 million users active daily. This figure is higher than the audience of all of the country’s print media outlets combined. (1) The Internet has introduced another phenomenon, weblogs, or “blogs,” into the Russian consciousness. There has been a recent explosion of blogging, which allows citizens to comment freely and publicly on current events and express dissenting opinions. There are about 3.5 million blogs currently registered to Russian Internet users, a figure 2.6 times larger than...
it was last year. Every day, approximately 210,000 entries are added to existing blogs and 7,000 new ones are started. (2)

As a result, stories that traditionally are ignored by the established media are being made public. In one recent example, the students and faculty of St. Petersburg’s European University took their protest to the Internet when the government shut down the campus after the school accepted European Union funding to research improvements in election monitoring. (3) Although national television channels refused to report the story, students used web sites and blogs to spread information and coordinate protest activities. Unfortunately, this and other online success stories have given rise to equally pervasive counter-efforts as the government has moved to prevent the Internet from becoming a political liability. Since January, three official proposals have been made by various regulatory bodies aiming to bring the Internet under state control. The first, Parliament’s “On the Internet,” attempts to create a legal framework for regulating online content. In February, the Federal Council, the Justice Ministry, the Interior Ministry, and the Public Chamber introduced legislation designed to control the Internet as part of a proposal to amend media laws to include all web sites with a daily audience of at least 1,000, including blogs, forums, and chats. (4) Under the law, site owners would be required to register through the state agency responsible for overseeing mass media. In addition, sites would have to cite their sources, which would also have to be registered publications. (5) The law would be part of a larger Mass Media Act that would impose similar restrictions on all forms of media that reach at least 1,000 people. (6) According to its supporters, the act is ostensibly an attempt to regulate the destructive information found on the Internet, including child pornography, terrorist propaganda, and extremist, xenophobic and slanderous information. (7) However, it would also allow for unprecedented control over not only the material available online, but the individuals who create it.
Another piece of legislation, introduced in the State Duma, would restrict foreign ownership of Internet service providers (ISPs) by setting limits on foreign investment in telecommunications and Internet companies. It also would force ISPs to allow authorities to read members’ e-mails. Last week, the chief of the special technical operations department of the Interior Ministry went so far as to suggest registering the passport information of citizens before they are able to go online. This measure is the first of its kind, even in China, the country that currently has the strictest regulations on Internet use in the world. In the past week, the Prosecutor-General’s Office filed corresponding proposals to both Russian houses of Parliament, the State Duma, the Federation Council, and the President asking for Internet providers to be held legally responsible for objectionable and extremist materials found online. Another proposal demanded a legal definition of unacceptable material “in terms of public morality, public safety … and anti-extremist legislation.” The same proposal demanded that responsibility for such content be placed on those who control the domain where the site is registered, acknowledging that it’s technically impossible to determine the author of online material.

Past instances of Russian authorities attempting to charge private citizens for material posted on the Internet have centered around nationalistic propaganda. However, none of them ever made it to court. A case currently underway has raised concerns for bloggers who are routinely critical of authority. Savva Terentyev, a local musician in the Komi Republic town of Syktyvkar wrote last year on his blog that police officers “have the mentality of a repressive club in the hands of the powers that be,” and that “the infidel cops [should be] burnt.” In the first prosecuted case of its kind, Terentyev is being charged with inciting hatred by belittling a social group. If convicted, he faces up to two years in prison for a violation of article 282 of the Russian Criminal Code. This is the first case in Russia involving commentary in an online diary, with prosecutors claiming that Terentyev’s blog is a form of mass media and arguing that he was using his diary “with the goal of publicly urging citizens to fight against the given
social group." (14) The government’s charges raise several questions that are currently being debated in and out of court, namely whether or not an Internet diary can be considered a form of mass media and whether the police are a social group or a profession. Anton Nosik, director of livejournal.com’s Russian division, recently told reporters that the case against Terentyev was baseless. He blamed “the ignorance of local judges,” which “often plays a role in the outcome of cases connected to the Internet” and expressed his hope “that with many journalists present, the judge will look at the essence of the case and not simply hand down a guilty verdict.” (15)

Given that the Terentyev case has drawn international attention to the fact that Russian authorities have begun to tighten control over the Internet, it may set a precedent for online freedom of speech. However, without a solid definition in place of what “inciting hatred” actually entails, it may prove to be a more complicated issue than the prosecution originally thought. In order to prove that Terentyev’s aggressive language was meant to incite violence, linguistic experts have been hired in order to review the language used in the blog entry. (16)

For now, it is widely understood that none of the proposed laws are likely to pass. First, there is no existing legal precedent for lawmakers to define offensive Internet content. Beyond that, binding regulatory measures on Internet content are rendered impossible with today’s technology because Internet content can be moved quickly from site to site. Even if some form of these measures succeeds, it remains to be seen how widespread the effects will be, as several factors currently limit the influence of the Internet: personal computers remain a luxury item; the number of citizens with access to the Internet is still limited; and Russia’s technological infrastructure is antiquated, resulting in slow Internet connections and a lack of service in rural and poor areas. (17)

Despite these issues, the current wave of regulatory proposals has critics drawing comparisons to Soviet-era censorship. (18) This may be premature and
a bit extreme, but it should be noted that shortly after Nosik spoke out in favor of Terentyev, livejournal.com was bought by Kremlin-friendly businessmen in a move that inspired comparisons to the gradual Kremlin takeover of Russia’s broadcast and print media. (19) Given that 75 percent of the blogs in Russia can be found within five sites: livejournal.com, LiveInternet.ru, Diary.ru, Blogs@Mail.ru and LovePlanet.ru, (20) the ease with which livejournal.com was taken over should not be ignored by observers.

It remains to be seen how the government’s policy concerning Internet content will shift during the next administration. During the recent Presidential campaign, President-elect Medvedev put a positive spin on the Russian Internet boom, commenting that “we live in an absolutely transparent information society” and expressing his view that an independent media source like the Internet will give citizens more access to information, which should help to fight corruption. (21) He also has expressed his disapproval of the Duma’s plan to restrict foreign investment in Internet technology. (22)

If all else fails, other measures are already in place to deter the next generation from becoming as media savvy as the current one. Russia’s InfoCentre online recently posted guidelines for parents hoping to protect their children from websites containing pornography, animosity, the glorification of terrorism or ethnic hatred that students currently have access to, since Russian state educational programs provide Internet connections to every Russian school. Further, warns the InfoCentre, “Internet communication may cause depression.” (23)

Source Notes:


(5) “Russian Parliament moves to regulate Internet sites,” The Other Russia, 14 Feb 08 via http://www.theotherrussia.org/2008/02/14/russian-parliament-moves-to-regulate-internet-sites/. Last accessed 12 Mar 08.


(7) Ibid.

(8) Ibid.

(9) Ibid.


(12) Ibid.

Russian Federation: Security Services

By Fabian Adami

Togliatti bomb “Not Terrorism”
On 31 October 2007, a bomb exploded on a bus in Togliatti. Eight persons were killed and 50 wounded. Within a very short period of time, investigators had announced that the explosion was equivalent to 2 KG of TNT, while the press claimed that evidence of a suicide bomb had been discovered at the scene.
The FSB’s investigation into the incident apparently lasted less than two days and was a “model” of police work. Early in November, FSB Director Patrushev announced that the FSB had “established” who was responsible for the bombing. As was to be expected, investigators claimed that the bombing was linked to Dokka Umarov, a Chechen warlord, and insisted that intelligence provided evidence of his culpability and ties to the bombing.

The speed of the investigation itself was suspicious. At the time of the bombing, the presidential elections were less than four months away, and Russian authorities were determined to show that the administration was “tough on terror,” in order to ensure that Dmitri Medvedev, President Vladimir Putin’s hand-picked successor, obtained victory in the polls. (1)

Despite Patrushev’s then definitive announcement on 2 November, it seems that the FSB’s investigation into the Togliatti bomb has, in fact been, ongoing. On 11 March 2008, Yuri Rozhin, Chief of the FSB Directorate in the Samara region, announced that the bombing was not, in fact, an act of terrorism. Rather, the explosion was the result of the “careless handling” of an “improvised explosive device” by a Togliatti resident, Yevgeni Vakhrushev. (2)

Vakhrushev apparently had become fascinated by explosive devices after watching a Discovery Channel program on the manufacture of bombs. Vakhrushev then found “instructions on the internet” and built his own device. (3) The FSB searched Vakhrushev’s residence and discovered materiel “identical” to the substance found at the blast site. (4) The investigation into Vakhrushev, 21, showed that he was “quite reserved,” (read loner) and that he had twice tested self-made devices in local forests. (5) Together with the inquiries made by the FSB, a psychiatric profile revealed that Vakhrushev “suffered” a “certain illness,” (6) which likely caused his actions.
The Togliatti case constitutes a classic example of why FSB statements on “terrorism” must be viewed with suspicion. The initial “investigation” clearly was tainted, and was carried out and concluded with a national-political goal in mind. Now that the elections are over, the FSB apparently sees no contradiction in announcing that a lone, mentally disturbed person was responsible, rather than the Chechen hydra blamed in November.

“Assassination” attempt prevented?
Ten days after the 2 March Presidential polls, FSB Chief Nikolai Patrushev announced that the election period had seen several major successes for the agency. Addressing a meeting of the National Anti-Terrorist Committee, Patrushev claimed that the FSB had foiled a number of terrorist attacks – specifically including sabotage, planned for polling day. (7) Several days after Patrushev’s comments to the NAC it emerged that these “terrorist” acts apparently included an assassination attempt.

A story that initially appeared in the newspaper Tvoy Den’, but was picked up by other outlets, claimed that a Tajik national was arrested in Moscow on the day of the election. The individual, Shakhvelad Osmanov, had rented an apartment overlooking one of the approaches to Red Square. His alleged intention was to shoot President Vladimir Putin and his successor, Dmitri Medvedev, as they walked through the historic square to attend a concert. (8) Hours before the “presidents” appeared publicly, an FSB special unit (possibly drawn from the Alpha Group) (9) stormed the apartment, arrested the “supposed killer,” and seized a number of weapons, including a sniper rifle and a Kalashnikov. (10) Reports of the incident indicate that the FSB was able to act on the basis of an anonymous tip several days before the election and that the rifle was of foreign manufacture. (11)

At the time of writing, there are contradictory reports on the incident. The FSB apparently has refused to confirm or deny the story, although Interfax has
claimed that an “unnamed secret service official” had denied the story. (12) The Tajik embassy in Moscow meanwhile, claimed that it had “established” on the embassy’s “appeal to the relevant official structures of Russia,” that Osmanov was a “Russian citizen,” born in the Akhtynskiy District of Dagestan. (13)

Obviously, the idea of a terrorist act—specifically an assassination attempt—cannot be dismissed out of hand. It may be that the FSB is refusing to comment officially because steps are being taken to investigate a plot, and to verify its origin. It is also possible, that the “plot” is a fake tabloid story, or a false flag operation by the Security Services designed to provide justification for further operations in Dagestan and/or Chechnya and Ingushetia. At the time of writing, it is not possible to state definitively which is the case—whether and how the incident develops remains to be seen.

Source Notes:
(1) See The ISCIIP Analyst, Volume XIV, Number 5 (15 Nov 07).
(2) “Russian FSB Says Last Year’s Lethal Bus Blast in Volga City Not Act of Terrorism,” RIA Novosti News Agency, Moscow, in Russian, 11 Mar 08; BBC Monitoring via Lexis-Nexis.
(4) Ibid.
(6) Ibid.
A toe in the door in Uzbekistan?
Nearly two and a half years after being forced to evacuate the air base at Karshi-Khanabad (K-2), US military personnel again have been granted limited access to military facilities in Uzbekistan. During a 5 March press conference in Moscow, NATO Caucasus and Central Asia Envoy Robert Simmons announced that Tashkent has agreed to allow US military personnel to use facilities at Termez Air Base (in southern Uzbekistan) on a “case by case” basis. (1) Negotiations apparently began when US Central Command Commander William Fallon met with Uzbek president Islom Karimov in January. After some initial confusion as to the actual terms of the agreement (early reports indicated that the United States military had been granted renewed access to K-2), NATO and US officials have emphasized that though US military personnel have been granted permission to transit through the country, there are no plans to re-establish a US military presence in Uzbekistan. (2) The Uzbek government adamantly denies any change in policy regarding US military activity on Uzbek territory, calling any such claims “wishful thinking” by NATO. (3)
Uzbekistan’s poor human rights record long has made relations with the US difficult. However, immediately following the 11 September terrorist attacks, Washington and Tashkent reached an agreement allowing US military forces to use Uzbek air space and the “necessary military and civilian infrastructure” at Karshi-Khanabad. (4) The location of K-2—it is about 90 miles from the Uzbek-Afghan border—made it an ideal place from which to stage the heavy passenger and cargo flow required to support military operations in the Afghan theater. K-2 also served as a staging base for soldiers from the 10th Mountain Division, who conducted search and rescue operations, and other ground units conducting combat raids into Afghanistan. In return, the US bolstered security along Uzbekistan’s border with Afghanistan and agreed to “consult on an urgent basis” about any security or territorial threat to Uzbekistan. (5)

The arrangement worked until May 2005 when troops from the Uzbek Interior Ministry and National Security Service troops fired into a crowd of unarmed demonstrators in the city of Andijan, killing hundreds in what several human rights organizations labeled a massacre. US condemnation of the events and demands for an international investigation led Tashkent to announce in July 2005 that it was abrogating its agreement permitting the US military use of K-2. The Pentagon was given six months to withdraw all its forces and cease all military activities there. (6) Washington completed withdrawal in November and US military personnel have been banned from Uzbekistan ever since.

Though the US military has been banished, Tashkent has allowed NATO forces to continue operating out of Uzbekistan. A German Bundeswehr aviation unit has been operating an air bridge from Termez to Afghanistan since 2002 as part of NATO’s International Security Assistance Force (ISAF). (7) Under the terms of the new agreement, only individual Americans “attached to the NATO international staff” are able to use the air bridge from Termez as a transit point for troops and supplies, and only on a “case by case basis.” (8) No US personnel
will be billeted in Uzbekistan and no US aircraft will operate out of Termez or Karshi-Khanabad.

While the West’s reaction to the Andijan incident appears to have pushed Uzbekistan closer to Russia and China, Uzbekistan appears intent on pursuing a multi-directional foreign policy. (9) Moscow, Beijing and Washington all desire influence in Central Asia and Tashkent understands the value of appeasing all three. As a member of regional organizations such as the Shanghai Cooperation Organization (SCO), the Collective Security Treaty Organization (CTSO) and the Eurasian Economic Community (EAEC), Uzbekistan works closely with Moscow and Beijing. However, Uzbekistan has had to deal with terrorist attacks and turmoil from the Taliban and other extremists operating from Afghanistan for more than 20 years, and has a strong interest in cooperating with the West in the Global War on Terror (GWOT). As beneficial as the K-2 agreement was for the United States, it also was very beneficial for Uzbekistan, which still wants very much to strengthen security and end the fighting along its Afghan border.

The Termez agreement is a far cry from the full access US forces enjoyed at K-2, but it is a good sign that relations with Uzbekistan may be thawing – a fact that is not viewed with enthusiasm in Russia. Many in Russia claim that the recent “rapprochement” has little to do with the Global War on Terror and a good deal to do with the US desire to gain a foothold in Central Asia. (10) This claim is not entirely unfounded. Uzbekistan’s geographically strategic location and natural resources have made it attractive to Russia, China and the US for years (in fact, Moscow is currently negotiating with Tashkent to gain use of K-2 and other Uzbek military facilities for the Russian Air Force). (11) All three nations have been vying for influence in Central Asia for years, and US interest in Uzbek airspace and facilities almost certainly extends beyond the GWOT.

The West has gained more than improved military cooperation. In addition to his comments about US use of Termez, Simmons highlighted the improved human
rights dialogue with Uzbekistan: “Recently, given certain events, including access of the European Union to discussion about human rights in Uzbekistan, relations between Uzbekistan and NATO have improved.” (12) Uzbek authorities also recently have given amnesty to several prominent rights activists. (13) These are small steps and it is highly unlikely that either Uzbekistan’s internal repression or its foreign policy vis-à-vis US basing will change drastically any time soon. This slight thaw, however, is indicative of the progress that can be made when Washington tones down the rhetoric and emphasizes areas of shared interest and mutual cooperation.

Source Notes:
(1) “Uzbekistan Lets US use its Territory for Afghanistan Operation,” ITAR-TASS, 6 Mar 08 via World News Connection.
(2) “USA has no Air Base or Troops in Uzbekistan—Official,” BBC Monitoring (AKI press News Agency website), 19 Mar 08 via Lexis-Nexis.
(3) “Uzbek Official Says Reports on Allowing USA to Use Base “Wishful Thinking,” BBC Monitoring Central Asia Unit (ITAR-TASS), 7 Mar 08 via Lexis-Nexis.
(5) Ibid.
(7) Ibid.
(9) “No Grounds to Say Uzbekistan Making U-Turn in Favour of USA—Russian Expert,” BBC Monitoring Former Soviet Union (Ferghana.ru News Agency website), 15 Mar 08 via Lexis-Nexis.
(10) Ibid.
Russian Federation: Foreign Relations
By Fabian Adami

ABM & NATO talks
Last week, Secretary of State Condoleezza Rice and Secretary of Defense Robert Gates traveled to Moscow. The main purpose of the visit was to hold talks with key Russian officials, including President Putin, Foreign Minister Sergei Lavrov, and President Putin’s “Crown Prince,” Dmitri Medvedev on the issue of the proposed US Anti-Ballistic Missile Shield. Secondarily, the purpose of the talks was to “smooth” relations between Moscow and the United States ahead of the forthcoming NATO summit, to which Russia has been invited. (1)

Before Rice and Gates departed for Moscow, President George W. Bush apparently sought to prepare the ground by sending a letter to his Russian counterpart. According to a statement made by President Putin, the letter was “a serious document,” which would be carefully examined. (2) Although neither side officially commented on the missive, Interfax reported that it raised the issue of the “legacy both Presidents are leaving behind.” (3)
Although Rice and Gates met both with Putin and Medvedev, the meat of the discussions consisted of “2+2” sessions with Lavrov and Defense Minister Anatoli Serdyukov. The Russian position remains that the planned US missile shield, with bases and radar sites in Poland and the Czech Republic, is a clear strategic threat to its own security, particularly because the radars could peek into Russia and interfere with the country’s air defenses. (4)

While the United States does not need Russia’s approval to build the ABM system, the Rice-Gates delegation presented its counterparts with a set of proposals designed to allow Russia ways to monitor the “operations of a radar station,” and to assess “the condition of an interceptor missile base to be deployed in the Czech Republic and Poland.” Foreign Minister Lavrov described these proposals as “confidence building measures,” allowing Russia to “be sure that this system does not work against us.” (5) Lavrov argued that what matters in arms talks is not “intentions…but potential” and noted that the US had “finally” recognized that Russian “concerns are not groundless.” (6) Russia, according to Lavrov, would be allowed to carry out the aforementioned monitoring by “human” as well as “technical means.” (7) At the time of writing, Lavrov’s comments provide the only clues of what the US offered. It is not clear specifically what was contained in the US proposals.

It is highly unlikely that Russia will agree to the ABM shield, in spite of efforts to persuade the Kremlin that it is not aimed against Russia, but at Iran and North Korea. Nor is the Kremlin likely to accept the argument that the shield is not designed—or able—to stop a massive nuclear strike, such as Russia would seek to launch in the highly unlikely event of nuclear war. The ABM shield is not able to prevent a first-strike. Russian intransigence stems from an overall strategic viewpoint, whereby the United States is still seen as the main adversary. As such, US bases, weapons or “emplacements” on the soil of former Warsaw Pact and new NATO member states (still viewed by Moscow as being its “sphere of
influence") are viewed as a major obstacle to the aims of the Rodina, and the idea of simple "verification" of US capabilities is unlikely to satisfy the Kremlin.

US “intrusion” into Russia’s “Near Abroad" was a second issue of discussion between the delegations in Moscow. The idea of Georgian and Ukrainian entry into NATO is a major concern to Moscow. During the Rice-Gates visit, Lavrov told the press that NATO expansion is reminiscent of the “assimilation of blocs” of the Cold-War, which was a “game with zero result,” serving only to destroy “stability instead of building it up.” (8) Georgian and/or Ukrainian accession to NATO, according to Lavrov, would have a seriously “destructive impact” on US-Russian relations. (9) It seems that Russia’s position on further NATO expansion is as intransigent as its stance on ABM defense.

Despite disagreements on ABM and NATO, an accord called the “Strategic Framework Document” is to be signed between the US and Russia. This document, while not a treaty, will address all areas of bilateral cooperation including agreed-upon issues such as anti-terrorism, as well as laying out areas that need further discussion. (10)

The creation of this accord hardly can be described as a success. Neither the US nor Russian leaders seem poised to change their minds on questions that both view as central to their own national security. It is possible that both sides are playing a waiting game: Russia, à la Khrushchev in 1960, may be hoping that a new administration will change its position on NATO expansion and ABM Defense. The US, meanwhile, may hope that President Medvedev will be more amenable to its positions. If this is the case, both sides likely will be disappointed: the rhetoric emanating from all three Presidential campaigns in the US has not been pro-Russian, while Lavrov used a visit to Paris on 11 March to state firmly that there would be “continuity” in Russian foreign policy, even after Medvedev’s accession. More of the same would seem to be the order of business.
Russian Federation: Energy Politics

By Creelea Henderson

Central Asian producers hike gas prices
On March 12, Russian Business Daily Kommersant reported that Central Asian national energy executives—KazMunayGaz President Uzakbay Karabalin from Kazakhstan, Uzbekneftegaz Board Chairman Nurmuhammad Akhmedov from
Uzbekistan and Turkmengaz CEO Yagshigeldy Kakaev from Turkmenistan—had reached a joint decision to raise the price of Central Asian gas volumes to European levels in 2009. (1) Because no pricing formula has been worked out yet, Kommersant was unable to provide exact figures, though it was estimated that the national gas companies would hike their prices from current levels of $130 to $250 per thousand cubic meters (tcm) to $250 or $270 per tcm in 2009.

Two facts in the story—the where and the when—bear closer examination. The decision to raise the price of gas next year was announced at Gazprom headquarters in Moscow, where the company's chief, Aleksei Miller, had convened the meeting to press for an increase in coordination among the region's national gas sectors. (2) From the timing of the announcement, observers were able to infer much about its eventual consequences: The statement of intent to raise the price of Central Asian gas preceded, by a day, the start of another round of negotiations between Gazprom and a delegation from Ukraine’s national energy company, Naftohaz, to resolve the question of Ukrainian gas supplies for 2008. Talks between the two sides have been deadlocked for more than a month over a disputed gas bill running over $1 billion that Gazprom delivered to the Ukrainian government in February. [For background, see: ISCIIP “Behind the Breaking News,” 3 Mar 08] (3) This round was aimed at finding an acceptable intermediary to replace RosUkrEnergo and UkrGazEnergo, while holding the price for Ukraine’s gas steady at $179.50 per tcm.

Ukraine’s Prime Minister, Yulia Tymoshenko, is adamantly opposed to the continued presence of intermediaries in the delivery of gas supplies to Ukraine. She has accused RosUkrEnergo, a company in which Gazprom holds a 50 percent share, of stealing gas volumes piped into Ukraine, then turning around and selling them in lucrative European markets downstream. (4) Tymoshenko has expressed the willingness of her government to deal with Gazprom directly, on bilateral terms: “I believe Russia will be conciliatory towards Ukraine and form
relations with no go-betweens...I always believed there should be no intermediaries, no short-lived corporations. We have Gazprom and Naftohaz. Let’s sign an agreement and buy gas.” (5) Gazprom, perhaps reluctant to give up the leverage provided by its stake in RosUkrEnergo, has been unwilling to consider the elimination of intermediaries responsible for the distribution of Russian and Central Asian gas volumes in Ukraine, and has threatened to hike the price of its gas to $321 per tcm if the intermediaries are removed from the supply chain. (6) With the announcement that Central Asian gas producers, from whom Ukraine receives the great majority of its gas supply, will be raising their prices to match Russian levels next year, comes an abrupt contraction in Ukraine’s room for maneuver vis-à-vis Gazprom.

Gazprom’s partnership in the decision to raise the price of Central Asian gas exports is one of several signs of growing cooperation in the region’s energy sphere. Earlier this month, Russian officials agreed to hand over Soviet-era geological and geophysical data showing Turkmen natural gas reserves of 10 to 14 trillion cubic meters—making the country home to the world’s fourth largest reserves—to the government of Turkmenistan’s President Gurbanguly Berdymukhamedov. (7) No doubt the data will prove useful to the Turkmen government in its efforts to boost the country’s hydrocarbon output in the near future. Moscow proffered the information as a goodwill gesture aimed at retaining Berdymukhamedov’s loyalty to its campaign for dominance in the Central Asian energy export scheme. The scheme revolves around a Kremlin-backed plan, laid out in May 2007, to expand the Prikaspiisky pipeline network that carries natural gas westward along the Caspian shoreline from Turkmenistan. If and when the Prikaspiisky pipeline network is fully developed, it will likely put an end to Western-backed plans for a trans-Caspian pipeline carrying Central Asian gas to Western Europe, and assure Russian primacy over the region’s gas export routes.
Kazakhstan already has thrown its support behind Russian export schemes. Last year Kazakhstani President Nursultan Nazarbaev signed on as a partner in the Russian-Turkmenistan-backed Prikaspiisky pipeline agreement, and this spring he reiterated his loyalty to Moscow by turning Ukrainian President Viktor Yushchenko away empty-handed from bilateral talks held in Astana, where the Ukrainian side hoped to garner support for its plans to expand the Odessa-Brody pipeline network that would transport Caspian oil (including Kazakh crude) through Ukraine to Poland, bypassing Russia. Nazarbaev made it clear that Russia, in control of oil transportation, held the key to any decision. "The question of the Odessa-Brody project remains open. We have to agree with Russian oil transportation organizations to supply the necessary volumes to Ukraine," Nazarbaev told a news conference. (8)

Certainly, three Central Asian countries—Kazakhstan, Uzbekistan and Turkmenistan—will benefit from increased revenues due to next year’s price hike. Although Gazprom was party to the talks leading up to the announcement of a new pricing structure for Central Asian gas, analysts doubt that prices were raised at Moscow’s initiative. Russian daily Vremya novostey suggested that a consolidated Central Asian front is underway that will result in an OPEC-like consortium of gas producers that Western observers have long feared from Russia. (9) ISCIP fellow and Central Asia expert Monika Shepherd has reservations about Central Asian commitments to long-term coordination over gas prices (or anything else), though she views the price increase as a sign that Kazakhstan, Uzbekistan and Turkmenistan recognize that they have considerably more clout in the energy game and are prepared to take advantage of it.

For its part, Gazprom comes out a loser in the short term, as Russia, too, will be forced to contend with higher energy costs, but in the long term the company has scored a major strategic victory as a result of the price hike. The increase in gas prices likely will sound a death knell for the trans-Caspian Nabucco pipeline
proposed by Western powers to bring Turkmen gas to Europe and leave Gazprom the undisputed hegemon over export routes downstream.

Ukraine is doubtlessly the biggest loser in the new pricing scheme for Central Asian gas. Without relatively cheap Turkmen volumes to offset the higher cost of Russian gas, Ukraine has nowhere left to turn for affordable energy. This puts Ukrainian negotiators at a real disadvantage in the ongoing talks with Gazprom and may make them more inclined to accept Russian demands for intermediaries to oversee the delivery of Ukraine's gas supplies. In order to buffer the effects of the price hike the Ukrainian government may be spurred to reevaluate and considerably stiffen its transit tariff regime for Russian energy transports across Ukrainian territory.

As noted above, Gazprom loses from the price hike because the company will have to pay more for imported gas volumes intended for domestic consumption and re-export. However, the company has indicated that it will deal with the new price regime by simply passing costs downstream to consumers in Europe.

Source Notes:
(4) Ibid.
Newly Independent States: Caucasus

By Robyn Angley

ARMENIA
State of emergency lifted but tensions remain

The state of emergency imposed following the lethal dispersal of opposition protests on 1 March has been lifted but the underlying issues remain. The protestors did not necessarily rally in favor of opposition candidate and former president Levon Ter-Petrosian. Prime Minister Serzh Sarkisian is not the only candidate ever to have rigged an election and Ter-Petrosian, with his poor record in the early post-Soviet years, was at best the lesser of two evils. As in so many former Soviet republics, the rallies were not so much in favor of one issue as they were against another. The rallies expressed discontent with Robert Kocharian’s regime and his way of doing things, as symbolized by Kocharian’s designated successor, Sarkisian. Kocharian’s regime is perceived as representing corruption and a widely anticipated attempt to rig the elections. This time, however, with
Ter-Petrosian in the running, there was hope that things could actually change. Despite the government’s crack-down and determination to move things along, the underlying dissatisfaction with the lack of democratic process persists. Sarkisian’s attempt to build a government of national unity may founder as a result of that dissatisfaction.

GEORGIA

NATO aspirations and the Kosovo effect

With the April summit in Bucharest fast approaching, Georgian leaders are pushing hard for Georgia to be offered a Membership Action Plan (MAP). The referendum conducted during the presidential elections in January showed that a sizable majority of the population shares the government’s NATO ambitions.

However, Georgia’s acceptance into NATO has never been a given. Many of the obstacles to its potential membership are linked to Russia. Georgia and Ukraine, which is also seeking a MAP, would be the first former Soviet republics other than the Baltics to join the alliance. Russia strongly opposes Georgia’s bid, claiming to fear the possible establishment of NATO bases on its southwestern border. In addition, Georgian NATO membership would confirm further the loss of Russia’s former sphere of influence in Tbilisi.

No examination of Georgia’s potential NATO candidacy can afford to overlook the Kosovo factor. Russia staunchly opposed Kosovo’s independence, ostensibly out of solidarity with the Serbs as Moscow’s Slavic brethren. On the other hand, Russian officials have not hesitated to point out that Kosovo sets a precedent for other separatist areas, including the Georgian breakaway republics of Abkhazia and South Ossetia, which depends upon Russia’s support. Most recently, the Russian government lifted formal economic sanctions against Abkhazia, while the Duma passed yet another resolution urging the recognition of Abkhazia and South Ossetia.
Though Russia undeniably has tried to block Georgia’s entrance into NATO both through diplomacy and interference in the separatist republics, Russia’s opposition is not the only obstacle. The strong-armed suppression of protests in November by Saakashvili’s government has served as a reminder of how fragile Tbilisi’s stability is. Although receiving a MAP would be a signal achievement for Mikheil Saakashvili, he is unlikely to attain it in April. The recognition of Kosovo in February was already a thorny issue with Russia; NATO’s older European members are unlikely to antagonize Russia further by extending MAPs to aspirants with internal difficulties. However, NATO members could use the possibility of receiving a MAP next year as a way of pushing for resolution of separatist issues in Georgia.

**Opposition hunger strike called off**

The eight-party opposition bloc, whose tents have been a constant presence on the steps of parliament for the last 17 days, has called off its hunger strike following a request from Georgia’s patriarch, Ilia II. Opposition leaders have cited the patriarch’s intervention as the primary reason for ending the strike. (1) The decision followed an initially unsuccessful attempt by the patriarch to end the hunger strike on 21 March.

The decision to call off the hunger strike comes just days after parliament passed a contentious new amendment to the election code. Passed by a vote of 134 to 2, the amendment changes the election process for members of parliament. Under the new legislation, 75 of the 150 parliamentarians will be elected in first-past-the-post elections in single-mandate districts. The remaining 75 members will be elected by proportional representation of party lists. (2) The new law also includes a provision stating that the candidate with the most votes in a single-mandate district wins automatically without a runoff if he/she has earned more than 30 percent of the vote. (3)
The passage of the law represents a significant blow to the opposition, for whom a central demand has been a more drastic change of the electoral law. (4) Other issues have included the composition of the board of trustees for Georgian Public Broadcasting (GPB), which is currently in the process of replacing its director general, and numerous points of contention regarding Imedi TV. Imedi was owned by the late Badri Patarkatsishvili, Georgian oligarch and presidential hopeful in the January elections. The channel was a mouthpiece for the opposition leading up to the November protests and was closed by the government during the state of emergency. It has remained a subject of controversy in the ensuing months. Following Patarkatsishvili's death in February, a man named Joseph Kakalashvili claimed to have purchased Imedi. (5)

The opposition protests thus far have netted very few gains. The GPB board is changing, per negotiations with Speaker of Parliament Nino Burdjanadze in January. However, although opposition and government officials have engaged in sporadic negotiations ever since the presidential election in January, the opposition has yet to achieve any major victories. The hunger strike has received considerable media coverage, but has failed to influence the government thus far. It seems that the opposition would be better served to direct its efforts toward winning seats in parliament rather than camping out in front of Burdjanadze’s office.

Source Notes:
(2) "Controversial rule on majoritarian MPs approved," Civil Georgia, 21 Mar 08 via http://www.civil.ge/eng/article.php?id=17417.
(3) "Opposition ends hunger strike," Ibid.
(4) "Controversial rule on majoritarian MPs approved."
Tajikistan seeks foreign investment in hydropower, but snubs Russia

In the wake of Tajikistan’s recent energy crisis, which brought the country’s economy to a virtual standstill for a number of weeks, President Emomali Rahmon has been soliciting foreign investment proposals and offering to increase bilateral trade opportunities with several countries. In fact, during his recent trip to the Organization of the Islamic Conference (OIC) meeting in Dakar, foreign investment and trade seemed to be the issues uppermost on the Tajik president’s mind, as he held meetings with Iran’s President Mahmud Ahmadinejad, (1) Qatar’s Amir Shaykh Hamad Bin-Khalifah Al Thani, (2) as well as with top-level Syrian and Bahraini officials. Rahmon’s discussions with both the Bahraini foreign minister (3) and Qatar’s head of state focused heavily on procuring Arab investment in Tajikistan’s hydropower industry, raising the possibility of including Qatar in the consortium charged with completing construction of the Roghun hydroelectric power station. (4) On the eve of his departure for the OIC meeting, Rahmon also held talks with Algerian Prime Minister Abdelaziz Belkhadem, during which the two discussed Algeria’s participation in the development not only of Tajikistan’s hydroelectric power, but also of its coal deposits and highway infrastructure. (5) Notably absent from the array of foreign officials with whom the Tajik president has been negotiating investment opportunities are any representatives from the Russian Federation.

Over the last several years, Russian companies seeking to exploit Tajikistan’s hydropower resources have not fared well, drawing the ire of Emomali Rahmon himself. Russian companies were involved in the construction of two sorely
needed new hydroelectric power stations, the Sangtuda-1 and Roghun projects. At present, Tajikistan’s hydroelectric power facilities have the capacity to produce a maximum of only 16.5 billion kilowatt hours annually, although it is estimated that at normal water levels, the country’s rivers have the potential to produce 300 billion kilowatt hours per year. Construction and planning of the two new hydroelectric power plants began years ago, but experienced repeated delays due to security concerns, financing, and technical issues. (6) Russia’s Unified Energy Systems (UES) financed the building of the Sangtuda-1 power station, but construction fell behind schedule and the station was not able to go on-line until January of this year, which no doubt cost the Tajik government dearly. The country’s principal consumer of electricity is also its largest source of domestic revenue, the Tajikistan Aluminum Plant (TadAP). The government regularly subjects its citizens to electricity rationing in order to feed the needs of the aluminum plant, but this winter’s energy crisis became so severe that even TadAP’s needs could not be fully met and production fell. (7)

The Roghun project has been underway since Soviet times, but stalled after the Soviet Union’s collapse and the outbreak of the Tajik civil war (the war lasted from 1992-1997). When project development resumed in 2004, Russian Aluminum (RUSAL) agreed to build the Roghun power station (which, when completed, will have the capacity to generate 13 billion kilowatt-hours of electricity), as well as a second aluminum smelter, in return for the right to operate TadAP. TadAP is slated to become the principal recipient of the Roghun plant’s power, thereby freeing up Sangtuda-1’s output for use by the rest of the country. But, when RUSAL was slow to live up to its investment commitments and disagreements ensued with the Tajik government over the height and type of dam to be built, President Rahmon lost patience and cancelled the deal altogether, last fall. UES then declared its willingness to undertake the project, (8) but Rahmon has decided to create an international consortium to finance Roghun’s construction, instead. Thus far, Ukraine appears to be the only country
whose participation in the project has been confirmed, although Iran has expressed a definite interest in it, as well. (9)

Iran already is financing the Sangtuda-2 hydropower project, due to come on-line in three years (10) and will undertake the construction of at least one more new hydroelectric power station, the Shurob facility, for which planning has been underway since last summer. (11) During his 24 March visit to Dushanbe for a trilateral meeting with his Tajik and Afghani counterparts, Iranian foreign minister Manuchehr Mottaki reaffirmed his country’s commitments to Tajikistan, not only in the arena of hydropower, but also in the construction of power lines, railroad links, and roads to link all three countries. Afghanistan, which also was affected by the recent energy crisis, has turned to Tajikistan for additional electricity imports. Even Iran plans to import Tajik electricity, once the Sangtuda-2 project is complete – construction of this facility includes a plan to link the two countries’ power grids with one another, in order to better regulate power supplies to each other’s low and high consumption areas. (12)

Due to their geographic proximity and shared cultural and linguistic heritage, it is not surprising that the Tajik and Iranian governments would seek to collaborate in substantial investment projects. As the past few months have demonstrated, Tajikistan’s industry and infrastructure are still woefully lacking and unable to meet even domestic consumption needs, and Iran appears to be a logical and very willing partner in the expansion of Tajik trade and investment opportunities, especially in the wake of President Rahmon’s recent disillusionment with Russian investors. But, aside from the economic benefits to be gained, Iran has an additional motive for currying the Tajik government’s goodwill, namely its desire to attain full membership in the Shanghai Cooperation Organization (SCO). Iran currently has observer status in the SCO, but has applied for full membership and has received President Rahmon’s support in this endeavor. (13) Full membership in the SCO could provide Iran with greater access to the Central Asian trade and energy market, which, when combined with its efforts to gain
part of the Caspian energy market, could make Iran a much more influential player, not only in Central Asia (considered by some to be Russia’s backyard), but on the world stage, as China, Russia, the US and Western Europe vie for the world’s remaining petroleum resources. Russia’s misplaying of its hand in Tajikistan may lead to a windfall for Iran.

Source Notes:
(2) “Tajik, Qatar leaders discuss economic cooperation,” 13 Mar 08, Avesta website; BBC Worldwide Monitoring via Lexis-Nexis Academic.
(4) Ibid., “Tajik, Qatar leaders discuss economic cooperation,” Avesta.
(8) “Tajik President Signs Order To Sever Deal With RUSAL,” 4 Sep 08, Russia & CIS Presidential Bulletin; Interfax via Lexis-Nexis Academic.
(9) “Ukraine to participate in Tajik energy projects,” 10 Mar 08, ITAR-TASS; BBC Worldwide Monitoring via Lexis-Nexis Academic.


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