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Cavan, Susan

Boston University Center for the Study of Conflict, Ideology, and Policy

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Boston University
Russian Federation: Executive Branch
By Susan Cavan

Succession insecurity manifests in many forms
This autumn has delivered a full-spectrum extravaganza of political surprises in Russian politics. However, as the spectacle continues to unfold, there is an uneasy sense that not even its principals know how it all will end.

What seems evident is that the promotion of two putatively primary successors, Sergei Ivanov and Dmitri Medvedev, exacerbated rifts within the ruling elite, and conceivably hastened a flow of authority away from President Putin. His strategy for correcting such a trend was a sudden shift from the course of hand-picked successor(s) to a reassertion of his dominance on the political scene. The resignation of the government and selection of Viktor Zubkov as prime minister had the primary effect of rattling the patronage tails of both his former main successor-candidates and those of their allies and adversaries.

With the Ivanov-Medvedev contest for succession, the Russian executive had settled into a conflict between camps both in favor of their chosen candidates and in opposition to one another. With the focus of that struggle removed, operations—notably corruption investigations and financial transactions—undertaken within that paradigm, suddenly ricochet with scattershot and produce unintended consequences.

The arrests that sparked GAK Chief Viktor Cherkesov to air chekisty laundry in public likely are aftereffects of the succession struggle and Putin's sudden change of course. (For a more detailed discussion of Cherkesov's article, please see The ISCIP Analyst, Vol. XIV, No. 4.)
President Putin's decision to quash the Ivanov-Medvedev competition for successor, at least for the time being, has produced a void that he seems to be struggling to fill. Soon after announcing that he would head United Russia and possibly the Government, the campaign to win a significant electoral victory for United Russia in the December polls, and with it a mandate for the president, began in earnest.

If there was any doubt about United Russia maintaining independence of leadership from the Kremlin, it was quashed as the Kremlin invited Duma leaders for a meeting to discuss what should be done in the next Duma and whether or not "United Russia has been working properly in the Duma so far." (1) While attempts to determine whether Deputy Head of the Presidential Administration Vladislav Surkov actually had issued any directives to the invited MPs were unsuccessful, nonetheless it seems clear that campaign strategy, namely, the emphasis on President Putin and his "Plan" (as yet unspecified), along with a general theme emphasized by Surkov that "action is more important than any personal impression any of you make" was "discussed" at the Kremlin meeting. (2)

By late-October, pro-Putin rallies were organized in select regions across Russia: "October 23 in Volgograd and Petropavolsk-Kamchatsky…. October 24 in Grozny, Gudermes, Achkoi-Martan, Tver, Vologda and Novyi Urengoi; on October 25 in Magadan and Pskov; on October 26 in Khanty-Mansiisk; on October 27 in Novosibirsk and Great Novgorod; on October 28 in Yakutsk; on October 31 in Rostov-on-Don; on November 1 in Chita; on November 2 in Rzhev, Petrozavodsk, Kaliningrad, and Yekaterinburg." (3) The hallmark of all the rallies was a call for the president to continue to lead the country.

The importance of December's parliamentary elections has been magnified by Putin's announcement that he considers them to be a referendum on his
leadership: "If people vote for United Russia, it means that a clear majority… put their trust in me, and in turn that means I will have the moral right to hold those in the Duma and the Cabinet responsible for the implementation of the tasks that have been set…." Putin continued, "In what form I will do this, I cannot yet give a direct answer. But various possibilities exist." (4)

It is precisely the vagaries of Putin’s assertions that he will continue to lead Russia beyond the end of his second presidential term that continues to shift the ground under his ruling "corporation" or apparatchiki.

According to some speculation, Putin is considering a role without formal title or authority. Erstwhile Kremlin ideologist Gleb Pavlovsky suggests, "It's not necessary for Putin to have any kind of regalia. The important point is that he should be able to call a meeting to include the president, prime minister, the speakers of both houses of parliament…and pursue coordinated policy-making." (5) Theoretically, Putin's personal popularity, along with tight control of the security organs (and that chekist esprit de corps!) would outweigh the constitutional authority of the officers with whom he would "coordinate" according to this scenario.

While the president mulls his role beyond 2008, he must also consider in whom to place his trust. The fall's political surprises have left his presumed closest advisers as bit players in a drama they seemed destined to lead. The rapid shifts of presidential policies have left at least one insider to claim, "Russia's federal decision-making center has contracted to the size of President Putin's head." (6)

This is a dangerous moment for President Putin: He has staked his personal reputation and future on the outcome of elections (perhaps more pointedly, on the competency of regional campaign officials), at exactly the moment when he has removed potential scapegoats from office. Additionally, by linking the electoral vote for United Russia to his own personal "moral right" to lead, he has
opened himself to personal attacks, masked as attacks on United Russia. One need read only the differing accounts of one presidential campaign stop, 13 November in Krasnoyarsk for example, to understand the power of the media, even in such a restricted environment, to show the devil in the details. (7)

Source Notes:
(1) "A Directive from the Kremlin," by Kira Latukhina, 7 Nov 07, Vedomosti; What the Papers Say (WPS) via Lexis-Nexis Academic.
(2) Ibid.
(3) "Stay or Go: The working masses demand that Putin should stay at the helm," Itogi, No.45, 5-11 Nov 07; WPS via Lexis-Nexis Academic.
(5) Gleb Pavlovsky as cited in "Stay or Go," Itogi, Ibid.
(6) "Everything Decided at the Top," Mikhail Rostovsky, Moskovskii komsomolets, No. 242, 25 Oct 07; WPS via Lexis-Nexis. (He cites an unnamed former government official.)

Russian Federation: Domestic Issues and Legislative Branch
By Creelea Henderson

Launching Saint Petersburg
One Thursday in October, Tony Kettle, an architect and managing director of the UK-based RMJM Group, visited Harvard University's Graduate School of Design to talk about one of his firm's most spectacular projects – a twisting glass spire that is projected to rise above a business complex and pierce the sky over Saint Petersburg sometime around 2016. (1) The cost and scale of the project—estimates reach 2.3 billion dollars and 1,300 feet—would normally arouse skepticism in the audience's gray-haired pragmatists, used to seeing grand architectural ambitions whittled down by miserly clients and sluggish bureaucrats. This building, however, promises to be exceptional. Prosaic concerns like money and politics don't seem to factor into the plans in the usual way because this building is designed to represent the very quintessence of money and politics in Russia – it is to be the headquarters of Gazprom Neft, the newly formed oil division of Russia's state-controlled energy company. The audience was duly impressed by the wealth of resources lavished on the design firm by Gazprom, the world's fourth largest company, for the construction of its world-class corporate complex. Most of the question and answer period that followed the lecture was spent addressing wistful inquiries about the building's state-of-the-art glass panels, which will be, Kettle assured the assembly, "quite expensive." (2)

Glass skin, folded gently into an origami pentagon and twisted upward into an elongated spiral, is the signature material chosen by architects at RMJM to allow the maximum amount of natural sunlight to pour into the building and to reflect back the sky from the outside. The firm promises a constant spectacle of light and shadow at play over the surface of the building; depending upon the position of the sun and the movement of clouds, the tower can change color ten times every day. (3) Constantly shifting light, reflection and refraction are meant to evoke the image of water, and to mirror the River Neva, on the banks of which the new complex, known officially as "Gazprom City," will stand. Of course, the building’s plastic form is subject to the vagaries of its viewers’ imaginations, and where some see water, others see fire. Images of the proposed building released to the media led several journalists to remark upon the spiral's likeness to a
distended blue flame – a tantalizing interpretation given Gazprom’s corporate logo: a blue flame. (4) While he denies that the architectural rendering of his client’s corporate emblem is intentional, Kettle will acknowledge that the company’s identity as an energy leader inspired the building’s designers in the initial planning stages. "Gazprom is one of the world's most important energy companies and it is fitting that in a city of spires, this new spire should symbolize the importance of energy," he explained. (5)

As for the client, Aleksei Miller, chief executive at Gazprom, has remarked with evident satisfaction upon the building's striking symbolism, calling the tower, “a new economic symbol of Saint Petersburg." (6) Miller trumpets his company's investment in Russia's former imperial capital as the fuel that will propel the city’s provincial economy forward into the strategic sectors of tomorrow’s global marketplace. His supersonic scenario represents an economic renaissance that has been the pet project of Saint Petersburg’s favorite son, President Vladimir Putin, over the course of the past four years.

With hindsight it can be said that during his two terms as Russia’s president, Putin adopted three pets into the Kremlin: the Federal Security Service (FSB), Gazprom and the litter of renationalized strategic-sector companies it engendered, as well as the country’s neglected northern capital of Saint Petersburg. All three played a formative role in the pre-presidential chapters of Putin’s biography. The former KGB agent devoted his doctoral thesis to the project of renationalizing the nation’s strategic mineral resources. His graduate work, and his subsequent career in the office of the Mayor of Saint Petersburg, put him in contact with a cadre of proud, like-minded natives of Russia's northern capital who celebrate the vestiges of imperial splendor on display throughout the city, and who tacitly embrace the former capital’s imperial scope as a blueprint for contemporary Russia.
When Putin came to Moscow in the 1990s, he arrived in the Kremlin without a power base. Throughout his eight years as president, he has used the northern city as a talent pool from which to draw his personal recruits. These ranks of northern clients and loyalists share Putin’s commitment to Saint Petersburg and have served as a network through which he channels federal largesse northward. (7)

Gazprom’s bold spire may be the most conspicuous signal that a northern migration is on the horizon for Russia’s power-brokers, but it is by no means the only new corporate arrival to Saint Petersburg in recent years. In 2004, several large national enterprises, enticed by the governor of Saint Petersburg Valentina Matviyenko and nudged by the Kremlin, simultaneously shifted their operations north from Moscow. Vneshtorgbank, Sovkomflot and Transnefteprodukt re-registered their headquarters in Saint Petersburg, while two of Russia’s energy majors: LUKoil and Rosneft, established branch offices in the city. (8)

Foreign investors eager to buy into Russia’s lucrative market also have been pointed to Saint Petersburg as the place to risk their money, but the clearest evidence of Putin’s personal involvement in the city’s development is found in several recent federal initiatives. In March of this year, the city benefited from the consolidation of the Russian state’s shipbuilding assets into a single financial holding—Unified Shipbuilding Corporation—that will be headquartered in the northern capital. (9) In September, Putin directed the Russian Defense Ministry to draw up plans to transfer the Admiralty of the Russian Navy to the northern port city, giving a tremendous boost to its maritime industrial capacity. (10) While individual munificence has played a part in Putin’s moves to bolster his hometown’s maritime industry, his decisions also appear to have been guided by factors that reach well beyond the River Neva. Estonia, Lithuania and Latvia have become restive as Russia and Germany hammer out terms for the construction of a pipeline that will bypass the Baltic States to deliver gas directly to Western Europe. Saint Petersburg is a strategically attractive lookout point to
monitor and, if need be, to repress the ambitions of the Balts. At the same time, Russia has begun to explore the arctic sea shelf in earnest, in a race to lay claim to whatever resources might become extractable there. That endeavor will require specialized ships, sea platforms and maritime equipment. Again, Saint Petersburg is perched at the edge of the great, lucrative beyond.

The northern capital has been a major beneficiary of the Putin Presidency. The president, in turn, has gained by the revitalization of his hometown. With the installation of Gazprom Neft, Putin launched his native city into one of the country’s major economic channels and in so doing, he launched his own personal ship of state. From the spire that will rise over the second capital, Putin can, if he chooses, calmly observe the ruckus that breaks out in Moscow following the election of Russia’s new president.

Source Notes:
(2) Ibid., Author’s notes.
(5) Lecture by Peter Morrison and Tony Kettle of RMJM Group at Harvard University Graduate School of Design, 11 Oct 07 via http://www.gsd.harvard.edu/events/lectures/past_lectures.html.
(6) Stolyarova, Galina, "Will New Gazprom Tower Wreck Saint Pete?" BusinessWeek, 25 Sep 07 via
Russian Federation: Security Services

By Fabian Adami

Korabelnikov’s warning: Hands off GRU!
On 2 November, GRU (Glavnoye Razvedyvatel’noye Upravleniye, the General Staff’s Main Intelligence Directorate) Chief General Valentin Korabelnikov led a delegation of officers to a meeting with President Vladimir Putin. The purpose of the occasion was to mark Military Intelligence Officer Day, due to take place three days later. During the ceremony, President Putin presented the GRU Chief with a Hero of Russia medal to commemorate the career and service of Zhorzh Koval. (1) Koval, an American who died at age 94 in 2006, was a key GRU operative who succeeded in penetrating US atomic laboratories, and passing vital information to Moscow. Koval’s operations apparently allowed the Soviet
Union to advance its own nuclear weapons program significantly. (2) Speaking at the reception, Korabelnikov thanked Putin for his “recognition of the achievements” of an “extraordinary person,” and for his “respect” for “all Russian military intelligence officers.” (3)

Although the ceremony was largely given over to mutually complimentary language, Korabelnikov did not allow the opportunity to make a point go unused. The General noted that GRU was capable of meeting “the most modern requirements of today,” and that the agency was “able to operate in all currently known areas of intelligence activities.” (4) This vein of commentary continued in an interview with ITAR-TASS, during which the GRU Chief insisted that military intelligence occupies “an important place” in the country’s intelligence apparat. Korabelnikov noted that there are a number of tasks that still must be carried out by the GRU, including “monitoring of US plans to deploy missile defense in Eastern Europe, which the top military-political leadership believes poses a threat to the country’s national security.” (5) GRU, according to its Chief, also would maintain its focus on anti-narcotics (a field that, until now, has not seemed to fall under GRU control), as well as anti-terrorism, particularly on the mission of hunting down terrorist leaders. (6) Korabelnikov’s comments clearly were aimed both at Putin and the FSB, warning them that while they may have successfully subsumed and taken over other agencies, GRU is (apparently) having successes—and is off limits.

**Back to the USSR: No jokes!**

Late in October, Communist Party campaigners mounted an election campaign in Novosibirsk. Part of the campaign consisted of 11,200 party pamphlets and newspapers being distributed via letterboxes. The pamphlets allegedly contained criticisms of other political parties, including United Russia and President Putin. One joke claimed that “Pushkin is our everything, Tsereteli is our everywhere and Putin is our forever.” Given that Zurab Tsereteli (a sculptor, and administrative
head of the Russian Academy of the Arts) is “much despised,” (7) this reference to Putin was apparently not a complimentary one.

As soon as the pamphlets appeared, the local FSB took action. Sergei Sharmanov, Chief of the regional FSB’s Department for the Protection of the Constitutional Order, filed a complaint with the election commission, noting that “the articles in the newspaper were entirely devoted to compromising material against the political parties LDPR, Just Russia and One Russia.” Moreover, “They publish ‘Jokes from Zyuganov,’ in which One Russia, Just Russia and RF President Putin are spoken of in inappropriate terms.” (8) Sharmanov demanded that such “illegal” campaigning be stopped. (9)

Although the election commission examined the pamphlets, it denied Sharmanov’s request, stating that no violations of electoral law had been found. The Communist Party has refused to withdraw the leaflets and newspapers, and has vowed to continue their distribution. (10) Indeed, the Party’s lawyer, Vadim Solovyov, claimed that the FSB’s complaint betrayed a “misunderstanding of many aspects of election laws.” (11)

This response must be seen as naïve at best. The term “misunderstanding” implies a mistake. While these events may have been local, rather than national, in that Sharmanov’s actions may not have been ordered from Moscow, this incident is not a first.

That the Election Commission upheld the Communist’s viewpoint is essentially irrelevant: Zyuganov does not represent a threat to President Putin. But “the fact that…special services are reacting to political jokes is just as revealing as the fact that they appear.” (12) What is worrisome, is that this incident hearkens back to bleaker parts of the Soviet era, when an inopportune joke could result in the “Siberian solution.”
Togliatti bomb

On 31 October, a bomb exploded on a passenger bus in Togliatti (Samara Region), killing eight persons and injuring at least 50 others. (13) Investigators at the scene established that the explosion was equivalent to 2kg of TNT. Authorities were quick to announce that the blast may have been the work of a suicide bomber, and, therefore, that terrorism could not be ruled out. (14) Izvestiya has alleged that “fragments of a suicide bomber’s belt” were found inside the bus, while survivors of the blast apparently recall a “heavy set woman” with shopping bags boarding the bus shortly before the explosion. (15)

Apparently, the investigation—which lasted less than two days—was a massive success. On 2 November, FSB Director Patrushev claimed that his agency had “established” the “person who was most likely involved in the explosion.” (16)

Authorities have, not surprisingly, linked the explosion to Chechen terrorists – specifically to Dokka Umarov, claiming that information was received weeks ago, indicating that he was planning a major operation. (17) But, the Chechen connection is not the only plausible explanation. Togliatti long has been the center of a mafia struggle for control of Russia’s automobile production. As such, a mob war cannot be ruled out entirely. (18)

Politically speaking, it is in President Putin’s, and the FSB’s interest to link yet another bombing (like the Moscow-St.Petersburg incident) to Chechnya, and to produce a culprit as soon as possible to bolster the case – and to show how “tough on terror” the administration is. The fact that the “investigation” into this bombing (apparently) lasted less than two days, and that any perpetrators, other than “Chechen rebels” are being ignored, speaks to this motivation.

Litvinenko update: Lugovoi alleges suicide

Several weeks ago, British authorities made what appeared to be a conciliatory move in the Litvinenko case. Rather than filing a new extradition request for
Andrei Lugovoi, the Crown Prosecution asked that Prosecutor General Yuri Chaika’s office take “more investigative” action in the case and aid in securing the evidence that would prove Lugovoi’s involvement. (19)

Chaika’s response to the British request was to give a new list of reasons why Russian authorities would not comply, while Lugovoi insisted that the British request amounted to little more than a provocation.

In the last two weeks, Lugovoi again has gone public with a series of comments to the press. Lugovoi has used the press attention to spin a whole new theory regarding Alexandr Litvinenko’s murder: Lugovoi now claims that Litvinenko may have killed himself. Lugovoi claimed that, acting on behalf of MI6, Litvinenko was “dabbling” in the nuclear black market, and that he may have ingested some Polonium-210 in an “unfortunate accident.” Lugovoi also alleged that the Polonium found in Litvinenko’s bloodstream was British, not Russian in origin. (20)

Lugovoi’s new claims are imaginative, to say the least. British weapons scientists at Aldermaston last December traced to Russia the Polonium used to kill Litvinenko. (21) Moreover, given his status as a defector, it was to be expected that Litvinenko was still working for the Secret Intelligence Service in some capacity, at least.

MI6 probably is investigating nuclear black markets as part of the effort to counter the proliferation of fissile materiel. However, it is highly unlikely that a defector of Litvinenko’s value would have been permitted to participate in such operations.

Lugovoi is running for the Duma, albeit for the LDP, under Vladimir Zhirinovsky. If he obtains a seat, he will have parliamentary immunity. If the LDP does not obtain seats, Lugovoi may simply be appointed to the Duma by the President.
Putin and Prosecutor General Chaika have stated repeatedly that there will be no extradition. Lugovoi apparently has little to fear in terms of prosecution. Why then, is he being so vocal? Perhaps, the alleged assassin now fears for his own safety in Russia, and is seeking to bolster his status by pouring as much scorn as possible on the British case against him.

Source Notes:
(1) “Russian Military Intelligence Head Thanks Putin for Recognition,” Zvezda TV, Moscow, in Russian, 2 Nov 07; BBC Monitoring via Lexis-Nexis.
(3) “Russian Military Intelligence Head Thanks Putin for Recognition,” Zvezda TV, Moscow, in Russian, 2 Nov 07; BBC Monitoring via Lexis-Nexis.
(4) Ibid.
(5) “Military Intelligence Has ‘Important Place in Russia’s System of National Intelligence and Military Security,” ITAR-TASS, 3 Nov 07; OSC Transcribed Text via World News Connection.
(6) “Monitoring US ABM Efforts A Priority for Russian Military Intelligence—General,” ITAR-TASS News Agency, Moscow, in Russian, 3 Nov 07; BBC Monitoring via Lexis-Nexis
(7) “FSB Not Amused By Communists,” The Moscow Times, 2 Nov 07 via Lexis-Nexis.
(8) “Russian Security Officer Tries To Prosecute ‘Political Jokes,’ Gazeta.ru Website, Moscow, in Russian, 1 Nov 07; BBC Monitoring via Lexis-Nexis.
(9) Ibid.
(10) “Russian Communists Vow To Continue With Putin Jokes Despite FSB Interest,” Gazeta.ru, Moscow, in Russian, 1 Nov 07; BBC Monitoring via Lexis-Nexis.

(12) “Russian Security Officer Tries To Prosecute ‘Political Jokes,’ Gazeta.ru Website, Moscow, in Russian, 1 Nov 07; BBC Monitoring via Lexis-Nexis.


(16) “FSB Head Confirms Establishment Of Suspected Togliatti Bomber,” Interfax 2 Nov 07; OSC Transcribed Text via World News Connection.


(18) “Eight Killed By Bus Bomb in Russia As Mafia Ceasefire Breaks Down,” The Daily Telegraph, 1 Nov 07 via Lexis-Nexis.


(20) “Lugovoi Claims He is ‘Victim of Nuclear Terrorism,’ Interfax, 1 Nov 07; OSC Transcribed Text via World News Connection.


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Russian Federation: Armed Forces

By Lt. Col. Carol Northrup
Will Russia abandon CFE?

On 6 November all 418 lawmakers present at the State Duma (the lower house of the Russian parliament) voted unanimously to suspend participation in the Treaty on Conventional Armed Forces in Europe (CFE). The vote must be approved by the upper house and signed by President Putin—both are expected. The recent vote amounts to legislative confirmation of the suspension plan announced last July by President Vladimir Putin in response to the United States’ continuing plans to install a missile defense system in Central Europe. Despite repeated assurances from Washington that the system is designed as a defense against rogue states like Korea and especially Iran, the Kremlin maintains that the planned system is a threat to Russian national security and has vowed to respond accordingly.

Negotiated and signed at the end of the Cold War, the CFE treaty is widely considered to be the cornerstone of European security. Originally signed in November 1990, the treaty set limits on the number of tanks, armored combat vehicles (ACV), heavy artillery, combat aircraft and attack helicopters that NATO and the Warsaw Pact could deploy between the Atlantic Ocean and the Ural Mountains. Initially designed to prevent either alliance from concentrating forces for launching blitzkrieg-type offensives, the treaty uses a system of “concentric zones” mandating smaller deployments of tanks, ACV and artillery the closer one moves to the center of Europe. (1)

When the collapse of the Soviet Union and subsequent dissolution of the Warsaw Pact changed the military equation in Europe, CFE parties overhauled the treaty at the November 1999 summit of the Organization for Security and Cooperation in Europe, meeting in Istanbul. Along with other updates, the Adapted CFE replaced bloc and zone limits with national and territorial arms ceilings. (2) At Russia’s request, it allowed a limited expansion of Russian forces in the northern and southern “flanks” (facing the Baltic states and Georgia-
Although the adapted treaty has been signed, it has not yet been ratified by NATO signatories and therefore has not entered into force.

NATO claims that Russia has not fulfilled commitments made at Istanbul, and NATO countries have refused to ratify the treaty until Russia honors these commitments. At issue is the presence of Russian forces in so-called “frozen conflict” zones in Georgia and Moldova. (3) The US acknowledges that progress has been made in Georgia, where Russia has withdrawn or committed to withdraw most of its troops. However, a substantial Russian presence remains at a facility in the disputed Abkhazia region and withdrawals of Russian troops from Moldova have been stalled since 2004. (4) Russian refusal to move on these two issues remains a major obstacle to NATO ratification.

Russia’s claim is that it has completely fulfilled all commitments related to the adapted CFE treaty. The Kremlin says troops in Georgia and Moldova are serving as peacekeepers in those two countries (5) and that their troop withdrawals to date satisfy the Istanbul commitments. (6) Russia also has expressed concern that it believes NATO far exceeds the limits of the current treaty, (7) and over the “rapid growth in armament” of the Baltic states that does not currently fall under CFE restrictions. (8) Moscow says it cannot live under the conditions of the old treaty, which no longer protects Russia’s security interests (9) and cannot abide by the adapted treaty until it is ratified by other CFE signatories. Consequently, unless western partners begin to take Russia’s concerns more seriously and fulfill their commitments, Russia plans to suspend participation in the treaty effective 12 December. (10)

The CFE treaty so far has led to elimination of more than 60,000 pieces of conventional weaponry from Europe, (11) but it is the openness and transparency regarding the major armies of Europe that have been the real boon to European security. The requirement for all parties to allow frequent inspections has reduced significantly the suspicion and distrust between states
that can lead to a dangerous arms race. Though it is possible that collapse of the CFE treaty could lead to a renewed arms race, that is not a likely scenario. Russian military industries cannot keep up with currently planned production (see The ISCIP Analyst, Vol XIV, 1 November) and are not capable of producing the large quantities of weapons required to engage in a bona fide arms race. However, the current regime of inspections, advance warnings and announcements that fosters transparency and trust—and leads to greater European security—would no longer exist.

Collapse of the CFE regime, however, is not necessarily imminent. Numerous press releases and comments by Russian officials indicate that the Kremlin realizes that it is not in Russia’s best interest to withdraw from the treaty. Viktor Zavarzin, head of the Duma Defense Committee said that Russia’s decision to suspend participation “is a signal to the West, but it does not mean the return to confrontation,” and that the Duma is ready to resume discussions with the West at any moment. (12) Deputy Foreign Defense Minister Sergei Kislyak emphasized that Russia is “…not aiming to cause damage to arms control…” (13) Though the Defense Ministry announced that it does not rule out the possibility of reinforcing units in the western sector, Deputy Defense Minister Colonel General Kolmakov took care to emphasize that no specific plans or decisions toward that end have been made. (14)

In all likelihood, Russia does not intend to abandon CFE for good. As a permanent member of the UN Security Council, Moscow’s cooperation is an important factor in several areas of major significance to the United States – the foremost of which is a solution to the Iranian nuclear issue. Russia is quite aware of this fact and has indicated it is willing to move somewhat on this and other issues but not without some serious quid pro quo (15). By continuing down the road toward suspension of the CFE treaty, Russia is once again signaling that it expects to be taken seriously as a power player in international affairs and that it intends to do so on its own terms.
Source Notes:
(2) Ibid.
(6) “Duma Unanimously Votes for Suspension of CFE Treaty by Russia,” Interfax, 7 Nov 07 via World News Connection.
(7) “NATO Exceeds Conventional Arms Limits Provided by CFE,” Agentstvo Voyennykh Novostey (Internet version-WWW), 7 Nov 07 via World News Connection.
(8) “Russia Not to Blame Regarding CFE Treaty – Chief of Staff,” BBC Monitoring International Reports (Ren TV, Moscow, in Russian), 7 Nov 07 via Lexis-Nexis.
(9) “Russia May Return to CFE If Western Partners Meet Demands – Diplomat,” ITAR-TASS, 7 Nov 07 via World News Connection.
(10) Ibid.
The future of Russian-EU partnership undecided

On 26 October, President Vladimir Putin attended the 20th EU-Russia summit held in Mafra, Portugal, the final summit before Russian presidential elections this spring. It was reported that the aims of the Portuguese summit were to address energy and economic disputes, the future EU-Russian partnership and the international issues in Kosovo and Iran. (1) Russian ambassador to the European Union Vladimir Chizhov claimed that no historic breakthroughs were expected, though he stated that the, "summit will carry out a strategic overview of Russia-EU relations and set ways for their future development." (2) Portuguese Prime Minister, Jose Socrates, who currently holds the EU presidency, reported that “important” advances were made at the summit. (3)
EU-Russia relations are based on the 1997 Partnership and Cooperation Agreement, which expires on 1 December 2007. Under this partnership agreement, Russia has become the EU’s third biggest trading partner, after the United States and China. (4) EU-Russian relations have evolved around a strong economic partnership, though Russia’s bilateral disputes with specific EU member states might have a negative impact on the balance of the partnership. (5) In retaliation (in part) for a 2005 Russian ban on Polish meat and plant imports based on alleged concerns over sanitary standards, Poland has vetoed negotiations for a new EU-Russian partnership agreement. (6) The continued strain on Polish-Russian relations has resulted in a roadblock in determining the future direction of the broader EU-Russian relationship. The stalled decision to renew the EU-Russia partnership agreement was not resolved at the recent summit and the 1997 partnership agreement will be extended one year until a consensus is reached among the EU member states.

The primary agenda item at the EU-Russia summit was the issue of energy supplies and Russian energy companies’ access to European markets. (7) The EU Commission has announced a new proposal that limits non-EU companies from “owning a majority share in gas pipelines or electricity power grids, unless their home country signs a reciprocal agreement with the EU.” (8) Moscow has claimed that the new EU draft energy guidelines are protectionist, and would require that Gazprom choose either the supply or distribution of gas. (9) EU Trade Commissioner Peter Mandelson reportedly criticized the fact that energy has become politicized and reiterated that the unbundling of the EU energy market was to improve the EU’s internal energy market, but that it was not intended to discriminate against Russia. (10) Although a decision on the EU proposal is still under review, Vladimir Chizhov asserted, “no matter how you look at it, the proposal does not comply with market principles.” (11)

On a more constructive note regarding the EU-Russia energy discussions, Vladimir Chizhov proposed an alert mechanism that would warn Europe in
advance if Moscow needed to cut off the gas supply to Europe in the case of a crisis. (12) This proposal should be viewed in the light of the 2005 crisis, in which Gazprom cut off gas supplies to Ukraine and Belarus, leading to gas shortages across Europe. (13) The offer made by Chizhov and reiterated by President Putin appears designed to send a message to Europe that Russia will be a reliable energy partner.

Another item on the agenda at the EU-Russia summit was Russia’s bid to become a member of the WTO. It was reported that prior to the Portuguese summit, Prime Minister Viktor Zubkov made a request to US Secretary of State Condoleezza Rice to repeal the Jackson-Vanik amendment, “a Soviet-era piece of legislation,” which has been an obstacle in Russia’s bid to join the WTO. (14) During the summit, the EU reported that it would support Russia’s bid for membership in the WTO, which has often been an issue in relations between Moscow and Brussels. (15) However, there have been reports that Poland would block Russia’s bid for membership, if Russia does not lift the ban on Polish meat and plant products. (16) Russia’s WTO negotiator, Maksim Medvedkov, expressed hope that Russia will join the WTO by the end of the year, although he noted that there are still a number of outstanding disputes regarding Polish meat and Russian timber exports that could further delay membership negotiations. (17)

Overall, the Portuguese summit reportedly produced minor increases in cooperation between the EU and Russia. Agreements were proposed relating to visa travel arrangements and an early energy interruption warning mechanism, cooperation in drug trafficking and boosting trade in steel. (18) Despite these achievements, no consensus was reached regarding the future of the EU-Russia strategic partnership or on any number of mounting international issues. The future EU-Russia relationship still is to be determined, though Joschka Fischer commented, “Today it is the Kremlin that sets the agenda for EU-Russia relations.” (19)
Theme years lead to strengthened Russian-Chinese Partnership

On 6 November, Chinese Premier Wen Jiabao and Russian Prime Minister Viktor Zubkov met in Moscow in order to further bilateral cooperation in a variety of fields ranging from politics, trade and energy to science, technology and finance. (20) The meeting resulted in nine agreements to strengthen cooperation, four of which address the future cooperation on the peaceful use of nuclear power and on construction completion of an oil pipeline connecting Russia and China by the end of 2008. (21) The two countries placed strong emphasis on mutual understanding and more coordination in global affairs as the basis for enriched future cooperation between them. Based on the five meetings President Hu Jintao and President Vladimir Putin have held this year, it appears as if closer relations with China certainly appear to be a priority in Russian foreign policy. (22)

In 2006, China held the “Year of Russia,” and consequently 2007 is the “Year of China” in Russia. Significantly, China has become Russia’s third largest trade partner. (23) In the beginning of 2007, Russia and China signed 21 contracts to expand trade between the two countries and so far this year, bilateral trade has reached 34.9 billion dollars. (24) The goal for trade between the two countries in 2010 is set at 80 billion US dollars. Russia and China reportedly have agreed to 20 joint-economic projects, including energy, investment, finance, communication, and transportation. (25) The “national years” celebrations are said to have increased cooperation between the two countries on a variety of levels and significantly contributed to the success of the partnership. (26)

Although the Russian-Chinese partnership is expanding rapidly, Russia recently has closed its doors to low-cost Chinese carmakers. From January to June 2007, China exported 38,600 cars to Russia, six times as many as in 2006. (27) The recent decision by Moscow to restrict the import of Chinese cars reportedly is motivated by a fear that Chinese carmakers would compete successfully with
domestic automakers. (28) This decision might dampen the prosperous relationship that has developed between the two countries as China looks to other markets for its car export needs.

Nearing the close of the “national years,” the meeting between the two premiers heralded the fruitful cooperation between the two countries. In reports following the recent meetings in Moscow, it appears that in addition to strong economic cooperation between the two countries, the partnership will attempt to extend to cover international issues. (29)

Source Notes:
(4) Ibid.
(7) BBC Monitoring Former Soviet Union, 24 Oct 07.
(8) The International Herald Tribune, Dan Bilefsky, “Russia set to Avert EU Gas Crisis with Alerts; Kremlin also Suggests Softening on Kosovo,” 23 Oct 07 via Lexis-Nexis.
(21) “Chinese, Russian Premiers Sign Communiqué, Pledge Further Cooperation,” ibid.
(22) China.Daily, “Relations with Russia to be Strengthened,” 6 Nov 07 via Lexis-Nexis.
(24) Ibid.
(26) “Chinese, Russian Premiers Sign Communiqué, Pledge Further Cooperation.”

(28) Ibid.


Russian Federation: Energy Politics
By Alexey Dynkin

Déjà vu in Belarus?
With the most recent Russo-Ukrainian gas dispute at least temporarily resolved—RosUkrEnergo reportedly received its last payment of $729 million from UkrGazEnergo on October 31, one day before the deadline agreed upon during negotiations earlier in October (1)—attention now has shifted to Belarus, another of Russia’s western neighbors and another major transit country for oil and gas flowing to countries of the European Union. According to Gazeta.Ru’s Aleksey Topalov, the two are related: “Yulia Tymoshenko coming to power in Ukraine may change Russo-Ukrainian relations,” he writes, “and Belarus wants to position itself as a reliable partner” (2)—“reliable” presumably being in contrast to the volatile Tymoshenko and her similarly volatile country. Belarus’ first moves, however, do not exactly present that image - as Topalov writes next, “once again, everything started with blackmail.” (3) While who is blackmailing whom may in this case be a matter of dispute, it seems evident that relations with Russia’s authoritarian neighbor are not destined to be as smooth and easy as Gazprom’s leadership might have hoped.

On Thursday, November 8, Gazprom chairman Aleksei Miller met with the first deputy of the Belarusian prime minister, Vladimir Semashko. According to Gazprom’s official statement, the existing Russo-Belarusian contract dealing with the sale and transit of gas between 2007 and 2011, signed on December 31,
2006, was confirmed during the course of this meeting. (4) The terms of that contract stipulate that the price of gas sold to Belarus is to increase steadily over this period, from about 67% of the average European rate as it currently stands, to 100% of that rate by 2011, with incremental price increases every new year. (5) A few days after that meeting, however, the Belarusian transit company Gomeltransneft Druzhba (Friendship) released a statement that appears to be in contradiction to Gazprom's assertion that both sides have committed themselves completely to fulfilling all terms of the contract. The Belarussian statement, published on the state Internet portal “Telegraph,” suggests that as of next year, due to the increase in Russian gas prices, Belarus may raise the tariff on the transit of Russian petroleum through Belarussian territory. (6) It did not specify the amount by which the tariff may increase or the date when the increase may go into effect, but rather stated more generally that it will depend on the amount by which the price of Russian gas increases. (7) In light of the recent meeting with Gazprom and what has allegedly come out of it, that statement is rather strange. What exactly does the management of Gomeltransneft mean when it says that it will increase tariffs based on the increase in Russian gas prices when, according to the contract that apparently had just been confirmed by both sides, that amount has been fixed and agreed upon as of the beginning of this year? The only logical conclusion seems to be that the Belarussian side now is backing away from committing to its end of the bargain; in other words, it is refusing to view the price increases as stipulated in the contract as final. But if, as Topalov says, Belarus currently is interested in taking advantage of the political changes in Ukraine in order to present itself as the reliable partner (unlike Ukraine) in terms of energy transit, what purpose would such a statement serve? If anything, it seems to present the opposite image. It is perhaps true that Belarus wishes to take advantage of a rift in Russo-Ukrainian relations as a result of the likely future prime ministry of Yulia Tymoshenko with her pro-Western stance, but the resounding message from its
most recent statement is more along the lines of “further cooperation with us is going to cost you” rather than “you can depend on us.”

One can easily understand, however, (and even sympathize with) the Belarusian viewpoint in this situation. In purely economic terms, it makes sense for Belarus to attempt to avoid a net financial loss and to compensate for price increases by raising transit tariffs (even though it should be remembered that the price increases are in reality reductions in what amounts to a massive Russian subsidy as a result of the sale of gas for many years at below-market value). In more general terms, Belarus’ position vis-à-vis Russia is not enviable. Lukashenko is probably more dependent on Russia than any other country’s leader, but, given the nature of his administration, Lukashenko cannot expect Western support in his dealings with Russia on this issue. Given such a precarious position, it is only natural that he should try to maintain as much independence as possible, and get as much economic benefit as Russia is willing to tolerate, while ensuring continued Russian support against a scenario similar to Ukraine’s Orange Revolution unfolding in Belarus. It is questionable, however, whether haggling and whatever benefits Belarus may gain in the negotiations would be worth the additional frustration it causes Russia. On one hand, Belarus’s geographic location between Russia and Europe remains critically important for gas transit and may become even more so with the changing political climate in Ukraine; on the other hand, if Gazprom continues to wield significant power, eventually it may circumvent Belarus. Indeed, the future of Russia’s energy relations with Ukraine under a Tymoshenko premiership should serve as a good indicator of the magnitude of the effect that internal political change in neighboring states will have on Russia’s ability to exert international leverage through its resources. If even a democratic and Western-oriented Ukraine remains as dependent upon Russian oil and gas as it has been in the past, then Lukashenko has a lot to worry about in the next few years.
This recent Belarusian threat to raise tariffs on the transit of Russian crude is strongly reminiscent of an earlier Russo-Belarusian energy dispute that took place late in 2006 and continued until into 2007. (See previous ISCIP Analyst, Foreign Policy, Vol. XIII, No. 6.) Then, as now, Belarus threatened—and for a time carried out the threat—to make Russia pay extra for transporting oil through the “Friendship Pipeline” on its territory in response to gas price increases. In response, Gazprom temporarily shut down the pipeline, creating enough of a panic in the countries of the European Union for Angela Merkel to rush to Moscow in an effort to resolve the situation. (8) While Gazprom thus far has refrained from overt threats of a repeat performance, the possibility is never far away. Additionally, one cannot help but notice the timing of these “energy wars” that coincide with the approach of winter, in this year as in last. Gazprom’s practice of raising energy prices at the beginning of each year is probably more than merely a matter of convenience in terms of the calendar, while the tendency of transit countries of to raise the alarm as the cold approaches is likely no coincidence either. Perhaps, as with the case of the polar ice cap, only global warming will provoke a significant change; until then, one can expect these energy battles to continue.

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

By Robyn Angley

GEORGIA

Georgia in turmoil—protests, state of emergency and snap elections

Background

The arrest of former Defense Minister Irakli Okruashvili on corruption charges, just after announcing the formation of his opposition party, proved a catalyst for unifying Georgia’s main opposition groups, however fleeting that unity may prove to be. (1) Okruashvili was released after publicly denouncing the charges he had made against President Mikheil Saakashvili and paying an exorbitant fine. Although opposition groups claimed that Okruashvili had been drugged, he has since announced that Georgian officials exerted extreme psychological pressure on him in order to produce the retraction. Okruashvili flew to Munich, ostensibly for medical care, the day before opposition groups staged mass protests in Tbilisi on 2 November. It is not clear yet whether he left Georgia willingly or was removed forcibly by authorities in order to prevent his participation in the protests. He made a televised speech to the protesters as they gathered in Tbilisi. Okruashvili’s trial is set for 16 November in Tbilisi city court. (2)

Preparations for protests were underway throughout October as opposition groups staged smaller demonstrations in Georgia’s regions. The 2 November
protests were held on the fourth anniversary of the day when Saakashvili launched his own protests against former President Eduard Shevardnadze, following parliamentary elections. The fractious opposition, which united following Okruashvili’s arrest in September, initially called for early parliamentary elections and then graduated their demands to include Saakashvili’s resignation.

Both presidential and parliamentary elections were rescheduled for fall 2008, after tensions with Russia heightened over Georgia’s expulsion of alleged Russian spies in September 2006. Parliament’s mandate was scheduled to expire in spring 2008, while Saakashvili’s presidential term was not officially over until 2009. Both terms were adjusted and simultaneous elections were scheduled. Saakashvili and the ruling National Movement party claimed the rescheduling had to do with national security. With Russian presidential elections slated for March 2008, it seemed that Georgian officials wanted to avoid being the victim of Russian manipulation as part of a domestic Russian political stratagem. During the transition from Yel’tsin to Putin, the Russian invasion of Chechnya played a crucial role in Russian politics and also demonstrated to Georgia how “small wars” can be made to yield big political dividends. Additionally, Saakashvili may have feared contesting an election without the momentum of the National Movement behind him in parliamentary contests.

**Protests and state of emergency**

The opposition protests drew tens of thousands of Georgians to Tbilisi and lasted for five days before they were squelched by riot police. The number of protesters had dwindled to several dozen, according to Saakashvili, (3) and police were attempting to clear a traffic route across Rustaveli Avenue. By Saakashvili’s account, the protesters resisted the riot police, who left the area and then returned with rubber bullets, tear gas, and water cannons. By that time, the protesters had called for another demonstration, which was quelled by the police; the police confiscated cameras from journalists, apparently to minimize negative media coverage. Sozar Subari was beaten during the police action, even after he
identified himself as Georgia’s human rights ombudsman. (4) That same day, the government closed down the Imedi and Kavkasia television stations. Imedi is partially owned by oligarch Badri Patarkatsishvili and had strongly supported the opposition groups and protests.

On 7 November, Georgian officials announced that there had been an attempted coup against the Georgian government. They also accused members of the opposition parties of collaborating with Russia to destabilize Georgia. Georgia recalled its ambassador to Russia and the two countries exchanged diplomatic expulsions. The Georgian government aired a video that claimed to show opposition members holding talks with Russian secret services as evidence of the alleged espionage. The opposition members accused of espionage and called in for questioning were Shalva Natelashvili, Tsotne Gamsakhurdia, parliamentarian Levan Berdzenishvili, and Giorgi Khaindrava. Badri Patarkatsishvili was added to the list later. Okruashvili has denied allegations that Russia is behind the opposition protests. (5)

Following the crackdown, Saakashvili declared a state of emergency in Tbilisi. In the early morning hours of 8 November, Economics Minister Giorgi Arveladze announced that Saakashvili had extended the state of emergency to all of Georgia for a period of 15 days, subject to confirmation by the parliament. Under the state of emergency, the government has imposed restrictions on the right to disseminate information, the right to assemble, and the right to strike. (6) Only the Georgian Public Broadcasting station is allowed to broadcast during the state of emergency.

**Opposition and espionage?**

The opposition members accused of spying have rather diverse backgrounds. Shalva Natelashvili is the leader of the Labor Party, which has been labeled as pro-Russian by Saakashvili’s administration. Natelashvili has been very critical of Georgia’s relationship with US Deputy Assistant Secretary of State Matthew
Bryza, whom Natelashvili labeled the “Gray Cardinal” of Georgian affairs in July 2005. (7) Bryza has played a significant role in the US-Georgia relationship; he was immediately dispatched by the United States to Tbilisi, following the declaration of a state of emergency.

Tsotne Gamsakhurdia is the oldest son by the second wife of independent Georgia’s first president Zviad Gamsakhurdia. His half-brother (by Zviad’s first wife), Konstantine Gamsakhurdia, is head of the Freedom Party. Tsotne Gamsakhurdia has a somewhat checkered past. He was kidnapped briefly (for less than a day) in 1997 in Chechnya during Aslan Maskhadov’s presidency of the rebel republic. (8) In 1999, he was involved in a shooting in Tbilisi; he fled to Adjaria to avoid prosecution. (9) In 2007, Gamsakhurdia participated in a Russian-organized trip to Chechnya to bring his father’s remains back to Georgia. Konstantine Gamsakhurdia was among the leaders of the opposition who traveled to Washington, DC in late September to meet with US officials, one of whom was Matthew Bryza. (10)

Levan Berdzenishvili, also accused of spying, has been a vocal critic of Saakashvili. Following the Rose Revolution, he became a member of the parliamentary majority, but left in June 2004, along with three other Republican Party members, over how the situation with Adjaria and its former leader Aslan Abashidze was handled. (11) Berdzenishvili was involved in numerous civil society groups before entering politics.

Giorgi Khaindrava, one of the most vocal and visible leaders of these opposition protests, also was accused by Saakashvili’s government of espionage. Khaindrava, now of the Equality Institute, was formerly the State Minister for Conflict Resolution Issues. He was replaced by Deputy Foreign Minister Merab Antadze in July 2006, in part because he criticized actions taken by then Defense Minister Irakli Okruashvili. (12) Khaindrava labeled Saakashvili’s National...
Movement party a “terrorist organization” after protesters in Zugdidi clashed with police in late October. (13)

Badri Patarkatsishvili—the well-known Georgian business magnate, part owner of the Imedi television station, and associate of exiled Russian oligarch Boris Berezovsky—has been closely linked by authorities with the opposition groups. Attention shifted to Patarkatsishvili as the primary opposition figure after Okruashvili’s release and subsequent declaration that he would not enter politics. Patarkatsishvili publicly offered to fund opposition groups in late October. All of them accepted his support, except for the Labor Party. Since the imposition of the state of emergency and espionage accusations, Patarkatsishvili has left Georgia and reportedly is in England. Perhaps fearing government actions against him, Patarkatsishvili sold a portion of his holdings in Imedi to Rupert Murdoch in late October.

The road ahead
After having called a state of emergency and accused opposition members of collaboration with Russia, by 8 November Saakashvili announced his decision to hold presidential elections on 5 January 2008 and, at the same time, to conduct a referendum establishing when elections for a new parliament would be held. According to the constitution, Saakashvili must step down 45 days prior to the date of elections, 22 November in this case, and the speaker of the parliament will assume the position of interim president. That honor once again will go to Nino Burdjanadze, who also functioned as the caretaker of the presidency after Eduard Shevardnadze resigned. On 9 November, parliament, led by Burdjanadze, confirmed Saakashvili’s declaration of emergency rule.

Nino Burdjanadze is a key player in talks between the government and the opposition groups; the talks resumed on 10 November for the first time since the protests began. Discussions are underway between the government and five of the opposition groups—Georgia’s Way, the Conservative Party, the Republican
Party, the New Rights Party, and the Industrialists. Sitting in for the government in the discussions are Burdjanadze, Vice-Speaker Mikheil Machavariani, parliamentarian Giga Bokeria, and Maia Nadiradze, the legislative majority leader. (15)

With elections set for January, the contestants have begun to stake out the field. Patarkatsishvili announced on 10 November that he would run for president, but the opposition groups have not embraced him. Former Defense Minister Irakli Okruashvili is also out of the running because he will not meet the age requirement (35 years old) until November 2008, eleven months after the scheduled elections. Instead, the opposition has chosen its own presidential candidate—Levan Gachechiladze. Gachechiladze got his start as a businessman, founding Georgian Wine and Spirits in the 1990s. He entered parliament in 1999 as a member of Shevardnadze’s Citizens’ Union of Georgia, but left to create the New Rights Party. (16) Gachechiladze supported the Rose Revolution and even worked as Saakashvili’s campaign chief in 2004. Notwithstanding, he ran successfully as an independent in the 2004 legislative elections, rather than joining the dominant National Movement party. He subsequently fell out with Saakashvili over the proposed date for the 2008 parliamentary elections and has played a vocal role in the growing opposition movement. (17) Gachechiladze’s candidacy is supported by Okruashvili’s Movement for United Georgia, the Republican Party, the Conservative Party, Georgia’s Way, the Freedom party, On Our Own, Party of the People, Georgian Troupe, and National Forum. (18) Gachechiladze’s prime minister, should he win the elections, will be Salome Zurabishvili, former foreign minister and leader of the Georgia’s Way party.

The Labor Party has decided to front its own leader, Shalva Natelashvili, as its presidential contender. Due to the pending espionage charges against him, Natelashvili’s presidential bid was momentarily shaky. On 9 November, the General Prosecutor announced that Natelashvili was wanted on charges of
spying and plotting to overthrow the government. (19) That very day, the Georgian press reported that the German government was considering granting asylum to Shalva Natelashvili and his family. (20) He also was rumored to have been applying for asylum to the US. (21) However, on 10 November Saakashvili reversed the state’s course and announced that Natelashvili could run for president.

In a possible signal that the situation in Tbilisi is stabilizing, Burdjanadze announced on 14 November that the state of emergency would be lifted on 16 November. (22) However, the government’s continued actions against the Imedi television station, including the suspension of its broadcasting license and the freezing of its assets, (23) are worrisome reminders of the tension between democratic values and authoritarian implementation that plagues Saakashvili’s administration.

**Escalating tensions in Abkhazia**

As the crisis in Tbilisi continues to shake out, tensions are rising over Abkhazia, one of Georgia’s breakaway republics. Moscow Mayor Yuri Luzhkov recently has called on Russia to recognize Abkhazia officially, a move that Moscow has avoided to date despite consistent support for the separatist region. (24) Adding oil to the fire, according to Davit Bakradze, the Georgian minister for conflict resolution issues, Russia has delivered five T-72 battle tanks, five GRAD-type multiple rocket launchers, five armored vehicles, and seven howitzers to Abkhazia. (25) Bakradze also claimed that Russia was sending Chechen warriors (Kadyrovtsy) to Abkhazia to serve as “peacekeepers.” This is in keeping with Georgian claims that Chechens formed part of the “peacekeeping” forces involved in the conflict at the Georgian patriotic youth camp that borders the Abkhazian Gali district in October.

Not surprisingly, Russia has denied Bakradze’s claims and labeled Georgia’s statements a provocation. (26) With the closure of its Batumi base on 13
November, two days ahead of schedule, Russia’s primary military presence in Georgia is maintained through its role as “peacekeepers” in the separatist republics of South Ossetia and Abkhazia.

De facto Abkhaz President Sergei Bagapsh also has rejected the Georgian allegations. He did state, however, that Abkhazia is regrouping its troops in reaction to Georgia’s domestic crisis. (27) In return, Abkhaz officials have alleged that Georgia is gathering its reservists—mostly members of militia groups, according to the Abkhaz—on Abkhazia’s borders. (28)

With its internal stability shaken and its territorial integrity continually under threat from neighboring powers, Georgia will tread a difficult and potentially unsteady path for the foreseeable future.

Source Notes:
(1) See ISCIP Analyst, Caucasus, Vol. XIV, No. 2, 4 Oct 07.
(2) “Trial of Georgian ex minister slated for Nov 16,” Interfax, 10 Nov 07 via GND, 11 Nov 07.
(5) “Okruashvili denies alleged Russian backing of Georgian protests,” Tass, 9 Nov 07 via GND, 10 Nov 07.
(6) “Minister gives details of media curbs,” Rustavi-2, 7 Nov 07 via Georgia News Digest (GND), 9 Nov 07.
(11) “Four Republican Party MPs quit Georgia's pro-presidential majority,” Imedi, 29 Jun 04; BBC Monitoring via Lexis-Nexis.
(13) “President Saakashvili’s party is a terrorist organization - opposition (Part 2),” Russia & CIS General Newswire, 29 Oct 07 via Lexis-Nexis.
(14) “Georgian opposition groups welcome tycoon’s promise of financial support,” Rustavi-2, 29 Oct 07; BBC Monitoring via Lexis-Nexis.
(15) “Ruling party, opposition continue talks,” Civil Georgia, 12 Nov 07 via GND, 12 Nov 07.
(20) “Germany asked to give asylum to Georgian opposition leader,” Kavkas-Press, 10 Nov 07 via GND 11 Nov 07.
(22) “Georgia to Lift Emergency Rule on November 16 – Burjanadze,” Civil Georgia, 14 Nov 07 via http://www.civil.ge/eng/article.php?id=16327.
(24) “Russia must ‘make bold move to recognize Abkhazia’ - Moscow mayor,” TASS, 8 Nov 07 via Lexis-Nexis.
(25) “Burjanadze: Georgia will not yield to Russia’s provocation,” Civil Georgia, 12 Nov 07 via GND, 13 Nov 07.
(26) “Moscow refutes Georgian claims of alleged Russian forces in Abkhazia,” Interfax, 12 Nov 07 via GND, 13 Nov 07.
(27) "Abkhazia regrouping forces, no Russian troops present, Bagapsh," Interfax, 12 Nov 07 via GND, 13 Nov 07.
(28) "Sukhumi alarmed by Georgia's mobilization of reservists on Abkhaz border," Interfax, 12 Nov 07 via GND, 13 Nov 07.

Newly Independent States: Central Asia
By Monika Shepherd

UZBEKISTAN
Zubkov visit to Uzbekistan produces small, but significant benefit
Russian Prime Minister Viktor Zubkov arrived in Tashkent for a two-day visit on November 1, in order to discuss a number of bilateral issues with President Islom Karimov and Prime Minister Shavkat Mirziyoev ahead of the Shanghai Cooperation Organization (SCO) summit, which was held on November 2. The focus of Zubkov’s visit seems to have been largely the same as former Prime Minister Fradkov’s visit to Uzbekistan last April: energy issues, the military industry (specifically, aircraft production at Tashkent’s Chkalov plant), uranium mining, and the facilitation of further Russian investment in the Uzbek economy. Zubkov also echoed Fradkov’s optimism regarding Russian-Uzbek relations, pointing out that trade between the two countries had increased by forty percent in 2006 alone and that “Our relations are increasingly developing and an active political dialogue between the presidents of our countries is under way.” (1) Although for the most part, Zubkov’s visit did not seem to achieve much more than a mutual outpouring of good will and laudatory statements, his trip did result
in the restoration of one small, but arguably crucial economic benefit for President Karimov and the local labor force.

The meeting between Mirziyoev and Zubkov served as the occasion for the Uzbek prime minister to announce that the two countries had signed a new contract on aircraft production, under which Uzbekistan is to build 32 Il-type airplanes for Russia: 28 Il-114 (basic airliner) (2) aircraft, two Il-76 (military cargo planes) and two Il-78 (tanker planes) aircraft. (3) This agreement appears to restore the contract that the Chkalov plant lost last spring, due to production delays. The Uzbek side had agreed to build 38 Il aircraft for Russia, which would then be sold to China, but a dispute over production costs caused delays and Russia ultimately decided to reduce the Chkalov aviation plant’s share of the contract to only 15 aircraft and produce the rest itself. At the time, Fradkov announced that Russia was considering moving production of all of its Il aircraft out of Uzbekistan and the Chkalov plant’s future looked dim. However, the new contract seems to guarantee a new lease on life for the plant, at least for the short term and may have curried considerable favor with President Karimov. The Chkalov plant provides employment for 80,000 people and is one of the largest aviation assembly factories in Central Asia; shutting it down or even dramatically reducing its workforce would have sent shockwaves through both Tashkent’s and Uzbekistan’s economies. (4) At a time when the cost of living in Central Asia is increasing five times as fast (at least) as the average wage and when the price of a staple as basic as bread is straining the family budget, a significant rise in unemployment could set off widespread unrest on the eve of Uzbekistan’s presidential elections.

Whatever other matters Zubkov discussed with his Uzbek hosts were summarized in the following brief, but vague press statement: “The parties discussed priority issues in bilateral cooperation and exchanged views on key international and regional problems of mutual interest.” President Karimov commented that “Relations between the two countries will continue to develop,”
and emphasized the importance of his personal relationship with President Putin.

(5)

The main impetus for Zubkov’s Tashkent visit was clearly the SCO summit, where he stumped vigorously for the speedy establishment of an “energy club” in order to facilitate “cooperation” on energy-related issues among the organization’s six members (Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan). (6) The energy club concept is not a new one, having been broached by Kazakhstan’s President Nursultan Nazarbaev and heartily seconded by President Putin at the SCO’s presidential summit in Bishkek last August. Nazarbaev proposed that a single energy market should be created under the auspices of the SCO that would include the drafting of a unified energy strategy, a database on energy cooperation and trade between SCO members, and an SCO energy exchange. Putin expressed enthusiastic support for the idea: “Broader cooperation in the energy sector can give a powerful impetus to regional projects for the benefit of all SCO member-nations. I am convinced that our ongoing energy dialogue, the integration of our national energy concepts and the creation of an energy club will help set out priorities for further cooperation.” (7) However, to date, the SCO states, including Kazakhstan, still are discussing the issue; its Central Asian members no doubt are concerned that an SCO “energy market” dominated by Russia and China would deprive them of considerable autonomy in negotiating deals to further develop their own oil and gas resources, as well as their own pipeline routes.

Competition between Russia and China over Central Asia’s energy resources and potential pipeline routes is becoming more heated, especially now that the Turkmen government is courting an ever increasing number of suitors to invest in and develop its still unconfirmed oil and gas largesse. In this environment, even Uzbekistan suddenly has assumed considerable importance in the oil and gas market, largely due to its geographic position; the latest proposals for new pipeline and rail routes include Uzbek territory in the transit routes. Uzbekistan
also claims to possess very large and, as yet, untapped natural gas fields, but thus far, no non-Uzbek company has been permitted to conduct an independent survey of these resources. It is small wonder, then, that Zubkov’s renewed efforts to establish an SCO energy club met with little enthusiasm; it is in the other SCO states’ best interests to bide their time and negotiate individual energy deals. By stalling the SCO, the Central Asian states already have gained some leverage over both Russia and China, leverage that may well increase in the coming months. As much of President Karimov’s good will as Zubkov and his deputies may have obtained by offering a new contract to the Chkalov aviation plant, it remains to be seen whether the Russian government will offer enough other incentives to keep not only Uzbekistan, but also the rest of Central Asia, in its sphere of influence.

Source Notes:
(2) For photo and description of the Il-114, see Airliners.net at <http://www.airliners.net/info/stats.main?id=256>
(3) “Uzbekistan to supply over 30 aircraft to Russia – premier,” 1 Nov 07, ITAR-TASS; BBC Worldwide Monitoring via Lexis-Nexis Academic.
(4) For more information, please see The ISCIIP Analyst, Volume XIII, Number 10 (29 March 2007).
(5) “Karimov, Zubkov discuss priorities in bilateral cooperation, key international issues,” 2 Nov 07, Interfax; Central Asia General Newswire via Lexis-Nexis Academic Universe.
(7) “Putin for broader energy cooperation within SCO,” 22 Aug 07, Russia & CIS Oil and Gas Weekly; Interfax via Lexis-Nexis Academic.
UKRAINE

Ukraine’s politics descend into farce

As of 15 November, over six weeks since its parliamentary elections, Ukraine remains without a government. The country’s leaders, who have endured criticism in the past for their inability to complete important reforms, now risk being seen as ineffectual and bungling.

In October, Ukraine President Viktor Yushchenko’s Our Ukraine-People’s Self-Defense Bloc (OU-PSD) signed a parliamentary majority coalition agreement with former Prime Minister Yulia Tymoshenko’s eponymous bloc (BYuT). The agreement would give the two parties a slim three seat majority of 228 out of 450 seats, and would allow them to name the future prime minister, who shares equal power with the president. By virtue of BYuT’s larger vote base, Tymoshenko would become the prime minister.

Soon after, various Ukrainian media outlets reported that three members of the president’s bloc had refused to sign the document, coincidentally reducing the coalition to one vote short of a majority. The position of these newly elected deputies could make the creation of any coalition extremely difficult and undermines the progress made during the elections by former “orange” parties and blocs. In the election, BYUT won over 30% of the vote (up from 23%), while OU-PSD won over 14% (up from 13%).

Two of Yushchenko’s deputies provided a myriad of reasons why they hadn’t signed the coalition agreement – they were out of town, they were in town but never saw it, nobody discussed it with them, and finally, that they needed more clarification on various points.
Deputies Ihor Kril and Vasyl Petiovka are based in Transcarpathia (Zakarpatska), which is the last remaining OU-PSD stronghold in Ukraine (this is the only area where the bloc placed first in the election). President Yushchenko’s Chief of Staff Viktor Baloha also hails from the Transcarpathian region and is known to be close to both Kril and Petiovka. (1)

The third man who has refused to sign the coalition agreement with BYuT is Ivan Plyushch, the head of the Yushchenko-led National Security and Defense Council.

Plyushch was the speaker of Ukraine’s parliament when Yushchenko served as prime minister from 2000-2002 and was one of the key supporters of the president’s decision to call this year’s early parliamentary elections.

Both Plyushch and Baloha, however, have been cool in their support for a coalition with Tymoshenko.

Plyushch, in particular, is a longtime critic of the BYUT leader and an advocate for “stability” often at the expense of reform. In February of 2001, then-Speaker Plyushch, then-Prime Minister Yushchenko and then-President Leonid Kuchma released a joint public letter condemning Tymoshenko’s participation in protests following the murder of investigative journalist Georgiy Gongadze. Secretly recorded tapes of Kuchma appeared to suggest his complicity in Gongadze’s kidnapping, which was carried out by Interior Ministry troops (three of whom have pled guilty to murder). The letter chided Tymoshenko and other opposition leaders for using Gongadze’s death “as a reason for social disruption.” Moreover, the three men wrote, “Anarchy, arbitrary action and unlawfulness will not be allowed!” And they implied that the protests were led by “fascists.” (2)
Today, those protests are widely seen as the first important precursor to the 2004 “Orange Revolution” protests.

Yushchenko has suggested that the joint letter was changed after his signature. Plyushch has never clearly disavowed the letter, however. It is little wonder, then, that he has so far been unable to resign himself to a Tymoshenko premiership.

Furthermore, reports have surfaced suggesting that Plyushch has been offered the Parliamentary Speaker position, should he help forge a coalition not with BYuT, but with the party of current Prime Minister Viktor Yanukovych. Yanukovych’s Party of Regions placed first in the election, but so far has been unable to form a workable coalition. (3)

In attempting to defend his decision to withhold his signature from the coalition agreement, Plyushch claimed that Yushchenko had not instructed him to sign the document. “Civil servants who work for the presidential service….cannot make independent decisions,” he said. “I have held too few talks with the president to make a decision right now.” (4)

If this is true, it contradicts Yushchenko’s statements in support of a coalition between his bloc and Tymoshenko. “The coalition must be based on the results of elections …. An ‘Orange’ coalition of democratic forces must be formulated in parliament,” he said on 8 November. “I urge everyone to take sufficient steps towards the settlement required in order to form a democratic coalition.” (5)

If Plyushch’s statement is not true and the president actually has urged Plyushch to sign the document, it suggests that Yushchenko is unable to control those under his direct supervision.
The same pattern exists with Yushchenko’s Chief of Staff Baloha. He also publicly has urged all deputies in Yushchenko’s bloc to sign the coalition agreement. Yet two of Baloha’s closest allies within the bloc — Transcarpathians Kril and Petiovka — continue to delay. Is Baloha truly urging them to sign, but to no avail? Or were his statements for public consumption only?

Yushchenko’s former Deputy Chief of Staff Anatoliy Matvienko also recently complained that the OU-PSD-BYuT coalition agreement needs revision.

On 8 November, his Sobor party released a statement insisting on consideration of new proposals. (6) The party and Matvienko have signed the coalition document already, so this statement could be viewed as an attempt to scuttle the existing agreement.

Matvienko since has said he will vote for Tymoshenko to become prime minister, but that he “will not vote for the laws” in the agreement. Since both sides have agreed to pass several laws as a condition for the creation of the “orange, democratic” majority — prior to a vote on prime minister — this stance could jeopardize the majority itself.

All of these individuals are connected closely to Yushchenko, but are not part of the administrative apparatus of his political bloc. The leaders of the bloc publicly have called on these holdouts to sign the agreement, but are widely believed to lack authority over the closest allies of Yushchenko and Baloha.

It is unclear whether these individuals are attempting to exact personal benefits through “negotiating” or whether this is part of an overall backroom attempt to scuttle the deal with BYuT. Yushchenko has never embraced the idea of seeing Tymoshenko in the prime minister’s post, since the two may be rivals in the next presidential election. This potential rivalry helped contribute to his decision to
dismiss her from the prime minister’s position in 2005, after nine months on the job.

The fight for signatures on the coalition document is only one of the delays to forming a government. Despite the fact that six weeks have passed since the election, the working group to organize administrative matters for the first parliamentary sessions has met only twice with a quorum, on 11 and 12 November, and has been unable even to choose a chairman.

The delay in meeting was caused by the decision of Yanukovych’s Party of Regions to wait until nearly the deadline to register its deputies following the election, and to refuse to attend the working group until all deputies were registered. BYuT and OU-PSD attempted to convene three sittings of the working group earlier, but waited in vain for representatives of the current ruling majority to appear. OU-PSD and BYUT control 15 out of 30 seats on the group.

The group now has a quorum but no chairman.

Ukraine’s constitution states that the parliament must meet for its first session within 30 days of the official announcement of the final results. The results were published on 27 October (almost one month after the election), so parliament must meet by 26 November. (7) The document provides no recourse if parliament does not follow the constitution’s mandate and meet within 30 days.

The majority of politicians—including President Yushchenko—do not appear concerned. But with each passing day, new opportunities develop to undercut the existing coalition agreement. To do so likely would plunge Ukraine into yet another political crisis, at a time when it should instead be focusing on reforms.

Source Notes:
(1) Taras Kuzio, “President’s Party is Weakest Link in Coalition,” Eurasia Daily Monitor, 6 Nov 07.

(2) President, Premier and Speaker Address Nation in Joint Statement,” UT-1, 1600 GMT, 13 Feb 01; BBC Summary of World Broadcasts via Lexis-Nexis.


(4) UNIAN, 1256 CET, 13 Nov 07 via www.unian.net


(6) Ukrayinska Pravda, 1415 CET, 8 Nov 07 via www.pravda.com.ua.

(7) Ukraine Constitution, Section IV, Article 82.

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