Russian Federation: Executive Branch

By Susan Cavan

Game plan plays out (with options open)

It seems clear in retrospect that President Putin's September surprise appointment of Viktor Zubkov to head what is clearly a very interim Russian government launched his Operation Successor plan to anoint a presidential successor, without actually ceding power.

By October, Putin's decision to stand atop United Russia in parliamentary elections began to bring the contours of his plan into focus. The victory of United Russia in elections (the legitimacy of which was unnecessarily called into question by Russian peevishness over OSCE monitors) is widely viewed as a mandate for Putin's personal authority. Putin's statement at the United Russia Congress that he might head the next government was accepted as gospel, as United Russia, in concert with three other parties, moved to nominate a presidential candidate.

Duma Speaker Boris Gryzlov (whose prominence during the Zubkov nomination presaged Putin's later political announcements) presented President Putin with the candidate chosen at a four party conference (in addition to United Russia, Just Russia, Citizens' Strength and the Agrarian Party consulted on this selection): "[W]e have all agreed to support – First Deputy Prime Minister Dmitry Anatolyevich Medvedev. We think he is the candidate most attuned to society's needs." (1) It should be noted that United Russia apparently had planned to nominate Medvedev on its own at a convention later in the month. Putin, reportedly, added the three other political parties—only two of which are even in the parliament—to form the four-party conference. (2)
Dmitri Anatolyevich Medvedev, one of two First Deputy Prime Ministers and a favorite in the successor race for over a year, holds a Master of Science degree in law and has been a part of Putin's extended "team" since he joined the foreign economics relations committee that Putin headed in St. Petersburg in the 1990s. Medvedev is fluent in English and is said to be "very business-like and responsible," as well as "loyal." (3) Medvedev also is head of the Board of Directors of Gazprom.

As one of two main successor candidates, Medvedev's views were described as liberal and his policies dovish, in contrast to the more hawkish Sergei Ivanov. As potential successors, Medvedev and Ivanov came to personify two distinct clans in President Putin's administration: Medvedev represented the western-oriented liberal economists; and Sergei Ivanov, the western-wary siloviki.

Putin's initial response to Medvedev's nomination was positive: "As for the candidacy of Dmitry Anatolyevich Medvedev, I can say that I have known him for more than 17 years now and have worked closely with him throughout these years, and I fully and wholeheartedly support this choice." (4) It is, of course, unlikely that Medvedev would have been nominated without previous approval, and likely instigation, of the president.

In announcing his decision to accept the nomination of the four-party conference, Medvedev laid clear Operation Successor's parameters (as they stand today): "Expressing readiness to run for the Russian presidency, I ask [Putin] to give his consent, in principal [sic], to head the Russian government after a new president is elected." Medvedev also noted, "I think it is crucial for our country to keep Vladimir Vladimirovich Putin in the most important role in the executive branch—that of prime minister." (5)
Putin's consent, tacit or otherwise, clearly would propel Medvedev to a victory in the presidential election. Medvedev has requested only Putin's acceptance of his proposal in principle; this would allow Putin to keep his options open until after the elections, when the nomination for the head of the government is required (within two weeks after the president is elected). According to Kremlin analyst and sometime insider, Gleb Pavlovsky, Putin will hesitate before consenting: "Putin will take his time deciding, since consent would restrict his room for maneuver in the future, and he doesn't like that." (6)

On 17 December, speaking before another United Russia conference, President Putin again suggested, but fell short of confirming, that he would take up the position of PM in a Medvedev administration: "If the citizens of Russia trust Dmitri Medvedev and elect him the country's president, I will be ready to chair the government." (7) Putin's obvious support for Medvedev likely will be sufficient to get him elected president. Nonetheless, it sounds as though Putin will continue "to keep his powder dry" in the event of unforeseen developments.

**Breathing life into a paper tiger**

Medvedev refers to the Head of Government as the "most important role in the executive branch." Constitutionally there is an argument to be made that the Head of Government is an extremely powerful position, although to date its authority has existed largely on paper alone.

According to the Constitution, the government has the primary role on the budget – both its creation and implementation. However, the government also is tasked, constitutionally, to "carry out measures to secure the defence of the country, the state security, and the implementation of the foreign policy of the Russian Federation;" and to "implement measures to ensure the rule of law, human rights and freedoms, protection of property and public order, and crime control." (8)
Perhaps most interestingly, the head of government has a constitutional role in determining the blueprint of government: "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." (9)

Throughout the Yel'tsin and Putin administration, the presidency has been fortified, both constitutionally and through the amalgamation of security organs directly answerable to the president. It is interesting to note that the constitution gives wide berth to the possibility of a strong, politically powerful and personally popular individual strengthening the government's position vis à vis the president.

President Putin has positioned himself quite well: Even if a successor president were anxious to be rid of him, the path would lead through the Duma, where Putin, in the recent elections, has ensured support and demonstrated his personal popularity.

An important question remains as to the status of the siloviki faction, which clearly has turned in on itself, as factional rivalries and competing corruption claims erupt. (10) The informal head of the siloviki faction in the Kremlin, Igor Sechin, apparently was recently forced to take a vacation and may be headed into administrative retirement. (11)

The presidential elections are yet months away, and Putin clearly has left his options open for the future. The "liberal" faction would be ill advised to celebrate quite yet. Putin himself has issued a warning to all apparatchiki: "Your future administrative positions and careers will depend on your work (during this period) to a large extent."

The coming months will pose challenging as Putin administration employees attempt to discern their status in a Medvedev administration. With so many
corruption and investigation committees around the Kremlin, it also might be a tempting time to take down rivals and build new careers. Of course, either path holds the potential to re-launch a siloviki successor option as well.

Source Notes:
(1) "Beginning of meeting with Members of Political Parties," President of Russia, 10 Dec 07 via http://www.kremlin.ru/eng/text/speeches/2007/12/10/1804_type82912type84779_153811.shtml.
(2) "Putin names liberally-minded Medvedev as successor," ITAR-TASS, 10 Dec 07, 6:29 GMT via Lexis-Nexis.
(3) "Nicholas II, FC Zenit, Black Sabbath—Medvedev's Favorite Things," ITAR-TASS, 11 Dec 07 via Johnson's Russia List, 12 Dec 07, 2007-#254
(4) "Beginning of meeting with Members of Political Parties," Ibid.
(5) "Medvedev links nomination for presidency to need to guarantee...,” Interfax, 11 Dec 07; Russia & CIS Presidential Bulletin via Lexis-Nexis.
(6) "Reciprocal appointment," Nezavisimaya gazeta, 12 Dec 07; What the Papers Say (WPS) Part B (Russia) via Lexis-Nexis.
(8) "Medvedev links nomination," Ibid.
(10) Russian Constitution, Article 112, Ibid.
(11) In addition to the Tri Kita, Cherkesov and Storchak affairs, the siloviki currently are contending with fallout from the Schvartsmann interview (Please see Domestic Affairs below).
(12) "Igor Sechin goes public," Kommersant, 13 Dec 07; WPS via Lexis-Nexis; "Pack of comrades," Moskovoskiy komsomolets, 7 Dec 07; WPS via Lexis-Nexis.
Russian Federation: Domestic Issues and Legislative Branch
By Creelela Henderson

Shvartsman’s extraordinary interview
On November 30, an interview appeared on the pages of Russia’s leading business daily, Kommersant, in which several startling claims surfaced. (1) The subject was a Mr. Oleg Shvartsman, financial strategist and head of a heretofore little-known Russian investment company, Finance Trust, and his statements to Kommersant reporter Maksim Kvasha (2) were all the more remarkable in that they appeared to be unsolicited. The ostensible topic of the interview was his company’s recent award of 980 million rubles by the Russian government for the purpose of financing a Russian investment project jointly with foreign partners. However, judging by the text of the interview, Shvartsman of his own volition veered away from the topic to describe in some detail his company’s main sphere of business: coercing big businesses operating in Russia to sell out to the state, a scheme he termed “velvet reprivatization.”

No one would blame Mr. Shvartsman for being a bit giddy on the occasion of the interview. His company, Finance Trust, was a candidate to receive an impressive sum from the Russian government to finalize a partnership with an Israeli venture capital fund and the European Bank for Reconstruction and Development (EBRD) for the purpose of investing in high-tech start-ups in Russia. The Russian Ministry of Economic Development and Trade unveiled its plan in August 2006 to channel investment from the country’s energy resources into the nascent high
technology sector through the agency of the Russian Venture Company (RVC), known as the “fund of funds.” (3) The RVC funds secured by Mr. Shvartsman’s company, Finance Trust, were to be matched by Tamir Fishman and EBRD for a Russian investment project slated to begin in 2008.

Kvasha started out by asking some innocuous questions about the make-up of the funds, the readiness of projects, etc. (4) Then things went in an odd direction. The reporter noted that little was known about Finance Trust, prompting Shvartsman to boast that his company has assets valued at around $3.2 billion.

“That’s very impressive for a little-known company. Do you own or manage it all?” inquired Kvasha. “Both,” he replied and proceeded to launch into the details of his company’s covert business activities, implicating several of the country’s most powerful ministries in the course of the description. “Although it’s very intertwined; we are closely affiliated with some political figures and we manage their assets. We are related to both the presidential administration and to its power bloc.” Shvartsman explained that his company was involved in the Union of Social Justice of Russia, a political organization formed by the FSB following the Yukos affair in 2004 as a tool which would “bend, bow, torture and impose social responsibility on all sorts of Khodorkovskys.” (5)

The Union’s initial thuggish tactics have given way recently to a subtler approach known as “velvet reprivatization,” a concept Shvartsman attributed to the Russian State Service Academy, the National Economy Academy and Deputy Chief of the presidential administration and Chairman of the Board of Directors at Rosneft, Igor Sechin. “Velvet reprivatization” involves coercing large businesses in Russia to sell to him at below-market rates, though he was careful to point out that he is no corporate raider. “We do not take the enterprise away. We minimize their market value by means of various instruments. As a rule, these are voluntary-coercive methods. There is the market value, the mechanism to block its growth, and certainly, various administrative levers.” (6) After a company’s market value
has been ratcheted down by means of these levers, Shvartsman’s company swoops in as a collector agency on behalf of the Russian government to buy up the assets, which later will be absorbed into state corporations and turned over to management companies to generate profits. As an example of his operations, Shvartsman named Rosoboronexport, the state agency that oversees the import-export of defense related products, as the beneficiary of a recent takeover of a chrome producing enterprise in the Orenburg region.

While Shvartsman refused to name those involved in the Russian venture capital investment project before that deal was finalized, he appeared eager to supply the names of figures involved in his other, state-sponsored work, although such powerful government figures as Igor Sechin and former Soviet Deputy Defense Minister Valentin Varennikov, said by Svartsman to be a liaison linking the Union of Social Justice of Russia and Sechin, are known to jealously shield their official work from public inquiry. Certainly, drawing an opaque agency like Rosoboronexport into the media spotlight is rash, at best. Leading members in Russian political circles are bewildered and angry. The Russian business community is nothing less than flabbergasted. (7) Shvartsman’s foreign partners, Tamir Fishman and the EBRD, announced that they were pulling out of the Russian investment project to shield their reputations from the stain of political intrigue. (8) A Kremlin spokesman described the article as a “fake,” Sechin denies all knowledge of Shvartsman and his allegations of a mechanism to absorb commercial enterprises into the state, and Varennikov described Shvartsman as a “rogue of the highest order,” threatening to sue the garrulous financier for libel. (9)

For his part, Shvartsman broke his silence that followed the publication of the article on December 4, when he appeared on an Ekho Moskvy radio broadcast to deliver a rambling tirade in which he utterly refuted the claims laid out in his Kommersant interview. There is medicine and poison in everything, he said. It’s all a matter of measure. What was published was poison and now I tell the
reporter to go drink poison! (10) His desperation was palpable and, given the risk that he had taken, completely natural. The question remains: what led him to make such dangerous claims in the first place? He claims that the article was the product of “literary amendments” on the part of Kommersant journalist Kvasha. Given the wealth of detail provided in the interview, that claim is easily dismissed. Another possibility is that Shvartsman, basking in the celebrity brought by a high-profile partnership in a multinational investment project, sought to burnish the reputation of Finance Trust, admittedly the project’s junior partner, by emphasizing his company’s powerful political connections. The pure foolhardiness of such a move surely would dissuade a seasoned financial strategist, however.

The likely scenario is shrouded in the same cloak that has been thrown over the entire structure of Russian government since the beginning of the election season: succession conspiracy. Flashing daggers, unusual explosions and bumps in the night can all be blamed on a struggle within the power ministries to hold onto that power following the presidential election in March, and this particular media sensation is no different. It is not out of the question that Shvartsman was himself “voluntarily-coerced” into exposing a facet of a confidential government campaign to take over non-cooperative enterprises, in order to implicate Igor Sechin and his colleagues, thereby compromising their positions in the power base.

What is most remarkable about Shvartsman’s interview is not the sensational news that the FSB organized a state collection agency to crush large businesses and seize their assets, nor is it even a matter of powerful-name dropping. It is the resounding silence of Russian business leaders who have not come forward to deny that such anti-business operations take place in Russia that is, in the end, the most remarkable outcome of this affair. Senator Farkhad Akhmedov, co-owner of Nortgaz, said that Shvartsman “merely voiced something that everyone suspected.” (11) Head of United Energy System of Russia Anatoly Chubias
added to the indictment of anti-business state tactics by noting that “these [raids] are not local and occasional things but they are deep rooted both on the regional and federal levels. What is more, the fact that Mr. Shvartsman’s confessions were published in Kommersant shows that all is not lost. It’s very important how both the society and authorities are going to react to them.” (12) Cue the outrage.

Source Notes:
(1) Maksim Kvasha, “For us, the party is represented by the power bloc headed by Igor Ivanovich Sechin,” Interview with Oleg Shvartsman, Kommersant, 30 Nov 07 via http://www.kommersant.com.
(2) Ibid.
(4) Maksim Kvasha, “For us, the party is represented by the power bloc headed by Igor Ivanovich Sechin,” Interview with Oleg Shvartsman, Kommersant, 30 Nov 07 via http://www.kommersant.com.
(5) Ibid.
(6) Ibid.
(10) “Is a ‘Velvet Reprivatization’ Possible in Russia?” broadcast on Echo Moskvy, 4 Dec 07 via http://echo.msk.ru/guests/15083.
Russian Federation: Security Services

By Fabian Adami

Trepashkin freed: addresses bombings, Litvinenko

On 22 October 2003, Mikhail Trepashkin, a former FSB Colonel turned attorney, was arrested in Moscow, allegedly because a firearm was concealed in his car. Authorities eventually charged him with treason – specifically of divulging state secrets, after a search of his residence yielded 30 classified documents, apparently left over from his FSB service. After being held—presumably in a court or police jail for several weeks—Trepashkin was transferred to the notorious Matrosskaya Tishina Prison to await trial.

At the time of his arrest, Trepashkin was working as defense attorney for two Chechen individuals, Adam Dekkushev and Yusuf Krymshamkhalov, who were accused of direct involvement in the 1999 Moscow and Volgodonsk apartment bombings. These bombings were significant factors in the start of the second Chechen war.

At the same time as law-enforcement bodies were investigating the bombings, several Duma Deputies, including Sergei Kovalyov and Yuri Shchekochikhin, were holding their own independent inquiry. The deputies approached Trepashkin, and asked that he serve as their lead investigator. During the course of carrying out his duties, Trepashkin apparently uncovered evidence that the bombings had been part of a false flag operation carried out by his former employees in the FSB. According to his assistant, Nikolai Gorokhov, Trepashkin planned to introduce this evidence at the trial of the two Chechens. The accusation of FSB complicity was not new, having first been raised by Aleksandr
Litvinenko, an FSB Colonel who defected to Britain in 2001. (1) It seems clear that Trepashkin’s arrest was carried out simply to silence him.

Trepashkin’s trial began only a few weeks after his arrest and was conducted behind closed doors. The proceedings ended in short order with a guilty verdict. Trepashkin was sentenced to serve four years in a “remote settlement” – read modern day Gulag. (2) In spite of his imprisonment, Trepashkin’s case remained in the public eye – in part, due to the Litvinenko assassination in the winter of 2006. Trepashkin succeeded in smuggling a letter out of his “settlement” located near Nizhny Tagil (site of some of the Soviet Union’s worst labor camps). In his missive, Trepashkin claimed that the FSB had set up a special team with orders to liquidate Litvinenko in the aftermath of his defection. (3)

At around the same time, journalists working on a BBC Panorama documentary about Litvinenko were able to smuggle a cell phone into the penal settlement. In a conversation with Panorama’s investigators, Trepashkin claimed that he had been given the assignment of carrying out advance surveillance for the hit team, in order to log Litvinenko’s “pattern of movement.” (4) For the sin of speaking out—violating his “sentencing regulations”—Trepashkin was transferred to a higher security penal colony. (5)

On 29 November 2007, the Sverdlovsk Regional Department of the Federal Service for Prisons and Penitentiaries made an extremely surprising announcement – namely that Trepashkin would be released from prison on 30 November, having served his full sentence. Trepashkin apparently applied for his parole after serving one third of his sentence. (6)

After being released on November 30, Trepashkin granted interviews to a number of different media sources. He claimed that he had been “convicted unlawfully,” (7) and had served a four year prison sentence “for things I haven’t done,” (8) and that he would contest his verdict. (9)
Most of Trepashkin’s statements since his release have concerned the 1999 bombings and the Litvinenko assassination. During his interviews, Trepashkin spoke of his knowledge of a “serious group formed that would wipe out all those linked with Berezovsky and Litvinenko and take them out too.” (10) Days after his release, Trepashkin apparently telephoned Litvinenko’s widow Marina, and promised to provide her and her lawyers with a written deposition detailing his knowledge of the plot against her husband. (11)

Trepashkin insisted that he would continue his attempts to prove the FSB’s complicity in the Litvinenko murder, and the apartment bombings. He claimed that whilst he could not prove directly that President Putin “ordered it…” (the bombing) “because I don’t have that information,” he believed “it was somebody from his team, and that he knew all about it.” (12)

It is not clear why Trepashkin has been released. Russian authorities went to considerable trouble to silence him rapidly four years ago. Trepashkin himself believes that his release was permitted because “Putin’s rating is so high now that I am no longer important to them.” (13) Ergo, Trepashkin argues that he is safe, because Putin’s position is so strong, that no evidence—irrespective of how compelling it is—can derail his goal of remaining in power.

Such an argument does not necessarily compute. Realistically, President Putin’s position has been secure for some time. The President’s “security” did not save Litvinenko. Litvinenko was killed because, in the eyes of Putin and the FSB he had committed the cardinal sin, namely, turning on his own. Litvinenko was killed in a way designed to send a clear warning: we do not forget or forgive traitors, and no matter where you are, we can reach you. Trepashkin’s reasoning is naïve at best. He is still at risk. He would, therefore, be well advised to keep his counsel…and watch his back.
**Georgian border sector a “threat,” FSB**

On 14 November, FSB Director Nikolai Patrushev traveled to the Caucasus. The purpose of his visit was to preside over the opening of the Border Guards’ North Ossetia Directorate’s new administrative and residential complex. (14) While the FSB Chief’s presence had a public relations and morale purpose (he distributed the keys to new Border Guard apartments), trumpeting the fact that much of the new border infrastructure is to be ready by the end of 2007 (ahead of schedule), (15) Patrushev’s visit clearly also had wider geo-strategic implications – specifically related to the recent instability in Georgia. (16) In remarks made at the new facility, Patrushev noted that, “the main terror threat to the Russian federation looms from this direction,” adding that he hoped that “those who serve here…defend our borders and our state from threats which still remain.” (17)

These comments have been followed up in the last month by Lieutenant General Nikolai Rybalkin, Deputy Head of the Border Guard Service. Speaking to members of the press on 29 November, Rybalkin claimed that “militants” could still “break through the Russian border from Georgian territory,” and that the FSB would be strengthening the Russian-Georgian border sector “with a certain reserve.” (18) What that “reserve” might be is not clear, but it will likely consist of a significant number of troops. The Kremlin clearly is not concerned simply with the idea of Chechen terrorists using the Pankisi Gorge to enter the Russian Federation.

During the recent unrest in Georgia, allegations were made that a coup was being fomented by Moscow-friendly opposition politicians. These allegations, together with apparent video evidence, resulted in a state of emergency being declared. Subsequently, Davit Bakradze, Tbilisi’s Minister for Conflict Resolution Issues, claimed that Russia had interfered in sovereign Georgian affairs with its actions in Abkhazia, a claim labeled as “provocation” by Moscow. (19)
Georgia is to hold presidential elections on 5 January 2008. Russia still maintains “peacekeeping” troops in Abkhazia. Patrushev’s visit to the Caucasus region, Rybalkin’s comments, and the apparent reinforcement of local border troops likely represent a message to the Georgian government: elect a Moscow-friendly President…or else we will make military moves of some kind against you.

**GRU: Cold War mystery finally solved?**

In 1956, Nikita Khrushchev and Nikolai Bulganin traveled to Britain for a summit meeting with then-Prime Minister Anthony Eden. Khrushchev and Bulganin arrived in Britain on the Soviet cruiser Ordzhonikidze, which was berthed in Portsmouth during their visit.

Lionel “Buster” Crabb, a former Royal Navy Frogman, recruited by the Secret Intelligence Service several years after World War II, was assigned the task of diving Portsmouth harbor, apparently to investigate the “under-water noise characteristics of Russian warships.” (20) Crabb disappeared during the mission, which was apparently carried out without Downing Street’s knowledge, and was presumed dead. Fifteen months later, a decapitated body washed up on the South coast of England near Chichester and was identified as Crabb by a close friend who claimed later that he had been ordered to make a positive identification, and that the body was not in fact, Crabb’s. (21)

Three weeks ago on 15 November, Ren TV Russia broadcast an in-depth documentary about the 1956 incident. Central to the film was an interview with Eduard Koltsov. Koltsov apparently was at the time of the incident serving in “Barrakuda,” the GRU’s elite combat diver unit, (22) probably analogous to the present day US Navy SEALS.

According to Koltsov, the Soviet Navy had been tipped off by a double-agent inside the Royal Navy that an intelligence operation was planned against the cruiser. Koltsov alleges that lookouts spotted a diver in the water around the ship.
When he entered the water, Koltsov—so he claims—-noted that Crabb was attaching a mine to the vessel’s bottom. Recognizing that the device, designed to “make sure that the mine would have gone off when the ship had covered a certain distance, further into the open sea,” was placed “next to the ship’s ammunition store,” (23) Koltsov acted. Attacking from below, he apparently used his combat diver’s knife to cut Crabb’s aqualung pipes and slice his throat. (24)

Koltsov claimed that two months after the incident, he was summoned by then Head of Naval Intelligence Admiral Tishkin, who awarded him the Red Star (a significant military honor), emphasizing that the decoration was secret, and should not be worn or spoken of. Koltsov apparently showed the award, its accompanying citation and a dagger engraved with Ordzhonikidze to the filmmakers, to back up his claims. (25) If Koltsov’s claims are true—and there is no reason to doubt them—one of the Cold War’s enduring mysteries would seem finally to be solved.

Source Notes:
(1) See The NIS Observed, An Analytical Review, Volume IX, Number 1 (23 Jan 04).
(2) See The NIS Observed, An Analytical Review, Volume IX, Number 9 (12 June 04).
(3) “Former Spy Claims KGB Successor Agency Set Up Death Squad To Target Litvinenko,” Associated Press, 1 Dec 06 via Lexis-Nexis.
(6) “Ex-Colonel Trepashkin To Be Released From Custody on Nov 30,” Interfax, 29 Nov 07; OSC Transcribed Text via World News Connection.
(7) “Released Former FSB Officer Comments on Litvinenko Murder Case,” Ekho Moskvy Radio, Moscow, in Russian, 1 Dec 07; BBC Monitoring via Lexis-Nexis.
(8) “Trepashkin Freed After Serving 4-Year Sentence,” The Moscow Times, 3 Dec 07 via Lexis-Nexis.
(9) “Russian Former FSB Officer Says He Will Contest His Verdict,” Ekho Moskvy Radio, Moscow, in Russian, 30 Nov 07; BBC Monitoring via Lexis-Nexis.
(10) “Moscow Aimed To Kill Litvinenko, Says Agent,” The Daily Telegraph, 1 Dec 07 via Lexis-Nexis.
(11) “Released Former FSB Officer Comments on Litvinenko Murder Case,” Ekho Moskvy Radio, Moscow, in Russian, 1 Dec 07; BBC Monitoring via Lexis-Nexis.
(12) “Freed KGB Agent Vows To Reveal The Full Truth About Bombings And Litvinenko,” The Times of London, 1 Dec 07 via Lexis-Nexis.
(13) Ibid.
(14) “Russian FSB Chief Attends Opening of North Ossetia Border Directorate Office,” ITAR-TASS, 14 Nov 07; OSC Translated Text via World News Connection.
(15) “Russian FSB Director Gives Keys to New Apartments To Border Guards,” Agentstvo voyennykh novostey, 16 Nov 07; OSC Transcribed Text via World News Connection.
(16) See Caucasus Section of The ISCIP Analyst, Volume XIV, Number 5 (15 Nov 07).
(17) “FSB Chief Inaugurates New Border Complex in Dagestan,” RGVK TV, Makhachkala, in Russian, 14 Nov 07; BBC Monitoring via Lexis-Nexis.
(18) “Militants Could Break Through the Russian Border From Georgia,” Agentstvo voyennykh novostey, 29 Nov 07; OSC Transcribed Text via World News Connection.
(19) See Caucasus Section of The ISCIP Analyst, Volume XIV, Number 5 (15 Nov 07).
Arms diplomacy

According to a report released this fall by the non-partisan Congressional Research Service, Russia was the second-leading supplier of arms to developing nations. (1) Though the US still leads the pack with 35.8 percent of conventional arms transfer deals worldwide, Russia’s aggressive courting of third-world regimes resulted in it garnering 28.1 percent of the market. That’s more than two and a half times that of third place supplier Great Britain. (2) Sergei Chemezov, Director General for Rosoboronexport, Russia’s state arms monopoly, maintains that the lower price and superior quality of Russian arms will lead to an even greater demand for Russian weapons in 2007 and 2008, and says he expects sales to increase for at least the next two years. (3)

Many of Russia’s recent arms deals have alarmed American foreign policy makers. Venezuela’s stridently anti-American regime already has purchased some $3 billion worth of arms from Russia, including 53 military helicopters, 10,000 Kalashnikov assault rifles and 24 SU-30 fighter jets (4) and the
Venezuelan Air Force just announced plans to buy 12 additional Russian-built military transport and refueling aircraft to be delivered late next year. (5)

Though Moscow concluded no new arms deals with Iran in 2006 or 2007 due to international concerns over Iran's nuclear program, Russia has been a major supplier to Iran in past years—including a $700 million deal for surface-to-air missiles in 2005. (6) Of greater concern to Washington are reports in recent months suggesting that the Iranian air force is close to signing a huge order with Rosoboronexport for SU-30 fighters. (7) Neither Iran nor Russia will confirm the reports, but both conspicuously are not denying them, and Tehran has pointed out that cooperation between Iran and Russia is “within the framework of international regulations.” Recent US announcements downplaying Iran’s true nuclear capability may provide the perfect opportunity for Moscow and Tehran to go public.

That Iran and Venezuela are seeking to improve their military might and that they are turning to Russia to do so may be of concern to the US, but it is hardly surprising. Both nations have been candid about their desire to become dominant military powers in their regions, and both have been vehemently and vocally anti-American in their policies and rhetoric. What is more notable is that generations-long allies of the US are concluding billion dollar arms deals with the Kremlin.

Indonesia has signed deals this year to buy a Kilo-class submarine, as well as SU-30 and SU-27 advanced interceptor aircraft, and Russia has extended a $1 billion line of credit with which Indonesia plans to buy additional aircraft, submarines, and helicopters. (8) Indonesia has been a solid US ally since pro-communist President Sukarno was overthrown in 1966. Jakarta turned back to Russia eight years ago, when the US cut off access to military equipment and parts because of Indonesia’s poor human rights record. Indonesia is leery of relying too heavily on arms from an exporter, which is likely to slap an embargo
on exporting weapons or spare parts that they already have contracted to buy. In addition, Russia’s current energy wealth enables it to offer extremely generous credit terms. This combination of factors makes Russian military hardware very attractive.

The arms deal just concluded between Saudi Arabia and Russia is even more remarkable. Late last month experts in the Russian defense industry announced that a $4 billion deal for tanks and attack helicopters is set to be signed by year’s end. (9) This is the first Saudi purchase of Russian/Soviet hardware in the Kingdom’s 75 year history. The Saudi government was a fierce ideological enemy of the Soviet Union and has maintained close cooperation with the United States in the region. Saudi Arabia has continued to treat Russia with caution since the Soviet Union’s collapse, while Russia continued selling arms to Syria, Iran and Saddam Hussein’s Iraq – three countries the Saudis consider to be destabilizing influences in the Middle East. But, the Saudis are becoming increasingly concerned about what they view as unpredictable and irresponsible US policy in the Middle East, including the prospect of a preemptive US attack on Iran that would destabilize the region further. The Saudis still heavily rely upon US military technology and hardware (Congress will be notified about a proposed $20 billion arms deal with Riyadh early next year), (10) but their willingness to deal with Russia may be another indication of their desire to distance themselves somewhat from the US and strengthen ties with Russia, which they see as having strong influence with both Syria and Iran.

Russia is taking full advantage of its comparative wealth and declining American international influence to build a client base via arms sales that may be leveraged at a later date. This arms diplomacy could help Russia strengthen diplomatic relationships in key regions. In addition to deals brokered this year, the United Nations Conventional Arms Register indicates that Russia has exported advanced fighter aircraft, attack helicopters, missiles, tanks and artillery to 25 different nations between 2004 and 2006 – including major exports to India,
There is every indication that Russia will continue to seek a greater share of the intensely competitive international arms market. President Putin has vowed that though his nation will continue to comply with all international regulations in regard to arms sales, he will not allow any nation to limit Russian arms exports. (12)

**Naval deployment to the Mediterranean**

Russian Defense Minister Anatoli Serdyukov announced on 5 Dec that the Russian navy will deploy a task force of four warships (apparently including an aircraft carrier), seven support vehicles, 47 aircraft and ten helicopters to the Mediterranean Sea. (13) The task force is scheduled to be on station until February 2008. (14) This is the first non-exercise related deployment into the Mediterranean since a similar task force was deployed to the Adriatic in 1999 to protest NATO’s military action in Kosovo. The Russian navy has not had a meaningful presence outside Russia’s immediate coastal areas since the end of the Cold War. Serdyukov says that the current expedition is aimed at “ensuring a naval presence and establishing conditions for secure Russian navigation.” (15)

In August, Russian Naval Chief Adm. Vladimir Masorin called for restoring a permanent Russian presence in the Mediterranean (see The ISCIP Analyst, Vol XIV, 20 September), saying that it is a strategically important zone for the Black Sea Fleet. Were Russia to re-open its Cold War-era port in Syria, it could significantly increase the Kremlin’s influence throughout the Middle East and potentially disrupt US policy efforts in the region. It is unlikely, however, that Russia will be capable of a sustained naval presence anywhere in the immediate future.

In order to deploy this task force Russia had to “cherry pick” ships from its Black Sea, Baltic and Northern Fleets. (16) The deployment probably represents the maximum effort that the Russian navy currently can project; the present state of its naval shipyards and the slow rate at which improvements are being made
suggests that this will remain the case for some time. (17) Even if President Putin makes good on his “grandiose” promises to restore the Russian armed forces, the navy traditionally has lagged behind the other services. This deployment is a significant step for the Russian Navy and one laden with political significance, but it has few concrete military implications.

Source Notes:
(2) Ibid.
(3) “Russian Arms Exports to Exceed $5.5 bln in 2007—Chemezov (part 2),” Russia & CIS Military Newswire, 26 Nov 07 via World News Connection.
(5) Ibid.
(6) “Russia Arms Old and New Friends in Asia; Weapon Dealings Part of a Bid for Influence,” International Herald Tribune, 6 Sep 07 via Lexis-Nexis.
(8) “Russia Signs Deal on $1 bln Loan to Indonesia for Arms Purchases,” RIA Novosti, 6 Sep 07 via Lexis-Nexis.
(9) “Russia, Saudi Arabia Set to Sign $4 billion Arms Contract,” RusData Dialine—Russian Press Digest, 26 Nov 07.
Diverging Russian-Indian relations?
On 12 November, the Indian Prime Minister Manmohan Singh visited President Putin for their 8th annual summit in Moscow. The stated agenda for the meeting was to increase cooperation in defense, energy security, and economic relations.
(1) The two countries also were expected to sign an agreement for Russia to build four more nuclear reactors at the Kudankulam plant in Tamil Nadu during the visit. (2) Prime Minister Singh characterized India's partnership with Russia as a “high priority” based on mutual trust and a shared worldview on global issues that the countries intend to develop further. (3) Russia has held summits with India since 2000, in what appears as an attempt to solidify a Russia-China-India alliance. During the 1990s, Moscow was primarily focused on its relations with the West, which resulted in limited dealings between the two countries. (4) Recently Russia and India have set an objective to increase bilateral trade to $10 billion by 2010, from $4 billion in 2006. (5) However, reports following the summit indicate that it might have failed to bolster the Russo-Indian partnership.

For decades, the Soviet Union supplied India with weapons and had India's political support. (6) In the 1970-80s, the two countries' foreign policy objectives were generally aligned, but now it seems that they may be deviating from one
another. In the 1990s, India’s trade with Russia fell significantly and the Indian government now has stated its aim to assume a leadership role in the region. (7) As India’s economy has strengthened, it also has begun to develop a strategic partnership with the United States, indicating a shift in its foreign policy aims. Although reports from the Russo-Indian summit indicate that relations have cooled between the two long-standing strategic partners, efforts were made on both sides to counter this perception. India’s Foreign Secretary Shiv Shankar Menon stated, “Any speculations about the alleged cool down have nothing in common with the reality. Russia is the only country with which we cooperate in so many spheres.” (8) However, despite claims that relations “are developing in the best way,” (9) President Putin denied an audience to two key Indian ministers, who visited Moscow last month in preparation for the summit. Reports suggest that this might signal Russia’s lack of support for some of India’s recent foreign policy aims, particularly India’s support for the proposed US-Japanese missile defense system in the Pacific. (10)

Due to growing demand in India, Russia and India have been pursuing further cooperation in energy projects. In an addendum to the 1988 agreement between India and the Soviet Union, Russia has been building two nuclear reactors at the Kudankulam plant since 2002. (11) In January 2007, a memorandum on a new deal for Russia to build four additional nuclear reactors at the plant was drawn up between President Putin and Prime Minister Singh during a visit to India. (12) During a recent visit to Russia by India’s External Affairs Minister Pranab Mukherjee, Russian Prime Minister Aleksandr Zubkov announced that the agreement on the nuclear deal would be signed at the 12 November summit. (13) However, during the 28-hour visit by Prime Minister Singh (the shortest visit by an Indian Prime Minister in the past six decades), the nuclear deal was dropped due to “technical hitches.” (14) Reports point to the “hitch” as a possible consequence of burgeoning defense relations between India and the United States, as well as a US-Indian nuclear deal which is being set up through the IAEA. (15) Russian officials reportedly were surprised at the decision and Russia
now is seeking new contracts to continue nuclear construction work in India. In addition, a few days after the deal was dropped it was reported that the planned launch of the first Russian nuclear reactor at Kudankulam would be delayed at least a year because of stalled Russian supplies. (16)

Despite the failure to reach an agreement on the nuclear contract, Russia and India did sign other significant deals. The first involves the use of India’s outstanding debt to the Soviet Union to create further opportunities for economic relations. The second agreement is for cooperation against drug trafficking. (17) The third result of the summit is a plan to develop a military transport plane, funded from the reported $1.1 billion Indian debt to Moscow. (18) An agreement also was signed between the Indian and Russian space agencies for joint moon exploration. The agreement, which is valid until 2017, will require Russia to develop and produce the space lunar vehicle and scientific apparatus, while India provides the rocket and orbital module. (19) The summit produced fewer concrete results than originally anticipated.

However, India is one of Russia’s main partners in the field of military-technical cooperation and will remain one of Russia’s largest markets for weapon sales. (20) The summit resulted in a proposal by Russia regarding Indian arms and equipment, manufactured in Russia. After the disintegration of the Soviet Union, India’s armed forces were forced to negotiate with a number of different companies to obtain spare parts and maintenance for their equipment. (21) In a meeting last month between the Indian and Russian defense ministers, Indian Defense Minister A.K. Antony expressed concern regarding the shortage of spare parts for various armaments. (22) In response to these concerns, Russia recently proposed a deal to establish a depot in India where spare parts for military equipment could be stored, enabling India to repair and maintain its armaments more cost efficiently. (23)
The 12 November summit produced a number of smaller cooperation agreements on defense projects. However, India’s deepening relations with the United States appear to be causing a rift in foreign policy aims between India and Russia. Nonetheless, India still depends on Russia for energy, advanced technology and military hardware. But, given the current obstacles in the bilateral Russian-Indian partnership, it is difficult to determine whether a “strategic triangle” of Russia, India and China would ever take shape.

Source Notes:
(2) Press Trust of India, BBC Monitoring South Asia, “Indian PM arrives in Russia, Nuclear Reactor accord said Unlikely,” 11 Nov 07 via Lexis-Nexis.
(3) “Indian PM arrives in Russia,” ibid.
(4) The Moscow Times, ibid.
(5) Ibid.
(7) Ibid.
(9) “Delhi Might turn back on Moscow,” ibid.
(10) The Asian Age Website, Delhi, BBC Monitoring Former Soviet Union, “India-Russia nuclear pact dropped due to technical ‘hitches,’” 13 Nov 07 via Lexis-Nexis.
(12) Ibid.
(13) “India-Russia nuclear pact dropped due to technical “hitches,” ibid.
(14) Ibid.
(15) Ibid.
(19) ITAR-TASS, Moscow, BBC Monitoring Former Soviet Union, “Russia, India sign a deal to Explore the Moon Together,” 12 Nov 07 via Lexis-Nexis.
(21) Press Trust of India, BBC Monitoring South Asia, “Russia offers to set up Arms Depot in India,” 8 Nov 07 via Lexis-Nexis.
(22) Ibid.
(23) Ibid.

Russian Federation: Energy Politics
By Alexey Dynkin

Hungary in balancing act as Russia-EU pipeline rivalry continues
At a meeting with Hungarian Prime Minister Ferenc Gyurcsány in Budapest on Friday, December 7, Russian Premier Viktor Zubkov announced that Hungary would participate in the joint Russian-Italian gas pipeline project South Stream. (1) For his part, Gyurcsány confirmed his government’s interest in having the proposed pipeline pass through Hungarian territory, adding that Hungary “belongs to the category of countries which are strongly dependent on energy supplies from Russia,” and that “Russia is a reliable partner and supplier of energy resources.” (2) In admitting this dependency, however, Gyurcsány also underlined the risk in relying on a single source of energy. According to the prime minister there are two ways to minimize this risk: one is to find a second supplier,
and the other is to build a second pipeline. As per the second option, Gyurcsány clarified that while working with Russia, Hungary is simultaneously looking into the alternative European pipeline project Nabucco, which would provide the country with gas independently of Russia. (3)

South Stream is a joint project between Gazprom and the Italian gas company ENI to build a gas pipeline from Russia directly under the Black Sea to Bulgaria, where it will split into two branches, one going southwest through Greece and Albania, then under the Adriatic to Italy; and the other northwest through Romania, Hungary, the Czech Republic and into Austria. (4) An agreement for the project was signed between Gazprom and ENI in Rome on June 23, followed by a meeting between Italian Prime Minister Romano Prodi and Russian President Vladimir Putin, who agreed to begin practical work on the realization of the project in the near future. (5) This practical work came closer to becoming an actuality on November 22, when the two companies announced the formation of a joint enterprise to begin the planning phase of the project by January 15, 2008. (6) While no one knows for sure when the project will be completed—the estimate given during the November 22 announcement put the target year at 2013 (7)—at this point it can be said with some certainty that at least the construction of the South Stream project will soon become a reality.

What is the purpose for such a long and costly project? Oleg Mityaev, economic analyst for RIA Novosti, notes that the pipeline’s total cost is predicted to exceed $10 billion and that, furthermore, the direct motives for Gazprom’s involvement are unclear, since in purely economic terms it would be much more efficient to increase the volume of Russian gas deliveries to Europe simply by expanding the existing pipeline system (that is, increasing its capacity) rather than building a new one. (8) The main purpose of the pipeline, then, appears to be to build a direct gas link from Russia to central and western Europe, bypassing the current “transit countries.” Together with its northern counterpart “Nord Stream,” which purports to build a pipeline directly from Russia to Germany under the Baltic Sea,
South Stream theoretically would allow Russia to export gas directly to France, Italy, Germany and other European Union countries without going through Ukraine, Belarus, Poland or the Baltic states, as is currently the case. From the West European perspective this would solve the problem of the “energy conflicts” that flare up periodically between Russia and its western neighbors, but it also would mean even greater and more direct dependency on Russia for gas supplies. From the perspective of the current transit countries, it would mean losing the most significant lever they have in their relations with Russia. The pipelines currently used to transport gas to western Europe would be truncated and used solely for domestic consumption. From the perspective of European unity, such a scenario would be disastrous as energy security for Western Europe would come at the expense of the east.

Much of the purpose behind the Nabucco project, then, appears to be the prevention of just such a scenario. Envisioned as a joint venture by gas companies from Austria, Bulgaria, Turkey, Romania and Hungary, Nabucco seeks to build a pipeline from the Caspian coast in Azerbaijan, through Georgia and, like South Stream, under the Black Sea to the Balkans. (9) Such a pipeline route would enable European countries to import gas from Central Asia, mainly Azerbaijan and Turkmenistan, bypassing Russia altogether. And, since such a pipeline also would bypass Ukraine and Belarus, it would additionally eliminate the difficulties caused by the energy conflicts. A win-win situation for everyone except Gazprom, it would seem.

Unfortunately for all interested parties, as of this moment Nabucco’s prospects do not look very promising. While Gazprom and ENI have gone ahead with their joint venture, Nabucco’s five present partners (they are seeking a sixth, but have yet to find one) have decided to postpone making the final decision on whether the project is to be launched at all, until early 2008. (10) There are numerous issues, the most obvious one being that to get five parties to agree on something is generally more difficult than getting two parties to do the same, but the most
serious obstacle to the practical realization of the project seems to be the question of supply. The problem is that access to Central Asian gas depends on the construction of yet another pipeline under the Caspian Sea from the gas fields of Kazakhstan and Turkmenistan to Azerbaijan, where it would be linked via existing pipelines with the Nabucco pipeline. While there has been some interest expressed by both Central Asian states in this as yet theoretical Trans-Caspian Pipeline, thus far it has remained just that – theoretical. (11) Understandably, there is some reluctance on the part of Nabucco’s members to commit so many resources and so much time to a project whose success is contingent upon something that does not yet exist.

In the meantime, Russia actively has been promoting its own pipeline project in Central Asia to deliver gas to Europe, but along the Caspian and through Russia rather than across it and through Azerbaijan and Georgia. (12) In contrast to the hesitant attitude of the Europeans, Russia insists that this project is on the verge of being put into motion, and that it can be completed faster and at a lower cost than the proposed Nabucco pipeline, since much of it would utilize already existing pipeline networks. (13) While it may be tempting to dismiss these claims as a bluff, there is one recent development which indicates otherwise. Only a few days before the latest discussions involving Hungary and the two pipeline projects, all of the big three Central Asian gas exporters – Kazakhstan, Uzbekistan and Turkmenistan – announced that they decided to raise gas prices for 2008. (14) In contrast to similar announcements recently made by Belarus, there seems to be a deafening silence coming from Gazprom in reaction to these announcements – which, according to some analysts, indicates that Gazprom is trying to woo the Central Asian states into accepting the Russian pipeline project over the European one. (15) While this may be difficult to prove, it would certainly explain Russia’s confidence in its declaration about Central Asian readiness to proceed with its pipeline project.
The number of actors involved in all this, and the fact that each is pursuing its own interest, adds to the complexity of the situation. More than one source predicts, for instance, that Turkmenistan will try to negotiate contracts with both the Russians and the Europeans – although the likelihood of success for such a balancing act is not very high, one of the potential problems being simply that it may not be able to provide that much gas. (16) Hungary, as the recent agreement with Russia has shown, is trying to play the same game, except on the consumer side. Additionally, Ukraine and Belarus are not the only ones seeking to gain leverage as transit countries. Turkey, which happens to be one of the participants in the Nabucco project, has been at odds with Azerbaijan for similar reasons, Russian energy expert Igor Tomberg points out. (17) If true, this means that the success of Nabucco will depend, among other things, on the ability of Turkey and Azerbaijan to work out their supplier/transmitter differences – which adds yet another obstacle to an already less than promising project.

There are many unknown facts, and the final outcome is by no means certain, but as things stand now, the momentum appears to lie with Gazprom and Russia. Whether that lasts, and how long, will depend both on how well the former presses its advantage and on whether or not those who stand to lose will be able to resolve their differences and make a coordinated effort.

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

By Robyn Angley

GEORGIA

Of governments, Interpol and wine

New prime minister
On 16 November, nine days before stepping down as President in order to campaign for reelection, Mikheil Saakashvili nominated Lado (Vladimer) Gurgenidze to replace Prime Minister Zurab Nogaideli. Although Saakashvili attributed this decision to Nogaideli being “sick,” (1) the move was clearly a response to the protests that rocked Tbilisi earlier in the month. Neither Nogaideli nor Saakashvili took questions at the press conference when Saakashvili made the announcement.

Although the new prime minister is a graduate of Tbilisi State University, like many of Saakashvili’s entourage, Gurgenidze is western educated. He also did a stint at Middlebury College in Vermont and earned an MBA from Emory University. Most recently, Gurgenidze served as the director of Sakartvelos Bank in Georgia. (2) He holds citizenships in Georgia and the United Kingdom.

Gurgenidze has identified unemployment as Georgia’s primary problem and has begun an initiative to create jobs. Launched on 1 December, the new program provides for a one-time allowance of 200 lari (about $125), followed by a two-month training program and supplemental allowance of 250 lari (about $150) and potential placement within a list of private companies. (3) Gurgenidze also announced that, beginning in 2008, pensions would rise from a minimum of 38 laris ($24) to 76 laris ($48). (4)

Meanwhile, on the campaign trail, Saakashvili is promising to resolve other social ills. As part of his election campaign, Saakashvili met with internally displaced persons (IDPs) from the Abkhazian conflict. He promised to create conditions, possibly within a few months, for the return of IDPs to Abkhazia. (5) Saakashvili attributed his failure to accomplish this feat during his first term in office to “well known reasons,” presumably a reference to Russian interference and his focus on domestic reform. (6) How a reelected Saakashvili administration would accomplish this goal in the face of continued Russian opposition in Abkhazia (and South Ossetia) remains to be seen.
Imedi to reopen
After considerable criticism from western governments, the Georgian government will allow the opposition television station Imedi to resume broadcasting. Imedi announced on 7 December that it would begin broadcasting on a limited scale within “a few days.” (7) The television station was closed down by police during the protests of 7 November. The Georgian National Communications Commission accused Imedi of creating “an imminent and real threat of turning on-going riots into large scale massive unrest, which could have eventually led to uncontrollable processes” (8) and suspended Imedi’s broadcast license for three months. In a separate decision, Tbilisi City Court also suspended Imedi’s license. Those suspensions have since been lifted.

Okruashvili arrest
Former Defense Minister Irakli Okruashvili, whose announcement about the formation of a new opposition party triggered the current political crisis, (9) was arrested by Interpol in Berlin on November 27 at Tbilisi’s behest. Okruashvili flew to Germany on November 1, just before the protests began in Tbilisi. He subsequently failed to appear at his scheduled court hearing in Tbilisi on 16 November. Okruashvili’s lawyers are preparing an appeal against his extradition to Georgia.

The wine factor
Wine plays a significant role in Georgia, both culturally and economically. Recent political events testify to the importance of external wine markets and domestic producers for Tbilisi. The influence of the wine industry in the Georgian economy can be demonstrated by examining the government’s attempts to court that portion of the agricultural sector. Former Defense Minister Irakli Okruashvili, at the time Saakashvili’s right hand man, received the wine portfolio as an added responsibility after Russia declared an embargo on Georgian wine in March 2006, citing chemical contamination. Okruashvili’s assignment was to diversify
Georgia’s wine export market; until the embargo, other former Soviet republics—Russia chief among them—accounted for the lion’s share of Georgia’s wine exports.

Levan Gachechiladze, the presidential candidate for many of the parties that staged the protests in Tbilisi in early November, established Georgian Wines and Spirits in 1994, prior to becoming involved in politics. He retains part ownership of the company and, presumably, his contacts with that sector of the economy. Saakashvili’s awareness of Gachechiladze’s connections was demonstrated by his appearing with new prime minister Lado Gurgenidze in the Sagarajo district of the Kakheti region just one day after former Prime Minister Nogaideli left his post. Kakheti is the primary wine-growing area in Georgia. During his appearance with Gurgenidze, Saakashvili pledged government support for the Kakhetian winegrowers, including the investment of over 1 million lari (about $624,000) in new grapevines to be given to Kakhetian peasants. (10)

Source Notes:
(1) “President Saakashvili visits Kakheti,” Communications Office of the President of Georgia, 17 Nov 07 via Georgia News Digest (GND), 19 Nov 07.
(2) “Saakashvili to address new Georgian government’s first meeting,” Tass, 24 Nov 07 via GND, 26 Nov 07.
(3) Ibid.
(4) Ibid.
(5) “Saakashvili vows to secure IDPs return to Abkhazia in months,” UNAG, 28 Nov 07 via GND, 29 Nov 07.
(6) Ibid.
(9) For more information about Irakli Okruashvili and the current crisis, see “Caucasus,” The ISCIP Analyst, 4 October 2007, and “Caucasus,” The ISCIP Analyst, 15 November 2007.
(10) “President Saakashvili visits Kakheti,” ibid.

Newly Independent States: Central Asia

By Monika Shepherd

New electoral requirements shut Kyrgyz opposition out of parliament
On December 16 Kyrgyz voters went to the polls to cast their ballots in a snap parliamentary election, which some had characterized as an opportunity for Kyrgyzstan’s citizens to advance the process of democratic, political reform, while others deemed the elections to be simply a vehicle for President Bakiev to consolidate his hold on power. Thanks to stringent new electoral code requirements approved in a nationwide referendum on October 21, it appears as though the latter view is the more accurate.

The new electoral code was passed into law via the October 21 constitutional referendum, which also increased the number of parliamentary seats from 75 to 90 and eliminated all single-mandate seats in favor of party lists. The new regulations stipulate that in order to secure a place on the ballot, a party’s candidate list must include 30% female and 15% minority and young representatives, as well as setting two new voting thresholds: in order to win a share of the seats in parliament, each party must garner at least 5% of the national vote and .5% of the vote in each of the country’s provinces, as well as in the cities of Bishkek and Osh. (1) Since many of Kyrgyzstan’s political parties do not enjoy nation-wide recognition and rely primarily on local support from their home regions and/or cities, the .5% threshold is a particularly onerous requirement and may well have been designed for the purpose of transforming the country into a one- or at best, two- party state.
Nine out of the twelve parties that participated in the elections did not pass the 5% threshold (in order to win any seats in parliament, parties needed to garner a minimum of 5% of the national vote) and were completely shut out. Of the three remaining parties, with 70% of the ballots counted, it seems that President Kurmanbek Bakiev’s not quite two-month old Ak Jol eldik partiasy (Bright Path People’s Party) has won 46.6% of the vote, former parliament speaker Omurbek Tekebaev’s Ata Meken Party has gained 9.7% of the national vote, and trailing in distant third is former Prime Minister Almazbek Atambaev’s Social-Democratic party (which also boasts prominent opposition activist Edil Baisalov as a member) with 4.7% of the national vote. If the Social Democrats fail to bring in another .3% of ballots, they will also lose any chance at parliamentary representation. (2) In fact, not even Ata Meken is safe – although the opposition party has passed the 5% national threshold, there is some doubt that that it will succeed in attaining the required .5% regional vote threshold in each of the country’s seven provinces and two main cities, Bishkek and Osh. It appears as though Ata Meken may have failed to garner the necessary percentage of votes in Batken Province. (3) Kyrgyz voters therefore face the possibility of a one-party state, ruled by a political group created by their president less than two months ago and almost certainly for the purpose of contesting early elections.

In a rather odd twist, however, Ak Jol has appealed to Kyrgyzstan’s Supreme Court to overturn the .5% regional threshold and the Court is due to issue a ruling on December 18. Should the .5% electoral requirement be overturned, Ak Jol still would take the lion’s share of parliamentary seats, leaving Ata Meken with roughly 20% and thereby guaranteeing the president’s party a nominal opposition bloc upon whom to blame future government missteps. Other experts believe that Ak Jol’s judicial appeal is only window-dressing, meant primarily to counter charges that the election was rigged by obtaining the Supreme Court’s blessing for a one-party state. (4)
In addition to the hurdles posed by the new electoral code, opposition parties also were faced with restricted media access, new limitations on where in Bishkek campaign rallies could be held, and numerous instances of voter manipulation and fraud. The OSCE condemned the elections almost immediately, announcing on December 17 that they “failed to meet a number of OSCE commitments, despite respect for some that underscore existing pluralism.” Special coordinator of the OSCE short-term observers and leader of the OSCE Parliamentary Assembly delegation Kimmo Kiljunen stated “Having led the past two OSCE election observation mission here in Kyrgyzstan, I am personally disappointed that there is now a back-sliding in the election process…Political pluralism, which I have seen develop, is undermined by this missed opportunity.” (5) The OSCE also received reports that many eligible voters were prevented from registering and therefore from participating in the election at all and that there was inconsistent use and verification of ink marks to keep track of those who had already voted. (6) Rosa Otunbaeva, co-chair of the Social Democratic Party, accused local election officials in Jalalabad and Osh Provinces of wholesale vote falsification, while Ata Meken member Kubatbek Baibolov announced that his party refused to acknowledge the validity of preliminary election results. The 150-member CIS election observer mission, however, lauded the elections as a triumph of the democratic process. (7)

Thus far, there have been no signs of widespread popular discontent with the election results, but Kyrgyzstan’s citizens may be waiting for the outcome of the Supreme Court’s ruling on Tuesday, or they simply may have tired of a political process that has been plagued by almost continuous controversy between the government and the opposition since Askar Akaev’s ouster and President Bakiev’s ascension to power. The opposition has staged one protest demonstration after another for the past two and a half years, while bringing parliament to a virtual standstill. Many of the opposition’s demands, including constitutional reform and the creation of a parliamentary democracy, certainly were valid and even noble goals, virtually the only method used by opposition
leaders to achieve their aims was public protest. As illustrated by former prime minister Feliks Kulov’s unsuccessful efforts last spring, the effectiveness of this method seems to have run its course. President Bakiev, for his part, has done little to bridge the gap between his government and the opposition, preferring instead to let the opposition self-destruct. Bakiev’s main concession to the opposition’s demands came in the form of the October 21 constitutional referendum, which now seems to have resulted in the opposition’s final downfall, namely the forfeiture of its representation in parliament.

Source Notes:
(4) Ibid.
Ukraine fights and limps toward a government

As the US Hollywood writer’s strike continues, Los Angeles-based television producers are looking for new ideas in “reality TV.” Ukraine’s parliament appears willing and able to fill the gap. In fact, the drama produced by Ukraine’s politicians would give any current “reality” program a run for its money. Who needs “Idols” or “Dancing” when you have “Yulia versus Yanukovych” for 16 rounds, complete with fist fights, cheating, death threats, crying, and almost continuous verbal mudslinging?

To be sure, this behavior is nothing new for Ukraine. Western observers long have expressed bewilderment (and just a touch of amusement) at the shenanigans of Ukraine’s parliamentarians – a warning to male party members to be prepared to remove their ties usually signals an impending scuffle, and technicians remain ready at all times to replace microphones destroyed in one way or another. The biting verbal attacks on each other, and the reaction to them – often shown live on more than one Ukrainian television network, always has made for some engrossing drama.

But there is an increasing sense that perhaps, just perhaps, it is time for parliament to stop fighting, scratching, kicking and screaming, and get down to work. The institution has few results to show in the last two years; the final bills necessary to enter the WTO have not been passed, important EU-supported legislation is stalled, and proposed reforms of all kinds have languished while deputies bickered.

The lunacy that is Ukraine’s parliament reached new levels in recent days as deputies held the vote to confirm Yulia Tymoshenko as prime minister. Although the majority “democratic coalition” (finally formed over two months after the last
parliamentary elections) holds a slim two seat advantage (227 of 450 seats), the coalition had seemed unified and Tymoshenko’s confirmation seemed likely. But, this is the Ukrainian parliament, after all.

The official vote tally listed 225 votes in favor, with two abstentions. At least 226 votes are required to pass any legislation. When the totals were displayed, Tymoshenko and her allies appeared dumbfounded – and then began complaining that two of their members had voted in favor but their votes had appeared as abstentions.

An immediate second vote also listed 225 votes in favor. The two deputies abstaining, however, were different from the first vote.

Prior to the second vote, members of the new opposition, which is led by soon-to-be-replaced Prime Minister Viktor Yanukovych, rushed the speaker’s desk and podium and attempted to physically block to the vote. They smashed the speaker’s desk, damaging it, and one opposition member grabbed the security card that activates the voting pad from its slot, preventing the speaker from voting. The speaker is a member of the democratic coalition and voted in favor on the first vote. Had he been able to vote again, Tymoshenko would have received the necessary 226 votes. Speaker Arseniy Yatsenyuk has filed a criminal complaint against opposition Party of Regions member Vladyslav Lukyanov, but given that deputies are rarely—if ever—punished for such behavior, follow-up from the security services seems unlikely. (1)

Following the second vote, the opposition physically prevented another from being held and then blockaded the Speaker’s desk and podium, making reconvening of parliament impossible for the rest of that day and the next.

Tymoshenko’s allies also assert that their supporters did, in fact, vote in favor, and the “yes” vote of at least one deputy listed as abstaining was witnessed by
several people. This deputy, Yaroslav Fedorchuk, is one of Tymoshenko’s top allies, a co-founder of her party, and the current deputy leader of her party. In the past, Fedorchuk has stood by Tymoshenko even during years of physical threats against them from former President Leonid Kuchma. He has no ambitions to higher office and is financially secure. He firmly contends that he voted in favor, and given his history with Tymoshenko, there is no reason to disbelieve his statements.

What the country had on 11 December, then, was a vote that should have passed, but did not. On Ukraine’s Channel 5 the day after the vote, Party of Regions member Olena Lukash admitted that Yatsenyuk’s card had been taken, but said the only fact that mattered was that Tymoshenko had “only received 225 votes. They did not support her.” (2)

Tymoshenko’s allies suggest that the electronic vote system was tampered with, and are demanding another vote on Tymoshenko using either a show of hands or paper ballots. The opposition, which claims to be confident that Tymoshenko does not have the necessary votes for confirmation, refuses to vote in any other manner than through the electronic system.

A new vote, in some form, likely will occur on Tuesday, 18 December. At this point, any failed vote through the electronic system would be suspect. Also at this point, Western officials—whose patience for the current parliamentary antics is wearing exceedingly thin—will be watching to see if Ukraine’s political leaders can manage to take one vote without engaging in the farce that has characterized their work. Reality television may be entertaining, but Ukrainians deserve far better.

Source Notes:
(1) See PRU Member Snatched Yatsenyuk’s Card, Ukrayinska Pravda, 1606 CET, 12 Dec 07 and PRU Smashed Yatsenyuk’s Desk, Ukrayinska Pravda, 1730 CET, 12 Dec 07 for more on the latest Rada scuffle.

(2) Channel 5, 11 Dec 07.

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