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In the shadow of 2012

Decades of debate over the merit of encouraging democratic transitions in authoritarian or post-communist states seemed to fall silent in the face of certain realities. One of the most jarring actualities is the flexibility of the term democracy, especially when applied across the former Soviet Union. That Russia does not function in the same mold of a classic, western style democracy has been obvious for decades. Perhaps the anticipation of seeing a governing system that reflected our own as Russia cast off communism was a form of vanity. The Putin presidency did its best to dispossess the west of this delusion. Yet, just as acknowledgment of Russia’s own path, perhaps a sovereign one, to democracy begins to take hold (coinciding, unsurprisingly, with a reassessment of Russia’s role in certain high-priority situations for the US), there is evidence that, for all its distinctive terrain, Russia’s democratic trail might just have familiar landmarks after all.

Specifically, the approaching year 2012, with its promise of presidential elections, seems to have startled some Russian politicians into downright political behavior. First, there is the issue of an agenda for elections. While President Medvedev launched an initiative for reform or modernization of the political system last summer, Prime Minister Putin seemed prepared to torpedo the entire idea earlier this year in his defense of the system before the State Council. (1)

Lately, however, it appears that Team Putin may find it more advantageous to usurp the more promising ideas generated by his tandem partner and the Kremlin clan, rather than to bury them. Perhaps the most notable current
example has developed around the new “Innovation City” (sadly, already known by the contraction “Innograd”) that is planned for Skolkovo. While President Medvedev announced the creation of the initiative, promoted as a Silicon Valley for Russia, it was a close associate of Putin (and one of Russia’s wealthiest men), Viktor Vekselberg, who will run the coordinating center for the program. (2) Also, it seems the work required to secure foreign innovation and capital for Skolkovo will be coordinated with government structures, rather than the Kremlin. This has resulted in perks rumored to include a separate police force for the “Innograd,” ten year tax breaks, and freedom from bureaucratic interference. (3) In lieu of local government, Skolkovo will be administered by a foundation headed by Vekselberg. Yabloko leader Sergei Mitrokhin sputtered at the thought: With the absence of local government, which is in fact unconstitutional, activity will be completely out of control.” (4)

It seems that dashing the modernization agenda leaves room for an opposition, or at least an alternative, candidate to criticize the government. So, it seems, Putin has been on a campaign to justify, even glorify, the actions of his government while extolling new efforts to update programs. In his annual address to the Duma, the prime minister praised the attributes of his government in the face of international financial crisis: “Russia responded to the recession as a strong state which does not wait until things settle on their own but acts decisively and proactively.” (5) He also referred repeatedly to the modernization efforts, in transport, in health care, in production, and in weapons that well may mark the core of a 2012 campaign platform.

The emphasis on modernization and innovation naturally brings the connection of private and public sectors together, as furtherance of innovation requires capital investment, foreign and domestic. In this regard, the previously noted tax breaks and separate—state and local bureaucracy-free—administration should prove helpful to the Innograd efforts. The program also requires cooperation between domestic capital and the state, and this well may signal a developing relationship
between Russia’s oligarchs and Putin’s cabinet. While the arrest of Yukos Chief Mikhail Khodorkovsky during the Putin presidency signaled a sad twist on state engagement with Russia’s oligarchs and entrepreneurs, it seems another new era is dawning that may require greater cooperation between the Russian state and business – and not the kind of cooperation that witnesses the state’s acquisition of private assets. As Putin noted in his address to the Duma: “We did not embark upon the road of nationalisation during the crisis. Strange as it may seem, but some businesspeople would like to shift the burden of responsibility to the government. Today the expansion of the public sector is totally inappropriate. I think that any proposal for the acquisition of assets - both by the federal government and by state-owned companies - should require special arrangements at the government level, and in any case require a complicated procedure in order to prevent excessive nationalisation.” (6) OK, so that isn’t exactly a ban on nationalization, but it may serve as an acknowledgement of the problem.

There is one common element to the behavior of both the president and prime minister recently that would seem to argue against the proposal of a new found concern for the 2012 elections, and that is reflected in their passports: both Putin and Medvedev have spent a great deal of time abroad this month. While foreign policy is not often central to winning elections, their journeys may have been useful to shore up the image of Russia as a major player on key international issues, such as nuclear policy, or been in furtherance of a Putin fixation with multipolarity, such as in his visit to Venezuela.

Whatever the nature of the trip, it is clear that the foreign travel accomplished one key goal for both Putin and Medvedev: it kept them out of the country, just as terrorism returned to Russia with a vengeance (and continues at a constant, if low-level pace throughout Russia’s provinces in the North Caucasus). What was a perplexing juxtaposition of domestic turmoil with international travel becomes clearer in the light of campaign strategy. If Russia has no solutions to its
terrorism problems, it behooves no politician to step forward in that fight. Unfortunately, leadership at this crucial moment might be the only weapon that is critical to Russia’s struggle against terrorism.

Source Notes:
(3) “Russian 'Silicon Valley' to have its own police force and local administration – paper,” RIA Novosti, 21 Apr 10, 12:17 GMT+3 (citing Vedomosti) via Lexis-Nexis Academic.
(5) Ibid.
(6) Ibid.
The Supreme Arbitration (Commercial) Court has introduced two bills in the Duma to implement the principle of binding precedent within the Russian commercial litigation system. (1) This means that in certain cases judges effectively would have the power to create law and make their interpretations binding. Earlier this year, the Constitutional Court basically authorized this process by approving the Supreme Arbitration Court’s practice of making its prior rulings binding on lower courts. (2) The Constitutional Court has instructed the legislature to adopt relevant amendments to procedural law, but strictly limited the scope of such amendments. (3) Nevertheless, the Constitutional Court Chairman Valeri Zorkin raised concerns that the newly-emerging Russian precedent could break the foundations of the judicial system and violate the "separation of powers" doctrine. (4)

Formally, Russia is a “civil law” jurisdiction, which means that laws are not as open to modification by judges as in “common law” systems, such as that of the United States. Despite the fact that precedent is currently not an officially recognized source of law, lower courts tend to follow the principles established by the supreme courts. This practice existed even under Soviet jurisprudence, when only a limited number of the supreme courts’ decisions were published, but many judges still followed their natural instincts to comply with them. (5) Now, practicing litigators frequently cite cases “for informational purposes only” and, while the judges are not required to do so, they tend to follow the patterns established by the higher courts. (6) Precedent has some limited official recognition in Article 304 of The Code of Arbitration Procedure which gives the Supreme Arbitration Court the right to overturn a lower court decision if it contradicts other established decisions on similar matters. (7)

Ever since his appointment in 2005, Supreme Arbitration Court Chairman Anton Ivanov has been actively implementing the principle of binding precedent to strengthen the judicial branch, in order to compensate for “the existing imbalance favoring the executive branch.” (8) However, this imbalance can just as likely be
exacerbated, since top judges are nominated by the Russian President, and Ivanov is a close friend of Dmitri Medvedev. (9) The two were classmates, both taught Roman Law at Saint Petersburg State University, then co-authored a textbook on civil law and founded a business together. (10) With Medvedev’s help, Ivanov secured Putin’s nomination to serve as the Chairman of the highest commercial court in Russia, despite having never served as a judge before. (11) President Medvedev has been campaigning for judicial reforms ever since his election. Last month, for example, he proposed “simplifying” criminal procedure, in light of the recent terrorist acts. (12)

Law professor Yuri Tolstoy, who taught both Ivanov and Medvedev, thinks that Ivanov’s activism needs to be closely examined. “Precedent system inevitably involves the judiciary infringement into the law-making field, and this destabilizes the principle of separation of powers. Considering the current state of our judiciary, these are very well-founded concerns.” Former Deputy Chairwoman of the Constitutional Court Tamara Morshakova criticized the implementation of binding precedent on the grounds that strengthening the supreme courts will undercut the constitutional principle of judicial independence in the lower courts. (13) Ivanov maintains that uniformity of judicial interpretation must supersede judicial independence.

Currently, only the top Russian courts can overturn their own decisions. Implementing a precedent system will concentrate more power in the hands of those courts, which will make it practically impossible to overcome their legal positions. It is also unclear what will happen if the top courts hand down contradicting decisions in areas of overlapping jurisdictions. This happened in 2008, when the Constitutional Court and the Supreme Arbitration Court handed down opposite decisions on the same tax law matter. Fortunately, the Constitutional Court backed down and its chairman urged the top courts to exercise judicial restraint, especially in the areas of overlapping jurisdiction. Ivanov proposes to resolve such problems by implementing joint jurisdictional
resolutions (agreements) between the top courts and amending the Constitution to provide a mechanism for overturning the high court’s decisions in the event of an impasse. (14)

Proponents of the precedent system argue that when judges hand down different decisions on similar matters, it violates the constitutional principle of equality before the law. Also, the existing statutes cannot possibly take into account all of the possible twists and ambiguities that real cases present. (15) Proponents of the new system also point out that precedents will help protect citizens’ rights because irregular decisions, especially politically charged ones, will stand out from an established line of similar cases. Thus, it will be easier to overturn such irregular cases. These are valid assertions, even though they may significantly increase the cost to the defendants in such cases, because precedent adds an incredibly dense layer of case law to an already complex body of statutes and regulations. Presently, legally savvy citizens are able to ascertain their rights by looking up relevant laws and Supreme Court decisions. Navigating through case law, however, will require special legal education. Many citizens will not be able to represent themselves in court effectively without professional assistance. (16)

Instituting a precedent system will further complicate Russian law, which is perhaps an inevitable consequence of the country’s struggle for the rule of law. The proposed changes will concentrate power in the hands of the top courts and perhaps those of the executive branch, at the expense of the elected legislature. This power could be used to reduce corruption in lower courts and improve transparency in judicial practice, but the immediate effect would be the increased alienation of lay citizens from the legal field. In the absence of effective procedures to overturn the top courts’ legal positions, granting them more unchecked power could be dangerous.

Source Notes:


(8) “Judicial precedent became constitutional,” Ibid.


Russian Federation: Security Services
By Fabian Adami

Update: MVD reforms
In the last five months, there has been a significant amount of political attention paid to reform of Russia’s Interior Ministry. A Presidential Decree on the subject was signed by Dmitri Medvedev in December 2009, mandating meaningful cuts in personnel and bureaucracy, and ordering the agency to make real changes in its vetting procedures in a declared attempt to weed out corruption. Interior Minister Nurgaliyev apparently was required to report back to the President with his reform proposals by the end of March. (1) The concept of Interior Ministry reform was introduced before the suicide bombings in Moscow last month. In the aftermath of those attacks, it was legitimate to question whether changes in fact would be implemented. It now seems that reforms are to go ahead.

On April 2, Kommersant-Vlast' reported that Nurgaliyev had signed an order creating a new “anti-corruption subdivision” within the MVD. The main roles of the “Office of the Organization of the Prevention of Corruption and Other Offences” will be to “collect, check and make public” details on the income of ministry employees, and to approve appointments and promotions. (2) Then, on April 7, the Interior Minister appeared on Militseyskaya Volna Police Radio, where he announced that personnel cuts would be achieved via the careful assessment of staff. Nurgaliyev claimed that individuals would be evaluated...
based on their “professional, moral and psychological qualities,” and that selected personnel would be offered retirement on full pension. (3) During the same interview, Nurgaliyev claimed that the MVD would soon place the “concept of a future law” on its website, where any citizen would be able to discuss it and make comment. The new law is to be presented to the Duma no later than December 1, 2010. (4)

At the time of writing, there is no indication in the press that the proposed law has been published, and obviously, judgment must be withheld until it can be properly analyzed. A legitimate question that can be asked at this time is, who will monitor and have enforcement rights over the MVD’s anti-corruption division? Without outside oversight in the form of an independent police ombudsman with powers of subpoena, investigation and prosecution, it would be naïve to believe that the creation of a new bureaucratic department amounts to a real “reform.”

**Moscow bombings redux**

On Monday, March 29, in the middle of Moscow’s peak travel hours, two explosions occurred in the city’s Metro system. The explosions took place at two locations that clearly were selected for their political and military impact: Lubyanka and Park Kul’tury, which is located in close proximity to the Defense and Foreign Ministries. By the following morning, the fatalities listed amounted to 39, with a further 70 people injured to varying degrees. The FSB moved quickly to portray the bombings as revenge for the death in a special operation less than three weeks earlier of Said Buryatsky, a leading militant operating out of the North Caucasus. 48 hours after the Moscow attack, two further suicide bombings occurred in Kizlyar, Dagestan, in which 12 people were killed. Just as was the case in Moscow, one of the blasts was targeted at the FSB, with the first blast occurring outside the agency’s regional offices. (5)

The FSB’s aforementioned claim proved incorrect when Doku Umarov claimed responsibility in a video on 1 April, insisting that the operation had been carried
out in retaliation for the killing of innocent civilians by Russian forces early in February. (6) Chillingly, Umarov repeated the warning issued to Russians weeks earlier, noting that “the war will come to your streets, and you will feel it on your own skins.” (7)

In the two weeks since the bombings some level of detail has emerged both about the perpetrators, and about the operation to which Umarov linked the attack. On April 3rd, the Russian media reported that the first Black Widow had been identified as Dzhennet Abdurakhmanova, (8) the 17-year old widow of Umalat Magomedov, a Dagestani Islamist killed on 31 December 2009. A few days later, authorities named the second bomber as Mariam Sharipova, aged 29. According to the FSB, Sharipova also was a widow, but no information on her husband was released at that time. (9)

According to the Human Rights Organization Memorial, Umarov’s reference to innocent civilians pertains to the deaths of four teenagers (one aged 16, 3 aged 19) cut down by Russian commandos while they were out “picking garlic” in the woods near the Chechen town of Achkoi-Martan. Memorial alleges that the four youths were not killed in a shoot-out, but were executed in cold blood. (10) It has been claimed (albeit by Umarov), that the commandos then mutilated the bodies with their combat knives (11) As yet, this part of the story is unconfirmed.

At the time of writing, little information has emerged about Moscow’s response to the atrocities, and it seems that the lack of detail is deliberate: On April 13, FSB Director Alexandr Bortnikov told the press only that Russia’s law enforcement agencies had, via cooperative efforts, established the “masterminds” and “circle of accomplices” behind the attacks, adding that the “necessary operations and search events” to catch or kill these individuals were already underway. (12)

It has been reported that President Dmitri Medvedev signed an order one week after the bombings, establishing a “separate permanent” inter-agency anti-
terrorist action group in the North Caucasus Federal District (13), tasked with the “systemic analysis of results of measures to solve terrorist crimes,” in order that the “effectiveness” of “joint activities” can be significantly raised. (14)

It is not surprising that little is being said at this juncture about military operations. But, from the language used in the Presidential order of April 1, it could be deduced that the attack on the Metro was, in part at least, made easier by serious intelligence failures, compartmentalization and lack of information sharing among Russia’s numerous security or law enforcement bodies. It is an interesting question to ask which, if any of the Siloviki will take (or be assigned) responsibility, and be forced to fall on their swords or be fired.

Source Notes:
(3) “Retirement on Pension To Be Main Tool to Cut Police Staff-Nurgaliyev,” ITAR-TASS, 8 Apr 10; OSC Transcribed Text via World News Connection.
(6) See The ISCIP Analyst, Volume XVI, Number 11, Part 1 (1 April 2010).
Russian Federation: Armed Forces

By Lt. Col. Andrew Wallace (USA)

Challenges to Russia’s Air Force reform

The Russian Air Force has undergone significant reform over the past year. Earlier this month Colonel General Alexander Zelin, the Air Force Commander in Chief described the transformed organization as a “qualitatively new service” of the Armed Forces. (1) Major components of the reform effort included a new command structure, consolidated logistics and modernized weapons. Despite the service’s progress, serious questions remain regarding the leadership of the officer corps, inter-service rivalry and the ability of the defense industrial complex to deliver high-tech weapons systems.
The Russian Air Force, like the Army, completed major organizational reforms in 2009. The new command structure includes 7 operational commands, 30 air force bases and 10 air defense brigades. (2) Newly acquired military transportation aviation, airborne troop’s aviation and army aviation are now included in the new structure. (3) According to Colonel General Zelin the transformation created a more “flexible” structure that is “better able to adapt to rapidly changing situation[s].” (4)

So far, the integration of military airlift has shown statistical improvement. In 2009, air transportation executed 25,000 hours and airdropped 41,000 soldiers, up 16% and 50% respectively from 2008. (5) In addition, the command resumed resupply missions to the Russian Arctic base “Borneo” for the first time in 20 years. (6)

The air force also took steps to consolidate its aviation and air defense logistics systems. On the aviation front, the air force plans to convert its aircraft maintenance activities into a holding and management company. (7) It further plans to consolidate its air defense maintenance and supply at one central facility. (8) The air force expects the new look logistics structure to be a more efficient and economical maintenance system. (9)

The new maintenance system should be well suited to manage a more modern inventory of weapon systems. According to General Zelin, the air force will need to modernize 70% of the service’s equipment by 2020. (10) So far, Russia's struggling defense industry retains a viable aviation and air defense sector. According to Prime Minister Putin, the aviation and air defense sector alone account for 60% of the nation’s defense industry exports. (11) Consequently, the expectation is that the industry should be able to meet the service’s requirements.
Leading indicators are promising with Russia’s fifth generation fighter starting test flights earlier this year, (12) and the S-500 air defense system projected for completion in 2012. (13) In addition, Strategic Aviation Commander Major General Zhikharev stated, the defense industry was working on the next generation strategic bomber to replace aging Tu-95 “Bear” bombers starting in 2025. (14)

Although the Air Force has made notable progress instituting reform, serious challenges remain. In a recent interview, General Zelin summed up the air force’s inspection cycle for 2009 as “positive.” (15) However, he did say inspectors identified major shortcomings in the “professional know-how” and “skills of the officer corps.” (16) Specific weak areas included insufficient planning and follow-up by unit commanders, imprecise orders and personal incompetence. (17) General Zelin will need the officer corps to lead at a much higher level if he expects to institutionalize the recent reforms.

Another challenge the air force will have to manage stems from the consolidation and transfer of army aviation resources to the air force. Inter-service concerns and rivalries undoubtedly will arise due to the change of asset ownership. Army commanders, who once possessed their own military airlift or combat aviation resources will now have to request that same capability from their sister service. It will be up to the air force to prioritize and fill an army commander’s requests. Army stakeholders are already speaking out. Colonel General Pavlov, former commander of army aviation recently stated, “Clearly Air Force command neither want[s] nor can deal with helicopters. Before army aviation falls to pieces completely, it should be restored to the ground troops.” (18)

Finally, despite the defense industry’s relative success in the aviation and air defense sector, serious concerns remain. In March, President Medvedev called the task of providing the armed forces with new weapon systems “extremely difficult.” (19) Specific technology shortfalls include the development of a new jet
engine, modern electronics and new onboard radar for the Russia’s fifth generation fighter in order to field the system by 2015. (20) Another technology shortfall exists in the development of the Unmanned Combat Aerial Vehicle (UCAV). So far, over 5 billion rubles in research and development have been expended by the defense industry without producing a single viable design. In fact, General Zelin said it would be “a crime” to include any defense industry UCAVs in the air force inventory. (21)

The defense industry also has failed to field an automated net-centric command and control system for the armed forces. The industry’s current troubled effort “Akatsiya,” rumored to enter service later this year, will cost the armed forces one trillion rubles to field. (22) Already defense experts are making the comparison with Bulava and Glonass, two other costly and struggling defense industry programs. (23)

The air force does not possess any quick fixes for the defense industry’s technological shortfalls. However, it can address both its leadership failures and its inter-service rivalry with the army. In both cases, General Zelin will play a pivotal role in determining the ultimate success or failure of the air force’s effort.

Source Notes:
(1) Col-Gen Zelin Sees Air Force as Basis of Russia’s Future Air and Space Defense, Krasnaya zvezda Online, 13 Apr 10; OSCE Translated Excerpt via World News Connection.
(2) Russia: Chief of Main Staff Views Air Force’s 2009 Achievements, Changing Role, Voyenno-promyshlenny kuryer Online, 9 Apr 10; OSCE Translated Excerpt via World News Connection.
(3) Russia: Military Transport Aviation Gets New Missions, Equipment, Units, Krasnaya zvezda Online, 13 Apr 10; OSCE Translated Excerpt via World News Connection.
(4) Russian Air Force Chief Commander on Successes, Exercises, Reforms, Layoffs, Vestnik aviatsii i kosmonavtiki, 28 Mar 10; OSCE Translated Excerpt via World News Connection.

(5) Russia: Military Transport Aviation, Krasnaya zvezda, 13 Apr 10.

(6) Ibid.

(7) Col-Gen Zelin, Krasnaya zvezda, 13 Apr 10.

(8) Ibid.

(9) Russian Air Force Chief, Vestnik aviatsii i kosmonavtiki, 28 Mar 10.

(10) Ibid.

(11) Russia: PM Putin Promises Development of New-Generation Strategic Bomber, newsru.com, 6 Mar 10; OSCE Translated Excerpt via World News Connection.


(13) Russia’s Air Force Chief Scores Pace of Work on S-400, S-500, Hits UAV Quality, Inline.ru, 4 Dec 09; OSCE Translated Excerpt via World News Connection.

(14) New Strategic Bomber’s R&D To Be Complete In 2010 – Source, ITAR-TASS, 6 Apr 10; OSCE Translated Excerpt via World News Connection.

(15) Russia: Air Force Commander Zelin Tallies 2009 Training Results, Voyennopromyshlennyy kuryer Online, 8 Apr 10; OSCE Translated Excerpt via World News Connection.

(16) Ibid.

(17) Ibid.

(18) Russian general speaks of decline of army aviation, Interfax-AVN Online, 21 Mar 10; OSCE Translated Excerpt via World News Connection.

(19) First Trials of New Russian Command, Control System Discussed, Russkiy Newsweek Online, 29 Mar 10; OSCE Translated Excerpt via World News Connection.

(21) Russia Spent R5 Billion on UAV Development with Zero Results, Komsomolskaya pravda Online, 12 Apr 10; OSCE Translated Excerpt via World News Connection.

(22) Paper notes failures in development of Russian command and control system, Nezavisimaya gazeta, 21 Jan 10; via Lexis-Nexis Academic.

(23) First Trials, Russkiy Newsweek, 29 Mar 10.

The thoughts and opinions expressed in this article are those of the author and do not necessarily reflect the official position of the United States Air Force, Department of Defense, or the United States government.

Russian Federation: Foreign Relations

By Alexey Dynkin

Smolensk, Katyn and Russian-Polish relations in the post-Soviet era

On April 10, 2010, Polish president Lech Kaczynski and 95 others, including prominent members of Poland’s political, military, and financial establishments, were killed when their plane crashed during landing in Smolensk, Russia. President Kaczynski and his delegation had been en route to attend the 70th anniversary commemoration of the Stalin-era massacre of Polish officers outside the village of Katyn. This shocking incident has suddenly thrust into the spotlight an old topic that, on the whole, has seen comparatively little attention in recent times, namely the relationship between two historically significant Slavic countries, Poland and Russia. Even before the victims were laid to rest, speculation began in the media about what impact this tragedy will have on the course of Russo-Polish relations. While opinions differ on whether the crash will bring the two countries closer together or propel them farther apart, what appears
certain is that the events of April 10 have caused the respective leaderships to place greater emphasis on relations with their counterparts than they have in quite some time.

The official Russian reaction to the April 10 plane crash was an expression of sympathy and goodwill that surprised most observers, especially many Poles. On the day of the crash, Prime Minister Vladimir Putin announced that he would personally take charge of the investigation of the accident, and then flew out to the crash site—a former base for military transport aircraft that has been used in recent years by visiting politicians—to meet personally with his Polish counterpart, Donald Tusk. A video of this impromptu ceremony, conducted in darkness, shows the two prime ministers each laying flowers at what appears to be a piece of fuselage from the wrecked Tu-154, then briefly embracing. (1) Afterwards, in his public statement, Putin called the crash a tragedy for Poland and “our tragedy as well.” (2) For his part, President Dmitri Medvedev promptly telephoned the Speaker of the Polish Sejm Bronislaw Komorowski, who had been appointed acting president, to express condolences. Medvedev then delivered a televised address to Polish audiences not only expressing sympathy, but declaring Monday, April 12 as a national day of mourning – an unprecedented act – never before in Russian history had a day of mourning been declared for foreign victims of a tragedy. (3) On the day of mourning itself, Medvedev along with other prominent figures including Foreign Minister Sergei Lavrov, chairwoman of the Russian Presidential Council for Civil Institutions and Human Rights Ella Pamfilova, and former Soviet President Mikhail Gorbachev laid flowers at the Polish embassy in Moscow and lit candles in memory of the crash victims. (4) It also was announced that Medvedev would attend the funeral service for Kaczynski and his wife, Maria, on Sunday, April 18 in Krakow, and these plans were not changed, despite the travel disruptions caused by the volcanic ash cloud from Iceland. Medvedev's presence at the funeral highlighted the absence of US President Barack Obama, French President Nicholas Sarkozy
and German Chancellor Angela Merkel. (5) As a result, Medvedev was by far the most significant international figure to attend the funeral.

Parallel to the official expressions of condolences by Moscow, there was a public wave of sympathy. The day of the crash, local residents of the Smolensk area arrived at the accident scene with flowers. This scene was repeated over the next several days near Polish embassies in Moscow, Kaliningrad and other Russian cities. (6) The Kaliningrad region, the only part of Russia that borders Poland, even held a memorial concert for the crash victims. (7)

In general, the mood among prominent figures in Poland, alongside the shock from the traumatic events, was one of goodwill toward Russia, expressed both through their gratitude for the outpouring of sympathy, as well as the hope for improvement in relations between the two countries. Acting President Komorowski called for "unity with the Russian nation," while Cardinal Stanislaw Dziwisz, archbishop of Krakow, was even more emphatic, referring to Russians as "brothers" and addressing the Russian president personally. (8) Even Foreign Minister Radoslaw Sikorski, who had previously referred to the Nord Stream project between Russia and Germany as the "Ribbentrop-Molotov Pipeline,"(9) declared that an "emotional breakthrough" had occurred between Russia and Poland and praised what he called Russia's "Slavic openness." (10) The theme of common Slavic heritage was sounded repeatedly in both countries as a basis for reconciliation and unity. Suspicion of Russian involvement in the crash was marginal in official circles and mainstream Polish media. One Sejm deputy, Artur Gurski, who had voiced some suspicion of foul play shortly after the crash, later issued a statement withdrawing his remarks, attributing them to the strong emotions he felt in light of the accident and its tragic irony. (11) Perhaps the lack of support for a conspiracy theory can be attributed partly to the magnitude of the event, and partly by the extraordinary openness exhibited by Moscow, which seems to have caught even traditionally wary Polish figures, such as Sikorski, by surprise.
Perhaps the most striking aspect of Moscow’s reaction to the April 10 tragedy was the extent to which Russian leaders have been willing to open the theme of the Katyn massacre itself. In his televised address, Medvedev candidly stated that the Polish prime minister had perished while on his way to commemorate Polish officers who had become victims of a totalitarian regime. (12) And on Sunday, April 11, a day after the crash, Andrzej Wajda’s 2007 film "Katyn" was aired on Russia’s Channel 1. Nevertheless, evidently uncomfortable with excessive dwelling on the Soviet past, Medvedev, speaking at Kaczynski’s funeral, appeared to feel a hint of frustration toward the topic, stating that Russia's position on the Katyn issue has been clear for a long time and has remained unchanged. (13)

Still, the combination of Russia’s expression of sympathy and relative recent openness on Katyn appears to have produced a genuinely positive reaction in Poland. In fact, relations between the two countries already had begun to improve, albeit slowly, in the past year. It was Putin who seemed to have taken the initiative to delve into the subject, first by attending the anniversary of the beginning of the Second World War in September 2009, and more recently by attending the Katyn ceremony together with Polish Prime Minister Tusk. Putin’s remarks on these topics have been a mixed bag, including his condemnation of the Ribbentrop-Molotov pact as “immoral,” managing to mention Poland’s cooperation with Nazi Germany, but at the same time praising Polish soldiers for their bravery. He also has condemned the Katyn massacre, but suggested that it may have been motivated by Stalin’s desire to exact revenge for the deaths of Red Army POW’s in Polish camps during the 1920’s, thereby implying that it might really have been the Poles’ fault. This is not exactly the kind of recognition that most Poles would have hoped for, but at least to some, including Tusk, it was a step in the right direction. For the time being, it appears that the latest tragedy at Smolensk has served to increase the momentum towards Russo-Polish rapprochement. If nothing else, it has resulted in a level of official contact
between the two countries that has not been seen in a long time. Overall, however, the impact of the April 10 crash on Russo-Polish relations will be difficult to assess fully until the upcoming Polish presidential and parliamentary elections this summer.

Source Notes:
(1) "Putin, Tusk lay flowers at plane crash site near Smolensk," video by RussiaToday, 10 Apr 10, accessed 19 Apr 10 on Youtube via (http://www.youtube.com/watch?v=B4C0q2FBURY&feature=related).
(2) "Putin promises support to Polish plane crash victims," ITAR-TASS, 11 Apr 10 via Lexis-Nexis.
(3) "Russia praised for response to Polish disaster," Agence France Presse, 12 Apr 10 via Lexis-Nexis.
(4) "Medvedev visits Polish Embassy in Moscow to pay tribute to plane crash," Russia & CIS Presidential Bulletin, 13 Apr 10 via Lexis-Nexis.
(5) "Klaus: nel'zya oprovdat' pogodoj propusk pohoron Kaczinskogo" (Klaus: weather can't excuse missing Kaczinski's funeral), Gazeta.Ru, 18 Apr 10 via http://www.gazeta.ru/news/seealso/1481373.shtml#1484692.
(6) "Prezident Pol'shy vernulsa na rodinu" (Poland's president has returned to his homeland), Gazeta.Ru, 11 Apr 10 via http://www.gazeta.ru/social/2010/04/11/3350228.shtml#comment_375141.
(9) "Russia Gas Pipeline Heightens East Europe’s Fears," The New York Times, 12 Oct 09 via
Gazprom vs. shale gas: The best laid plans of titans and men

When energy prices peaked in July 2008, Russia’s ascendance to energy superpower status was pronounced a fait accompli, thanks to its national champion, the state gas monopoly Gazprom, which that year achieved unmatched output accounting for around 17 percent of total world gas production. (1) During the past decade, Gazprom emerged as a titan among multinational energy majors by seizing a commanding share of the international gas trade concentrated mainly between Russia and Europe, an export strategy that the company has sought to expand through its recent efforts to gain a foothold in dynamic markets farther afield. Among other prospective customers,
Gazprom targeted US markets for Russian liquefied natural gas (LNG) shipments and, in 2006, the company announced its intention to supply ten percent of US gas needs by 2010. (2) That ambition failed to materialize. Instead, in 2009, the US overtook Russia to become the world’s leading gas producer, thanks to new drilling technologies that have transformed US natural gas production in the past five years, raising the country’s proven reserves by around 40 percent. (3)

The shift in US production has been quite literally tectonic, as new methods of extraction access natural gas deposits trapped in dense beds of shale rock miles underground. Hydraulic fracturing technology, which uses an emulsion of water, sand and chemicals to crack shale rock, marks an advance in gas production that is being hailed as “the biggest energy innovation of the decade,” by Daniel Yergin, chairman of the Cambridge consulting group, who marvels at the fact that the industry missed the eureka moment of the new technology: “there was no grand opening ceremony for it. It just snuck up.” (5)

Despite its quiet arrival, shale gas already has had a significant impact on the international gas trade. Around 20 percent of US natural gas production is attributed to shale gas, representing an overall increase in supply that has saturated the national energy market. While the US domestic market eventually will absorb the majority of new supply, there are signs that the gas glut is spreading to global energy markets, as LNG shipments originally destined for the US divert their cargoes to other ports. European countries have become prime destinations for these additional gas supplies, because they have the infrastructure to convert LNG for domestic use. Thus, it is in Europe, where successive years of reduced demand in the recessionary period, coupled with the recent abundance of LNG deliveries, that a gas glut has emerged on a magnitude capable of jeopardizing Gazprom’s position as a leading energy supplier to regional markets. (6) Among Gazprom’s key customers, the glut is pushing spot prices for LNG far below the price of Russian gas, pegged to crude oil prices. (7) European consumers operating under long-term supply contracts
with Gazprom have begun to tamp down their use of comparatively more expensive Russian gas, in order to take advantage of the recent influx of cheap energy. (8)

One tantalizing possibility raised by the advent of shale gas is the promise of energy independence it holds for Poland. The country presently gets over 70 percent of its gas supplies from Gazprom, yet customers in Poland harbor deep mistrust for the gas giant that they regard as a coercive arm of the Kremlin. (9) Poland's leaders, eager to recreate an American-style shale gas bonanza in Eastern Europe, have welcomed US cooperation in what they hope will become a transformative energy initiative. "Production of shale gas in Europe can change its energy paradigm," Polish Foreign Minister Radoslaw Sikorski told US envoys. (10) This spring, US energy majors began exploratory drilling in Poland's shale beds, where they hope to confirm estimates that put Polish shale gas reserves at three trillion cubic meters, an amount equal to 200 years' of domestic supply. (11) Such a significant find would give Poland the resources it needs to replace its primarily coal-burning power plants with gas-powered plants, enabling the country to reduce its CO2 emissions, and may even present an opportunity for Poland to become a net gas exporter to its European neighbors.

As an incidental matter, the advent of shale gas production has raised the profile of the international LNG trade and highlighted the capacity of LNG exporters to respond to abrupt shifts in the global gas market. Whereas consumers who receive gas deliveries via pipelines are constrained from taking advantage of the current resource oversupply and attendant fall in commodity prices by fixed, oil-indexed contracts, the exporters and importers who trade in LNG volumes meet short-term needs on spot markets where the price of gas, uncoupled from the price of oil, offers a fair reflection of prevailing global market conditions. Of course, the high degree of flexibility that characterizes the LNG trade could give leading gas exporters the leeway they need to form an OPEC-like cartel that seeks to drive up global energy prices. Algeria raised the idea of coordinating
production levels as a means of solving the global supply glut and stabilizing weak gas prices at a recent meeting of the Gas Exporting Countries Forum, a group of the world’s biggest gas producers, but the proposal was nixed by other members, including Russia’s Energy Minister Sergei Shmatko, who dismissed the idea of cutting pipeline deliveries or LNG supplies as impossible. (12)

Unsurprisingly, the reaction of Gazprom officials to the advent of shale gas production has been decidedly wary. Gazprom Deputy CEO Alexander Medvedev has attacked shale gas projects as “dangerous” and found it “unimaginable” that Europe would permit shale gas production, which, he suggested, might contaminate drinking water. (13) In a different vein, Medvedev tried to put a brave face on current events by predicting that gas prices will rebound on a rising economy in 2012. Although most industry experts do not see the gas glut drying up anytime before 2015 and do not endorse his rosy prognosis, Medvedev announced company plans to boost Gazprom’s output to record levels year-on-year for the next three years, in anticipation of a complete turnaround of European markets. (14) Behind the bully forecast, Gazprom has been quietly adjusting its strategy to uncertain market conditions, renegotiating agreements to phase out imports of Turkmen gas, and postponing several major new gas field projects, including the long-anticipated development of the Shtokman and Bovanenkovo gas fields, that Gazprom will soon depend upon to meet its supply commitments in coming years. (15) The company’s decision to defer investment in new gas field development, in order to finance and build a new pipeline that it will use to deliver gas to established markets with relatively inelastic demand, as it has done with its recently-launched Nord Stream pipeline to Western Europe, suggests that Gazprom’s attention is focused on securing long-term delivery commitments with European customers, rather than scanning the horizon for new markets to conquer. For energy industry observers who came to know Gazprom as an indomitable industry titan in former years, the company today seems somehow diminished, even less inclined to rattle its neighbors. Perhaps the company is mirroring the depressed natural gas market,
or simply consoling itself for its failure to anticipate the shale gas phenomenon that has cost it a potential new market and allowed US producers to challenge its global standing.

Source Notes:
(8) Ibid.


(15) Ibid.

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