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Russian Federation: Executive Branch

By Susan Cavan

PRESIDENCY
Dissident praise for Putin President

Vladimir Putin met with one of the Soviet era's most famous dissidents, Aleksandr Solzhenitsyn, last week, and somehow, incredibly, won him over. In an interview following the meeting (OFFICIAL KREMLIN INTERNATIONAL NEWS BROADCAST, 22 Sep 00; Federal News Service, via lexis-nexis), Solzhenitsyn made no mention of the president's KGB connection, choosing instead to praise him for his "lively intelligence" and "extremely circumspect" judgments. Solzhenitsyn also singled out Putin's stance that "self-government is the foundation of our existence" as a profound commentary on his democratic ideals. While Solzhenitsyn disagrees with Putin's attempts at reforming the Federation Council, he does approve of the concept of appointing, rather than electing, regional leaders. Apparently the two share a deep concern over the potential disintegration of the country. He also found common cause with the president concerning the need to root out state corruption and reconstruct the country's cultural sphere.

Solzhenitsyn's remarks, as inexplicable as they may be, certainly gave President Putin's image a needed boost, as his regime's heavy-handed dealings with the media came under increasing scrutiny in the last two weeks. Both Boris Berezovsky and his longtime rival, Vladimir Gusinsky, toured the United States to discuss their treatment by the current Russian government with journalists and politicians. (More on Gusinsky in the Government section)

A purge in the making?
Close Kremlin adviser Gleb Pavlovsky is generating a lot of controversy these days. In addition to being identified as one of those who advised the president on the Kursk incident, he has also waded into the media wars, suggesting that the Kremlin needs an organ to deal with "information threats." (SEGODNYA, 22 Sep 00; What the Papers Say Agency, via lexis-nexis) There is some speculation that such a unit has already been established within the presidential administration, and there is further concern that its tasks will include collecting Kompromat on independent media figures and countering unflattering reports with propaganda. Segodnya identifies Simon Kordonsky, a friend of Pavlovsky and deputy head of the administration's analytical department, as the director of part of this unit's work. Vladislav Surkov, another deputy head of the administration, is also mentioned as coordinating the work of this "rapid response team," which, of course, includes members of the security services.

It may be that Pavlovsky's call to establish an information center is, in fact, an attempt to gain official status for the Kremlin unit, which apparently exists currently only in an informal, unofficial capacity. Pavlovsky, who also edits an Internet site, Russky Zhurnal, made a far more astonishing claim in a recent article. According to Obshchaya gazeta (9 Sep 00; FBIS-SOV-2000-0908, via World News Connection), Pavlovsky wrote that "the regime already knows that it has been abandoned by its own elite." He then suggested a "renewal" of the elite. This renewal "should entail some kind of purge of the political elite in the capital." The Kremlin adviser went on to discuss the long-term nature of upcoming initiatives, and the need for a new political team to carry them out. Pavlovsky added a sense of urgency to the task, claiming it needed to be done within "two or three months."

Pavlovsky's remarks may refer primarily to a shakeup of Kremlin personnel, but with widespread rumors that Kasyanov's term as prime minister might be short-lived, it is likely that there will be changes coming to the government as well. One hopes that Pavlovsky's purge will involve pink slips, not jail terms.
GOVERNMENT

Lesin takes heat over Media-MOST

Vladimir Gusinsky finally revealed why he made the sudden decision last July to sell his controlling stake in Media-MOST to Gazprom, and it's sure sounding like submission to blackmail. Gusinsky produced an addendum to the sale agreement that promised to stop the fraud case against him in return for the stock. The fraud charges were subsequently dropped. The deal was also signed by Media Minister Mikhail Lesin.

Gusinsky is attempting, from abroad, to get the deal voided because he was forced to sign under duress, with the threat of jail. However, the Gazprom liaison, Gazprom-Media chief Alfred Kokh, charged that Gusinsky had moved Media-MOST assets offshore and claimed that a court had already ruled to seize the shares. "Today, bailiffs are due to apply this ruling and put those shares under sequestration," Kokh announced last Thursday. (AGENCE FRANCE PRESSE, 1100 PDT, 21 Sep 00; C-afp@clari.net) The level of outrage over the government's pressure tactics caused President Putin to order an investigation of Lesin's involvement. Lesin admits to signing the document, but claims he was not acting in his capacity of the government's media minister, but rather as a witness. Lesin later claimed that the deal was struck "entirely at the initiative of Media-MOST and Gusinsky in particular." (AGENCE FRANCE PRESSE, 0450 PDT, 20 Sep 00; C-afp@clari.net) Batting the ball back to the Kremlin's court, Lesin also said he had submitted the deal to the Putin administration. Prime Minister Kasyanov has met with Lesin as part of the investigation into the incident, but there has been no announcement of a resignation or reprimand.

Outrage over outages

Unified Electrical Systems (UES) head Anatoli Chubais has taken the heat over rolling electrical outages in Sverdlovsk and Chelyabinsk regions, among others. On 9 September the Mayak nuclear fuel processing plant was without power for
45 minutes. At the Beloyarskaya nuclear plant, the problem was an electrical surge which forced workers to shut down the plant's reactor. (ITAR-TASS, 1208 GMT, 11 Sep 00; FBIS-SOV-2000-0911, via World News Connection) In a conflict over arrears, UES turned off electrical supply to the 98th Ivanovo Airborne Division, but troops took over a nearby power station and reconnected the energy supply. (RIA, 1338 GMT, 12 Sep 00; FBIS-SOV-200-0912, via World News Connection) Putin responded to the incident by ordering the prime minister to make sure no other strategic forces were left without electricity. On 13 September, Chubais finally issued a decree calling for an end to the UES policy of cutting electrical supply to military units.

**Russian Federation: Security Services**

*By Luba Schwartzman*

'Cops and robbers,' 'terrorists and hostages'

In what appears to have been a drunken prank, several gunmen held three hostages at a small hotel in the Lazorevskoye district, near the Black Sea resort city Sochi, demanding US$30 million or the release of all Chechens held in Russian jails. After negotiations with Federal Security Service (FSB) specialists, the hostages were released and the gunmen (including, reportedly, a long-time drug addict and a former mental patient) surrendered. The behavior of the "hostages," however, has caused doubt concerning the authenticity of the incident. First Deputy Interior Minister Vladimir Kozlov announced that there are "strong suspicions that in actual fact there were no hostages -- a situation involving bogus hostages was staged." (INTERFAX, 0744 GMT, 22 Sep 00; via lexis-nexis) German Ugyumov, the deputy head of the FSB, told reporters "those who had to be arrested have been arrested. All hostages have been freed," but did not specify numbers, explaining that this was up to the prosecutors to decide. (MOSCOW TIMES, 23 Sep 00; via www.themoscowtimes.com)
The chain of reprimand
It should not shock those familiar with Russian (and Soviet) politics that, even as the government supports Gazprom in the conflict with Media-Most (regarding the transfer of Media-Most assets to Gazprom in lieu of repaying the US$473 million debt backed by the gas company), an action is being prepared against Gazprom itself. The newly formed advisory committee of the Audit Chamber, headed by Sergei Stepashin, the former interior minister and prime minister, promises to be a strong organ, with close links to the Federal Security Service, the interior ministry, the prosecutor general's office and the tax police, as well as to President Putin himself. An investigation of Gazprom's activities is at the top of Stepashin's priority list. (GAZETA.RU, 19 Sep 00; via Johnson's Russia List) The Audit Chamber's deputy chairman, Yuri Boldyrev, has given a hint concerning the line of attack against Gazprom: "It would be enlightening to know," he declared "why Gazprom, in which the state owns a controlling interest, should invest in, say, Media-MOST rather than in development." (EKHO MOSKVY, 20 Sep 00; via lexis-nexis)

'Constructive cooperation'?
The power organs are looking also to increase and consolidate their influence by supporting men whose background is linked to them in regional elections. A document reportedly drafted at the FSB for the Security Council calls, in no uncertain terms, for the victory of "men loyal to the president and ready for constructive cooperation," and thus for the "support and promotion of acting and former members of the FSB, security services, and the Armed Forces to positions in local power structures." The beneficiaries of such encouragement include Mikhail Grishankov, an ex-FSB official running for Chelyabinsk governor; Victor Shamanov, the 58th Army commander general running for Ulianovsk governor; Admiral Yegorov, running for Kaliningrad governor; former checkist General Yegorov for Mary El leadership; and Vladimir Kulakov of the FSB's Voronezh Regional Directorate, running for Voronezh governor. (VERSIYA, 25 Sep 00; via lexis-nexis)
Russia's flights to Iraq: testing the limits of UN sanctions

Long-simmering tensions in the UN Security Council reached a boil recently as Russia defiantly sent flights carrying "humanitarian aid" to Baghdad. Over the past month, Russia has used a series of these flights to test the limits of UN-imposed sanctions on Iraq and signal its impatience with US and British insistence on sanctions, as long as Saddam Hussein refuses to comply with international obligations.

Russia's defiance should not overly surprise the US or Britain. Within the Security Council, Russia, China and France have spent years trying to overturn the sanctions, especially since Iraq expelled weapons inspectors in 1998. However, Iraqi opposition to the return of UN weapons inspectors in exchange for an easing of sanctions has prevented the Security Council from making any headway. Although the restrictions have always allowed proceeds from the sale of oil to be used to purchase medicine and food, the Russian government has claimed that the United States and Britain are "punishing the Iraqi people" unfairly. As a result, all attempts to either introduce new weapons inspectors or ease sanctions have been stymied. (See THE NIS OBSERVED, 27 Sep 99)

After years of deadlock, Russia sent plans carrying "humanitarian aid" to Iraq on 21 August, 17 September and again on 23 September, amidst objections from the US and Britain that the flights were a "blatant violation" of the 1990 sanctions. (DEUTSCHE PRESSE-AGENTUR, 1000 GMT, 23 Sep 00; via lexis-nexis) However, Russia denies that it has broken the sanctions by sending passenger flights to Baghdad. Not surprisingly, the Security Council has split between those who follow the interpretation that the sanctions do include an air embargo -- led
by the US and Britain -- and those who do not -- led by Russia and France.  
(AGENCE FRANCE PRESSE, 18 Sep 00; via RussiaToday.com)

The question is whether or not the flights constitute economic activity, which is specifically banned by Resolution 687. Russia has argued that passenger flights and humanitarian aid do not constitute economic activity, but the presence of various "entrepreneurs" identified by Western press reports as oil experts suggests that the flights are not just serving a humanitarian purpose. Over the past 10 years, Russia has developed its interests in the Iraqi oil sector despite the sanctions. At least one Russian oil firm, LUKoil, already has an oil contract with Iraq and other contracts are currently being negotiated by other companies which would take effect once the oil embargo is lifted. US Secretary of State Madeleine Albright derided the supposed "humanitarian nature" of the flights, saying that she had "just learned authoritatively that the Iraqi leadership was using some of the revenue [from Oil for Food sales] to import 12,000 cases of scotch whiskey per month." According to the secretary, "that's 12 bottles to a case. I'm not sure that's food or medicine." (AGENCE FRANCE PRESSE, 14 Sep 00; via lexis-nexis)

Although the flights have created a stir in the Security Council, they constitute a simple way for Russia to demonstrate concrete support for Iraq. Even with oil experts aboard, the flights carry nothing that the Iraqis haven't already been receiving from Russia, since until recently oil experts had been traveling to and from Iraq by "indirect routes." (REUTERS, 20 Sep 00; via RussiaToday.com) However, these indirect routes to Iraq allowed Russia to uphold the air embargo that it now maintains is nonexistent. Despite this technicality, Russia will undoubtedly bolster its relations with Iraq by taking such a defiant stance vis-à-vis the US and Britain.

Notwithstanding these events, it is interesting to note that Secretary Albright and Russian Foreign Minister Igor Ivanov apparently have not allowed state tensions
to imperil their ostensibly good personal relations. For Ivanov's birthday last week the secretary gave Ivanov a scooter and helmet which he jokingly suggested he might use to get around the foreign ministry. (REUTERS, 23 Sep 00; via RussiaToday.com)

**Li Peng visits Russia: expanding the limits of partnership?**
Chairman of the Chinese Parliament Li Peng's visit to Moscow from 11-20 September was most notable for its duration and the number of appointments he kept. During his nine-day visit, Li met with Russian President Vladimir Putin as well as many other high-ranking Russian officials and former officials including Foreign Minister Ivanov, Prime Minister Kasyanov, former President Boris Yel'tsin, and former prime ministers Yevgeni Primakov and Viktor Chernomyrdin. (AGENCE FRANCE PRESSE, 12 Sep 00, via RussiaToday.com) If published results are reliable, however, the visit produced nothing new, becoming instead a forum for Russia and China to reiterate their well-known common stances on a variety of issues.

The visit does illustrate the emphasis which Russia and China place on bilateral contacts as a means of improving their overall relations. This is especially true despite Russo-Chinese bonds in the military-technical sector. Even with the quantity and quality of arms sales increasing, bilateral tensions on specific issues and unrealized economic opportunities remain. While Li's trip did not resolve these issues, it and several other exchanges this year have helped maintain a running dialogue that might otherwise be lost.

Economic cooperation, for example, has been an area of much rhetoric but little action in Russo-Chinese relations. Despite Russian desires to expand relations dramatically and joint pledges to raise trade turnover to $20 billion by 2000, Russo-Chinese trade hovers at only one-sixth of that amount. (ITAR-TASS, 1346 GMT, 8 Sep 00; FBIS-CHI-2000-0908, via World News Connection) But during Li's visit with Putin, economic cooperation took high priority. Although the
meeting apparently produced nothing more than additional calls to improve economic cooperation, the visit was timely, since it foreshadows Prime Minister Kasyanov's visit to China scheduled for November at which economic cooperation will top the agenda.

Tensions in the Russian regions bordering China's northern provinces also received much rhetorical attention, but few actual attempts to remedy long-standing animosities, especially along the area of the Amur which remains to be demarcated. During his visit to Russia, Li visited Novossibirsk and Vladivostok in the Russian Far East while a separate Chinese delegation from China's neighboring provinces visited Khabarovsk to discuss demarcation, pollution, and agreements to boost fish stocks, all of which have complicated relations with the regions. (ITAR-TASS, 0845 GMT, 11 Sep 00; FBIS-CHI-2000-0911, via World News Connection)

Russian Federation: Domestic Issues and Legislative Branch
By Michael Thurman

FEDERAL ASSEMBLY
Who is going to pay for the proposed increases in defense spending?
The Defense Committee of the Duma has given its support to Putin's proposal to increase defense spending from 206 billion rubles (R) to R271 billion. The committee deputy chairman, Nikolai Bezborodov, explained the decision by claiming that, "To my mind, an increase in expenditure, proposed by the Russian chief executive, is quite justifiable." Since, he added, the budget is deficit-free and gross domestic product is rising, Russia could afford to allocate 3.5 percent of GDP to defense needs. (ITAR-TASS, 0823 GMT, 7 Sep 00; FBIS-SOV-2000-0907, via World News Connection)
Such gross misunderstandings of state financing are as distressing as they are common. Bezborodov misses a crucial point: States cannot remain financially solvent by simply wishing away prior debt. For example, although the presently debated budget may be balanced, on paper, the Russian state is still in debt. Also, the rate of growth of GDP is only relevant to the national debt to the degree that the state can collect taxes. It is common knowledge that the federation is having some problems in this regard. Perhaps Bezborodov’s comments are meant for the Russian people who know too well the sad state of their country’s military.

POLITICAL PARTIES

Regions are still restless
In spite of President Putin’s measures to rein in regional independence, opposition to Moscow continues, if less brazenly. In Krasnoyarsk, the regional governor and former Russian security chief Alexander Lebed set up a "non-political" party to oppose Putin’s intention of grabbing a greater share of regional income for the center through new tax legislation. Lebed expects that the majority of leading local businessmen and politicians will join.

Lebed describes the organization as "a moral union of people who may disagree on many points except for one -- none of us are indifferent to what will happen to Krasnoyarsk territory. Today the territory lives off its own means: it is humiliating to beg. Especially for a territory like ours. Moreover, they may give us nothing. We must do everything to preserve the territory as an economically independent region. And all of us will have to work for this." (INTERFAX, 1333 GMT, 9 Sep 00; FBIS-SOV-2000-0909, via World News Connection)

Even though Putin’s popularity remains high among the public, it is clear that the struggle for power between the center and the regions has not disappeared. A recently passed law would allow Putin to remove an intransient governor. Putin
might try this with Lebed should his organization lead to outright opposition to Moscow, but the governor would certainly not go willingly. The resulting standoff would only serve to hurt Putin's reputation as an effective chief executive, although he could always find a scapegoat. Rather than constructing organizations designed to constrain regional impulses for independent action, Putin would be better off if he worked to improve the effectiveness of state administration so as to make such independent activity unnecessary.

JUDICIARY

Supreme Court clears environmentalist 'traitor' -- finally

After almost five years, it looks like the federal prosecutor's case against former naval officer and environmentalist Aleksandr Nikitin finally has been settled. The Russian Supreme Court has thrown out the prosecutor general's objection to the court's original verdict of innocence handed down last April. (RIA, 0735 GMT, 13 Sep 00; FBIS-SOV-2000-0913, via World News Connection)

Nikitin was arrested originally on 6 February 1996, but was later released on his own recognizance. The St. Petersburg branch of the Federal Security Service charged him with espionage and divulging state secrets by contributing unclassified information to a Norwegian environmental organization's report on the radioactive effects of Russia's northern fleet.

The true reason for Nikitin's arrest and harassment may never be known, but the Russian military does not like to be embarrassed, as the Kursk tragedy made clear. The wheels of justice in Russia may not be swift or sure, but once in a while, they lurch, almost unexpectedly, forward.

Newly Independent States: Western Region

By Tammy Lynch
The same, but different

The Russian oligarchs are not so different from their Ukrainian counterparts, according to two reports released this month which demonstrate the striking similarities between levels of corruption in the two countries.

The bad news began when the non-profit Transparency International released its annual Corruption Perceptions Index (CPI), naming both countries as among the most corrupt of the 90 surveyed, although Ukraine was named as the more corrupt of the two. (TRANSPARENCY INTERNATIONAL CPI AND PRESS RELEASE, 13 Sep 00) Then, the World Bank released its report on corruption, also giving both countries abysmal ratings. In fact, the bank scored both countries identically in its assessment of the level of "illicit, illegitimate and non-transparent forms of influence" by "private interests" over state functions. According to the report, 32% of corporations surveyed in both Russia and Ukraine were affected in some way by this corruption based on illicit influence. (WORLD BANK REPORT, "Anticorruption in transition: A contribution to the policy debate," Chapter 1, Sep 00)

At about the same time that this report was being released, however, a funny thing happened -- the bank also announced that it will probably grant Russia a new loan package worth $1.1 billion. "In principle it is possible we could have an agreement by the end of this year, although it could spill over into next year," World Bank Vice President Johannes Linn told reporters at the International Monetary Fund/World Bank meeting in Prague. Linn emphasized how impressed he was by the willingness of the Russian government to listen, and by President Vladimir Putin's attempts to rein in local governments. (REUTERS, 1055 GMT, 22 Sep 00; via America Online)

At the same press conference, however, Linn severely criticized Ukrainian President Leonid Kuchma. "The big question is whether the president will support
the government moving forward," he told reporters, and suggested that Ukraine was the most disappointing of all post-Soviet countries. Linn's comments came just days after the bank said it was considering a new incentive-based program of lending to Ukraine. His comments, unfortunately, suggest that there is much work to be done before the bank's program for new lending is actually implemented.

Earlier, Julian Berengaut, head of the IMF mission to Ukraine, had spoken of being worried that the country's revenue projections from privatization are unrealistic. "As to the possibility of [Ukraine] receiving funds before the year's end, as I said, I do not want to speculate," he said. (REUTERS, 0730 GMT, 12 Sep 00; via America Online)

Although Berengaut did not elaborate extensively on the issues involved, it is clear that privatization, corruption and inefficiency of state apparati -- resulting in inadequate revenue collection -- are among the IMF's top worries. These are indeed areas that should be of concern, as the Ukrainian economy continues to sputter forward unevenly. Clearly, Ukrainian privatization has moved more slowly than almost any other former Soviet republic, corruption remains rampant (and is growing in some areas), and inefficiency continues to be a problem.

But, how is this so very different from Russia? Privatization may have moved much more quickly there, but it resulted in a process that was notoriously corrupt, and that left most formerly state-owned corporations under some type of government control or influence. As noted above, corruption there also remains rampant, and inefficiency also continues to be a problem. In addition, the Russian government continued until very recently to print money regularly, and has engaged in interesting accounting practices to fund operations like the Chechen campaign.
Also, according to many economists, much of the recent Russian economic success has nothing to do with new policy and everything to do with soaring energy prices. "Thanks to high oil and gas prices," the Economist stated, "the value of Russian exports is soaring. In the first quarter of this year, they were worth $23 billion, up from $16 billion a year ago. Oil and gas accounted for almost all that increase." The article notes, however, that inflation may reach 35% by year-end, and the ruble is rising against the dollar. "So, the economy remains acutely vulnerable. Its fragility is a result of the lack of structural reform since the financial crisis. With some exceptions, most Russian companies are still run inefficiently by crooked managers, using worn-out equipment to produce cheap, low-quality goods." (THE ECONOMIST, 8 Jul 00)

While Linn's statements seem to ignore the negative trends in Russia, they simultaneously ignore the positive trends in Ukraine. The country, for example, will post a positive GDP growth for the first time in several years. It is reforming its tax code, and has vastly increased its tax collection. Its wage and pension arrears are significantly reduced. Its FY-2000 budget has been praised by the IMF and will result in only a negligible deficit at year-end. And, it has a president and parliament that work together.

Still, the country is out of the IMF money, while Russia, suffering from many of the same ailments, continues to be in. It could not have happened at a worse time. No doubt sensing weakness and isolation, Russia has increased its pressure on its wayward neighbor; from energy debt to the Russian minority to customs and excise questions, Russia is bearing down.

Unfortunately, the longer Ukraine goes without foreign lending support, the more difficult it becomes to resist Russia's requests for state assets as payment for debts. This could begin a frightening upward spiral of Russian influence in the Central European area, affecting not only Ukraine, but also its NATO neighbors.
just over the border and its fellow GUUAM members. The seemingly oft-forgotten concept of balance would be a thing of the past.

Ukraine, unfortunately, has no oil to sell to make up a budget shortfall, it has no nuclear missiles to serve as a threat, no former Soviet assets, capital or property to use for bargaining, and it has no Putin to convince the world that reforms are coming even if no specifics are given. It does, however, have a government that seems to have made great strides in the country's most difficult year since independence and the potential finally to climb out of this economic depression. Obviously, the West has decided that supporting the new Russian government is preferable to "losing" it to Putin's leftist opposition. One can only hope that the West will decide that supporting the Ukrainian government is preferable to "losing" it to Russia.

Newly Independent States: Caucasus
By Miriam Lanskoy

CHECHNYA
Human rights groups appeal to PACE
In separate statements this week, Memorial and Human Rights Watch have called on the Parliamentary Assembly of the Council of Europe (PACE) to hold the line on human rights abuses in Chechnya. PACE will hold sessions this week to discuss a draft resolution that would require Russia to carry out the promises it had made earlier before regaining its privileges in that body. PACE suspended Russia's voting rights in April 2000. Memorial sent an open letter to the CE members detailing all the areas in which Russia has failed to improve its human rights record or meet PACE demands -- indiscriminate bombings and disappearances continue and there is no political dialogue in sight. Russia is still denying international observers access to detention centers and has failed to discipline or investigate servicemen accused of abuses against the civilian
For its part, Human Rights Watch has documented more than 130 summary executions in addition to cases of torture and detention.

AZERBAIJAN

First victim of the millennium summit
Since President Heydar Aliev went into a Cleveland clinic two weeks ago, rumors have been multiplying steadily. Then on Monday, Aliev was reported dead by Gazeta.ru. This "news" set off a whole chain reaction of faulty information, which even included news of a coup in Azerbaijan. The rumor was finally put to rest when Aliev conducted a telephone interview with an Azerbaijani news service. Aliev explained that he had contracted pneumonia by shaking hands with diplomats at the UN, the halls of which were quite cold. He further explained that he had maintained regular contact with his ministers and his son, Ilham, who have kept him abreast of the matters of state and the Olympic games, respectively. (ANS NEWS, 26 Sep 00)

Wahhabis killed Kirov! (and Elvis too)
Not to be outdone by their Central Asian colleagues, the Azerbaijani security services crushed the "Army of Allah," the latest in a string of alleged Islamic terror organizations that according to some regional governments have sprouted up all over Central Asia and the Caucasus.

Two weeks ago, 15 suspects were arrested and accused of staging the December 1998 attack on the Baku offices of the European Bank for Reconstruction and Development (EBRD) and the 1999 murder of a famous psychic, Etibar Yerkin. (IWRP, 22 Sep 00) The group, which operates from a mountain fortress, is accused of espousing extreme religious views and accepting funds and guidance from foreign sources.
Reportedly, the military section of the Supreme Court is already close to sentencing the accused. The leader has confessed and explained his actions by religious theories and motivations. He stands to be sentenced to life imprisonment. His accomplices may face sentences of up to 94 years. (DAILY NEWS SERVICE, Glasnost North Caucasus, 27 Sep 00)

Azerbaijan's security ministry says that the "Army of Allah" was committed to spoiling relations between Azerbaijan and foreign partners, such as Russia and the West. That explanation may provide a clue as to real motives for the belated but resolute action on this case. That Azerbaijan has come under a barrage of unfounded Russian accusations of shielding Chechen fighters was fairly predictable. Being singled out as a "hub of international mujahadin" in a US state department report on terrorism is something else entirely. (See THE NIS OBSERVED, 2 Aug 00) Perhaps the Azerbaijani government has noticed that the state department parrots the Russian line, particularly when it comes to the fashionable and mysterious "wahhabis." Unfortunately, if you are a small vulnerable state, smashing "wahhabis" might be the best strategy to please both masters.

Newly Independent States: Central Asia
By Lt. Col. James DeTemple

Regional peacekeeping exercise underscores West's commitment to area
NATO and the US conducted a regional peacekeeping exercise, called CENTRASBAT 2000, in Kazakhstan within the framework of NATO's Partnership for Peace (PfP) program in September. The exercise was designed to improve the ability of the Central Asian Battalion, CENTRASBAT, to work together smoothly with NATO and PfP member countries in carrying out peacekeeping and humanitarian relief operations. CENTRASBAT, formed in May 1996, is NATO's chief military engagement instrument in Central Asia.
CENTRASBAT is based in southern Kazakhstan and consists of 500 troops from Kazakhstan, Kyrgyzstan and Uzbekistan. CENTRASBAT exercises have been held annually since 1997, primarily in Central Asia. More than 2,000 troops from Kazakhstan, the United States, Uzbekistan, Kyrgyzstan, Georgia, Azerbaijan, Mongolia, Turkey, Britain and Russia participated in CENTRASBAT 2000. (INTERFAX, 13 Sep 00; via lexis-nexis) This year's exercise was adapted more toward Central Asia, focusing on regional security, and included patrolling and security operations to help the Central Asian states improve border defense. The US has already provided Uzbekistan's border troops with all-terrain vehicles for patrolling and two-way radios and other equipment for use in the Pamir Mountains to help strengthen border security against recent guerrilla attacks. (KOMMERSANT, 6 Jul 00; via the Current Digest of the Post-Soviet Press)

The importance of regional security has been highlighted by Islamic insurgencies in three Central Asian states. The Islamic Movement of Uzbekistan (IMU) staged several incursions in August into a remote mountainous region bordering southern Kyrgyzstan and Uzbekistan from bases in Tajikistan. The rebels' apparent goal is to carve out an Islamic state in Central Asia's Fergana Valley. The valley is a "melting pot" of ethnic groups at the heart of Central Asia, which has recently experienced a resurgence of Islamic religious fervor. The multi-ethnic nature of Fergana is rooted in the Soviet period, during which the valley was divided among the three Soviet republics of Kyrgyzstan, Tajikistan and Uzbekistan.

With the dissolution of the USSR in 1991, these newly independent states retained their borders, "which not only divided populations and economies, but also left most of the valley cut off by mountains from the three new countries' main political centers." After the dismantling of the Soviet Union, many experts believed that "wars would break out in Fergana, as they did in the Balkans and the Caucasus." (IISS STRATEGIC COMMENTS, Jul 00)
US Army General Thomas Franks, commander-in-chief of United States Central Command, said "one of the reasons we believe it is so important to have the Central Asian battalion exercises is to be able to handle these internal regional problems such as the IMU." In addition to maintaining a presence in Central Asia, the IMU projects power operating from bases in Afghanistan. General Franks also stated his "assessment of the IMU activity as it comes out of Afghanistan and Tajikistan is very troubling." (AGENCE FRANCE PRESSE, 13 Sep 00; via lexis-nexis) The IMU was recently added to the Clinton administration's list of international terrorist organizations for having links to a global terrorist network.

Besides international terrorism, NATO and the US are concerned about Moscow's renewed interest in the southern periphery of the CIS as evidenced by its rapprochement with China and Iran, as well as its efforts to reestablish strategic partnerships with the Central Asian states. During a visit by NATO Secretary-General George Robertson to Central Asia in July, NATO military officials said, "the North Atlantic alliance is rather nervous about the possibility of a strategic reorientation of the Central Asian countries away from NATO and toward Russia." (KOMMERSANT, 6 Jul 00; via the Current Digest of the Post-Soviet Press) Russia is also using the CIS collective security system and Shanghai-5 organization to preserve its military presence in Central Asia.

According to the Central Asia-Caucasus Institute at the Johns Hopkins University, "Russia desires to establish as wide a Central Asian coalition in support of Russia's lasting regional presence in Central Asia as possible." (CENTRAL ASIA-CAUCASUS ANALYST, 13 Sep 00) NATO and the US, however, stress that they do not necessarily see their goals in Central Asia as a "zero sum game" with Russia, and that all interested parties would benefit from stability and prosperity in Central Asia. NATO and the US recognize the geostrategic importance of Central Asia. According to Robertson, "Central Asia is included among NATO's top priorities for the coming years." As such, PfP remains an important NATO "engagement tool" in Central Asia. Additionally,
NATO can provide expanded opportunities within PfP for the Central Asian states from responding to disasters and improving civil-military cooperation to implementing military reform.

In this way, NATO and the US can promote long-term regional stability in Central Asia, as well as help the Central Asian states learn how to defend themselves, thus preventing regional powers from intervening in Central Asia to fill a security vacuum.

**Newly Independent States: Baltic States**

*By Kate Martin*

**ESTONIA**

*Integration is proceeding slower than might be hoped*

A recent survey has shown that, while the Estonian government is working toward integration of non-citizens, the unsanctioned memorandum advocating the repatriation of many Russians (discussed in THE NIS OBSERVED, 13 Sep 00) may be closer to the feelings of everyday citizens. According to a Saar Poll commissioned by the Integration Foundation and involving over 1,000 residents from across Estonia (chosen to correspond with the ethnic structure of the population), nearly one-half of ethnic Estonians believe the country would benefit from the departure on non-Estonians. Forty-five percent of ethnic Estonians believe non-Estonians are not loyal to the state, the poll stated, while 52 percent believe Estonia is not the homeland of resident non-Estonians. Notably, poll participants made a distinction that does not bode well for future integration efforts. "Non-Estonians are divided into Russians and foreigners, and the attitudes to the two groups are different," said sociologist Andrus Saar. *(BALTIC NEWS SERVICE DAILY REPORT, 1000 GMT, 11 Sep 00)*
Administrative reform proposal sparks fiery debate

A proposal to reduce the country's 247 self-governments into a more manageable 15 communes and 5 towns, suggested by Regional Affairs Minister Toivo Asmer, not unexpectedly has sparked a debate within government circles that is bound to inflame public opinion. Asmer's 15+5 proposal would feature 15 large communes, coinciding with existing counties, and retain the self-governance of the country's five largest towns -- Tallinn, Tartu, Parnu, Kohtla-Jarve and Narva. Vaino Sarnet, director the state chancellery's public administration office, said the 15+5 model would be an ideal version of the reform, but would be unlikely to garner the support of the populace. Jaak Allik, deputy mayor of Viljandi -- a town that would lose its self-government -- called the plan centralization in its extreme form. "It would take all the power away from the people and we can no longer talk about the development of democracy," Allik warned. (BALTIC NEWS SERVICE DAILY REPORT, 1300 local time, 11 Sep 00)

Asmer's plan also drew the fire of Estonia's interior minister, Tarmo Loodus. Loodus, who was charged with developing the administrative reform plan some months ago, told the Eesti Paevaleht newspaper that development of a program to reduce the number of local self-governments to 60 would be completed by Christmas. Asmer's suggestion, Loodus says, can do more harm than good. "Such a declaration by a minister may influence people's attitudes to the administrative reform, and unfortunately not positively so," he explained.

Finance Minister Siim Kallas, on the other hand, warned against shooting down any plan as yet. "I feel that [Asmer's] idea could rally enough political support and is practicable," Kallas said. (BALTIC NEWS SERVICE DAILY REPORT, 1300 GMT, 12 Sep 00)

While clearly some opponents of administrative reform might be motivated, at least in part, by the desire to maintain fiefdoms, the issue has some very definite pluses and minuses, and could revolve around the question of financial efficacy.
versus democratic principles. "There will certainly be hot debates, where the main question will be whether financial issues gain the upper hand in Estonia. It will certainly be easier to arrange financial matters in case of 15+5 self-governments, but I give relevance to the democratic aspect," Loodus said. Kallas admitted that very radical reform could move power away from the people, but combining the small budgets of small self-governing units could permit greater flexibility. "A compromise will have to be found," he added.

LATVIA

The case that won't form, and won't go away

The continuing saga of the Latvian government's attempts to cope with Konrads Kalejs, the Latvian-born Australian citizen suspected of war crimes as a member of the Arajs Commandos in World War II, moved slightly closer to resolution, but nowhere near as close as most observers had hoped. The Saeima's legal committee supported an extradition agreement with Australia conceptually, thereby clearing yet another hurdle in that process, and the agreement is expected to take effect before the end of the year. (BALTIC NEWS SERVICE DAILY REPORT, 1000 GMT, 12 Sep 00) However, even after the agreement comes into force, Kalejs can only be extradited if charges are brought against him, and there has been no indication when that will happen. The second international conference dedicated to figuring out how to prosecute the accused Nazi ended without any clear move by the prosecutor general, Janis Maizitis, to initiate a case. In a press conference following the meeting, Maizitis said that progress in the investigation of the issue had been made, but refused to say when charges would be pressed against Kalejs. Maizitis explained that his office had been gathering evidence, with the assistance of the international community. Kalejs, on the advice of his lawyers, has refused to answer questions put by Latvia that were delivered by Australian authorities. (BALTIC NEWS SERVICE DAILY REPORT, 1600 GMT, 15 Sep 00)

LITHUANIA
Belarus proves that fences do make the best neighbors

A Polish national newspaper warned that war games organized by Belarus in the beginning of the summer were in fact meant to damage Lithuania's moves into international alliances. Gazeta Wyborcza quoted unnamed but "well-informed sources in Washington" as saying that several dozen Belarusian tanks began maneuvers close to the Lithuanian border in early June, and stated that "the US Defence Intelligence Agency believes that the training session was targeted at reducing Lithuania's chances of joining NATO during the second wave of expansion." The newspaper added that "American officers are convinced that the goal of the manoeuvres was to prepare for a speedy transfer of a military corps to the Kaliningrad region, and the route was to run along the Lithuanian-Polish border." (BALTIC NEWS SERVICE DAILY REPORT, 1300 GMT, 7 Sep 00)

Lithuanian-Belarusian relations have not run smoothly for some time now, as Lithuania harbors opponents to Alyaksander Lukashenka’s illegal regime who feared for their lives. Still, Belarus had never strayed this close to open belligerence against its neighbor before this latest stunt. Perhaps, with his opponents all in exile or jailed or inexplicably disappeared, Lukashenka has begun to feel secure in his own little dictatorship. While Western governments may not be too eager to beard Lukashenka in his Minsk den, there are attempts to show support for the Belarusian people: The broadcast time for Baltic Wave Radio has increased from the initial 30 minutes a day to 13.5 hours per day, transmitting across Lithuania and into Belarus. The joint international channel provides five programs in Belarusian, from Radio Liberty, Polish radio stations and Lithuanian national radio. (BALTIC NEWS SERVICE DAILY REPORT, 1300 GMT, 12 Sep 00)