2002-02-27

The ISCIP Analyst, Volume VII, Issue 4

Comstock, Michael

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

http://hdl.handle.net/2144/11995

Boston University
Putin's war on crime & Ustinov's increasing power

Perhaps borrowing a page from America's wars on drugs and now terrorism, President Vladimir Putin recently declared a war against crime in Russia, with the intent of bringing the nation's nearly unbelievable crime rate under control. (Russia has the second highest murder rate in the world.) Putin did not distinguish between traditional criminals and corrupt officials, stating that victims often face a disturbing choice: "On one side there is crime, on the other -- sadly very often -- they face unlawful actions by state representatives, including law enforcement agencies." (THE MOSCOW TIMES, 12 Feb 02; via ISI Emerging Markets Database) With this declaration it becomes clear that "[the] prosecutors are effectively against the oligarchs." (VREMYA MN, 12 Feb 02; via ISI Emerging Markets Database) Domestic opinion in Russia elevates lowering the crime rate to a political imperative for President Putin. In a recent meeting at the prosecutor general's office at which the role the agency and its head, Vladimir Ustinov, would play was outlined, a nearly complete list of who's who in Russian politics was in attendance. "The presidium of the meeting included: Security Council Secretary Vladimir Rushailo, FSB Director Nikolai Patrushev, Interior Minister Boris Gryzlov, Federal Tax Police Service chief Mikhail Fradkov, Justice Minister Yuri Chaika and Defense Minister Sergei Ivanov. The meeting also was attended by Constitutional Court Chairman Marat Baglai, Supreme Arbitration Court Chairman Veniamin Yakovlev, Auditing Commission Chairman Sergei Stepashin, Duma Speaker Gennadi Seleznev, presidential envoy Georgy Poltavchenko, the deputy chairman of the Supreme Court and the deputy minister for taxes and duties. Mikhail Vanin of the State Customs Committee was also present." (NEZAVISIMAYA GAZETA, 12 Feb 02; via ISI Emerging Markets Database)
Some analysts believe that President Putin himself may have been in attendance, in contrast with recent practice. (VEK, 15 Feb 02; via ISI Emerging Markets Database) It has been noted that the prosecutor general's office has become a political weapon to be used as a means of silencing opposition, such as Nikolai Aksenenko and Boris Berezovsky. The recent declaration of a war on crime and the fact that "the Prosecutor General's Office [has been] ordered to monitor the Interior Ministry and Federal Tax Police Service" as well as "coordination of interaction between prosecutor's office in federal districts with presidential envoys" indicate that Ustinov's position within the Russian government has expanded greatly; as one paper put it, "he is almost a deputy prime minister in charge of law enforcement agencies -- in all but the official title." (NEZAVISIMAYA GAZETA, 12 Feb 02; via ISI Emerging Markets Database)

If there is to be true war on crime, with Ustinov serving as the prosecutor-in-chief, then this can only mean the enhancement of his powers. Now that Putin has declared such a war publicly, he can hardly go back on his word; to do so would mean an inestimable loss of prestige. Putin now has to follow through with his war on crime and Vladimir Ustinov is his point man in the struggle.

Notably absent from the mid-February meeting were the chairman of the government, Mikhail Kasyanov, and the head of the Kremlin Administration, Aleksandr Voloshin -- two individuals who are listed as being potential targets for the general prosecutor's office.

**Russian Federation: Security Services**

By Fabian Adami

'Furniture scandal' masks a deeper reality: power struggle
During the Soviet era, the KGB and other security services succeeded in maintaining some level of restraint over organized crime. Allowing small groups of criminals to flourish under its control, the KGB was able to limit and control crime outbreaks, and prevent the growth or creation of new crime groups. (EURASIA INSIGHT, 21 Jan 02; via Eurasianet)

The collapse of the Soviet Union marked the beginning of a new era in Russian organized crime. Spurred on by the new economic openness, the Russian mafia spread its influence and money into almost every facet of Russian society. Organized crime has been a troubling reality in Russia for the last 10 years. What is relatively new and disturbing is the entry of the security services, led by the FSB, directly into this underground world.

In the fall of 2001, the customs office initiated an investigation into two furniture companies, Grand and Tri Kata, jointly owned by Sergei Zuev and Yevgeni Zaostrovtsvev. The investigation, led by Mikhail Vanin, resulted in charges that the business, using shell companies and intermediaries, had been able to evade some $8 million in customs and duties payments in 2000 alone.

When these charges came to light, Zuev contacted the prosecutor general's office, complaining that the investigations had been improperly conducted and concluded. (RUSSIAN POLITICAL MONITOR, 23 Feb 02; via ISI Emerging Markets Database)

As a direct result of those complaints, the prosecutor general's office announced in December that it was launching its own investigation into the customs service, and that the officials being investigated were to be charged with "abuse of office." (RUSSIAN POLITICAL MONITOR, 3 Dec 01; via ISI Emerging Markets Database)
The FSB's involvement in this scandal is both simple and obvious. Yevgeni Zaostorvtsev's son, Yuri, is one of FSB Director Nikolai Patrushev's deputies. He is in charge of economic counterintelligence for the agency, and presumably acted as an intermediary for Grand and Tri Kata. This case is not the first occasion on which Zaostorvtsev's name has arisen in the national press. Nezavisimaya gazeta has asserted repeatedly that he receives regular payments from Solntsevo, one of Moscow's largest criminal groups.

It is obvious that, at the very least, the FSB is corrupt at the second-highest level. But does the corruption involve Director Patrushev as well? While no allegations have been made directly by the press, Vanin, the investigating (and investigated) customs official, publicly alleged that Patrushev may be involved personally in the scandal. (RFE/RL NEWSLINE, 24 Jan 02)

This scandal is undoubtedly poor publicity for an organization that already is facing serious public scrutiny over a multitude of questionable spy cases, including that of Grigory Pasko. With the unresolved issue of Patrushev's involvement or at least cognizance in the affair, the FSB is in a no-win situation, unless of course it can squash the investigation. An article by Novaya gazeta deputy editor and Duma Deputy Yuri Schekochikhin alleges the FSB paid to have the case dropped. After that article's publication, Schekochikhin had to hire guards to protect himself due to threats of reprisal from the FSB. (NOVAYA GAZETA, 18 Feb 02)

If Patrushev -- a close friend and associate of President Vladimir Putin -- had no knowledge of the furniture affair, then his control over the FSB must be called into question. On the other hand, if Patrushev was involved in the scandal, then the corruption must be assumed to reach the very highest levels -- probably including Putin himself.
At the moment, the latter is more likely. Still, if handled adroitly, the scandal could benefit those highest levels. The prosecutor's investigation has been expanded to include General Vladimir Orlov, who was first deputy minister of the interior under Vladimir Rushailo, as well as Vanin. Since Vanin is a "remnant" of the Yeltsin years, it is likely that the furniture scandal is being used by Putin and the FSB to oust those officials who remain from Yeltsin's presidency.

Russian Federation: Domestic Issues and Legislative Branch
By Luba Schwartzman

MEDIA
In his latest statement regarding the upcoming tender for the broadcasting license for the Channel 6 frequency, Russian Press Minister Mikhail Lesin reported that none of the entities that expressed a willingness to participate in the contest has submitted official bids. (NTVRU, 21 Feb 01; via www.ntru.com) Of course there is still a week before the 6 March deadline, and it makes sense for the applicants to wait and see what the competitors are doing, or to gather the most financial and political support for their ventures. Yet there may be another factor behind hesitation expressed by all of the companies, organizations and individuals that had been so eager to have their very own TV channel: Some signs suggest that the authorities are maintaining a level of uncertainty purposefully and methodically, either to intimidate or to improve their bargaining position.

One sign is the withdrawal of the weak and the cautious: Alfa Bank backed out of a consortium of companies supporting Yevgeny Kiselev's new OOO (Limited Liability Company) TV-6. Alfa Bank President Petr Aven told reporters that "the main reason for [the bank's] non-participation is that we engage in business, not
politics. Alfa Bank is not a political organization, nor a party or movement, and therefore we do not want to join any unions or coalitions that will knowingly participate in political life." (INTERFAX, 0904 GMT, 19 Feb 02; FBIS-SOV-2002-0219, via World News Connection) Oleg Kiselev, chairman of the board of directors of Metalloinvest, another prospective OOO TV-6 investor, resigned the day after pledging support for Kiselev's venture on behalf of his company. (NTVRU, 20 Feb 01; via www.ntvru.com) Mikhail Fridman of the Alfa Group, Mikhail Khodorkovsky of Yukos and Vladimir Potanin of Interros also have reneged on their original decision to join. (GAZETA.RU, 20 Feb 02; via Johnson's Russia List)

Another indication is the State Duma's inability to gather enough votes for an official request that Putin leave TV-6 as a sports channel. It doesn't hurt to ask, and, unless they have heard otherwise, the deputies should be convinced that their fitness-loving president, who seeks greater sports spirit in Russia, would be very happy to have an all-sports-all-the-time channel. The original submission was supported by "a coalition of four," a coordinated council of the State Duma's centrist parties -- Unity, Fatherland-All Russia, People's Deputy and Regions of Russia. (NTVRU, 12 Feb 02; via www.ntvru.com) It is hard to believe that the core of the Duma would be unable to gather enough support on such a relatively harmless question.

Then, of course, there are the 15 daily harassing and threatening calls received by Viktor Merezhko, a popular journalist, one of the original founders of TV-6, the general director of Channel and one of the founders of a prospective bidder, ZAO (Closed Company) TV-VI. (NTVRU, 18 Feb 02; via www.ntvru.com)

The authorities are exerting pressure and the investors rightly feel forewarned. Yevgeny Kiselev has become more careful about disclosing information on potential investors and back-up plans (such as major shareholder Boris Berezovsky's idea of setting up an operation in the West) and Union of Right
Forces Chairman Boris Nemtsov has been dis-invited from negotiating with potential sponsors because of his tendency to blab when faced with cameras and microphones. (NTVRU, 12 & 14 Feb 02; via www.ntvru.com)

With the right balance of pressure and promise, the Kremlin can make sure that even factors seemingly outside of its control influence the outcome of the tender. Thus, it will be in a position to bargain with the new owners of the Channel 6 frequency.

La censure est morte!
Press Minister Lesin declared that opposition mass media is important and will continue to exist, but he rued "neo-Nazi and chauvinistic publications, mass media engaged in journalistic prostitution, gross defamation and dirty PR campaigns." He explained that the media ministry is trying to "crack down on such things in line with the law, which justifies the pressure being put by the authorities." (INTERFAX, 1332 GMT, 8 Feb 02; FBIS-SOV-2002-0208, via World News Connection) At the same time, he stated that it should be the media’s job to regulate the media market and that "there are no longer any resources either to introduce censorship or take control of any mass media." He suggested that a major problem of the mass media "is the failure of the media and journalists to understand the role of the media." (INTERFAX, 1816 GMT, 9 Feb 02; FBIS-SOV-2002-0209, via World News Connection)

Vive la censure!
One could interject, however, that the government does have a few tricks up its sleeve when dealing with reporters. Journalist Grigory Pasko’s sentence still stands despite the fact that the laws under which he was convicted were repealed by the Military Collegium of the Supreme Court, while Novaya gazeta correspondent Anna Politkovskaya receives frequent threats and may lose her accreditation because of her independent reporting. She was accused of breaking regulations and misusing grant money from the Soros Foundation
during her latest trip to Chechnya, when she was attempting to investigate the murder of six civilians in the Shatoi region. Politkovskaya managed to escape from the FSB, who had detained her "for her own good." (NTVRU, 15 Feb 01; via www.ntvru.com)

REGIONS
April showers? We hope not
Springtime is a time for love, flowers, and... discussions of nuclear waste. A little less than a year ago (See THE NIS OBSERVED 18 Apr 01), State Duma deputies were heatedly discussing a bill that would allow Russia to receive money from the West for storing nuclear waste. Little had been said about it in recent times, but as the end of worries about providing energy for the winter comes into sight, the aftereffects of acquiring energy enters the agenda. State Duma Deputy Sergei Mitrokhin (YABLOKO faction) and representatives of Greenpeace decided to investigate for themselves the security of Russia's nuclear sites. They managed to reach the territory of a storage facility in the Krasnoyarsk region and get right next to a barbed-wire fence that was so riddled with holes that they could have continued easily to go inside. Mitrokhin reiterated that "several dozen kilos of explosives" were enough to destroy the facility, already estimated to hold about 3 billion curie units of radioactivity. The group videotaped its venture and sent copies to the Russian president and to the FSB. (INTERFAX, 1814 GMT, 15 Feb 02; FBIS-SOV-2002-0215, via World News Connection)

Greenpeace also supported an action by 500 residents of another Krasnoyarsk town, Sosnovoborsk, blocking the railroad along which nuclear waste is brought in from abroad. Last year 41 tonnes arrived from Bulgaria; Greenpeace, together with the Krasnoyarsk Social and Ecological Union, has filed a suit demanding that the deal be rescinded, the waste returned and the perpetrators punished. (INTERFAX, 1648 GMT, 9 Feb 02; FBIS-SOV-2002-0209, via World News Connection)
FEDERAL ASSEMBLY
The Colder War
Lately, however, the State Duma -- and much of the nation -- has been concerned with a more pressing matter: Russia's athletic prestige. By a vote of 421 to 0, with 1 abstention, the Duma approved an appeal to Chairman of the State Sport Committee Pavel Rozhkov and to President of the Russian Olympic Committee Leonid Tyagachev to leave the Olympics early and demonstratively skip the closing ceremony of the Salt Lake City Winter Games. President Putin, the Federation Council, the Russian Cabinet and the presidential administrators expressed their support for the action; President Putin declared that the Olympic judges are biased against Russia and other nations, such as South Korea; and protesters gathered outside the American and Canadian embassies in Moscow and Yekaterinburg carrying signs that read "Yankees, Give Us Back Our Medals!" and "Hands Off Russian Athletes!" (NTVRU, 22 Feb 01; via www.ntvru.com)

The spirit in the nation was not even lifted by the day off work Russians received to commemerorate the Day of the Defenders of the Fatherland. Originally declared in 1918 as the Day of the Red Army, the holiday was temporarily in limbo as a Soviet vestige. This year, 23 February was a new and improved official national holiday of the Russian Federation. Members of the leftist opposition held a demonstration, gathering at the Mayakovsky metro station and marching to Marshal Zhukov's statue, to call attention to the "disintegration" of the Russian armed forces. As communist leader Gennady Zyuganov spoke at the thousands-strong rally by Zhukov's monument, participants chanted "shame" at the government's inability to perform army reform and maintain professionalism. There were even calls for the dissolution of the Russian government. Chairman of the Liberal Democratic Party of Russia Vladimir Zhirinovsky tried to get in on the popular sentiments, but was almost beaten up by the enraged communists
and had to be whisked off by his bodyguards and driven out of range. (NTVRU, 23 Feb 01; via www.ntvru.com)

POLITICAL PARTIES

The responsible thing to do

As the parties on either side of the political spectrum make themselves heard and seen, and as new parties -- The Constitutional Party of the Russian Federation, chaired by Vyacheslav Volkov; Rebirth [Vozrozhdeniye], chaired by Yevgeny Ishchenko; and the Party of Working People's Self-Government, chaired by Svyatoslav Fedorov -- reorganize and reregister, the Kremlin-faithful Unity faction has set as its goal living up to the high standards set by "our responsible president." President Putin met with Unity's leaders on 20 February in preparation for the annual presidential message to the Federal Assembly and praised the party for its "political maturity." Aspects of this "maturity" include striving to reform the State Duma, to reduce the number of "bloated commissions," to "modernize" rules of procedure, to impose tighter control over "target-oriented" spending of funds and on transparency of the lower house budget, and to thwart any attempts to "destabilize" the Duma. Unity and United Russia, the greater party to which it belongs, seek to gain more control during such rearrangements. They also are hoping that, when the law "On State Services" goes into effect in 2003 allowing top state officials (including the president) to join political parties, President Putin might consider running in the 2004 campaign from their platform. (ITAR-TASS, 1531 GMT, 19 Feb 02; FBIS-SOV-2002-0219, and ITAR-TASS, 1415 GMT, 20 Feb 02; FBIS-SOV-2002-0220, via World News Connection)

Russian Federation: Foreign Relations

By Scott Bethel

The art of courting the axis
The Russian foreign policy team has made some excellent choices over the last year, including active involvement with the United States in the war on terrorism, closer relations between the Russian and US presidents, as well as rapprochement with NATO. Each of these initiatives represents an increasingly warm relationship with the West and, in particular, the United States. However, since the beginning of 2002 there has been a shift away from these initiatives. First, the Russians have continued to seek opportunities for arms sales to nations not in the US orbit. Moscow has concluded important deals with Iran, Iraq and India, while aggressively soliciting business in South America and elsewhere in the Middle East. Diplomatically Russia also has moved away from a strong pro-West agenda. Moscow has developed increasingly warm relations with Beijing and overtly backed the Indian side in the long-standing dispute between New Delhi and Islamabad.

However, what is more significant on the diplomatic and military front is that Moscow has, since President Bush's State of the Union Address on 29 January, moved to an even tighter embrace of the so-called "Axis of Evil" -- Iran, Iraq and North Korea. The motivation behind this increased closeness is twofold. First, the Russians have long-standing cooperative security arrangements with these countries. Second, the Russians have invested much time and energy in establishing military sales agreements and information exchanges. Still, tracking the Russian support for these countries is important to the US as it sizes up proposed responses and actions to break the "Axis of Evil."

**Making nice with Iraq**

Russia's policy concerning Iraq includes providing support in two key areas. First, the Russians have long pursued the lifting of United Nations sanctions against the Iraqis. Second, Moscow has strongly backed the Iraqi claim that Baghdad has no involvement in international terrorism. (See THE NIS OBSERVED, 13 Feb 02)
Moscow now has instituted a more aggressive regional effort to elicit support for its initiatives concerning Iraq. During the week of 17 February, President Putin dispatched Deputy Foreign Minister Aleksandr Saltanov to meet with Gulf leaders from Iraq, Oman, United Arab Emirates and Kuwait. During this trip, Saltanov’s message was clear and threefold.

First, Moscow opposes any unilateral military action taken against Iraq by the United States. A joint statement issued by the Iraq and Russia clearly stated the two countries’ position: "It is unacceptable that Iraq is again subjected to the threat of aggression." (ITAR-TASS, 1458 GMT, 15 Feb 02; BBC Monitoring, via ISI Emerging Markets Database) Though this is among the more forceful statements made by the foreign ministry, it is not out of character in terms of the theme Russia wants the US to understand: Unilateral action against the Iraqis will be met by certain recriminations from Moscow.

Second, the Russians oppose the connection between the Iraqis and the so-called global terrorism. "(The US) is incorrect in its attempts to link Iraq with some 'Axis of Evil'." (ITAR-TASS, 1458 GMT, 15 Feb 02; BBC Monitoring, via ISI Emerging Markets Database) Foreign Minister Igor Ivanov and President Putin have spent a lot of time and energy over the last three months portraying the Iraqis as poor victims of the UN sanctions. In addition Iraq owes Russia some $200 million in back payments for weapons and military hardware. (BUSINESSWEEK, 3 Sep 01; via www.businessweek.com) Moscow intends to collect that debt at some point and hopes to expand trade with Baghdad to a level of about $2.3 billion.

Third, Russia seeks to be an integral part of the overall peace process in the Middle East. This extends to the situation in Iraq as well as the troubles in Israel. In fact, Russia wants to assume a leadership role in that process. The only way for the Russians to increase visibility is to do so at the expense of the US. The current US administration is leaning away from the Palestinians and closer to the
Israelis. This gives the Russians a real opening with the rest of the Arab world which, of course, supports the Palestinian position.

The Russians hope to increase their visibility as a "protector of the small guy" through support for Iraq and, to some extent, Arafat's Palestine. Saltanov summed up the Russian approach to the Gulf during a departing press conference: "We hope to reach a comprehensive settlement to the problems in Iraq and Palestine. The solution should foresee, on the one hand, restoration of cooperation between Iraq and the international community and suspension of sanctions and the greater peace in the Middle East." (ITAR-TASS, 1620 GMT, 11 Feb 02; BBC Monitoring, via ISI Emerging Markets Databases)

Forging closer ties with Iran
Russia also is working hard to establish friendly relations with Tehran. Besides concluding last summer the biggest arms deal since Iran's revolution, Russia has moved quickly to bolster closer diplomatic and military ties with the Islamic state. The Russians again are courting a country "outside" the international mainstream and attempting to develop some dependence on Moscow for security and even protection.

To accomplish this, Moscow has reached out to the new, "more moderate" government in Tehran. In addition to the major arms deals, there is increased effort in both capitals to establish longer-lasting relations. Recent talks between diplomats in Tehran yielded some important clues as to the future of relations between the two countries.

"The development of Russian-Iranian cooperation will create conditions for the building of a security belt in the region," Russian Foreign Minister Ivanov said. (ITAR-TASS, 1811 GMT, 19 Feb 02; BBC Monitoring, via ISI Emerging Markets Database) Clearly, the Russians view Iran as a strategic partner rather than just
a weapons sales client. This is a significant shift in regional alliances; Russia is the first nation to court Iran openly.

Of further interest is Russia's ability to protect both a client and strategic partner from alleged indignities suffered at the hands of the United States. Russia's ambassador to Iran said, "to date, the American side has failed to present any hard evidence of Tehran's alleged involvement in supporting terrorism." (RIA, 1740 GMT, 13 Feb 02; BBC Monitoring, via ISI Emerging Markets Database) In the face of American foreign policy aimed at containing what it considers to be the rogue states in the "Axis of Evil," Russia is demonstrating its determination to deal with any country it pleases until linkages to international terrorism can be proven. This applies especially to Iran and Iraq.

Russia and Iran already enjoy a close military sales relationship. They recently began to take steps for the Russians to sell modernized air defense systems to the Iranians. A spokesman for the Iranian foreign ministry confirmed, "Iran hopes for ongoing military-technical cooperation with Russia. Our country plans to modernize Iranian Air Defense and it will ask Russia to sell some air defense systems in support of that." (ITAR-TASS, 1811 GMT, 19 Feb 01; BBC Monitoring, via ISI Emerging Markets Database) So far, it appears that Iran is one of Russia's best customers, paying cash for most of its purchases and willing to engage in further trade.

Another reason behind Russian support of the Iranians is the need to dispel the charges that Moscow has provided Tehran with nuclear, biological and chemical technology. Russian Ambassador Aleksandr Maryasov said, "in accusing Iran of attempting to gain access to weapons of mass destruction, primarily nuclear weapons, the Americans obliquely and sometimes directly hint at cooperation between Moscow and Tehran." (RIA, 1740 GMT, 24 Feb 02; BBC Monitoring, via ISI Emerging Markets Databases) Though engaged in ongoing arms trade with all three of the countries identified by President Bush, Russia wants to ensure
that it is not considered to be in any way an exporter of weapons of mass destruction.

However, Russia will continue to support Iran politically and diplomatically in order to ensure a good customer is on board for the long haul. In addition, Russia wants to send a clear message to other states pushed out of the mainstream by the US-dominated international community that there is an alternative. Russia long has desired to return to international prominence; allying itself with outsiders such as Iran is one route to that end.

**Befriending the North Koreans**

The final element in the "Axis of Evil" also has renewed effective relations with Moscow. North Korea has made strong efforts since last year to revitalize its relationship with Russia. These efforts included a rare trip outside of his country by North Korea's leader, Kim Jong-Il, to Moscow and a visit by President Putin to Pyongyang. In addition, Russia has come out strongly in opposition to the classification of North Korea as a supporter of terrorism. However, unlike the two Middle East nations, the Russian response towards North Korea's inclusion in the axis has been more cautious. Still, there is no doubt that the Russians support Kim and his countrymen against US accusations. "Russia does not now and will not agree to the characterization of North Korea as part of an 'axis of evil' and will oppose any further isolation of this important member of the international community," a spokesman for the Russian foreign ministry said. (ITAR-TASS, 1311 GMT, 14 Feb 01; BBC Monitoring, via ISI Emerging Markets Database)

The relationship between the two countries had languished for some time prior to its revitalization spurred by President Putin's visit to Pyongyang last year. However, it is important to note that, as in the case with Iran, Russia is one of the few nations to carry on effective diplomatic relations with Pyongyang. Ongoing support of North Korea and its leadership sends a strong message to other nations similarly out in the cold that Russia will stand by its friends.
Bad sports

It appears that Russians never miss an opportunity to complain at the highest levels. After a much-publicized episode of improper scoring with the pairs ice-skating competition in which the Russian team had to share gold with the Canadians, it appears that Moscow wanted a full Olympic recount.

Russian Olympic officials lodged a formal protest over everything from the refereeing in ice hockey to the disqualification of a cross-country skier for drug use. (THE NEW YORK TIMES, 22 Feb 02; via nytimes.com) In addition, not surprisingly, the Russians demanded a recount in the women's figure skating competition. An American skater finished first and the Russian a distant second.

Most interesting about these complaints was that they involved not only the Russian Olympic Federation (ROF), but also the Duma and President Putin. "Russian sportsmen are being subjected to biased and prejudiced officiating at the Olympic Games," Putin said. (ITAR-TASS, 1003 GMT, 22 Feb 01; BBC Monitoring, via ISI Emerging Markets Database) Even Foreign Minister Igor Ivanov weighed in: "Russian sportsmen may have to reconsider future participation in the Olympic Games due to poor officiating." (ITAR-TASS, 1214 GMT, 22 Feb 01; BBC Monitoring, via ISI Emerging Markets Database)

Whenever the Russians lodged a protest, the governing body of the specific sport evaluated the officiating and provided feedback to the ROF. Sports governing bodies stood with the original officials' decisions, however. In the case of the disqualified cross-country skier, the blood tests were re-evaluated and confirmed, and the disqualification stood. (THE NEW YORK TIMES, 24 Feb 01 via nytimes.com)

The comedy surrounding the officiating (the Russians threatened to pull out of the closing ceremonies and perhaps even the games) is a throwback to the old
Cold War tit-for-tat days. The Russians clearly were embarrassed by the implication that there may have been some effort to influence the judging of the figure skating competition and wanted compensation in other events. Notably Putin himself got into the debate, much as Khrushchev or Brezhnev might have done 30 years ago. One can only hope this Cold War on ice doesn't translate into a real Cold War.

Russian Federation: Armed Forces and Military-Industrial Complex

By Walter Jackson

How long to make sergeant?
The backbone of any successful military is its non-commissioned officers (NCOs). Without this cadre of seasoned and experienced leadership, there is no respect among subordinates, nor trust among superiors. That is one of many challenges that face Russia's army today. In the Russian army, surprisingly, it only takes five months (including basic military training) for an 18-year-old enlistee to make sergeant. Respected Russian military author Pavel Felgengauer writes, "The Russian army is degenerating. It is over a million men strong -- larger than any other army in the world -- but even elementary discipline in units cannot be maintained, to say nothing of any fighting ability. The corps of seasoned professional NCOs maintaining discipline and order in units is the nucleus of any reliable army. Russian generals are lying when they say that the army is so bad because servicemen are such a [poor] quality." (MOSKOVSCHIE NOVOSTI, 22 Feb 02; What the Papers Say, via ISI Defense and Security Database) The army is, after all, a reflection of society, so what are the generals saying about the youth of Russian society?
It is not their fault that, by necessity, they are put in charge of other 18 year olds, forming an undisciplined, ineffective and disorganized army. Sergeants traditionally serve as the older brother, or even father figures. Without that maturity and discipline, there is little hope for the armed forces. Why can't Russia attract and keep NCOs in the military? What about the best-paid Russian troops, the "peacekeepers"?

Promises, promises
The defense ministry apparently has cheated peacekeeping forces out of $500 million. Back in 1996, in order to recruit or "entice" Russians into the forces, the finance ministry issued decree No 110 mandating the daily pay of $20 to each "peacekeeper" in Abkhazia. However, the defense ministry ignored this decree and only paid these forces 22 rubles per day, knowingly violating the law. "Peacekeeping" forces in Transdniestr, Tajikistan and South Ossetia were treated similarly. (VERSIYA, 22 Feb 02; What the Papers Say, via ISI Defense and Security Database)

At a crucial time when Russia is debating the creation of a professional army, and how much troops would be paid, it is doubtful that any potential recruits would believe official promises. Thousands of ex-"peacekeepers" are speaking out, demanding their back pay. The military understands the disastrous financial consequences this will have on both recruitment and retention. But as a result of the new revised runaway inflationary figures for 2002, there isn't enough money to fund this year's budget, let alone repay soldiers. Thus the lure of high pay for conscripts is a sham.

Is two-thirds really better than none?
The Russian Duma, after thinking it had approved a manageable defense budget for 2002, just discovered that the 2001 budget actually was funded only at 67%, despite a reported surplus. Deputy Duma Speaker Georgy Boos revealed these new statistics and said that the military-industrial complex also was affected by
the shortfall. Not only have military personnel been underpaid, but defense industry personnel payrolls are between two to six months behind. (KOMMERSANT, 20 Feb 02; What the Papers Say, via ISI Defense and Security Database)

Reality check
Until Russia's leaders come to grips with reality, they will never be able to field a modern, effective military. They know they have to cut their military force structure, but refuse to do so. Dreams of having the world's biggest military cannot exist with current funding. They know it, the Russian populace knows it, and the world knows it. Economic recovery and prosperity will elude Russia until its military force infrastructure is cut dramatically and attention is devoted to the economy. Bigger isn't always better, and Russia's military capabilities will continue to erode, largely due to its bloated size. Unfortunately in the short term they will likely just print more rubles.

MILITARY INDUSTRIAL COMPLEX
Economic fact or fiction
While the optimistic projections for Russia's 2002 budget were being aired, some prominent Russian skeptics were not easily fooled. According to an interview at the end of January with YABLOKO faction leader Grigori Yavlinsky, Russia's economic success during 2001 was based on favorable prices for oil exports and a "cheap" ruble as a result of the 1998 devaluation. Yavlinsky observed that, while Russian exporters became richer, the country as a whole became poorer. (VREMYA NOVOSTEI, 30 Jan 02; via RFE/RL Newsline) Mikhail Delyagin, director of the Institute of Globalization, said during an economic symposium in Moscow on 29 January, the "time of spontaneous economic growth [in Russia] has expired," although Russian Prime Minister Kasyanov's government has refused to grasp that reality. (KOMMERSANT-DAILY, 29 Jan 02; via RFE/RL Newsline) Meanwhile Kasyanov was directed by President Vladimir Putin to submit a new macroeconomic plan by 15 February, designed to ensure
economic stability through 2004. (ITAR-TASS, 29 Jan 02; via RFE/RL Business Watch) Coming so quickly on the heels of the projected economic prosperity for 2002, this plan seems to indicate that such projections were overly optimistic.

Economic indicators weak

The preliminary figures are in for January, and they do not look good. Is the Russian economy just off to a slow start or is it about to undergo another crisis like the one in August 1998 (when the monthly rate of inflation reached 3.7%)? According to recently released figures by the State Statistics Committee, inflation for January 2002 averaged 3.1%, greatly exceeding all estimates. If this pace continues, inflation could reach 44% in 2002, well beyond the 12% calculated in this year's budget. (NEZAVISIMAYA GAZETA, 7 Feb 02; What the Papers say, via ISI Emerging Markets Database)

Yet in a recent interview, Finance Minister Alexei Kudrin issued reassurances that things are not really that bad. "I do not think that there are any reasons to revise the macroeconomic parameters built into the budget -- I think they will be executed. The main ones are as follows: 4.3% of growth in the GDP or 3.8% if the average yearly price for oil is $18.5 per barrel; inflation -- 12-14%; the average settlement rate of currency -- 31.5 rubles per dollar." Based on the January inflationary figures, Kudrin was asked about the likelihood that inflation could reach as high as 30%. He stated that "these calculations are unprofessional. Annual inflation is assessed based on average parameters for a few months, not days. Inflation in January proved about the same as a year ago, according to provisional data." (TRUD, 11 Feb 02; What the Papers say, via ISI Emerging Markets Database)

What of the possibility that Russia could end up in the same economic crisis currently facing Argentina? After all, Russia must expend $19 billion in 2003 to service foreign debt. Kudrin stated that "The Argentine scenario does not threaten us at all. Thank God, we have no such debts. Russia's debt now is
notably less than 60% of the GDP and this is a significant figure for a state's economic stability. There is actually the factor itself of increase in payment for foreign debt, but one has to get ready for the payment and we do this."

OK, so inflation is in question, but what about revenues? According to the deputy finance minister and chief of the Main Department for the Federal Treasury, Tatyana Nesterenko, federal budget revenues for January totaled 159.8 billion rubles, while budget spending was 79.8 billion rubles. That appears to be a huge surplus; however, beginning in 2002, money going into the pension fund is being counted as part of budget revenues. (PARLAMENTSKAYA GAZETA, 13 Feb 02; What the Papers Say, via ISI Emerging Markets Database) According to Mikhail Delyagin, January's inflation news clearly refutes the government's estimates for stable economic growth in 2002. The State Statistics Committee (Goskomstat) came under heavy fire after the January figures were published. As a result February's estimates (through 11 February), not surprisingly, are projected to be better, around 2%. (NEZAVISIMAYA GAZETA, 15 Feb 02; What The Papers Say, via ISI Emerging Markets Database)

The real state of the Russian economy is anyone's guess, but the challenges are clear. Can Russia really keep inflation down to 14% this year, and can (or will) Russia actually cut oil exports and keep the average oil price above $18.5 per barrel?

The fine art of eradicating debt
Moscow has developed one method to keep the economy propped up (although for how long is unknown). Part of the equation is to give the appearance that the economy is stable by demonstrating the country's ability to pay off foreign debt. Well, perhaps a better way to put it is that the Russians have perfected creative accounting. Almost like a Chapter 11 meeting with creditors, they have met with many (creditor) countries and bartered away a significant portion of foreign debt with increased weapons sales and joint civilian and military industrial ventures.
Then there is the outright "forgiveness of debt" that Russia has been pushing hard with the US. Russia has convinced itself (but not the US yet) that this is the price that the US must or at least should be willing to accept for the cooperation Moscow has provided with the war on terrorism. For the most part, "what's in it for me" is apparently Russia's motivation to join the war-on-terrorism coalition.

**Bartering**

The Russian debt to Austria totals $2.8 billion. Moscow hopes to double the $1.9 billion in arms sales to Austria by selling MiG-29 fighters to the Austrian air force, and to service the debt by entering into a joint venture to produce Russian MiG-110 business-class jets in Austria. (VREMNYA NOVOSTEI, 29 Jan 02; via RFE/RL Newsline) Russia's debt to Spain, amounting to $980 million, likely is to be serviced by converting a portion into private investment, and accepting repayment of the rest in goods (such as ships and fishing trawlers). (IZVESTIA, 15 Nov 01; What the Papers Say, via ISI Emerging Markets Database) Bulgaria, owed $100 million, will be repaid in nuclear fuel, weapons and hard currency; also linked are agreements on the issue of Soviet-owned property in Bulgaria, the possibilities of Russian ventures into Bulgarian banking (i.e., acquisition of Bulgaria's commercial bank Biokhim), and telecommunications (taking part in the bid for the Bulgarian Telecommunications Company). There is also the prompt payment (supply) of 312 million cubic meters of natural gas owed to Bulgaria under the Yamburg Agreement. (BTA (Internet Version-WWW), 1331 GMT, 23 Jan 02; FBIS-EEU-2002-0123, via World News Connection) Partial payment of the $210 million debt to the Czech Republic will be paid in "products," including supplying fuel for Czech nuclear power stations, as well as equipment for nuclear power engineering research and for energy carriers. (ITAR-TASS, 7 Feb 02; via RFE/RL Newsline)

By restructuring debt with creditors, and by expanding its industrial markets abroad, Moscow has managed to generate growth in its struggling economy. But as Russia attempts to enter and compete within the WTO, more must be done.
What good is a budget that cannot handle payrolls for months? Russia's budget must include the timely payment of salaries and pensions, as well as utility bills for the military. Simply saying that your economy is strong doesn't make it so, and certainly won't convince the creditors of the Paris Club, or others outside Russia.

**Rosoboronexport in the oil business**

On 11 February Russia's leading national weapons exporters, Rosoboronexport and Tatneft, signed an agreement that will make it easier to swap Russian weapons for foreign oil. LUKoil and Zarubezhneft signed similar agreements with Rosoboronexport in 2001. These agreements are more of a business accounting arrangement between industries. Countries that want to import Russian arms, but lack cash to pay for them, will be able to trade oil reserves instead. On the list of potential customers are Iran, Iraq, Mongolia, Jordan and Libya. Only Iran is likely to exploit this arrangement fully in the short term. Iraqi sanctions (for now) limit this option. (VREMYA NOVOSTEI, 15 Feb 02; What the Papers Say, via ISI Defense and Security Database)

**Selling everything, or at least trying**

According to Tatyana Shaumyan, the director of the Center of Indian Research at the Institute of Oriental Studies, Russia receives $4 billion annually from arms exports to India, and hopes to expand that by selling as much weaponry as it can. Russian Deputy Prime Minister Ilya Klebanov visited India on 5 February to discuss the sales of TU-22 bombers, the "Admiral Groshkov" aircraft carrier, two nuclear submarines, and joint venture aircraft productions. (BBC, 6 Feb 02; via RFE/RL Newsline) The joint venture consists of the Hindustan Aeronautics Ltd (HAL) manufacture (under license with Russia) of 140 Sukhoi 30-Mk I fighter jets (12 per year), with deliveries beginning in 2004 to the Indian Air Force. HAL also is upgrading Indian MiG-27Ms with modern navigation, attack and electronic countermeasures systems for all weather operations and extended range. HAL already has started production of the MiG-27 M, and also will build a modern
replacement intermediate jet trainer, the HJT-36, to complement the MiG-27M upgraded aircraft.

Other joint Russian-Indian ventures include production of MiG-27M airframes and multi-role transport aircraft. (THE ASIAN AGE, 29 Jan 02; FBIS-NES-2002-0129, via World News Connection) Russia also signed an agreement last November to provide two more 1,000 megawatt nuclear power plants in Kudankulam and Tamil Nadu. Both sides pledged to continue cooperating in the peaceful uses of atomic energy (including ventures for outer space). (THE PIONEER, 7 Nov 01; FBIS-NES-2001-1107, via World News Connection) However, the published results of the meetings in New Delhi were very disappointing to Russia. Klebanov only managed to close an agreement on the joint design and manufacture of a multipurpose transport plane. Apparently, US defense industry competitors have been courting Indian Defense Minister George Fernandes, and India reportedly is reconsidering its tentative agreements with Russia. (KOMMERSANT, 13 Feb 02; What the Papers Say, via ISI Defense and Security Database)

**Selling anything to anybody**

Myanmar Deputy Foreign Minister Khin Maung Win in September 2000 reportedly informed the director-general of the International Atomic Energy Agency that plans were underway to build a nuclear reactor with Russia's help. The $5 billion project will be paid for with raw materials and food products. Win also stated that the nuclear technology only would be "used exclusively for peaceful purposes," and that "this facility will also make it possible to expand nuclear research and will facilitate the training of scientific personnel." (ITAR-TASS, 1300 GMT, 22 Jan 02; FBIS-SOV-2002-0122, via World News Connection)

Russian Air Force experts have overseen the completion of the expansion of two runways at Myanmar's Meiktila Air Base in preparation for the arrival of 10 MiG-29 fighter aircraft which that country purchased. (DEMOCRATIC VOICE OF
BURMA, 1430 GMT, 27 Jan 02; FBIS-EAS-2002-0128, via World News Connection) The aircraft are not seen as posing a direct threat to regional stability, according to Thai military officials. However, Russia's military presence in Mynamar under the auspices of military training is viewed as unsettling. (THE NATION (Internet version), 5 Feb 02; via FBIS-EAS-2002-0205, via World News Connection) Given the Mynamar junta's antidemocratic and oppressive politics, Russian influence and presence will serve only to legitimize the existing government. Is this a government that Russia should push into the nuclear club? What accountability would Russia assume down the road if Mynamar were to use nuclear technology to threaten the region? If history is any indicator, the phrase "not my problem" comes instantly to mind.

Newly Independent States: Western Region
By Tammy Lynch

On the front lines
As the parliamentary elections approach, the battle between the most powerful campaign blocs has reached the streets, factories and trains - in most regions. In others, it would seem that only certain blocs are allowed. On 20 February, Viktor Yushchenko harshly criticized government officials for placing "obstacles" in the way of his bloc, Our Ukraine, during the campaign. Among Yushchenko's grievances listed in a statement are (1) denials of access to the media, (2) destruction of campaign materials, (3) harassment of campaign workers by law enforcement officials, and (4) use of disinformation techniques. The statement notes, in particular, a meeting that Yushchenko claims was held in Simpferopol between various law enforcement officials. "During the meeting," he said, "orders were issued to suppress Our Ukraine in any form." (UKRAINIAN NEWS, 21 Feb 02; via ISI Emerging Markets Database)
Yushchenko’s suggestions might seem like electioneering, were it not for Ukraine’s spotty electoral history and a report recently issued by a non-partisan Western-backed NGO. In early February, the Committee of Voters of Ukraine (CVU), which is supported by the National Democratic Institute for International Affairs, issued its findings on the campaign so far. The results did little to reassure those concerned about unfair election practices in the country.

According to the CVU report, "In January, 50 long-term observers visited 577 cities and 679 political party branches, and attended 418 events conducted by political groups," noting violations of "fundamental political freedoms" and Ukrainian election law. The conclusions paralleled Yushchenko’s charges in many ways. The organization noted that state officials campaigned or used state resources "to support favored political candidates or groups," while also applying "pressure on some political parties, candidates and media outlets."

Most of the violations listed in the report clearly favored the pro-president For a United Ukraine bloc. For example, in Dnipropetrovsk Oblast’, "educational institutions received a formal 'recommendation' of the oblast' administration for students and teachers to prepare placards with such messages as . . . 'For United Ukraine.'" And in Zakarpatie Oblast’, deputies of the rayon administration were encouraged to work for the For a United Ukraine bloc, and they in turn encouraged their subordinates to do the same. (CVU LONG-TERM OBSERVATION REPORT ON THE 2002 PARLIAMENTARY ELECTIONS, Jan 02; via www.ndi.org)

Even with this state support, however, the latest polls suggest that For a United Ukraine is doing anything but garnering public support. In fact, in one poll, its numbers have decreased. In contrast, Our Ukraine is at the very least maintaining -- and according to some reports increasing - its slight lead over the Communist Party in the polls. The Center for Economic and Political Research finds Our Ukraine with 18.8 percent of the support of respondents, followed
closely by the Communist Party with 15.2 percent. The firm suggests that "the four-percent barrier could be cleared by the For a United Ukraine bloc."

(INTELLINEWS, 18 Feb 02; via ISI Emerging Markets Database) Meanwhile, the Institute of Social Research and Social Monitoring finds 19.7 percent support for Our Ukraine (versus 16.7 percent in January), and 13.3 percent support for the Communist Party (15.5 percent in January). For a United Ukraine would be supported by 4.4 percent (6.2 percent in January). (UKRAINIAN NEWS, 19 Feb 01; via ISI Emerging Markets Database)

These latest polls have attracted the ire of For a United Ukraine, however, with the bloc's leader, Volodymyr Lytvyn, accusing the firms that conducted the surveys of working for his opponents. (UKRAINIAN NEWS, 15 Feb 02; via ISI Emerging Markets Database) This allegation has been met with amusement by Ukraine's most important polling companies. The head of the Socis Centre called it "strange, to say the least." (UNIAN, 21 Feb 02; BBC Monitoring, via ISI Emerging Markets Database) Perhaps. But, perhaps not. Lytvyn's suggestion that his bloc will receive "at least 25 percent of the vote" actually may be more alarming than amusing. Just how is Lytvyn planning to arrange this feat?

With this question in mind, it appears the polling firms have struck back. On 21 February, the four largest companies announced that they will work together to conduct exit polls during the election. In one of the saddest possible indictments of Ukrainian society, Institute of Politics Director Mykola Tomenko explained, "The authorities will then fall under an optical gaze, and it will be more difficult for them to falsify the election." (UKRAINIAN NEWS, 21 Feb 02; via ISI Emerging Markets Database)

While it is indeed reassuring to know that they, along with observers from around the world, will be there, it is more than disconcerting that they are necessary after a decade of independence.
MOLDOVA

On the edge of something

The Communist-led Moldovan government must be wondering how so many things could go so wrong for it so quickly. At the start of 2002, President Vladimir Voronin was flush with confidence; he seemed to have no doubt that his government could carry out whatever policies it chose. With no public debate, he announced plans to reintroduce compulsory Russian-language training. He successfully proposed that parliament (with a large Communist majority) immediately replace Moldovan "districts" with Soviet-style, centrally controlled rayons. He and the parliament unilaterally announced early local elections, purportedly to carry out redistricting, but more likely to weed out uncooperative mayors. And, he began a campaign against reformist Gagauzia Governor Dumitru Croitor, accusing him of embezzlement, among other financial improprieties. The charges were quickly dismissed by the OSCE Mission to Moldova, which, unusually, issued a statement in support of Croitor's administration. Nevertheless, Voronin’s campaign against Croitor resulted in an announcement by the Gagauzia parliament that a public referendum would be held to oust the governor. But that was then.

Now, Voronin’s government has been forced by protest actions to abandon, or at least put off, its Russian-language plans. It has been forbidden by the constitutional court to hold the early local elections, and the proposed referendum to oust Governor Croitor has been found to be illegal. So, with little to show for his effort, Voronin is plagued now with an ethnic Romanian-nationalist opposition galvanized over the language issue, a number of mayors that have been poked awake with a very small stick, and a previously stable autonomous territory descending into virtual chaos. Not a bad month's work, really.

How did it get this way? When small protests began following the sudden announcement that Russian would be taught in all schools, it seemed that the government would be able to ride out the repercussions. But then, even as ethnic
Romanian activists demonstrated against the language decision, Voronin inexplicably chose to announce that the "History of the Romanian People" would be removed from the country's education curriculum. It would be replaced, his government suggested, with "Moldovan History" based on the interpretations of Communist-approved historians.

The curriculum change motivated a number of student groups to become involved in the protest action, which was organized superbly by Christian Democratic People's Party (CDPP) leader Iurie Rosca. Soon, between 20,000 and 30,000 persons were amassing daily in central Chisinau. On 21 February, the demonstrators managed to break through police lines protecting the parliament building. Although they were stopped by Rosca before entering the building, the action must have impressed officials inside. Shortly after, government leaders rescinded the decision to make Russian-language instruction compulsory (for now) and promised to keep Romanian history in the curriculum. (BESAPRESS, 1056 GMT, 22 Feb 02; BBC Monitoring, via lexis-nexis)

These announcements did little to tone down Rosca's rhetoric, however. He called on the public to participate in a demonstration marking the first anniversary of "Bolshevik rule" in Moldova. On 24 February, tens of thousands responded, calling for the government to resign. Although the number of participants in the rally is difficult to estimate (news sources list anywhere from 20,000 to 80,000), there is no question that Rosca's protest was a success. He quickly promised to hold another action on 31 March. (ITAR-TASS, 1201 EST, 24 Feb 02; via lexis-nexis)

It is important to note, however, that even though Rosca's protest achieved his main goals -- forestalling the introduction of Russian and keeping Romanian history in the curriculum -- his protest failed to rouse the support of the general
Moldovan population. Still, the action was an unexpected thorn in Voronin's side this past month.

Rosca was not concentrating solely on his demonstrations, however. He was also leading the constitutional fight against the government's decision to hold early local elections. He was aided in this by Chisinau Mayor Serafim Urechean -- one of the first mayors to speak out against the plan. (RIA OREANDA, 29 Jan 02; via ISI Emerging Markets Database) Although Urechean himself was in little danger of losing his position, the mayor long has been an opponent of Voronin and consistently vies with him for power in the capital. In doing so, Urechean has allied himself with the Council of Europe's (CE) Congress of Regional and Local Authorities. In fact, pressure from the CE was largely responsible for Voronin's decision to lift a ban on Rosca's CDPP activities -- arbitrarily instituted when the language protests first began. This time, however, it was the constitutional court that forced the Chisinau central authorities to back down, supporting Rosca's appeal. It seems that, for the moment, Rosca and Urechean are an effective team.

They are being joined in their opposition to Voronin by Gagauzia Governor Dumitru Croitor. The governor also fought back decisively last week against the Moldovan central authorities -- using his territory's police in a final demonstration of power. For weeks Croitor had been under attack from Voronin, who spoke out repeatedly about the governor's removal. During a televised address on 9 February, for example, Voronin urged voters in Gagauzia to oust Croitor. The governor, he suggested, "is too busy with his personal problems and knows the road to the breakaway Dneistr region capital Tiraspol better than the road to Chisinau, which he has practically forgotten." (BESAPRESS, 11 Feb 02; BBC Monitoring, via lexis-nexis) Croitor received support from an unexpected source, however. The OSCE Mission to Moldova quickly released a statement recognizing "with deep concern a number of activities carried out in recent days against the democratically-elected authorities of the Gagauzian Autonomy." Even
more, the mission noted, "These incidents involve a group of [Gagauzia] deputies as well as the Ministry of Interior and the Security and Information Service of the Republic of Moldova." (PRESS RELEASE, OSCE MISSION TO MOLDOVA, 5 Feb 02)

It turned out that Croitor did not need the support. Although the Gagauzia parliamentarians who proposed the referendum garnered 21 votes to approve the measure, they needed 23, according to the Gagauzian constitution. The referendum was therefore declared unconstitutional by the court. When officials - aided by Chisinau -- attempted to hold voting on 24 February anyway, Croitor's representatives confiscated all voting materials, while police shut down polling places. (ITAR-TASS, 1048 EST, 24 Feb 02; via lexis-nexis) And that, as they say, was that.

All of these events, of course, were happening against the backdrop of economic collapse in the country. Earlier this month, the government dismissed Economics Minister Adrei Cucu, while Finance Minister Ceslav Ciobanu resigned. (For background, see the Jamestown Foundation MONITOR, 7 Feb 02) The ministers were the last remaining members of the 2001 Dumitru Braghis government, and their loss was met first with regret by the World Bank, and then by irritation, as they have yet to be replaced. Shockingly, the chances of any World Bank money in the near future seem slim to none.

There also seems to be very little chance that Moldova -- a country that soon may connect NATO with Eastern Europe -- is able or willing to stop its downward spiral in the near future. The government's inept attempts to force a totalitarian state upon its people border on slapstick - the comedic value fades quickly, however, when the human cost is weighed.

Whether the opposition to Voronin from people like Rosca, Urechean and Croitor will help keep Moldova in the vicinity of a Western path - or whether it is nothing
more than a political power play -- remains to be seen. The only thing certain is that Moldova is smoldering in the heart of Europe.

Newly Independent States: Caucasus

By Miriam Lanskoy

GEORGIA
Next stop Pankisi for US war on terror

Today the US government announced that US special forces will be sent to Georgia to train and assist a Georgian unit with counter-terrorist operations in Pankisi Gorge. "In fact, there are five military experts in Georgia now," said Paapa Gaprindashvili, head of the Georgian defense ministry's international department.

US defense officials said in Washington that the administration is considering sending 100 to 200 soldiers to Georgia to provide anti-terrorist training. Gaprindashvili said that a group of US military experts arrived in Georgia earlier this month to choose the military units that would take part in the program. The US advisers will be led by Otar Shalikashvili, an assistant to the US defense secretary, according to Shorena Esakiya, a spokeswoman for the Georgian defense ministry. (AP, 27 Feb 02; via lexis-nexis)

Russian spokesmen have reacted cautiously, saying that they would prefer to carry out such operations themselves. Foreign Minister Igor Ivanov said Moscow has repeatedly proposed to Tbilisi that the terrorist threat be dealt with through joint efforts." As far as the possible appearance of US troops in Georgia is concerned, from our point of view this could still further complicate the already complex situation in the region. This position of ours is well known to Washington." (RUSSIAN PUBLIC TV (ORT), 1200 GMT, 27 Feb 02)
Chechen President Aslan Maskhadov welcomed the news. "We approve of the United States' decision to go after the fighters and leaders of al-Qaeda in the Pankisi gorge, if they are there," a spokesman for Maskhadov told Agence France-Presse. "If Russia conducts an operation in the gorge, thousands of innocent people will die, while NATO units are known for their humanity towards the civilian population," he added. (AFP, 27 Feb 02; via lexis-nexis)

Controversy had erupted when Philip Remler, the head of the US mission to Georgia, told a Georgian newspaper that the US "is elaborating a plan" to "create a counter-terrorism force" within the Georgian defense ministry to counter the "several tens" of Al-Qaeda mujahadeen who have turned up in Georgia's Pankisi Gorge. According to Remler, the fugitives from Afghanistan have contacts with "al-Khattab, an Arab terrorist. The latter, for his part, is connected with Osama bin Laden. The Pankisi Gorge is an extremely dangerous place for Georgia."

(INTERFAX, 11 Feb 02, and THE GUARDIAN, 15 Feb 02; via lexis-nexis)

Remler's comments raise many questions that still have not been clarified by US officials. It is noteworthy that Remler neither confirms nor denies frequent Russian allegations about Chechen links to Al-Qaeda and explicitly identifies Khattab as an Arab terrorist. However, if the US government has reason to believe that Khattab is in contact with Osama bin Laden wouldn't Khattab himself be the appropriate target of these operations? Wouldn't it be of paramount importance to apprehend the persons with known ties to bin Laden? It also seems significant that Remler identifies the Georgian Ministry of Defense and not the Ministry of Security, whose officials allegedly have profited from drug smuggling rings which operate out of the Pankisi Gorge. (CHRONOLOGY; via civil.ge.pankisi.shtml)

Speaking at the 20 February daily press briefing, State Department Spokesman Richard Boucher emphasized that the US is working bilaterally with Georgia and there were no plans to resolve the Pankisi problem through joint Russian-
American cooperation. "What we have always told the Russians is that we felt that this situation was best dealt with through cooperation with the United States and Georgia, so that Georgia would have better control over the area, better control over the borders." According to Boucher, there has been no change in US policy. The US government has worked with Georgia on issues of border security and provided counterterrorism training in the past and will continue to do so in the future. (www.state.gov)

On a trip to St. Petersburg, US Ambassador to Russia Alexander Vershbow said that the US does not intend to hold military operations in Georgia. Rather, the US plans to "provide military equipment" to help the Georgian government "increase its control over the Pankisi Gorge" and Georgia's borders. Vershbow added that such operations would "reduce the support from outside for the terrorists fighting in Chechnya and help in finding a political solution to the problem." Vershbow added that the US has been informing Russian authorities about its plans. (RIA, 22 Feb 02; BBC Monitoring, via ISI Emerging Markets Database)

Returning from a trip to the US, Zurab Zhvania, the former speaker of the Georgian parliament, explained that US officials are pressuring the Georgian government to bring order to the Pankisi Gorge. "Georgia is obliged to find its place in the international struggle against terrorism," he told reporters. (RIA OREANDA, 22 Feb 02; via lexis-nexis)

Since the start of the Chechen war in the fall of 1999, Russian officials have been accusing Georgia of harboring Chechen fighters among the refugees in the gorge and have sought to use the pretext of rampant criminality (including kidnappings and drug smuggling) to conduct operations on Georgian territory. Georgian officials had denied the presence of Chechen fighters until October 2001 when the Chechen commander Ruslan Gelaev and his fighters took part in skirmishes in the Kodori Gorge, bordering the separatist region of Abkhazia. In a December interview with Moskovskiy novosti, Georgian President Eduard Shevardnadze
admitted that Gelaev and his followers were in Pankisi and explained that their outing to Abkhazia was an attempt to return to the North Caucasus; "I was told that Russia had guaranteed them safe passage." (For background, see THE NIS OBSERVED, 24 Oct 01 and 12 Dec 01) For his part, Chechnya's president, Aslan Maskhadov, charged Gelaev with "desertion" and demoted him to the rank of private. (THE NIS OBSERVED, 16 Jan 02) Indeed, any Chechen fighters who may be operating in Pankisi Gorge are compromising the estimated 7,000 Chechen civilians who found refuge there and may be repatriated to the conflict zone.

CHECHNYA
Deportation Day remembered
This year very few publications chose to notice that 23 February is Deportation Day. It marks the 58th anniversary of the day in 1944 when Stalin began to deport the Chechens and other nations of the North Caucasus to Central Asia. Among the worst crimes of the Stalin era, the deportations were accompanied by massacres and repression. Hundreds of thousands died of suffocation, disease, exposure and starvation. Those deemed "untransportable" -- children, the elderly, pregnant women -- were killed. As a result, the Chechen nation declined by 25 percent. Those who survived the journey lived in penal colonies in subhuman conditions until 1956 when they were allowed to return to their native lands. But even then they remained branded a "punished people." To this day, not one person has stood trial for the crimes related to the deportations of the Chechens.

Various protest actions, prayer services and other types of memorials for the victims were held throughout Europe, including in London, Prague, Warsaw, Paris, Rome and Moscow. The Boston Committee Against Ethnic Cleansing held a protest in Copley Square. Participants distributed leaflets and gathered signatures for a petition calling on the Russian president to end the system of brutal cleansings (zachistakas), begin peace talks and release civilian hostages.
Event organizer Victoria Poupko commented that the public seemed very sympathetic to the plight of the Chechens: "Most Americans derive from immigrants who fled war or hunger or oppression. So it was not surprising that Americans responded with compassion. Some persons of Ukrainian or El Salvadoran or Haitian background approached us and related their stories." Although there was a great deal of goodwill, it also seemed that many Bostonians were not well informed about the war in Chechnya. Those who refused to sign the petition said they did not know enough to make a judgment. "Still, we were gathering signatures at a rate of almost one per minute," says Poupko.

**Newly Independent States: Central Asia**

*By Michael Donahue*

**Those who can, do; those who can't, complain**

Geopolitical insecurities abound in Central Asia where Russia's former monopoly of influence has been rudely displaced by American combat troops and the millions of dollars that follow them around the globe. Russian President Vladimir Putin is not, however, the only one concerned with the spreading of American hegemony into Central Asia. China, domestic Central Asian opposition groups and international human rights organizations also have expressed concern of late over the objectives of the American presence, as well as its undetermined duration.

In a fit of insecurity, Beijing recently accused the United States of pursuing military basing agreements with Kazakhstan and Kyrgyzstan in order to facilitate spying on China. (EURASIA INSIGHT, 19 Feb 02; via Eurasianet) While it certainly is likely that the US is gathering intelligence on China from a variety of locations, possibly including Central Asia, it is rather irrational to suggest that the
The purpose behind recent airbase negotiations is eastern- rather than western-oriented. In contemplating any "second front" in the war on terror, specifically against Iran, the logic behind basing strike and reconnaissance aircraft in Central Asia could be seen only as a necessity. However, self-important paranoia seems to have taken hold in Beijing.

In an increasingly feeble effort to keep the Chinese foot in the Central Asian door, Chinese State Councilor Ismail Amat visited Bishkek in mid-January in order to emphasize the Shanghai Cooperation Organization (SCO) as the most practical and effective vehicle for regional stability and security, an obvious attempt to draw the region away from Washington. (XINHUA, 2009 GMT, 17 Jan 02; FBIS-CHI-2002-0117, via World News Connection) The SCO is certainly a practical vehicle for Russia and China meddling into the affairs of these states that have newfound importance on the international stage, but it is unlikely to be stabilizing: The two dominant forces within the organization have opposing agendas, and even the combined military capabilities of the SCO fall short of those of the United States. Furthermore, and much to the chagrin of Beijing and Moscow, Amat could not make the same bold declaration in the area of economic and social development. For regional development in these critical areas, only the European Union and the United States have the economic depth to bring the region’s potential to fulfillment.

In Mother Russia, Putin himself has come under harsh criticism from hard-line opponents who claim he has, for lack of better terminology, been "soft on capitalism." The tacit acceptance of an American military presence in Central Asia has been called by some in the Russian media as a "significant threat to Russian national security." (EURASIA INSIGHT, 12 Feb 02; via Eurasianet) The reasoning behind this paranoia is the fear that the Russian-dominated Collective Security Treaty (CST) will fall by the wayside as the critical members (Kyrgyzstan, Kazakhstan and Tajikistan) create binding bilateral agreements with the United States.
The true concern for Putin's critics, however, is not diminished security but diminished hegemony, as American and regional prosecution on the war on terror likely will result in fewer Islamic-extremist organizations and thereby enhance Russia's security. It is probable that both the Russian president and his opponents fully understand this basic fact, however, Putin's opposition can muster popular support through appealing to the bruised ego of average Russians who long for a return to the time when the world trembled at their footsteps. What they fail to grasp, however, is that Putin's "soft" policy toward Central Asia is not borne of Wilsonian idealism or even Bismarckian realism, but of a simple cost-benefit analysis of the situation. The cost of attempting to check American regional influence is possibly higher than Moscow can pay, even at the low end of the spectrum. Russia is simply incapable of competing economically or militarily with the United States, even in its own backyard. A more important question is: Why should Moscow even try?

Putin also has a better answer to this question than his critics do. In the long run, Moscow stands to gain from the American involvement in Central Asia for a number of reasons. First, the most likely outcome of the campaign against terror in the region is a decrease in the number Islamic extremist organizations. Secondly, and related to the first, this decrease will help stabilize the region and firm up Russia's "soft underbelly." Third, the entire region is experiencing an influx of aid that can result only in substantive improvements in infrastructure and socioeconomic stability. Fourth, the foreign investment climate will be stabilized to facilitate exploitation of Caspian energy reserves, from which Russia will benefit handsomely. And finally, all of this is going to be done largely on the backs of the American and European economies. Metternich he is not, but Putin may be smarter than his opponents like to admit.

Newly Independent States: Baltic States
What exactly does NATO want?

As the November NATO summit approaches, recent discussions within the alliance may be an unpleasant foreshadowing of things to come. As recently as 18 February, Foreign Ministry Deputy Chancellor Harri Tiido tried to calm both the Estonian public and the international community by acknowledging that failure to obtain an invitation to the alliance would make the situation in Estonia difficult but would not be a disaster. (ETA, 1618 GMT, 18 Feb 02; FBIS-SOV-2002-0218, via World News Connection)

The timing of such a proclamation is significant because it was made amidst several major events key to Baltic aspirations to join NATO. The first was a 14 February meeting between Baltic diplomats, including Tiido, and Italian representatives, during which the Italians stressed the importance of expanding NATO in both a northern and southern direction and stated that any future expansion must be balanced within this need. (BNS, 1441 GMT, 14 Feb 02; FBIS-SOV-2002-2015, via World News Connection) Although Italian diplomats acknowledged that Italy fully supported NATO expansion, they did not commit to supporting publicly any of the Baltic states for membership to the alliance. This now marks Italy, along with fellow alliance members France and Turkey, as supporting the inclusion of southern states in the next round of expansion, either along with or instead of the Baltic states.

This was followed by the 20 February meeting between President Arnold Ruutel of Estonia and Prime Minister Kjell Magne Bondevik of Norway, during which Ruutel had the difficult task of assuring Bondevik that Estonia is interested in pursuing good relations with Russia. (BNS, 1629 GMT, 20 Feb 02; FBIS-SOV-2002-0220, via World News Connection) Although the meeting ended with Bondevik reaffirming his country's support for the Baltic states' entry into NATO, it highlights the fact that concerns about Russia's stance towards the Baltics is
still an issue that surfaces in expansion discussions, even among strong supporters of the Baltics such as Norway. Throughout the week NATO's critical eye remained focused upon the Baltic states, not only in Estonia but Latvia as well.

When NATO Secretary-General George Robertson spoke to the Latvian parliament, he stressed the adoption of democratic reforms and then proceeded to address explicitly the Latvian election law before mentioning the responsibility and economic costs of membership in the alliance. (LETA, 1511 GMT, 21 Feb 02; FBIS-SOV-2002-0221, via World News Connection) The election law, which requires top-level state-language proficiency for candidates, was revisited again by Robertson when he meet with officials in the foreign ministry. The law has long been a controversial topic within Latvia. Even before Robertson’s visit, Latvian President Vaire Vike-Freiberga spoke of this issue at the 46th Conference of Latvian Intellectuals; she noted that NATO is not forcing a change in the election laws but acknowledged that if Latvia wanted to be part of the alliance it should abide by the alliance’s standards. (BNS, 1110 GMT, 15 Feb 02; FBIS-SOV-2002-0215, via World News Connection)

The November NATO summit is still a long way off and much is left to be decided, but, as Robertson pointed out, democracy develops dynamically. This is even more important in regard to NATO, with its consensual structure. As the final discussions concerning expansion take place among alliance members, the Baltic states will come under more and more scrutiny, especially if NATO feels there are unresolved issues.

Copyright Boston University Trustees 2002
Unless otherwise indicated, all articles appearing in this journal were written especially for Analyst. This article was originally published at http://www.bu.edu/iscip/digest/vol7/ed0704.html