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Russian Federation: Executive Branch

By Susan Cavan

The rise and fall of Kremlin favorites

The power of the Russian presidency, formidable on paper, in practice often seems to rest on the ability to distribute wealth-creating assets to select individuals and groups, with the intent of "owning" their loyalty. This could have been a stumbling block to President Putin, as most of the more valuable assets had been "divvied up" in outrageously favorable circumstances to President Yel'tsin's pet oligarchs. As it turns out, Putin has an ace up his sleeve: He has no qualms about using the prosecutor's office to force the return of onetime state assets from private hands.

It is difficult to gather sympathy for the previous beneficiaries of Yel'tsin's largesse. The state property auctions of the 1990s appeared ludicrously skewed and rigged, while coated with a veneer of democratic and market evolution. (Boris Berezovsky still argues that the auctions were necessary to prevent the return of the Communists). There was, and still is, outrage and anger at the authors and recipients of these property transactions. It is unseemly, nonetheless, that Putin's regime would so blatantly use the security organs to take back what had been sold, thereby abrogating the deals of the previous administration. All the while, a new cast of favorites is drawn closer to the Kremlin.

The first group of private owners to come under attack were, naturally, the first to attack Putin. The media, cheerleaders to Putin's early ascendancy, became critical of his heavy-handed tactics, the brutality of the war in Chechnya, and most devastatingly, his handling of the Kursk submarine tragedy. Vladimir

Gusinsky's Media-MOST was forced into capitulation to Gazprom under the watchful eye of government Minister Mikhail Lesin. (See previous NIS OBSERVED) Boris Berezovsky and his shares in Russian Public Television (ORT) for months have been batted about by an annoyed Russian executive branch attempting to force Berezovsky to return control of his ORT stock to the state. His refusal has resulted, most recently, in his eviction from a "state-owned" dacha, for which Berezovsky paid hundreds of thousands of dollars in annual rent, and a re-opening of criminal investigations against him. (AGENCE FRANCE PRESSE, 0530 PDT, 19 Oct 00; via C-afp@clari.net) According to analyst Yevgeni Volk, "The authorities don't want those two [Berezovsky and Gusinsky] to remain here, to play an active political role. Their interference in Russian politics appears dangerous for the Kremlin." (Ibid.)

Again, while it is difficult to defend individuals who used proximity to the Kremlin for personal gain at the expense of public revenue loss, the Putin administration's moves smack of an attempt at re-nationalization. Media-MOST has apparently dropped its challenge to the Gazprom deal forced on Gusinsky and announced it was nearing an "amicable" settlement with the oil giant, but all reports indicate that a cautious Gusinsky remains outside the country, despite the agreement. (AGENCE FRANCE PRESSE, 1030 PDT, 18 Oct 00; via C-afp@clari.net)

The Russian prosecutor's office has confirmed its willingness to be party to this purge of former favorites. According to First Deputy Prosecutor General Yuri Biryukov, the prosecutor-general's office is investigating several privatization deals made during the Yel'tsin regime. (FEDERAL NEWS SERVICE, 20 Oct 00; via lexis-nexis) In one highly publicized case, Norilsk Nickel, through its Vladimir Potanin-owned Interros group, is being pressured to pay \$140 million to the state because of its allegedly undervalued stock sale price.

The new favored Kremlin oligarchs are just emerging. Anatoli Chubais appears to exist in a state of limbo between the old and new. While there are many

instances of attempts to destabilize his current position as head of the Unified Energy Systems (UES), he remains in fighting form. In recent remarks to the Duma, Chubais claimed to have a letter from Gazprom Chief Rem Vyakhirev stating that there would be a significant reduction in fuel supplied to UES next year. Chubais commented, "...I will have to turn electricity off to a third of the country. Is this a joke?" (BLOOMBERG, 18 Oct 00; via Johnson's Russia List)

President Putin has already stepped in to mediate this dispute, however. In a meeting with Chubais and Vyakhirev in Sochi, a deal was apparently reached to develop a plan to stabilize fuel supplies through the year 2020. (SEGODNYA, 21 Oct 00; What the Papers Say, via lexis-nexis)

Roman Abramovich, formerly identified as a close Yel'tsin "Family" member, also seems to retain some influence with the new president. He has been present at some recent public appearances by Putin. A potential newcomer to the group is St. Petersburg entrepreneur Vladimir Kogan. Kogan is the president of Bakirsky Dom Sankt-Peterburg, which is the holding company of Promstroybank. He is said to be friendly with several Kremlin intimates including Aleksei Kudrin, German Gref and Anatoli Chubais. (OBSSHCHAYA GAZETA, 12 Oct 00; FBIS-SOV-2000-1012, via World News Connection)

So what have the now out-of-favor oligarchs, and even those who may be on shaky ground, done to counter the weight of the government's ire? Unionize, of course. Arkadi Volsky, head of the Union of Industrialists and Entrepreneurs, announced that several of Russia's most prominent businessmen, likely to include Anatoli Chubais, Vladimir Potanin and others, will be joining the union. In a sign of surely changing times, Volsky commented "No more divisions into red directors and oligarchs." (ITAR-TASS, 1055 GMT, 6 Oct 00; FBIS-SOV-2000-1006, via World News Connection)

Russian Federation: Security Services

By Luba Schwartzman

Having a blast in Stavropol

The police, special service and internal affairs officers have been kept busy with explosions, bomb threats, and discoveries of related materiel throughout the south of Russia and along railroads, as well as in Grozny. Several almost simultaneous explosions at the Pyatigorsk railroad station and at the Nevinnomyssk bus station and market (both cities are in the Stavropol region) killed 4, and injured over 30 persons on Sunday, 15 October; 8 persons (2 civilians) died and another 20 were injured by a car bomb that was detonated near the temporary internal affairs department in Grozny three days earlier. Bombs have been located and defused in a hotel in the town of Budennovsk (Stavropol region) (ITAR-TASS, 0717 GMT, 12 Oct 00; FBIS-SOV-2000-1012, via World News Connection), at the Gudermes railroad station in Chechnya, along the Western Siberian railroad near Kemerovo (ITAR-TASS, 1107 GMT, 16 Oct 00; FBIS-SOV-2000-1016, via World News Connection), at the only active church in Grozny (INTERFAX, 1423 GMT, 4 Oct 00; via lexis-nexis), and on a street corner in Grozny, hidden under a pile of trash. (RIA, 0652 GMT, 12 Oct 00; FBIS-SOV-2000-1012, via World News Connection)

In response, freight trains from Chechnya and the surrounding region are being inspected (ITAR-TASS, 1756 GMT, 15 Oct 00; FBIS-SOV-2000-1015, via World News Connection), roads and public areas are patrolled by special units, checkpoints have been reinforced throughout Grozny, passport inspections have been intensified, and the public has been asked to be vigilant and to report suspicious persons, objects and activities. (ITAR-TASS, 0742 GMT, 18 Oct 00; FBIS-SOV-2000-1018, via World News Connection)

An Obshchaya gazeta article suggests that there has been an adjustment in the treatment of terrorism, that "officials are not insisting on the 'Chechen' version, as

had been the case in similar instances before." One theory is that "the state is starting to change its attitude towards the Chechen problem," seeking the cooperation of local politicians instead of relying on a policy of complete destruction. (OBSSHCHAYA GAZETA, 12 Oct 00; FBIS-SOV-2000-1012, via World News Connection) While such a concept would not be unwelcome, it is also possible that the powers that be are toning down slightly the emphasis on "Chechen terrorism," realizing the danger of crying "Chechens!" early and often. One should also note that in a later analysis of the incidents, "the Chechen trace" was still considered a key version. (INTERFAX, 1040 GMT, 12 Oct 00; via lexis-nexis)

Random acts of kindness?

The Federal Security Service's (FSB) public relations center released a press review on 17 October, concerning organizations in 49 Russian regions created by extremists of the Moslem Brotherhood, a militant, revisionist, international Islamic organization. According to the FSB, these groups, which camouflage themselves as charity organizations, are most concerned with "kindling separatist feelings in Moslem regions" and coordinating actions with terrorist groups of Al-Gamaa al-Islamiya and al-Jihad al Islami, with Osama bin Laden and with Bosnian militants. (ITAR-TASS, 17 Oct 00; via lexis-nexis)

A booming industry kept in check

The Russian interior ministry inspected about 20,000 private security firms, detective agencies, paramilitary guard units, sport and hunting organizations, storage facilities and shops selling weapons as part of the "Shield-2000" operation. Fifteen unlicensed schools for training guards were exposed, as well as 3,300 unregistered persons providing protective and detective services; 18,000 firearms and 307 kilograms of explosives were confiscated; over 46,000 persons were charged with "administrative responsibility"; and 1,396 others faced "criminal responsibility" for violation of ordinances concerning arms transactions.

(ITAR-TASS, 1338 GMT, 18 Oct 00; FBIS-SOV-2000-1018, via World News Connection)

No closer to home

Russian officials have continued to act indignant concerning the (fairly tame) pressure coming from the US in regards to Edmund Pope. Among the statements made is an unbelievable one by Anatoly Dolgolaptev, the head of the League of Russian Defense Plants: "In my opinion, this is an extremely non-constructive attitude. Lawful business exists and it must be fully developed. It is very unethical to lay the blame on someone else [but at least] there will be less theft of our technological secrets." (INTERFAX, 1153 GMT, 5 Oct 00; FBIS-SOV-2000-1005, via World News Connection) On a more serious note, the court has been unwilling to allow any of Pope's requests -- a medical examination, an impartial translator, or at least permission to tape record the assigned interpreter (who has obvious FSB ties), the summoning of the main witness, Anatoly Babkin, etc. Mr. Pope's lawyer, Pavel Astakhanov, said that the American businessman, in custody since April, has been working on a 40-page statement "to assert his innocence and his attitude towards the progress of the trial," which he will read out and submit to court on Monday. (INTERFAX, 0904 GMT, 19 Oct 00; FBIS-SOV-2000-1019, via World News Connection)

Russian Federation: Foreign Relations

By Sarah Miller

Another setback for Russian diplomacy: the Middle East

On the heels of its indecisive foreign policy during the Yugoslav crisis earlier this month, Russia has suffered yet another diplomatic setback, this time in the Middle East. Despite the Putin administration's emphasis on increasing Russia's foreign policy momentum, Russia's conspicuous absence from the emergency

Mideast peace summit at Sharm el-Sheikh on 16-17 October appears to be another instance of diplomatic mismanagement.

Over the past few years, Russia has invigorated its involvement in the Middle East. NATO actions in Kosovo provided the Yel'tsin administration with the perfect pretext under which to build up its position in the region as co-sponsor of the Middle East "peace process." Since then, Russia has increased its involvement by contrasting what it has termed the West's "unipolar" influence in the Middle East and its own self-ascribed role as a leader of the "multipolar" world. (See NIS OBSERVED, 10 May 99) In addition to rebuilding its international diplomatic prestige, this effort allowed Russia to increase ties to Muslim countries and their leaders, including Palestinian leader Yasir Arafat, who has visited Moscow with surprising regularity since that time. Under President Vladimir Putin, the momentum begun by Yel'tsin has grown. Thus, it was unsurprising that Putin dispatched Foreign Minister Igor Ivanov to the region when the most recent violence broke out in the Middle East.

Indicative of the premium that Russia has begun to place on its role in the Middle East, Ivanov met with a number of Middle East leaders during the recent crisis in a unilateral attempt to become a player in the region. The diplomatic flurry included visits to Syria, Lebanon and Israel. However, like the host of other envoys from across the globe also dispatched to the region, Ivanov was unable to facilitate any definitive agreement between the sides. But even without a solution, as late as 13 October -- Ivanov's departure date from the Middle East -- the Russian diplomatic effort was still in full swing. Prior to leaving the region, Ivanov painted his efforts in a positive light by noting that the "position of rejection is being replaced by dialogue." (REUTERS, 16 Oct 00; via RussiaToday.com) Similarly, throughout Ivanov's visit, Putin reiterated Russia's desire to "play a bigger role in the Middle East peace process." In fact, until a day prior to the announcement of the emergency summit, Russian diplomacy showed no signs of decreasing momentum. However, as quickly as the summit was announced, the

Russian government seemed to abandon the initiative altogether, shifting attention to relations with Iran.

The intensity of Ivanov's diplomatic efforts and Russia's recent involvement in the region only compounded Russia's conspicuous absence at the Sharm el-Sheikh gathering. A variety of heads of state attended the summit, including Israeli Prime Minister Ehud Barak, Palestinian leader Yasir Arafat, US President Bill Clinton, Egyptian President Hosni Mubarak, King Abdullah of Jordan, UN Secretary-General Kofi Annan and European Union foreign policy chief Javier Solana. Although the precise reasons behind Russia's absence at the table are still unclear, some reports indicate that if Russia received an invitation to the Egyptian summit at all, it was addressed to Ivanov, not Putin, sparking a diplomatic tantrum in Moscow. (REUTERS, 17 Oct 00; via RussiaToday.com) A foreign ministry statement released on 16 October, in which the Russian government expressed interest in participating in the summit "at the same level as other participants," suggests that Putin perceived the absence of a personal invitation as a snub by the West. (RFE/RL NEWSLINE, 16 Oct 00) In this respect, Moscow's response that "Putin hadn't wanted to go to the summit in any event," and his decision to spend the summit vacationing at a Black Sea resort seemed like a childish ploy to de-emphasize the significance of his absence.

But Putin seemed to have regained his diplomatic composure in a letter to the participants of the summit. Sent as violence once again flared in the region late last week, Putin's message said Russia would continue to play an active role in the search for peace. "Russia cannot remain indifferent to the fact that explosive potential is again building up in the Middle East," Putin said. "Now much greater effort and political will is required to resume the peace process," indicating that notwithstanding the recent setback, Russian diplomatic ambitions have not faded. (REUTERS, 22 Oct 00; via RussiaToday.com) Whether or not Russia can match action with words is another matter since even Putin has acknowledged Russia's lack of resources to conduct such extensive diplomatic efforts.

Thus, Russia's exclusion from the summit seems to be more associated with diplomatic mismanagement on both sides than a signal that Russia has decided to pull out of the region altogether. For the time being, Russia still has a role in the region -- given its ties to the Palestinian leadership in particular -- if it deems further involvement to be expedient. It seems unlikely, therefore, that Russia would abandon its unilateral moves so quickly, especially in light of the prestige associated with its role as co-sponsor.

Russian Federation: Domestic Issues and Legislative Branch

By Michael Thurman

FEDERAL ASSEMBLY

Putin's organizational maneuvers challenged

Vladimir Ryzhkov, a member of the Duma Committee for Federation Affairs and Regional Policy, has voiced support for Putin's desire to limit regional leaders to two terms. "Any precedent of deviation from this norm may be dangerous because it will cause a chain reaction." (ITAR-TASS, 1835 GMT, 4 Oct 00; FBIS-SOV-2000-1004, via World News Connection)

Partly in response to this initiative, as well as Putin's past grabs at regional power, a group of Russian senators is preparing to appeal to the Constitutional Court. Chuvash President Nikolay Fedorov and Moscow city дума chairman Vladimir Platonov are leading the effort and are ready as a first step to submit their draft motion at an upcoming session of the Constitutional Committee of the Federation Council.

In addition to their concern over Putin's desire to limit the number of terms regional leaders may serve, Fedorov and Platonov and their supporters are concerned about Putin's new power to remove heads of the regions for a set of rather vague justifications. Fedorov and Platonov claim that such actions would violate the federalist provisions of the Constitution. They argue that it is the prerogative of the judiciary, not the executive branch, to call regional leaders to account.

Fedorov said the "presidential laws" on reinforcing the vertical power structure actually have the purpose of establishing "a powerful, autocratic and bureaucratic type of government based on the power ministries' structures and on the will of an autocrat.... This is neo-Bolshevism which will recreate all the worst features of Russian authoritarianism."(EKHO MOSKVY, 0528 GMT, 19 Oct 00; via lexis-nexis)

REGIONS

Novgorod governor speaks out against Putin's policy

Novgorod Governor Mikhail Prusak is not pleased with President Putin's federal districts or the way in which they have been evolving. As many had suspected, Putin is using these districts to extend his control over the regions. (See NIS OBSERVED, 13 Sep 00)

Prusak points to several developments that he finds disturbing. First, most federal resources are being invested in the capital cities of the federal regions. "With today's policy all people will soon be living in the capitals of the seven districts, and the rest of the territories will become a wilderness." Second, regional banks are being pressed to combine activities across the relevant federal region. "Branches of the Savings Bank, for example, are being consolidated, we will no longer have a full-fledged oblast Savings Bank here, there will be a Northwest Savings Bank in Petersburg." Third, "the same thing is being done with telecommunications -- a northwest branch of Rostelekom is

being formed. And so with all services: the attorney's office, the Anti-Economic Crime Department.... Raking up into a pile people and resources and departments is the mentality of the military, the power ministers. Look how many generals we already have here in high civilian office! What is to be expected of them? They govern as they know how."

When asked why the governors are going along with the president's reforms, Prusak noted that the governors are blinded by Putin's popularity, even though they are aware of his centralizing tendencies. (OBSHCHAYA GAZETA, 12 Oct 00; FBIS-SOV-2000-1012, via World News Connection)

The changes in the membership of the Federation Council, the creation of the State Council and federal districts will allow Putin to return Soviet-type power to the offices of the Kremlin should he choose to do so. And this is precisely what many ordinary Russians favor, having suffered under Yel'tsin's weakness and the corresponding rapaciousness of the "oligarchs." The constitutional court seems to be the only institution left able to defend Russian democracy, and it is an imperfect one at that. It remains to be seen just how far the pending court challenge to Putin's centralization measures will go.

Newly Independent States: Western Region

By Tammy Lynch

UKRAINE

A new territorial pact for Europe?

This month, the full impact of the European Union's decision to forge a gas supply partnership with Russia became clear for Ukraine. The EU plan to double its gas imports from Russia within the next 20 years effectively hands Russia the trump power card in the region, making it more difficult not only for Ukraine, but also for other former Soviet republics, to resist Russian pressure on a litany of

issues. The biggest problem for Ukraine, of course, is the supply of Russian gas the country will receive in the future -- and what the country will need to surrender to get it.

The two countries have been attempting to deal with the gas issue for several years now, as Ukraine's debt to the Russian gas monopoly Gazprom grows by hundreds of millions of dollars almost on a monthly basis. Gazprom also has been understandably irritated by Ukraine's illegal siphoning of gas from transit lines going through the country from Russia to Western Europe. This multiplying gas debt has allowed Russia to pressure Ukraine on any number of issues, from the so-called "discrimination" against Ukraine's Russian minority to turning over Ukrainian state assets to Russia as payment.

It seemed just a month ago, however, that Ukraine was finally beginning to dig its way out of the gas debacle and was beginning to stand on a more equal footing with Russia. Ukrainian President Leonid Kuchma announced that the country had come to an agreement with Turkmenistan regarding past gas arrears and future gas supplies, allowing him for the first time in years to speak about "diversification" of gas supply. The government, meanwhile, also proposed giving Russia a share in the country's pipeline transit system for 25 years, thus wiping out its debt to its neighbor, eliminating the need to surrender state assets completely, and significantly reducing Russian pressure to pursue an "eastward" course. This plan, which was the best that could be hoped for in a bad situation, was soon endorsed by the parliament under the guise of gas line "privatization."

Then came the EU's announcement that it wanted to increase dramatically its imports of gas from Russia. The announcement seemed to imbue Russia with confidence, confirming its view of its position in the region. Moscow began aggressively pursuing a deal with a consortium of European companies to build a new pipeline that would bypass Ukraine, thus eliminating any possibility of future illegal siphoning -- and, along with it, any transit fees to be paid to Ukraine. On 19

October, that deal apparently came to fruition. "With Gaz de France and our other European partners [Italy's ENI, Germany's Wintershall and Ruhrgas], we have signed a document and together we are starting to construct the pipeline," Gazprom head Rem Vyakhirev announced. (AGENCE FRANCE PRESSE, 19 Oct 00; BBC Summary of World Broadcasts, via lexis-nexis)

The statement actually may have been more significant for its psychological factor than its actual impact, however. Gaz de France told Agence France Presse that the signed document only created a feasibility study, casting doubt on at least some of Vyakhirev's statements.

Even more important than Vyakhirev's exaggeration was the utter disregard for Poland in the process. In a communique issued following Gazprom's announcement, the Polish economic ministry noted that Poland had not been involved in the negotiations to build a pipeline through it, and said, "talks on planning and building transit gas pipelines to Western Europe should be held with the participation of the Polish side." (PAP NEWS AGENCY, 19 Oct 00, 1549 GMT; via lexis-nexis) Further, the statement reiterated Poland's opposition to any pipeline that would bypass Ukraine. "Poland continues to oppose for economic, ecological and political reasons the project to link the Russian and Western gas networks." (AGENCE FRANCE PRESSE, 19 Oct 00; BBC Summary of World Broadcasts, via lexis-nexis)

Russia, however, does not seem too concerned about this minor detail. Moscow's Alfa Bank, in its daily market comment, noted, "We believe this consortium of major European gas operators combined with the political support of Russia and the European Union will help overcome this difficulty." (REUTERS, 19 Oct 00; via America Online) Even some of the Polish media suggested that Poland will not be able to continue "to defend Ukraine." The Polish News Bulletin put it bluntly when it noted that "after recent declarations by EU countries that

want to import more gas from Russia, this stance has become difficult to keep."
(POLISH NEWS BULLETIN, 20 Oct 00; via lexis-nexis)

The fact is that Gazprom's newfound camaraderie with the EU, and the willingness of European companies to work with Russia to the exclusion of smaller countries like Turkmenistan and Azerbaijan, is a powerful psychological tool, working for the victor and against the others.

At his 16 October summit in Sochi with Kuchma, Russian President Vladimir Putin used that tool with expert skill. By the end of the summit, it had become clear that Russia would be happy to accept a large stake in Ukraine's pipeline system, but no, that would not settle the debt. The system needed too much modernization, "experts" noted, to be an answer to the debt problem. As ITAR-TASS said on the day of the summit, "According to experts' calculations, Ukrainian gas pipelines need between 500 million to one billion dollars of investment to rebuild them," which "reduces the attractiveness of the Ukrainian gas distribution network." (ITAR-TASS, 0709 GMT, 17 Oct 00; FBIS-SOV-2000-1017, via World News Connection) To show his country's fraternalism, however, Putin graciously agreed to "allow" Turkmenistan to export gas to Ukraine through Russia without adding an exorbitant transit fee to the per cubic meter price of the gas. He also suggested that, if a pipeline were built, he would guarantee that Ukraine be granted the contract to supply the pipes. Russian pipe producers blasted this "concession" and undoubtedly will campaign vigorously against it should Putin ever be asked to fulfill his verbal promise.

There was no question following this summit that the EU's decision to work only with Russia was dispiriting for other former Soviet republics. It becomes more difficult to resist Russian pressure when there appears to be no other alternative. Of course, it is well within the rights of the EU to search for new ways to stabilize its gas supply. It is unfortunate, however, that the organization did not use the opportunity to involve other countries, thus making it clear that Russia would not

be allowed to use its gas power as a lever. Modernization of the Ukrainian pipe system, for example, would reportedly increase its capacity by 30 percent. This should be of interest to Western Europe. Certainly, Turkmenistan's contribution to Western Europe could be substantial, not to mention the gas exporting potential of the Caspian countries. Instead, Western Europe has handed an old hegemonic power a hammer, and stood by as Moscow announced that it would bring down that hammer.

BELARUS

Professor Lukashenka?

Many public relations practitioners in the West could learn a lot from Alyaksandr Lukashenka. His response to critics in the Belarusian opposition and Western Europe of the recent parliamentary elections has been both entertaining and effectively geared toward his primary market. Yes, Alex might have a big future once this dictator gig is up.

The strategy? Just deny and restate the facts while demonizing your opponents. For example, when the other side, in the form of the OSCE, suggests that "the minimum requirements for free, fair, equal, accountable and open elections were not met," simply announce the opposite on the state media. While you're at it, convince your neighbor next door to vouch for you, allowing your market -- Belarusian citizens outside Minsk -- to read in the newspaper that "the absolute majority of independent international observers, including representatives of the European Union, have recognized that the election was free and honest." (INTERFAX, 0752 GMT, 18 Oct 00; FBIS-SOV-2000-1018, via World News Connection)

Following that, ensure everyone understands that your opponent is distorting facts based on a vendetta to destroy you and your glorious country. "All this shows that groundless and large-scale political provocation is being pursued against Belarus in an effort to discredit the country's leadership," Lukashenka's

chief of staff told reporters, while Lukashenka himself explained that the elections were held "in absolutely democratic fashion." (INTERFAX, 1737 GMT, 17 Oct 00; FBIS-SOV-2000-1017, via World News Connection, and REUTERS, 18 Oct 00; via America Online)

These statements repeated continuously over several days and combined with a lack of media access for opponents add up to victory, Lukashenka-style. More importantly, they equate to the continuation of the status quo for the people of Belarus, heading into a winter that undoubtedly will be exceedingly difficult.

Newly Independent States: Caucasus

By Miriam Lansky

GEORGIA

Irrelevance is bliss: CFE and OSCE

In most introductory-level courses on international relations theory, the same nagging question is raised time and again: What good are international organizations if they are powerless to implement their decisions? If institutions like the UN and the OSCE are doomed to be at the mercy of the most powerful member states, why create and maintain these elaborate and expensive structures? Such questions seem all the more prescient in connection with the ongoing wrangling over the removal of Russian military bases from Georgia.

Nearly a year ago, at the Istanbul summit of the OSCE, Russia undertook the obligation to remove its four military bases from Georgia. This promise took the form of an Annex to the Final Act of the Conference of the States Parties to the Treaty on Conventional Armed Forces in Europe. (www.osce.org) Thus, Russia did not merely make a bilateral promise to Georgia but undertook an obligation to all the signatories and OSCE members. So, one would expect the OSCE to take the lead in negotiating the terms of Russian compliance. Instead such talks have

continued on a bilateral basis between Georgia and Russia. It isn't a great surprise, therefore, that Russia has been stalling and bullying Georgia to avoid implementation. The big surprise is that Georgia has hung on and not given ground.

What price visas?

Although Russia has threatened to impose visa requirements on Georgia many times over the last year, the latest round of Russian-Georgian negotiations coincided with a much tougher Russian position on the issue. Russia announced its withdrawal from the CIS visa-free travel arrangement in September and ominously indicated that it would negotiate separate agreements with each country.

Azerbaijan was the first of the Caucasian states to ensure ongoing visa-free travel -- the announcement of which coincided with Foreign Minister Vilat Guleiv's October visit to Moscow. This was the first time an Azerbaijani foreign minister had gone to Moscow since independence. It was announced that Putin would visit Baku in November. Visa-free travel for Armenian citizens was finalized several days later. A similar arrangement was not forthcoming for the Georgians.

Round four and still standing

In the latest round of Russian-Georgian talks concerning the bases, held on 19-20 October, the Russian side elaborated its earlier proposal of shifting the Gudauta base to support the Russian "peacekeepers" in Abkhazia. (According to the OSCE document, that base should be dismantled by 1 July 2001.) One member of the Georgian delegation had said that Georgia would consider the proposal to turn the base into a rehabilitation facility if all the military hardware was removed. To add fuel to the Russian fire, on 21 October the Abkhaz representatives claimed that any materiel to be taken from Gudauta "is supposed to be transferred to Abkhazia." (PRIME NEWS AGENCY, 20 Oct 00; BBC Summary of World Broadcasts, via lexis-nexis)

Russian Deputy Prime Minister Iliah Klebanov suggested to Interfax that Russia's proposal to retain control of the base, to become a "rehabilitation-training center" for the peacekeepers, would be implemented by the parties. (INTERFAX, 19 Oct 00; via lexis-nexis) Other media outlets carried the same misinformation. This prompted Georgian Foreign Minister Irakly Menagarishvili and Giorgi Baramidze, chairman of the Parliamentary Defense and Security Committee, to clarify in no uncertain terms that the Gudauta base had to be withdrawn before any discussion of setting up a rehabilitation center for the "peacekeepers" could commence. (PRIME NEWS AGENCY, 19 Oct 00; BBC Summary of World Broadcasts, and ITAR-TASS, 21 Oct 00; via lexis-nexis)

Advances to round five

The next round will be held in December and will take up the question not only of Gudauta and Vaziani but also of the timetable for the withdrawal of the bases at Batumi and Akhalkalaki which Russia has undertaken to remove before the end of 2003. According to the Russian newspaper Kommersant, Klebanov hinted that a Georgian refusal to let Batumi and Akhalkalaki remain would prompt Russia to renege on its promise to dismantle Gudauta and Vaziani. In this way Russia could keep all four bases. Other levers to press for Georgian compliance include imposing the visa regime and pushing for repayment of Georgia's debts to Russia. The paper commented that Georgian-Russian relations are at the absolute lowest point since independence, even worse than during the Abkhaz war. (KOMMERSANT, 19 Oct 00; Russian Press Digest, via lexis-nexis)

Newly Independent States: Central Asia

By Lt. Col. James DeTemple

CIS collective security system: implications for Central Asia

Russia and its five partners in the Commonwealth of Independent States (CIS) Collective Security Treaty (CST) -- Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan -- signed an agreement on 11 October in the Kyrgyz capital, Bishkek, to create regional forces and a collective security system. This latest effort by Russia to consolidate control within the CIS security framework has broad implications for Central Asia. The CST member states also adopted a joint statement on Central Asian security, highlighting their concern over the situation on the CIS's southern flank.

The defense agreement is intended to improve politico-military integration and provide operational military capability in the form of regional forces. The security accord "On Creating Forces and Means of the Collective Security System" establishes the basis for introducing collective troops on the territories of CST countries. Each of the six member countries agreed to allocate national military units for use as CST forces. (Jamestown Foundation MONITOR, 16 Oct 00) A message has already gone out to the general staffs to "draft proposals on forming regional forces" in support of the collective security system. (INTERFAX, 1524 GMT, 11 Oct 00; FBIS-SOV-2000-1011, via World News Connection) The allocated units will participate in exercises and, if necessary, military operations on the territories of CST states under a joint command. Potentially, this could serve as a pretext for sending mainly Russian troops into troubled areas. The CIS Collective Security Council, consisting of the heads of state, will decide collectively when and where to deploy troops, as well as the purpose and length of their deployment, along with the consent of the host country. According to the agreement, the "tasks of a multi-national military force would include jointly repelling foreign military aggression and carrying out joint counter-terrorism operations." (JANE'S INTELLIGENCE DIGEST, 20 Oct 00)

The security pact outlines a three-tiered collective security system consisting of a western sector (Russia and Belarus), a South Caucasian sector (Russia and Armenia) and a Central Asian sector (Russia, Kazakhstan, Kyrgyzstan and

Tajikistan). Russia's inclusion in all three tiers demonstrates Moscow's strategic intent to maintain spheres of influence in the "near abroad," and to cement further its role as a permanent military fixture in the CST states. In Central Asia, the collective security system has two large gaps due to the nonparticipation of Uzbekistan and Turkmenistan, which have rejected attempts to reinstate Russian hegemony. (Jamestown Foundation MONITOR, 16 Oct 00) The Uzbek and Turkish presidents recently agreed on the "need to settle regional security issues in coordination with the UN, the Organization for Security and Cooperation Europe and NATO," signifying Uzbek rejection of Moscow's latest plan for a "regional group of forces under its own leadership" within the CIS Collective Security Treaty framework, against Taliban-controlled Afghanistan.

Indeed, Uzbekistan's president, Islam Karimov, has criticized Moscow for using the threat of Taliban expansion into countries bordering Afghanistan as justification for creating a Russian-led collective force, in addition to maintaining political and military control over Central Asia. (ROSSIYSKAYA GAZETA, 10 Oct 99; FBIS-NES-2000-1010, via World News Connection) By agreeing to subordinate national military forces to Russian command, Kazakhstan, Kyrgyzstan and Tajikistan are surrendering a certain degree of independence, making them more closely resemble Russian satellites than sovereign states.

Along with the agreement, the presidents of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan issued a joint statement expressing their concerns about international terrorism, organized crime and drug trafficking, as well as the long-term destabilizing influence of the Afghanistan civil war on security in Central Asia. (INTERFAX, 1156 GMT, 11 Oct 00; FBIS-SOV-2000-1011, via World News Connection) Concern was also voiced over the export of Islamic extremism, particularly from Taliban-controlled Afghanistan. Additionally, the CST signatory countries appealed to the United Nations to convene a special session of the UN Security Council to settle the "Afghanistan problem." The UN has not taken any action so far in response to this petition from the CST states.

(INTERFAX, 0857 GMT, 11 Oct 00; FBIS-SOV-2000-1011, via World News Connection) By identifying sources of instability on the southern borders of the CIS, the statement itself underscores the need for a collective security system.

Shaping such a security system including regional forces is the first concrete step Russia has taken to establish the CST as a military framework, particularly in Central Asia. By setting up this broad coalition, Russia creates a legal basis for its own intervention in Central Asia, especially on the Tajik-Afghan border. Unquestionably Russia will use the new collective security system as a tool to strengthen its southern periphery and preserve its lasting military presence in the Central Asian states.

Newly Independent States: Baltic States

By Kate Martin

The CIS comes a-callin', but no one answers the knock on the door Interior ministers from Estonia, Latvia and Lithuania met with their Russian counterpart last week in central Latvia and rejected the notion of participation in the CIS interior council. According to a spokesman for the Latvian interior minister, the Baltic states plan to limit interaction with Russia to bilateral and quadrilateral acts. (BNS, 17 Oct 00; via lexis-nexis) One example of such cooperation was provided the same day, when the ministers agreed to work together to combat organized crime in the region. (AGENCE FRANCE PRESSE, 1017 EST, 17 Oct 00; via lexis-nexis) What's interesting is that such forays continue to be made to states which had made it clear on several previous occasions that they had no interest in joining any portion of the Commonwealth of Independent States.

While the Balts rejected an invitation from the east, they clamor for an invitation from the west. The defense ministers of aspirant countries met in Sofia in mid-

October and reaffirmed their desire to join NATO. They promised to fulfill obligations detailed in their countries' Membership Action Plans, including defense restructuring, development of defense capabilities and preparation for participation in NATO-led operations. Now is the time for candidate countries to modernize their armed forces, NATO Secretary-General George Robertson told the ministers. (BTA, 1545 GMT, 13 Oct 00; FBIS-EEU-2000-1013, via World News Connection)

As the Baltic defense budgets creep toward the stated goal of 2 percent of GDP, substantial sums will need to be allotted to facilities maintenance and modernization. The quays of the Miinisadam main naval base in Tallinn, for instance, are collapsing gradually and cannot take heavy weight. This caused problems recently for a German navy transport and supply ship which carried equipment for the Estonian navy but could not dock at the naval base. Instead, the ship had to dock at the border guard base. (ETA NEWS AGENCY, 0807 GMT, 5 Oct 00; FBIS-SOV-2000-1005, via World News Connection)

While the Estonian General Staff has said repair work at the naval base will begin in the near future, modernization plans are firmer for the former Soviet military airfield at Amari, near the capital. About \$1.2 million have been allocated for the installation of security equipment and barriers; the money will be set aside from the defense ministry's budget for next year. In addition to serving the Estonian air force, the airfield is the site of the command center for the joint Baltic airspace surveillance system BALTNET and the national airspace monitoring center. (BNS, 1449 GMT, 10 Oct 00; FBIS-SOV-2000-1010, via World News Connection) The Latvian Air Force Information Center, which will summarize information on Latvian airspace as part of BALTNET, also opened officially this month. (BNS, 1115 GMT, 13 Oct 00; FBIS-SOV-2000-1013, via World News Connection)

Investment in such joint activities does seem to be the wisest move open to Baltic governments faced with minuscule budgets and a need to create an attractive candidacy for Western alliances. Given financial and time restrictions, and increasingly dilapidated military facilities left over from the Soviet era, no one assumes that the individual countries can create fighting forces on a par with wealthier NATO countries. However, the Baltic states do have something to offer if they can coordinate and maintain the joint surveillance system in the region and, eventually, link that to systems farther south.

LITHUANIA

A mandate for change

Over 53 percent of registered voters participated in the 8 October parliamentary elections that brought a clear demand for a change in leadership, with a routing of the incumbent Conservative coalition. Indeed, a coalition of the Lithuanian Democratic Labor Party (LDLP), the Social Democratic Party, the New Democracy Party and the Lithuanian Union of Russians gained the most votes.

Although the LDLP, led by former President Algirdas Brazauskas, obtained the largest number of seats, support was insufficient to obtain a majority in the Seimas. Instead, the New Policy Bloc, a coalition comprised of the New Union, the Liberal Union, the Modern Christian Democrats and the Center Union, earned President Valdas Adamkus' approval to form the government. The leader of the New Union, Arturas Paulauskas, will become Seimas chairman, while Rolandas Paksas, leader of the Lithuanian Liberal Union, will become prime minister once again. (BNS, 10 Oct 00; FBIS-SOV-2000-1010, via World News Connection) Paksas resigned from the position a year ago, over the sale of interest in the country's oil industry to the US-based Williams company.

The PM candidate assured the media, however, that he would not seek cancellation of the agreement with Williams. "I understand perfectly the meaning of an international agreement between a US company and Lithuania, and I can

see the consequences of unilateral denunciation of the pact by Lithuania," Paksas said. Still, he added, there is a need to make Williams adhere to the agreement as it was signed. "I am convinced that the Americans have so far failed to fulfill their obligations," he added, although he refused to elaborate on which obligations were unmet. (BNS, 0925 GMT, 11 Oct 00; FBIS-SOV-2000-1011, via World News Connection)

Paksas did not reserve his get-tough policy only for Williams. He seems bound to disappoint Russian expectations of smoother, more congenial relations. In an interview with the Baltic News Service, Russian Duma deputy Aleksandr Chuev foresaw that a transfer of power from the Conservatives to a coalition led by Paksas and Paulauskas would make Lithuania "more friendly towards Russia," and the demand for compensation from Russia for Soviet-era damage would become a "thing of the past." However, a spokesman for Paksas said the "new government will discuss the issue of compensation for the damage inflicted by the Soviet occupation without delay, as any other urgent issue." (BNS, 1602 GMT, 11 Oct 00; FBIS-SOV-2000-1012, via World News Connection). On 6 October, the government had announced that the occupation caused an estimated \$20 billion worth of damages, including the costs for loss of property by destruction or seizure, and the persecution of individuals and groups. (RFE/RL BALTIC STATES REPORT, 16 Oct 00)

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