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Russian Federation: Executive Branch

By Michael Comstock

Ignatiev to head Russian Central Bank

Following a dispute concerning the independence of the Russian Central Bank, Victor Gerashchenko abruptly resigned the directorship in mid-March.

Gerashchenko has been something of an icon in Russian banking circles; he managed the nation's finances through the 1998 financial crisis. However, when he served as director of the bank during Yel'tsin's first term, he presided over much-criticized inflationary policies. For this he was dubbed "the worst central banker in history" by Harvard economist Jeffrey Sachs. (THE ECONOMIST, 21 Mar 02) The current dispute involved the proposed linkage of the Central Bank with a newly defined National Banking Council to be composed of representatives from the legislative and executive branches. President Putin is reported to have given the word that Gerashchenko's term would not be renewed, sparking the resignation. (VEDOMOSTI, 18 Mar 02; via ISI Emerging Markets Database)

Gerashchenko's replacement is Sergei Ignatiev, whom he once fired. So far Ignatiev has shown no sign that he will radically alter Gerashchenko's financial course, although the media have been pessimistic that any Russian liberal could manage the banking system responsibly. The real reason behind Ignatiev's appointment may not be his actual banking skills at all. He is reputed to be an effective and reliable administrator, not someone to shake the boat, and, most importantly, a man without a personality as outgoing and impressive as Gerashchenko's. With this appointment Putin may not gain direct control of the Russian Central Bank, but he does get rid of a potentially active opponent there. (VERSTY, 21 Mar 02; via ISI Emerging Markets Database) Ignatiev has yet to

announce a specific stance toward the creation of the National Banking Council. Should such a measure be passed, the Russian Central Bank would face the danger of becoming a highly politicized organization.

Ignatiev has supported the right of the oligarchs to channel their money out of Russia and into the foreign currency market, which Gerashchenko had long fought. (MOSKOVSKY KOMSOMOLET, 18 Mar 02; via ISI Emerging Markets Database)

As opposed to most members of Putin's government, Ignatiev was not connected to the St. Petersburg group. (THE MOSCOW TIMES, 19 Mar 02; via ISI Emerging Markets Database) Rather, he has been linked more closely with the coterie of Anatoly Chubais, although it is doubtful that this appointment constitutes a substantial victory for that group. (ZAVTRA, 21 Mar 02; via ISI Emerging Markets Database) More than likely Ignatiev represents someone who can be manipulated by the Kremlin. As deputy finance minister, he had all the right credentials at the right time.

It is interesting to note the timing of this change with respect to the upcoming Duma elections. Gerashchenko had been replaced temporarily by another "liberal" head of the Central Bank only one year before the 1995 parliamentary elections. His current replacement was made only 18 months before the upcoming Duma elections. In the words of one Russian newspaper, "A convenient cashier, somebody who will not object to looking the other way when told to do so, is needed." (NEZAVISIMAYA GAZETA, 21 Mar 02; via ISI Emerging Markets Database) This rather conspiratorial view emphasizes the need for Putin's camp to find a source of funding independent of the less submissive oligarchs, who may have strings attached to their campaign financing.

Russian Federation: Security Services

By Fabian Adami

New level of cooperation between FSB and Western agencies?

Immediately following the 11 September 2001 attacks on America, the Bush administration determined that cooperation with Russia was desirable on a variety of levels, if the "war on terrorism" was to be successfully prosecuted. Russia was willing to play along for several reasons, not least because Moscow is concerned about a potential spread of Islamic fundamentalism from Afghanistan into Central Asia (a region Moscow claims to be in its "sphere of influence"), and because President Vladimir Putin has long alleged that there are links between Osama bin Laden, the Taliban and Chechen separatists fighting the Russian Army.

The primary agencies involved in Russian contacts with the US were the foreign intelligence (SVR) and the FSB, which were, according to various reports, instrumental in reversing Russia's original opposition to the use of covert airbases in Tajikistan. (Stephen J. Blank, STRATEGIC ISSUE ANALYSIS, RUSSIA AND THE US WAR ON TERRORISM, 15 Jan 02)

In the last week, it has become evident that these contacts have involved not only the FSB and US intelligence agencies on a bilateral basis, but rather between a large number of states on a multilateral basis. Between 25 and 27 March FSB Director Nikolai Patrushev hosted a meeting at the Tavrishesky Palace in St. Petersburg that was attended by representatives of 39 intelligence and police agencies, including Britain's MI5 and MI6, and Germany's Federal Intelligence Service (BND).

Victor Ivanov, deputy head of the presidential administration, opened the forum with a message from President Putin: "No state, no matter how big its military or economic potential is, can effectively fight alone against a broad network of terror

organizations." (AGENCE FRANCE-PRESSE, 25 Mar 02; via ISI Emerging Markets Database)

Although, due to the sensitive subject matter, the meeting was held behind closed doors, Patrushev subsequently spoke to the press and claimed that international intelligence cooperation had reached unprecedented levels. Patrushev stated that bilateral and multilateral interagency cooperation already had produced "tangible results." He added that, despite their conflicts of interest in many other areas, "We special services trust each other in the fight against terrorism, drugs and arms trafficking." (AGENCE FRANCE PRESSE, 26 Mar 02; via ISI Emerging Markets Database) As a result of the conference a permanent working group is to be established, and the intelligence chiefs are to meet on an annual basis.

At the same time, two further official discussions about terrorism took place. Representatives of the CIS countries and the standing Commission of the Permanent Assembly of The Council of Europe (PACE) also met in St. Petersburg. PACE General Secretary Peter Scheider and Sergei Mironov, chairman of the CIS Inter-parliamentary Council, issued a joint statement declaring their intent to work together against international terrorism.

Although a thawing of old Cold War attitudes -- particularly between security services -- is welcome, it should not be exaggerated. For instance, just last week the Russian Embassy in Washington DC served a summons to the former KGB officer Gen. Oleg Kalugin. A similar summons was issued to Alexandr Litvinenko, an FSB agent who also came over the West. Clearly, cooperation has fairly circumscribed limits. It should be remembered that Russia is pursuing its own agenda, particularly with regard to NATO expansion, Iran and Iraq, as well as concerning the conflict in Chechnya. Putin's goal is to ensure that Russia retains influence over matters that are deemed important to national security. It seems that the chosen conduit for that influence is to be the security apparatus.

Russian Federation: Domestic Issues and Legislative Branch

By Luba Schwartzman

FEDERAL ASSEMBLY

A loss for the communists...

On 20 March State Duma deputies voted 245 to 159, with 2 abstentions, to deprive State Duma Speaker Gennady Seleznev of his casting vote (in case of a parliamentary tie). Seleznev protested that this vote is his constitutional right, noted that he has only used this power a few times, and asserted that the move against him was a political rather than a technical issue. The Duma vote actually was a prelude to the motion to review the question of removing Seleznev, a member of the Communist Party, from his speakership. The ousting process was initiated by deputies from the Union of Right Forces (Boris Nadezhdin), Unity (Vladimir Pekhtin), and Fatherland - All Russia (Farida Gainullina); the motion to review was approved by a vote of 247 to 127. (NTVRU, 20 Mar 02; via www.ntvru.com)

...is a victory for United Russia...

YABLOKO's deputy chairman Sergei Ivanenko spoke in favor of replacing the speaker and suggested that a representative of the majority party (United Russia -- the amalgamation of Unity, Fatherland-All Russia, People's Deputy, and Regions of Russia) would improve the Duma's productivity. Oleg Morozov, the leader of the Regions of Russia group of deputies and a member of the General Council of United Russia, announced that he would be ready to take up the position of chairman if United Russia wished. Liberal Democratic Party of Russia Chairman Vladimir Zhirinovskiy additionally demanded that the frequency of the Duma speaker's trips abroad should be grounds for his ouster (Seleznev had, at

the time, just left for a visit to Spain) and recommended himself as a replacement. (NTVRU, 21 Mar 02; via www.ntvru.com; and IZVESTIYA, 16 Mar 02; FBIS-SOV-2002-0319, via World News Connection)

However, according to a source in the presidential administration, Gennady Seleznev is likely to keep his position because the Kremlin does not support the move against him. (LENTA, 29 Mar 02; via www.lenta.ru) Yet another source suggests that the Duma's chief of staff, Nikolai Troshkin, who previously was accused of conducting intrigues that benefited the communists at the expense of the other parties, will be fired to satisfy the deputies. (NTVRU, 28 Mar 02; via www.ntvru.com) Finally, rumors have been floated that Seleznev might give up his membership in the Communist Party to save his position. Seleznev has denied this. (INTERFAX, 0630 GMT, 24 Mar 02; FBIS-SOV-2002-0324, via World News Connection)

...and for the State Duma's popularity

If the "efficiency" and central orientation of the State Duma is increased, public support is likely to grow. According to opinion polls held by the independent center for Russian Public Opinion and Market Research (ROMIR), the approval rating for the lower house of the Russian parliament rose from 23.8 percent to 30.7 percent between April 2001 and February 2002. The percentage of those who say they disapprove of the Duma's performance dropped from 68.1 percent to 50.9 percent. (ITAR-TASS, 1330 GMT, 11 Mar 02; FBIS-SOV-2002-0311, via World News Connection) Still, hardly a resounding vote of confidence.

MEDIA

Kiselev's team wins the bid for the TV-6 frequency...

Media-Socium, a non-profit partnership established by the journalist and director of the ousted TV-6 team, Yevgeny Kiselev, Chamber of Commerce and Industry Chairman Yevgeny Primakov, Russian Union of Industrialists and Entrepreneurs Chairman Arkady Volsky, and a number of leading businessmen -- including

Oleg Kiselev, Anatoly Chubais, Roman Abramovich, Kakha Bendukidze, Andrei Melnichenko, Alexander Mamut, Oleg Deripaska and Vladimir Yevtushenkov -- won the tender for the Channel 6 frequency on 27 March. They may begin broadcasts as early as at the end of the month, although the media ministry contacted NTV-Sport, the temporary frequency holder, to make sure it could continue its programming until the fall of this year.

Kiselev told reporters that his company is currently working "on changing the old or creating completely new" program formats and deciding on the channel's new name. (ITAR-TASS, 1611 GMT, 28 Mar 02; FBIS-SOV-2002-0328, via World News Connection; and NTVRU, 26 Mar 02; via www.ntvru.com) In response to accusations that the Kremlin has approved the selection of Media-Socium with an eye to controlling the information through Primakov and Volsky, Kiselev replied: "The constitution outlaws censorship in this country, and let us not call for breaking laws when touching upon the subject. The story of Primakov, Volsky and the Kremlin is a scary tale for nervous women who read gossip papers. It is nothing but idle talk." (INTERFAX, 0921 GMT, 28 Mar 02; FBIS-SOV-2002-0328, via World News Connection)

The tender was observed by several State Duma deputies, but Liberal Democratic Party of Russia Chairman Vladimir Zhirinovskiy, who organized a protest in front of the press ministry building, declared that this did not guarantee the fairness of the process. Zhirinovskiy, who also had submitted a bid, asserted that a decision had been made ahead of time. (NTVRU, 27 Mar 02; via www.ntvru.com)

...but the victory may be for naught because of an appeal by... Kiselev
According to the latest reports, however, the decision favoring Media-Socium may be invalidated if the appeal filed by the previous organization of TV-6 journalists, headed by Kiselev to protest the liquidation of TV-6, is approved. In

that case, Media Minister Mikhail Lesin reports, the whole process will be started from scratch. (LENTA, 1 Apr 02; via www.lenta.ru)

Russian Federation: Foreign Relations

By Scott Bethel

Who's in charge?

Throughout the Middle Eastern crisis so far, the Russians have called on both sides regularly to cease violence and to work toward a peaceful settlement to the conflict. However, below the surface, Moscow clearly has favored the Palestinians. There are two key reasons for Russia's support of Arafat. First, Russia still seeks to be a world power and a viable alternative to US "domination." Supporting the Arabs is viewed as being in opposition to the United States (though the firmness of US support for Israel is debatable). (See THE NIS OBSERVED, 27 Feb 02) Second, Russia (and the Soviet Union before it) has maintained long-standing relationships with such "rogue states" as Iraq, Syria and Iran. This is true in terms of diplomatic support and significant sales of military hardware. However, the escalation of Palestinian suicide bombing and the apparent unwillingness of Chairman Yassir Arafat to agree to and enforce a cease-fire have put the Russians in an increasingly uncomfortable position.

On 11 March, the Palestinian Authority (PA), backed by the Arab League, appealed to Russia to become the principal advocate to defend Palestinian rights. (ITAR-TASS, 1721 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) This appeal overtly placed the entire blame for the situation on the shoulders of the Israelis, claiming: "Russia should take upon itself the responsibility for protecting the Palestinian citizens against Israeli barbarity." (ITAR-TASS, 1721 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) The communiqué went on to highlight Israel's use of modern

weaponry including tanks and helicopters against the Palestinians and alleged that the Israelis were targeting the hurt and sick.

On the same day, Foreign Minister Ivanov met with the foreign ministers of Saudi Arabia, Kuwait and Qatar. Again, the Arabs requested that Russia take on the role of the principal protector of the Palestinian people and force the Israelis to stop "any and all aggression against Arabs." (ITAR-TASS, 1731 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) Ivanov responded with a restatement of the long-standing Russian stance: "Russia's position is unchanged, violence must stop on both sides." (RIA, 2000 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database)

Also on the same day, the speaker of the Russian Federation Council, Sergey Mironov, swung the pendulum toward the Israeli position. Most importantly, he snubbed the Palestinian Authority by refusing to meet with Arafat as planned for 12 March. He said this was his personal decision. "[W]hen pondering the origin of the terrorist acts in Afghanistan, Chechnya, and Israel, I have concluded they have the same roots, financial above all. In this situation I am not prepared to make a polite gesture [toward Arafat]." (ITAR-TASS, 1920 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) Later, in the presence of Israeli parliament speaker Avraham Burg, he paid tribute to the "Israeli victims of Palestinian violence." (ITAR-TASS, 2016 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database)

President Putin was noncommittal. On 11 March, he praised the "support of Russian Jews" both in the current crisis and "through the years." (EKHO MOSKVY, 1025 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) Two days later he joined the European Community in pressuring the Israelis to withdraw their forces from Ramallah and expressed support when they did so on 15 March. (ITAR-TASS, 1029 GMT, 15 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) He also has made several statements encouraging

the two sides to meet, discuss and sustain a workable cease-fire. But, the president has been cautious in his support for the PA, compared with previous Russian policies.

The Russians face a dilemma. Should Moscow step back from strong support of the Palestinian side, it stands to lose position among the Arab countries. However, as noted by the speaker, it is clear that much of the current violence has been fueled by ongoing suicide attacks by Palestinian radicals, which the Russians cannot ignore. Nor can they ignore the fact that funding for international terrorism comes through the Palestinian Authority. (THE NEW YORK TIMES, 21 Feb 02) Therefore, Russia is likely to continue being cautious, condemning violence against and by both Israelis and Palestinians while encouraging increased dialogue. However, it is unlikely that the Russians will take a more active role until there is an opening for them to intrude.

Still, it is not a sign of a healthy external relations apparatus to have several individuals espousing different approaches. To this end Foreign Minister Igor Ivanov said during the government hour in the State Duma, "It is quite obvious that (members of) the State Duma are interested in playing a role in international affairs It is also quite obvious that a state willing to play a key role in the international arena should speak with one voice." (RIA, 0324 GMT, 15 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) In a later interview, he explained the position of President Putin on these issues: "Russian President Vladimir Putin recently issued instructions to the Foreign Ministry to intensify the coordination of activities. The Foreign Ministry should be responsible for everything that happens in Foreign Policy." (ITAR-TASS, 1109 GMT, 16 Mar 02; BBC Monitoring, via ISI Emerging Markets Database)

Foreign minister answers myriad of questions on call-in show

On 15 March, Foreign Minister Ivanov answered questions submitted by listeners for more than an hour on a Moscow radio show. No subject was too controversial

for this show. First, he confirmed that a recent blackout of Russian TV in Ukraine was a technical malfunction, not a political decision. (EKHO MOSKVY, 1025 GMT, 16 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) He also took time to chastise the US. "[The US] withdrawal from the [ABM] treaty was not just directed at Russia as many believe. It was directed against the international community." Ivanov also confirmed the Russian position that the presence of US forces in Central Asia presented no threat to Moscow. He explained that Russia was committed to the war on terrorism and would stand with "the rest of the free world to stop this activity at its root."

New Afghan leader visits Moscow

The head of the Afghan interim administration, Hamid Karzai, visited Moscow from 11 to 13 March to discuss ways in which the Russians could assist in the rebuilding of his country. Top on his list of priorities for discussion was the reconstruction of Afghanistan. He also was interested in more military cooperation with his large neighbor to the north and increased trade.

Karzai's trip followed several weeks of buildup by the Moscow media. A great deal of history colors views of the future, although it seems there is a general feeling that, with the new Afghan regime, relations could be improved. Clearly Karzai is more interested in reconciliation than bravado. "Afghanistan has long depended on good relations with Russian leadership, now our people need a friend more than ever," he said. (ITAR-TASS, 1624 GMT, 12 Mar 02; BBC Monitoring, via ISI Emerging Markets Database)

The Russian leadership clearly reciprocates the desire for positive neighborly relations. "Russia has always supported Afghanistan's legitimate government and is now ready to render sufficient support in restoring the country's economy and settling urgent humanitarian and social problems," President Putin said. (ITAR-TASS, 1313 GMT, 16 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) However, it is unclear what the "sufficient support" would entail.

Karzai also met with leaders of both houses of the Duma and other senior Russian officials during his three-day visit. The Afghan leader discussed increased border security and his country's willingness to increase efforts to stem the drug trade. (RIA, 0907 GMT, 11 Mar 02; BBC Monitoring, via ISI Emerging Markets Database) Karzai was warmly received; he promised "drastic measures" against drug trafficking. (ITAR-TASS, 1518 GMT, 13 Mar 02; BBC Monitoring, via ISI Emerging Markets Database)

Still, while the Russian leadership is embracing Karzai on these initial visits, privately, it appears, there is much skepticism among Moscow's elite about his long-term prospects for maintaining power. (THE NEW YORK TIMES, 5 Mar 02) For the short run at least, Russia will continue to do what it can to help Afghanistan both for the international benefits associated with being part of the regional solution and to ensure a position of influence in post-war Afghanistan.

Russian Federation: Armed Forces and Military-Industrial Complex

By Walter Jackson

Right on the mark!

According to Russian Defense Minister Sergei Ivanov, the road to building a professional military has to start with correcting existing social problems that plague all the Russian military services. "The general condition of the Armed Forces of Russia is rather bad," Ivanov admitted during a recent visit to the Leningrad military district. Ivanov stated that the military has lost "social and psychological prestige" over the last decade, and that "a military man should earn 25 to 30% more than a civilian." (VREMYA NOVOSTI, 11 Mar 02; What the Papers Say, via ISI Defense and Security Database)

Despite repeated criticism from the military and Kremlin hard-liners, Ivanov is clearly on the right road to true military reform, justifying President Putin's decision to place a "civilian" without preexisting (and inculcated Soviet) military bias in charge of the defense ministry. Of course, Ivanov had served for a decade in the KGB. Hence continued tensions between "civilian" leadership and the generals can be expected. The existing military leaders continue to hold fast to the Soviet-era principle of the bigger the better, and to explain poor readiness and morale as the results of poor quality recruits, rather than inadequate leadership.

In the meantime, President Putin has issued a decree raising military officers' pay to the level of their official state counterparts. Although the decree does not specify a ruble amount to the officers' salaries, it does direct the Cabinet to raise those salaries to the appropriate level, prior to 1 July when military housing compensation and other "perks" are abolished. (NEZAVISIMAYA GAZETA, 8 Mar 02; What the Papers Say, via ISI Defense and Security Database) The defense ministry has prepared a table equating military and civil ranks and positions. Beginning with the lowest ranks, a private, will be equal to an adviser of the state service of the third class for pay purposes. (NOVYE IZVESTIA, 13 Mar 02; What the Papers Say, via ISI Emerging Markets Database) However, historically, a Russian presidential decree has not meant necessarily that the money would be there, and there is no reason to assume that this year things will be different. The 2002 budget is under close scrutiny.

No news must be good news or maybe not

Every since the January inflationary figures surfaced, the finance ministry has been tight-lipped about the implementation (or perhaps even the validity) of the 2002 defense budget. According to Russian economist Alexei Vorobiov, "This [silence] is very disappointing. I admit that this year the budget revenues are not so high as before [2001], but poor figures are not such bad news as the refusal of

the ministry to publish them." (VEDOMOSTI, 13 Mar 02; What the Papers Say, via ISI Emerging Markets Database) Of course, with President Putin's decree on military pay parity with civil servants, and his stated plan to build a professional military, budget difficulties could constitute an insurmountable obstacle. It appears evident though that President Putin is determined to find a way to carry out his plans, budget notwithstanding. But bad news never gets better with age. It only makes one wonder how bad things really are.

Funding aside, where to start?

The General Staff had a 15 March deadline to submit reform recommendations -- specifically a step-by-step plan to create a professional military -- to Prime Minister Mikhail Kasianov. Are the General Staff's recommendations substantive reforms or merely a superficial alignment with the civil service pay scales?

According to Defense Minister Sergei Ivanov, the 76th Airborne Division in Pskov will serve as the test case for creating the first totally professional (non-conscript) military unit. Ivanov stated that the "experiment" will begin in the fall of 2002 and "by mid-2003 the military will be able to calculate how much money will be needed to maintain each division of non-conscript personnel." General Vyacheslav Putilin, head of the Chief Organization-Mobilization Department (GOMU), estimates that the 76th Airborne Division (with a preexisting level of 15% contract personnel) could require as much as 1 billion rubles to transform it totally. (VREMYA NOVOSTEI, 8 Mar 02; What the Papers Say, via ISI Defense and Security Database)

One cost estimate of the military transformation, according to Maj-Gen Valeriy Astanin, head of the GOMU Manning Department, is significant. Astanin estimates that "full transition of the armed forces to contract service will require at least doubling the [Russian] military budget. The calculations have been made without taking into account the funds required to purchase armaments and military hardware, and to conduct research and development work." (ITAR-TASS,

1013 GMT, 27 Feb 02; FBIS-SOV-2002-0227, via World News Connection) It appears as though realistic figures are beginning to surface. The challenge will be generating revenue to pay for these programs given the current economic conditions in Russia.

Launching one division to determine actual costs might not seem like a sufficiently scientific approach to calculating the defense budget. Yet it might prove to be the most accurate way, given the difficulties facing the defense and finance ministries as they try to develop a realistic budget, manage inflation and pay the bills. Moreover, the elite 76th Airborne Division is a good place to start building the professional military. Some critics say that the General Staff already tried this experiment with the 201st motorized division in Tajikistan, without any positive results (NOVYE IZVESTIA, 13 Mar 02; What the Papers Say, via ISI Emerging Markets Database); however, they overlook the fact that most of the money never made it into the hands of the troops. For reform to work, timely and efficient payment is needed.

The model of military reform

Last year President Putin signed the Program of Construction of the Armed Forces of the Russian Federation between 2001 and 2005. The reforms envisaged deal with reduction in size and the reorganization of the military infrastructure. Putin's ambitious timeline forces the military leadership to act now despite the generals' clear preference for a much more gradual approach. President Putin correctly views the relative "time of peace" in Russia as optimal to make drastic reforms cutting infrastructure and improving combat readiness. He also realizes, apparently, that he must have a well-paid and professionally competent force.

Some generals have characterized the military reforms as the "establishment of a small combat-ready army with the ability of fast mobilization," in other words, modeled after the 76th Airborne Division. What is the shape of the airborne

forces today? According to Commander-in-Chief Colonel General Georgy Shpak, "The Airborne Troops are thoroughly under-equipped with armored vehicles, reconnaissance means, engineering equipment, and communications means. The level is below that specified by the guiding documents and varies between 80% and 90%." (VREMYA NOVOSTEI, 13 Mar 02; What the Papers Say, via ISI Defense and Security Database) However, even the 80% to 90% combat readiness figures include substantially outdated and obsolete equipment, giving an inflated measure of readiness.

Patching potholes

The troops are not the only portion of the military experiencing readiness problems. According to Russian Deputy Defense Minister General Aleksandr Kosovan, all 70 Russian military airfields need renovation, and over 60 percent of them have obsolete infrastructure. At current funding levels the defense ministry is able to renovate only one airfield per year. Last year the Chkalovsky airfield near Moscow got a new runway; this year the Kubinka airfield, also near Moscow, begins renovation. (ITAR-TASS, 2050 GMT, 27 Feb 02; FBIS-SOV-2002-0227, via World News Connection) This constitutes yet another example of the how insufficient the defense budget is, and how much is really needed to maintain existing infrastructure. One solution might be the creation of a Base Realignment and Closure (BRAC) program modeled after the US program, in which a determination is made as to which bases are really needed, and the rest are closed. Funds saved through base closures would allow for accelerated improvements to the remaining bases.

2nd Army's spring exercise

Following the September terrorist attacks President Putin created the 2nd Army from the merger of the Trans-Volga and Ural military districts to strengthen the Russian southern defense sector. The command-staff exercise, from 11 to 18 March, was designed to test the 2nd Army's combat effectiveness in two phases. The first phase consisted of a joint multinational force exercise with Collective

Security Treaty members Belarus, Armenia, Kazakhstan, Kyrgyzstan and Tajikistan. The second phase featured a Russian-only exercise on Russian soil. The "unnamed" enemy's simulated "attack" came "from the Central Asian sector." The exercise, including over 4,000 servicemen and 500 pieces of military hardware, was conducted on the territory of the Samara, Orenburg and Saratov regions, and the Republic of Bashkortostan. Reserve units of the 2nd Army and other security services (including the interior and railroad services, border guards and emergency ministry forces) participated as well. (VREMYA NOVOSTEI, 15 Mar 02; What the Papers Say, via ISI Defense and Security Database) Politically this is an important exercise for President Putin, meant to: demonstrate solidarity with Collective Security Treaty members; project (at least the appearance of) a positive image of the military; and serve to quell the fears of the Russian population that the military cannot provide protection from Islamic fundamentalist threats from the south.

MILITARY-INDUSTRIAL COMPLEX

Significant industry reforms in the shadows?

Although there is much written about reforming the Russian military, plans for the military-industrial complex don't seem to have drawn as much attention. This is not too surprising with arms exports reaching all-time highs and sales significantly contributing to the government's revenues. However, arms export revenues are a result of Third World demand for older technologies and cheap (current) production costs. Although reforms have been discussed for over a decade, export demands generating revenues have pushed off serious discussions until recently. With rising production costs, though, today's competitive pricing soon may be undercut. Demand for newer technologies must be accounted for within the industry, and that involves substantial investment in research and development and rubles currently are in short supply. (ROSSIISKIE VESTI, 15 Mar 02; What the Papers Say, via ISI Emerging Markets Database) Unpaid utility bills and wage arrears are rampant throughout most of the industry, so profitability in the Russian arms industry may be overstated. To survive on the

world market, the Russian defense industry will have to concentrate on industry (plant) modernization, technological innovation and cost cutting.

Mergers

Ruslan Pukhov, director of the Center of Analysis of Strategies and Technologies, said that cardinal cuts in the military-industrial complex are inevitable, and that Russia's existing military-industrial complex (created during Soviet times) is too unwieldy. There are currently over 1,700 defense industry plants throughout Russia and many are not operating efficiently. The total number could be pared down to as few as 600.

"To date almost all defense plants duplicate each other: Uralvagonzavod (Nizhny Tagil) and Transmash (Omsk) in the tank industry, the Irkutsk aircraft plant and the Komsomolsk-on-Amur aircraft plant in the aircraft industry, and the Baltic Plant and Severnaya Verf in the shipbuilding sector. No one knows which of these plants will remain," one source in the Ministry for Industry and Science said. Wartime surge capabilities also will enter into the final decision-making process. (VEDOMOSTI, 15 Mar 02; What the Papers Say, via ISI Defense and Security Database) Competition's pros usually outweigh the cons. But a significant overhaul of Russia's military-industrial complex is necessary to improve efficiency and maintain profitability. With the Russian economy faltering, there are indications that prompt decisions already are being made to determine which industries will merge.

Attrition actually may pare down the number of defense industry plants even sooner. Igor Prostyakov, the first deputy presidential envoy to the Siberian Federal District, said recently that not one of the 33 defense enterprises in Novosibirsk Oblast' received a single kopek in payment from the government for defense orders so far this year (during January and February). He also stated that many of the defense industries in the Siberian districts might have to declare bankruptcy. (INTERFAX-EURASIA, 15 Mar 02; via RFE/RL Newsline) One way

or another, it appears that significant changes are forthcoming in the defense industry.

Newly Independent States: Western Region

By Tammy Lynch

UKRAINE

Seeing the glass as half-full

On 31 March, Ukrainians went to the polls in what was probably the most contentious parliamentary election in the country's short 11-year history. Long before the campaign began, it was clear that the government in power would use every possible administrative resource to try to maintain control of the chamber. It also was clear that, for the first time, an authentic opposition movement existed in the country, and this movement had a chance to alter significantly the power structure of the parliament. The election battle was dirty -- and often illegal. In the end, however, Ukraine elected a parliament that could turn out to be more reform-oriented than any in recent years and possibly more capable than ever. If the divided body can avoid becoming deadlocked on important issues, it could move forward on reforms necessary in a number of areas.

Examining the poll results, the possibility of legislative deadlock is of most concern, given the inability of any bloc to win a majority. In fact, the two largest blocs have landed in a virtual dead heat -- at least on paper. When the vote counting was completed, Viktor Yushchenko's opposition Our Ukraine bloc had won 70 seats from party lists and 42 in single mandate constituencies. President Leonid Kuchma's For a United Ukraine bloc garnered 34 party list seats and 68 from single-mandate areas. Additionally, two parties that won three and four single-mandate seats, respectively -- Unity and the Democratic Bloc - already have pledged to join For a United Ukraine. Consequently, Our Ukraine and For a United Ukraine control 112 and 109 seats, respectively.

However, the anti-Kuchma bloc of Yulia Tymoshenko (BUT) won 21 seats, while the also largely anti-Kuchma Socialist Party gained 24. These 45 votes likely will support Yushchenko's positions often. Meanwhile, the former "party of power," the Social-Democrat Party-united, managed 23 seats, despite pressure applied against it by some of Kuchma's allies. Those seats will be important swing votes, as will the 66 seats controlled by the Communist Party and the 95 votes held by independent members of parliament, where Kuchma is seen to have an advantage. (For detailed results, see the Brama RCC POLITICAL REVIEW; via www.brama.com/rcc)

Despite the diverse numbers, there can be little doubt that Ukraine's parliament is not nearly the parliament Leonid Kuchma desired when this election campaign began, and that is an important achievement by the opposition. Kuchma badly wanted to beat Viktor Yushchenko, and even more badly wanted to see Yulia Tymoshenko removed. Neither of these events occurred. The president also clearly hoped for a majority to help him move easily either into a third term or retirement. Now, a third term seems impossible and there may be little offered in the way of immunity once he is out of office. On the other hand, the two Rukhs -- the most important reformist, "nationalist" parties -- were given new, more powerful life in the Our Ukraine bloc. And another of its components, the Reforms and Order party, championed by Myroslava Gongadze (not one of Kuchma's favorite persons), also made great gains. Although the possibility of real reform is just that -- a possibility -- it is one that did not exist just a few days ago.

Of course, this mixed result may seem disappointing for an opposition that dreamt of majority rule, but in an environment of intimidation and repression, it is impressive. It also should be somewhat of a relief to international organizations that worried about a major escalation of government intimidation -- including more violence -- on election day in an attempt to maintain control. Intimidation and manipulation certainly occurred, but despite this, reformers made significant

advances, proving that Ukraine continues to shuffle ahead on the path to democracy. This was by no means certain when the campaign began, and international organizations can take a good deal of credit for their work to assist Ukraine down that path during this election.

In the weeks leading up to the poll, organizations throughout the world weighed in on the campaign. There were resolutions, press releases, reports and official statements -- all designed to remind President Kuchma and his allies that the world was watching. On 4 March, for example, the National Democratic Institute for International Affairs (NDI) released its detailed Pre-Election Report. "The stakes in the March 2002 Rada [parliament] elections are high," it reads. "[The elections] will determine the composition of the next Ukrainian legislature, which has the potential to become a platform for reform. The next parliament has the opportunity to advance legislation to, among other things, revise the tax code, improve the land code,... improve the court system, and establish an unambiguous separation of powers between the executive, legislature and judiciary." The report took note of numerous violations in the campaign up to that point (for details, see THE NIS OBSERVED, 27 Feb 02), and suggested that "the pre-election environment and the application of the law has raised concerns about the conduct, thus far, of the elections." (THE MARCH 31, 2002 PARLIAMENTARY AND LOCAL ELECTIONS IN UKRAINE: A PRE-ELECTION REPORT, NDI, 4 Mar 02)

Meanwhile, in its Interim Report No. 1, the Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR) noted, "Recurrent complaints and allegations relate to the advantages of incumbency and the failure of the State administration at all levels to create equal conditions for all election contestants." The report also discussed "intimidation and undue pressure directed at opposition party activists, voters and candidates." (OSCE/ODIHR INTERIM REPORT NO. 1, 26 Feb-11 Mar 02) Additionally, the European Union, as well as representatives from individual

countries, traveled to Ukraine to assess and, most importantly, to publicize the situation.

All of this activity eventually led to resolutions in both the US House and US Senate urging, among other things, "the Government of Ukraine to meet its commitments on democratic elections" under its agreement with the OSCE and to "enforce impartially its newly adopted election law." In House Congressional floor debate, representatives called attention to the still-unresolved murder of journalist Georgiy Gongadze, and reminded the country of the level of US aid provided to it in the past. (HOUSE RESOLUTION 339, 20 Mar 02)

This US activity received an inordinate amount of attention in Ukraine, as Kuchma, his allies and Russian representatives all railed against US "interference" in Ukrainian affairs. Rep. Christopher H. Smith (R-NJ), co-chair of the US Congressional Helsinki Commission and a co-sponsor of the House resolution, responded quickly to the criticism. His words should come as music to the ears of those in Ukraine who bemoan the lack of attention sometimes paid to their country. "It is important to underscore the reason for this congressional interest in Ukraine," he said. "The clear and simple reason: an independent, democratic, and economically stable Ukraine is vital to the stability and security of Europe, and we want to encourage Ukraine in realizing its own oft-stated goal of integration into Europe." (HELSINKI COMMISSION PRESS RELEASE, 21 Mar 02)

Ukrainians seemed to make progress during this campaign toward understanding their own responsibility for attaining this goal. There was an explosion of attention to the election by local, private polling companies, information/communications firms, and all-Ukrainian not-for-profit monitoring agencies. All of these organizations worked tirelessly to challenge the obstacles put in their way by Kuchma's henchmen (and women). This bodes well for the future of Ukrainian civil society. It is true that the majority of Ukrainians remain disillusioned, but a

certain segment of society came into its own during this campaign. This can be nothing but positive.

It certainly was a positive development for this election. The local work by Ukrainian organizations, combined with massive international attention and pressure, as well as the over 1,000 international observers who arrived in Ukraine to monitor the election, enabled the opposition to make significant -- if limited -- progress.

It is true that there were numerous violations before, during and after the casting of the votes. The OSCE International Election Observer Mission recognized these violations in its Statement of Preliminary Findings and Conclusions. Its observers, the organization said, found "shortcomings which contributed to a general atmosphere of distrust and a low level of public confidence in the election process. These shortcomings included abuse of administrative resources, interference by local authorities, shortcomings in the implementation of the new election legislation, and a campaign marred by the murder of two candidates and other isolated cases of violence as well as allegations of intimidation and harassment against opposition candidates, activists and voters." They also noted progress, but declined immediately to make a final determination as to whether the election met international standards. That finding "will depend on the role of the election administration and the judiciary in the post-election phase," the statement reads. (OSCE NEWS RELEASE, 1 Apr 02) In other words, the organization will wait until promised legal challenges in certain districts by Our Ukraine, Tymoshenko and the Socialist Party are heard.

Nevertheless, in the end, even with all of its administrative resources and pressure tactics, Kuchma's bloc merely survived. It did not win. Maybe, in a country that is only 11 years old, with a dearth of experienced leadership and decades of totalitarian control, this is all that truly can be expected. Naturally, much more can be desired. It is, after all, distressing that a country with so much

potential must struggle so fiercely against its learned totalitarian tendencies. But the parliamentary elections of 2002 should not be seen as a defeat. They were simply a step -- one of many to come -- in the right direction.

Newly Independent States: Caucasus

By Miriam Lansky

GEORGIA

Russia preparing to invade Georgia?

Georgian Defense Minister David Tevzadze called a press conference on 26 March to warn that Russia is planning a provocation against Georgia in Abkhazia in order to delay the arrival of US special forces. (GEORGIAN TELEVISION, 26 Mar 02; BBC, via ISI Emerging Markets Database) Tevzadze emphasized that Georgia is not interested in any escalation of tensions in Abkhazia.

Indeed, Kommersant reported on 27 March that units of the Russian 58th Army stationed in the districts adjoining Abkhazia and South Ossetia "have been placed in a state of heightened combat readiness." (BBC; via ISI Emerging Markets Database) However, sources at the General Staff explained that the purpose of the alert was to secure the border -- and was not related to the tensions surrounding Abkhazia and Pankisi.

Are the Americans coming?

The US State Department's deputy spokesman, Philip Reeker, emphasized that President George W. Bush "has made quite clear that he remains committed to conducting this train-and-equip program in Georgia, and the preparation needed to move forward is on track." Reeker noted that "Russia's 1999 Istanbul summit commitments on withdrawal of Russian forces from Georgia are completely separate from the US train-and-equip program." (www.state.gov) Reeker called on Russia to negotiate with Georgia and fulfill its promises to withdraw the

remaining military bases from Georgian territory. Despite assurances that US plans for the missions continue, no date has been announced. However, as previously reported, US troops already are training Georgian helicopter pilots in the vicinity of the Pankisi Gorge. (See THE NIS OBSERVED, 13 Mar 02)

Reeker's comments came in response to Russian Defense Minister Sergei Ivanov's statement that the arrival of the US special forces training mission in Georgia could delay further the withdrawal of Russian military bases from Georgian territory. Ivanov also asserted that the US may reconsider its plans to deploy the mission. (MAYAK RADIO, 28 Mar 02; BBC, via ISI Emerging Markets Database)

Georgia's Foreign Minister Irakly Menagarishvili responded to Ivanov's comments in an interview with Vremya Novostei on 1 April: "Russia is currently in gross violation of the agreements reached in 1999. Gadauta should have been evacuated on 1 July last year. This has not been done. There is no agreement on the duration of functioning of the bases in Batumi and Akhalkalaki. Under these circumstances, the silence of the Russian side can only be interpreted as an attempt to draw out and torpedo the process [of military withdrawal]. This might be a harsh appraisal, but it is objective."

Chechens get weapons from RF base?

In a remarkably courageous feat of investigative journalism, reporters from the Georgian independent television station Rustavi-2 captured on tape a Georgian army colonel, Tristan Tselashvili, who incriminated himself in two very fishy endeavors. First he elaborated plans to kidnap a Georgian businessman and take him to the Pankisi Gorge -- ostensibly to cover a \$14,000 debt he owed to Chechen militants. He also mentioned serving as a middleman in the arms trade between Chechen militants and a Russian unit in South Ossetia. Georgian police detained the television crew and the station's offices were shot at on the day

following the taping. The arms deal went ahead in South Ossetia on 15 March. (RUSTAVI-2, 17 Mar 02; BBC, via ISI Emerging Markets Database)

Defense minister: No emergency in Pankisi

During a recent visit to Ukraine, Georgian Defense Minister David Tevzadze explained that "not a single incident was logged on the Chechen part of the Georgian-Russian border in 2001," and emphasized that "the media exaggerates some phenomena [relating to Pankisi]. Thank God, nothing warrants or demands an immediate deployment of the army there. Like any other state, Georgia is determined to restore order everywhere on its territory. Not only in the Pankisi Gorge but also in Abkhazia and South Ossetia." (ZERKALO NEDELI, 23 Feb-1 Mar 02; What the Papers Say, via ISI Emerging Markets Database)

Tevzadze dismissed the possibility of UN or NATO peacekeepers in Abkhazia, saying that it would be preferable to create a truly international force under the aegis of the CIS, which would include a sizeable Ukrainian contingent. As regards NATO membership, he commented that Georgians are "psychologically" ready but will require some years to bring their economy and their military up to par with their ambitions and aspirations.

CHECHNYA

RNU trains recruits for Chechnya combat

A defector from Russia's 21st Airborne Brigade, Capt. Andrei Samorodov, told The New York Times about his experiences on 17 March. He recounted that his unit contained ultranationalist recruits who wore fascist insignia on their uniforms. He also told of roadside executions of Chechen civilians, and the existence of hit squads (he said members of one such unit showed up at his home in Stavropol).

Since a great deal of evidence of Russian brutality already has surfaced, that aspect of his account is not the most interesting. Rather, the emphasis on the prevalence of a fascist party among the young recruits is the element that is the

most worrisome and little studied. Capt. Samodov's description of atrocities contradicts the prevailing stereotype -- that hardened spetsnaz carry out atrocities while young recruits suffer at the hands of Chechen militants. In this account, atrocities are carried out by young recruits who are seized by a virulently racist ideology. His recruits had undergone training in the fascist Russian National Unity party and wore RNU insignia (the swastika) on their uniforms. More than any other testimony to date, this account raises concerns about official tolerance for fascism in Russia's armed forces.

At the same time, Capt. Samorodov is hardly the first officer to come forth with first-hand testimony of savagery in the Russian armed forces. A much longer and more thorough exposé was published on 17 September 2000 by Maura Reynolds in the Los Angeles Times. She provided excerpts of interviews with many Russian soldiers and officers who described in detail the atrocities they committed (including quartering a Chechen woman) and explained that this behavior had been encouraged by their superiors.

but MVD professionals won't go

Moreover, Samorodov is hardly the only officer refusing to serve in Chechnya. In the past six weeks, special police units in Kaliningrad, Syktyvkar, Vorkuta, Vologda, Kirov and Murmansk have protested against serving in Chechnya, in what The Guardian on 28 March described as a "spreading mutiny." The article highlights an MVD rapid reaction force in Cherepovets that has sent the authorities an ultimatum categorically refusing to become "cannon fodder in Chechnya."

In the same article the authoritative military analyst Pavel Felgenhauer commented that "This sort of thing is happening all the time, though it's seldom reported. It's all risk and little pay. Officers are resigning rather than go to Chechnya."

Spy vs. spy

The commander-in-chief of Russia's interior ministry troops, Vyacheslav Tikhomirov, made public the results of his ministry's investigation into the loss of the Mi-8 helicopter in Chechnya on 27 January.

"Experts have found that the helicopter was downed by a surface-to-air rocket," indicating that it was shot down by the Chechen resistance, Tikhomirov told ITAR-TASS on 23 March. The search for the attackers is underway. "It is a matter of honor for us and the case will be closed only when the attackers have been found," Tikhomirov said. (ITAR-TASS, 23 Mar 02; via lexis-nexis)

The crash killed 14 persons -- 11 MVD officers (including the deputy interior minister, chief of the department for the Southern Federal District Mikhail Rudchenko and Interior Ministry Troops Deputy Commander-in-Chief Nikolai Garidov), and three crew members.

Tikhomirov's statement contradicts the earlier reports from the FSB that the helicopter crash was due to mechanical failure. It remains unexplained what factors account for the discrepancy between the FSB assessment and the MVD report. (See THE NIS OBSERVED, 13 Feb 02) Tikhomirov also announced deep cuts into MVD manpower. According to present projections by 2005, the number of Russian interior ministry troops will be reduced by 37,400 persons.

In another helicopter story, Anna Politkovskaya, an award-winning journalist with Novaya gazeta, reiterated her contention that Russia's own forces shot down a helicopter with eight General Staff officers on board over the center of Grozny on 17 September 2001. The critical events of that day were recounted by The Guardian newspaper on 16 March:

"A young Russian general () Anatoly Pozdnyakov, confided in Politkovskaya that he was that day returning to Moscow with a report he had written on corruption in

Chechnya. He was the head of a new military investigative commission, acting, he said, on the personal orders of Putin. An hour after the interview, the general was dead. His helicopter, and his top secret report, were shot out of the sky by a Stinger missile directly over the city centre -- which was unusually empty, thanks to the military at the checkpoints. 'The official version,' says Politkovskaya, 'is that a Chechen fighter ran out on to the street, launched the missile and ran away. It could not have happened like that. He would have been shot the moment he popped his head out.' Ten days after writing that it was, in fact, colonels in Chechnya who had shot down their own chief of staff, Politkovskaya, under threat of her life, was forced to flee the country."

The report does not specify to which service the "colonels" belong.

Atrocities spark protests

On 13 March, several hundred residents of the Starye Atagi village held a rally in Grozny. They demanded an investigation and punishment of those guilty of crimes against civilians committed in the village during a cleansing operation ("zachistky") in early March. The Starye Atagi residents brought with them the burned bodies of seven local residents killed by federal soldiers.

According to Russian representatives, the bodies were of Chechen fighters. A representative of the operative headquarters of the counter-terrorist operation, Ilya Shabalkin, called the rally an "ordered action, paid for by the opponents of peace settlement in Chechnya." Similarly, FSB spokesman Alexander Zdanovich called the event a "planned provocation against the federal forces."

(INOSTRANETS, 19 Mar 02; What the Papers Say, via ISI Emerging Markets Database)

At a press conference on the same day, Memorial activists presented evidence and testimony about ongoing war crimes in Chechnya. Representatives of Memorial, Alexander Cherkassov and Oleg Orlov, said that during the operation

in Starye Atagi a week earlier, 15 persons were detained. One of them was a militant, another was released, another was found dead -- 12 remain missing.

Photographs of disfigured Chechens from another town, Argun, were shown. All bodies had wire marks on their wrists that prove that they had been tied up for the last hours of their lives and could not have been killed while fighting.

According to Memorial, the number of "missing" in Chechnya is 2,000. To give this figure scale, Cherkassov reasoned, "The population of Chechnya is about 600,000 at present. If the same proportion of people disappeared in Moscow, then the number of disappeared people would have run into tens of thousands. And this is commensurate with the Great Purge of 1937-1938." (PRESS CONFERENCE WITH MEMORIAL REPRESENTATIVES, 13 Mar 02; Federal News Service, via lexis-nexis)

Cherkassov also described the operation of "death squads" that "exist in the center in Khankala. This is borne out by quite a number of burial sites found near Khankala or in Khankala, burial sites for people who were variously detained in different places in Chechnya. " According to Cherkassov, although it cannot be confirmed, it is highly probable that some members of GRU are involved in such units. "Obviously, such structures exist in some districts, for example, the Urus-Martan district is famous for kidnappings of people at night and torture and then their bodies are discovered. (...) We are sure that [this is not the work of] militants. (...) [I]n Urus-Martan militants don't drive around during curfew on army vehicles and trucks. Obviously, these are representatives of federal structures.

Newly Independent States: Central Asia

By Michael Donahue

TURKMENISTAN

Problem area

The United States finds itself in an awkward situation in Central Asia -- whether to deal with regimes for immediate objectives in the "war on terrorism."

Turkmenistan's eccentric President Saparmurat "Turkmenbashi" Niyazov has been linked to the trafficking of illegal narcotics. According to a variety of well-placed sources, Niyazov has been involved actively in the trafficking of heroin (predominantly) at least since 1997. In fact, the UN reports that nearly 50% of all drugs consumed in Western Europe are trafficked through Central Asia, and as Niyazov is reported to transship between 80 to 120 tons annually, he certainly appears to be the region's most high-ranking drug middleman. (EURASIA INSIGHT, 29 Mar 02; via Eurasianet) What may be most troubling about the possibilities of Niyazov's connection to the drug trade is that it comes at a time when the United States is shopping around for a state in which to anchor its regional influence for a longer term.

While Niyazov thus far has been of little obvious help to America in the "war on terrorism," he possesses much that the United States desires in a future friend, namely oil and a strategic location. He could have used both to his advantage in inking a deal with Washington; instead he ignored obvious opportunities and may have sealed his fate. Like other authoritarian regimes in Central Asia, Niyazov's Turkmenistan is both oppressive and paranoid. Opposition groups often operate in secrecy and are routinely imprisoned or otherwise eliminated. Now, however, they may have an opportunity to isolate Niyazov internationally and, ultimately, force his resignation. The United States is certainly eager to participate in a free market competition for Turkmenistan's share of Central Asia's energy reserves, and cannot fail to appreciate that the country shares an expansive border with "Axis of Evil" member Iran.

While Turkmenbashi himself has been cool to the Bush Administration's advances, savvy opposition leaders such as Boris Shikhmuradov must realize

that they are faced now with opportunities. These groups could appeal to Washington for financial aid and significant increases in diplomatic pressure on Niyazov to resign in exchange for closer relations, and possible basing rights within Turkmenistan. Washington, for its part, needs to understand that the window of opportunity cannot remain open forever.

Newly Independent States: Baltic States

By Michael Varuolo

Domestic political issues threaten to jump across borders

The political forces within the Baltic states are beginning to realign with the self-assertion of opposition groupings that in the future may produce a political force capable of threatening the status quo within two of these republics. Within Estonia, the two largest Russian political parties have agreed to terms that would enable them to unify their constituencies in a coalition umbrella for autumn local elections. (BNS, 1553 GMT, 25 Mar 02; FBIS-SOV-2002-0325, via World News Connection) Initially this move by the Estonian Unity Party and the United People's Party is unlikely to bring about major change within the country's political landscape, but as more and more members of the Russian minority obtain citizenship the coalition could present a new power nucleus within the state.

Meanwhile, in Latvia, the new center-left party calling itself the Social Democratic Union (SDS) has moved into the political spotlight as it strives to portray itself as the true champion of the Latvian people and their ideals. (BNS, 0801 GMT, 25 Mar 02; FBIS-SOV-2002-0325, via World News Connection) The events in Latvia are particularly troublesome as they occur at a time when domestic concerns are being elevated to the international scene through the OSCE, Russia and Latvia itself. Recently, Latvia revoked the license of the Russian-language *Biznes un Baltija* (BB) radio station when it determined that the station had violated

copyright and other media laws. (BNS, 1604 GMT, 18 Mar 02; FBIS-SOV-2002-0318, via World News Connection) The move, in accordance with Latvian Supreme Court ruling, effectively closed the country's most popular radio station. As could be expected, this event triggered a strong response from Russia. The international community subsequently weighed in, with comments from the OSCE as well as Swedish and US officials, concerning the use of the Russian language in Latvia. In Lithuania, another minority political party, the Electoral Action of Lithuanian Poles, is solidifying its position. Sparked by what it sees as attacks on its language and culture within the minority language schools, the party organized protests and demonstrations. (BNS, 1524 GMT, 13 Mar 02; FBIS-SOV-2002-0313, via World News Connection)

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