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**THE ISCIP ANALYST**  
**Volume 7, Number 1 (January 16, 2002)**

**Russian Federation: Executive Branch**

By Michael Comstock

**PRESIDENCY**

**Who's in, who's out**

The removal of Railways Minister Nikolai Aksenenko was completed this month with President Putin's decree relieving the minister of his duties. This final decision followed a recommendation by Prime Minister Mikhail Kasyanov in a meeting that touched also upon Russia's natural monopolies. (ITAR-TASS, 1741 GMT, 3 Jan 02; FBIS-SOV-2002-0103, via World News Connection) This constitutes a final chapter in Aksenenko's misadventure with the Putin administration, which began months ago. Kasyanov proposed Gennady Fadeev as Aksenenko's replacement, a move that has been confirmed by the president. Fadeev previously served as railways minister under the first Yel'tsin administration from 1992-1996. (INTERFAX, 1532 GMT, 4 Jan 02; FBIS-SOV-2002-0104, via World News Connection) Aksenenko's dismissal and previous investigation by the prosecutor-general's office has been interpreted to be a move against Yel'tsin-era holdovers; his replacement by another Yel'tsin-era appointee indicates that the faction that supported Aksenenko's initial appointment has managed to maintain control of this lucrative post in the Russian government. As reported by the Russian radio station Echo Moskv, Kasyanov himself is a member of this group. Additionally, Fadeev is Aksonenko's brother-in-law, giving the bureaucracy an even more dynastic appearance. (EKHO MOSKVY RADIO, 0400 GMT, 5 Jan 02; via ISI Emerging Markets Database)

However, the prosecutor-general's office has fixated upon another personality within the administration. Reaching closer to Presidential Administration head

Aleksandr Voloshin, Prosecutor-General Vladimir Ustinov has announced that Voloshin's public adviser, Vyacheslav Aminov, is under investigation for bribery. Aminov, Prominvest's general director, has been released from custody, but is not allowed to leave Moscow. (INTERFAX, 29 Dec 01; FBIS-SOV-2001-1229, via World News Connection) The prosecutor-general's office will investigate Aminov extensively, and its findings may lead to further charges against those around Aminov -- a prospect which must cause some alarm for Aleksandr Voloshin. There have been flurries of rumor about imminent resignations and dismissals surrounding Voloshin -- until now, all could be dismissed as baseless. However, given the fact that Ustinov's investigations often have preceded dismissal and disgrace (as in the case of Aksyonenko), the proximity of this most recent investigation to Voloshin cannot help but to raise eyebrows.

Further personnel shuffling within Putin's administration has included the dismissal of Vladimir Rakhmanin as chief of Presidential Protocol and his simultaneous posting as ambassador to Ireland. His replacement is Igor Shchegolev, who until now has been head of the Presidential Press Administration. (INTERFAX, 1819 GMT, 29 Dec 01; FBIS-SOV-2001-1229, via World News Connection) These appointments most likely constitute a string of promotions -- Rakhmanin being rewarded for service with a less stressful ambassadorship, and Shchegolev being moved into a position of greater importance. Andrey Denisov has been promoted from ambassador to the Arab Republic of Egypt to deputy foreign minister of Russia. (ITAR-TASS, 0859 GMT, 30 Dec 01; FBIS-SOV-2001-1230, via World News Connection) Additionally, Anatoly Pristavkin, chairman of a recently disbanded pardons commission, has been appointed as a new presidential aide. (ITAR-TASS, 1650 GMT, 29 Dec 01; FBIS-SOV-2001-1229, via World News Connection)

Putin has been focusing on Russia's energy crisis; at a recent meeting, he assigned to Deputy Prime Minister Viktor Khristenko the task of preparing a report on the causes of fuel and energy failures in several Russian regions.

Combined with recent fluctuations in market prices for crude oil, Russia has undergone serious economic upheaval in the past month. Khristenko was reported as saying that some stabilization had been achieved in coordination with OPEC; the full report is expected within the next month. (INTERFAX, 1401 GMT, 10 Jan 02; FBIS-SOV-2002-0110, via World News Connection)

## Russian Federation: Domestic Issues and Legislative Branch

By Luba Schwartzman

### **POLITICAL PARTIES**

#### **Turning into parties**

On 14 December, the Union of Right Forces (SPS) held a congress in the Pokrovsky forest resort in the suburbs of Moscow. About 300 delegates from 80 regions arrived to consolidate the movement into an official party. The deputies re-elected the party chairman (Boris Nemtsov) and the co-chairpersons (Yegor Gaidar, Anatoly Chubais, Irina Khakamada, Sergei Kirienko), adopted a new party statute and program, and passed a number of resolutions (calling for cooperation with the West in creating a new security system and promising to assist several of the government's social and economic reforms). SPS deputies also demanded that Federation Council deputies be elected. (ITAR-TASS, 2041 GMT, 14 Dec 01; FBIS-SOV-2001-1215, via World News Connection)

The December congress was not nearly as protracted and intense as the one last spring (See THE NIS OBSERVED, 13 Jun 01) and one deputy leader of the group, Viktor Pokhmelkin, felt that the party itself had lost some of its edge. He resigned, stating that "all the resources in fighting for transformation of the party have been exhausted." (INTERFAX, 1213 GMT, 19 Dec 01; FBIS-SOV-2001-1219, via World News Connection) A few days later Pokhmelkin was elected a

co-chairman of the Liberal Russia political movement, along with Boris Berezovsky, Sergey Yushenkov, Boris Zolotukhin and Galina Sartan. (INTERFAX, 1142 GMT, 22 Dec 01; FBIS-SOV-2001-1222, via World News Connection) The YABLOKO movement also became a party and re-elected Grigory Yavlinsky as leader by a vote of 472 to 33. (INTERFAX, 0636 GMT, 22 Dec 01; FBIS-SOV-2001-1223, via World News Connection)

### **and turning 180 degrees**

One leader, however, used an extraordinary meeting of his party to introduce a whole new twist to his party's position. On 13 December, the Liberal Democratic Party of Russia's Vladimir Zhirinovskiy announced that the LDPR will abandon the anti-American and anti-Western sentiments in its foreign ideology. Zhirinovskiy declared that "Russia and America can and must cooperate today, and there are all the conditions for this... the time has come for the three forces -- Russia, the USA and NATO -- to assume responsibility for world affairs." In fact, he went as far as to suggest that in 30 years Russia and the US "will combine their resources and form a single North Atlantic state." Yet, oddly enough, he compared the cooperation in the post-11 September world and the seizure of Kabul to the situation immediately after the conquest of Berlin in May 1945. (INTERFAX, 1247 GMT, 8 Dec 01; FBIS-SOV-2001-1208, and INTERFAX, 0953 GMT, 13 Dec 01; FBIS-SOV-2001-1213, via World News Connection) Assuming that Zhirinovskiy's grasp on history is sound enough to include the fact that, even before Berlin was divided, the Soviet Union and the United States became adversaries in the Cold War, it is interesting to ponder what he is trying to say with this analogy.

## **REGIONS**

### **Elections and electricity**

In Yakutia, after a long and complicated election campaign, Vyacheslav Shtyrov, the president of the ALROSA diamond company, won the second round of the elections with 59.2 percent of the vote. The turnout was rather high -- 75.6

percent of eligible voters -- due in large part to the special measures taken by the Yakut central electoral commission. It offered 150-ruble coupons for housing services and lottery tickets with prizes (including a Volga car) totaling one million rubles. Shtyrov's victory is expected to be useful for the republic as well as for ALROSA. (LENTA.RU, 14 Jan 02, and ORT, 13 Jan 02; via [www.ortv.ru](http://www.ortv.ru))

In many of Russia's other regions, shortages of electricity, heat and water (affecting hundreds of thousands) are of great concern. In the Amur region's city of Blagoveshchensk, residents picketed the Amurenergo office, while in the Irkutsk region, the mayor of Ust Kut resigned after heating problems were discussed in a live phone interview with President Putin. (ITAR-TASS, 0511 GMT, 26 Dec 01; FBIS-SOV-2001-1226, and ITAR-TASS, 1405 GMT, 27 Dec 01; FBIS-SOV-2001-1227, via World News Connection)

## **FEDERAL ASSEMBLY**

### **Legislative wrap-up**

Before the Russian State Duma began its holiday recess, which will last until mid-January, it accepted draft bills "On the State of the Military" and "On the All-Russian Census" (ORT, 27 Dec 01; via [www.ortv.ru](http://www.ortv.ru)); passed the Labor Code in the third reading (ORT, 21 Dec 01; via [www.ortv.ru](http://www.ortv.ru)); voted to put a five-year moratorium on human cloning in the Russian Federation; established a 10-percent tax exemption for all print media and forbade all media sources to cite terrorists and extremists. (ORT, 20 Dec 01; via [www.ortv.ru](http://www.ortv.ru))

## **MEDIA**

### **Treason and trials**

In Vladivostok, military journalist Grigory Pasko has been found guilty of "high treason in the form of espionage" and sentenced to four years imprisonment. Fellow journalists and supporters rallied in Moscow's Lubyanka square proclaiming his innocence, and several human rights groups joined. On 7 January, about 60 demonstrators protested under the banner "Is Felix back?"

They represented ecological and human rights groups throughout Russia and the political party YABLOKO. Sergei Mironov called on Pasko to seek a presidential pardon -- however, such a move by Pasko would constitute an admission of guilt that Pasko has steadfastly denied. The Duma's State Security committee welcomed the guilty verdict and the public prosecutor protested that the sentence was too light. (INTERFAX, 1458 GMT, 25 Dec 01; FBIS-SOV-2001-1225, and INTERFAX, 1058 GMT, 29 Dec 01; FBIS-SOV-2001-1229, via World News Connection)

Another attack on media freedom is developing rapidly: the TV6 saga. The Supreme Arbitration Court has upheld the order to liquidate the television channel. Yevgeny Kiselev, TV6's general-director and the host of the news program Itogi, declared that state policy towards the mass media is aimed at "doing away with any alternative opinions on television" and not allowing "an element of unpredictability in the coverage of major political events." Kiselev announced that his team will "use all legal options available," appeal against the ruling of the Supreme Arbitration Court and request the cancellation of the appeal against the ruling of the Moscow Federal Arbitration Court. (INTERFAX, 1539 GMT, 8 Jan 02; FBIS-SOV-2002-0108, via World News Connection) If none of the appeals proves effective, Kiselev is sure that there will be other outlets for the work of the TV6 staff, including the Internet, satellite and cable channels. (NTV.RU, 11 Jan 02)

## Russian Federation: Foreign Relations

By Scott Bethel

### **Where there's a crisis, there's an uncertain Russian foreign policy**

After a breakthrough year in foreign policy, President Vladimir Putin and his foreign policy team have taken some inconsistent steps of late. Putin and Foreign Minister Igor Ivanov navigated the turbulent international waters after the 11

September attacks on the US with extraordinary skill and seemed to make all the right moves. However, two recent opportunities have not met with bold and decisive policy initiatives. Specifically, the crisis between India and Pakistan and the implosion of the Argentine political-monetary system have seen tepid responses from Moscow. Though Russia has significant foreign policy interests in both areas, the efforts have seemed tentative and there does not appear to be a regional strategy compared to the effective efforts give the impression of closer coordination with the United States.

### **The Pakistan-India crisis**

As the conflict between the neighboring Asian nuclear powers has escalated, there has been an ongoing show of interest and concern by Moscow, but only on the periphery. In fact, however, Russian weapons fuel the crisis from the Indian side. The crisis might provide Russia with an opportunity to be at the forefront of regional issues, but, so far, that has not been the case.

Moscow has long been involved with the Indian military, trading arms and technology. India was the first to recognize the opportunity of acquiring advanced technology cheaply when it entered into a co-production deal with the Russians for the MiG-29 as early as 1991. (JANE'S DEFENCE ARCHIVE; via janes.com) This opened the door to a vastly increased level of cooperation between Delhi and Moscow. (Earlier, India made a similar deal concerning the MiG-23.) Over the intervening years India has ordered a significant amount of its hardware from the Russians, including major deals for T-90 tanks (PTI NEWS AGENCY, 1508 GMT, 3 Jan 02; BBC Monitoring, via ISI Emerging Markets Database) and for several naval combatants. Also, Russia has entered into further aircraft co-production deals, including making India the first to co-produce the advanced Russian Su-30 multi-role fighter. (ITAR-TASS, 1402 GMT, 28 Dec 01; BBC Monitoring, via ISI Emerging Markets Database) India is Russia's second largest arms customer following only China, with Iran third. (JANE'S DEFENCE WEEKLY, 24 Jan 02; via janes.com)

Moscow has expressed strong concern about the situation between Pakistan and India and condemned the "terrorist act" on the Indian parliament, but fell short of actually placing any direct blame on the Pakistani government. (ITAR-TASS, 1630 GMT, 15 Dec 01; BBC Monitoring, via ISI Emerging Markets Database) President Putin only rarely makes public statements regarding the conflict. However, during the recent meeting of the Asia-Pacific Economic Cooperation forum (APEC), Putin expressed the desire for Russia to assume a greater leadership role in regional conflicts. (ITAR-TASS, 1257 GMT, 19 Oct 01; BBC Monitoring, via ISI Emerging Markets Database)

The other, and perhaps more powerful, regional actor with interest in the situation is China. The Chinese have several stakes in the final outcome of the conflict between its two nuclear neighbors. First, the Chinese are the main exporter of weapons to the Pakistanis. As the US in previous years withdrew support for the government in Islamabad, the Chinese moved rapidly to fill the void left by the Americans, offering inexpensive weapons in plentiful supply. (JANE'S DEFENCE ARCHIVES, 6 Jun 01; via janes.com) The Chinese also have a longstanding border dispute with the Indians and normally have sided with the Pakistanis in regional disputes. (REUTERS, 13 Jan 01; via dailynews@yahoo.com) Before the Afghan war, the US had moved closer to India, but those relations suffered with the subsequent warming of Pakistani-US relations (because of the political reality that the US required a regional base of operations). This placed the Indians in need of a major power sponsor.

Russia, though, will be cautious in terms of how far to go in siding with India. On the one hand, India has proven an excellent customer for Russia's growing arms trade, indeed one of its best, longest-standing cash customers. However, President Bush needs a committed and stable ally in Gen. Musharraf and the Russians will have to step lightly on the Pakistani president's toes. Moscow also will look to maintain its warming relationship with the Chinese to ensure having

both a friendly power at its lengthiest frontier and to ensure that its top arms customer is happy.

Therefore, the Russians have taken the easy road so far, at least publicly. Moscow issued a joint communiqué with China at the foreign ministry level, rather than by the heads of state. The communiqué said nothing of any serious consequence and urged both sides on the subcontinent to "exercise restraint to prevent further deterioration of the situation and China and the Russian Federation express deep concern over the current intensifying tension between India and Pakistan." (XINHUA, 1050 GMT, 7 Jan 02; BBC Monitoring, via ISI Emerging Markets Database) At the end, this will be a delicate diplomatic dance for Putin and his foreign policy team. The Russians want to be more visible in regional affairs, while maintaining good relations with the players. Putin most likely will bide his time and see where the crisis leads, making statements only when strictly necessary. Until then, he'll keep cashing the checks from the Indian treasury.

### **The Argentine crisis**

Russia has been working hard to make inroads into Central and South America over the last three years. One of Moscow's main targets has been fragile Argentina. Just days before the monetary and political crisis in Argentina turned ugly, a top Russian diplomat, Georgi Mamedov, met with ambassadors from the major Latin American countries to stress Russia's solidarity and commitment to the region. (ITAR-TASS, 1941 GMT, 20 Dec 01; BBC Monitoring, via ISI Emerging Markets Database) Specifically, Mamedov committed his country to helping Argentina find a solution to its current crisis.

Moscow's interest in this situation is two-fold. First, the Russians have cracked the South American arms market successfully. Brazil has agreed to allow Russia to participate in bidding for Brasilia's next fighter purchase (See THE NIS OBSERVED, 7 Nov 01) and Venezuela is interested in providing Russia with an

alternative launch site for its space program. (NEZAVISIMAYA GAZETA, 29 Dec 01; BBC Monitoring, via ISI Emerging Markets Database) In addition, Russian weaponry has long been the choice of guerrilla fighters, drug lords and paramilitaries throughout the region. (THE NEW YORK TIMES, 10 Oct 01) Second, the US has not been aggressive in terms of increasing close ties, both militarily and politically, with its neighbors to the south. The efforts of the South American governments to foster increasingly close relationships with Russia reflect in part American disinterest and, in part, the desire of the South American countries to forge their own way rather than fold to "Yanqui Imperialism." (JANE'S DEFENCE, 6 Jul 01; via janes.com)

For the Russians, however, the Argentine crisis is out of area. Putin and his foreign policy team are reluctant to become a driving force in the situation. First, the Argentine political-monetary crisis is quite messy. Amidst allegations and counter-allegations, three presidents have been sworn into office in the last month. Therefore, Moscow is unsure with whom to deal to effect any sort of a long-term or even interim solution. Second, the Russians feel the need to be part of a coalition solution. Thus, they have pursued a joint statement on the part of the G-8, but the group thus far has been unwilling to issue such a statement. (ITAR-TASS, 1438 GMT, 24 Dec 01; BBC Monitoring, via ISI Emerging Markets Database)

Russia most likely will leave the Argentine situation alone for the time being, choosing to concentrate on markets with more potential such as Brazil. In the long term, however, there are ample opportunities for Moscow to increase both visibility and activity in America's backyard. A major arms deal constitutes one approach concerning which the Russians already have both experience and success in other developing regions.

**In other news: the US ABM withdrawal is a non-issue in Moscow**

The US announcement of its pullout from the 1972 ABM treaty did not meet with a major reaction in Moscow. The initial statement by President Bush led to a curt response by President Putin noting his disappointment, but vowing to continue dialogue with Washington. Foreign Minister Igor Ivanov went further by saying, "Russia [will] continue talks with the United States to hammer out a new framework for the two countries' strategic relationship and to find ways to reduce offensive strategic armaments." (REUTERS, 15 Dec 01; via YahooNews.com) Moreover, Ivanov stated that he hoped to meet with US Secretary of State Colin Powell to produce some alternative to the ABM treaty.

It seems that the US withdrawal came as no surprise to anyone in Moscow. With all of the shuttle diplomacy regarding the matter through the fall of 2001, the respective positions were quite clear. Secretary Powell made four trips specifically aimed at an ABM compromise and the topic was high on the agenda for the Bush-Putin summit at the end of last year.

The Russians have had ample opportunity to prepare for the eventual US withdrawal from this treaty. Moscow certainly will continue expressing disappointment in the press. But, the US probably assured the Russians that they have nothing to fear from the US pullout. Perhaps some sort of compromise was struck between Presidents Putin and Bush to ensure the US could continue with its National Missile Defense. (See THE NIS OBSERVED, 28 Nov 01) The Russians want to maintain good relations with the US; the ABM treaty is a "dead horse."

## Russian Federation: Armed Forces

By Walter Jackson

**Fall roundup**

The Russian Duma is tackling not only the military budget increases which President Vladimir Putin needs to begin implementing his military modernization campaign, but also more fundamental issues such as how and when to implement an all-volunteer force and draft new laws permitting alternate national service. Meanwhile, the fall draft has ended with predictable results. The Sovetsky District (Nizhny Novgorod) has been a leader in recruit reforms. District leaders even have been conducting an alternate service experiment for several years now with positive results, but there remain many reasons for concern. According to a recent newspaper article, in the past two decades, over 1,000 recruits from the district died during military service, including 252 in Chechnya. In the 2001 autumn call-up, 1,256 persons were recruited while 1,990 others evaded military service. The spring 2001 drive was slightly more successful: 1,405 recruits, and 1,335 persons avoiding military service.

According to A.V. Razumovsky, secretary of the Nizhny Novgorod Recruiting Commission, only 25 persons submitted applications for alternative service in 2000; 33 persons submitted applications in 2001, and the city administration permitted nine of these not to join the Army. (PARLAMENTSKAYA GAZETA, 19 Dec 01; What the Papers Say, via ISI Defense and Security Database) This is one example of local authorities taking charge. Yet, while these statistics are very good by Russian standards (in many districts those evading the draft make up much higher ratios), the fact remains that nationally, most young Russian men look for ways to avoid the draft.

### **Alternate service**

The Russian Duma has drafted a bill on alternate service based largely on recommendations from the General Staff and the defense ministry. In its current form the bill allows for alternate service in noncombatant roles within the military, but with an additional year's service obligation. Another requirement is that alternate service personnel will be sent all over Russia and not be stationed close to home, as some had hoped. (STRANA.RU, 10 Jan 02; via RFE/RL

Newsline) The fact that the Duma is pursuing this option actively represents a giant step in the right direction for Russia's modernization efforts. In the long term, this option should improve the current draft evasion problem.

However, this trend is unlikely to change until other significant military reforms, such as a pay scale on par with other government workers, and adequate and available housing become reality. The summer of 2002 will constitute the first big test of President Putin's military reforms. This is when (budget and oil prices permitting) significant pay increases kick in, replacing existing government subsidies.

### **Macho men and women**

On top of the already monumental task of general military reforms involving better pay and allowances, there are also gender reform issues to be addressed. Over 115,000 Russian women (approximately 9.5 percent) serve in the military. Women make up an impressive 71 percent (81,100) of the total contract military service personnel, and 53 percent of the civilian specialists in the army. Promotion opportunities in the officer corps, however, are significantly fewer and account for only 3.2 percent (3,500) of the total number of officers, although 30,000 women serve as warrant officers. However, Russia's premier military service, the Strategic Missile Forces, has over 20,000 women, half of whom are in combat roles on par with their male counterparts.

Reportedly there are only 17 female colonels in the Russian Army, and currently there are no promotion opportunities to general. Of the women officers eligible for promotion to major, only 10 percent are selected. What do the Russian servicewomen think of this discrimination? Not surprisingly, according to data from a poll by the All-Russia Academy of Sciences Institute of Sociology, most of them consider such obstacles to advancement to be unfair. (TRUD, 4 Dec 01; FBIS-SOV-2001-1206, via World News Connection) As Russia attempts to mirror

the West in its military reforms, parity in advancement opportunities for women must be achieved, and will serve to strengthen the entire military reform process.

## **MILITARY-INDUSTRIAL COMPLEX**

Rosoboronexport looking better and better

It has been just over one year since Rosvoorozhenie and Promexport merged into Russia's leading defense industry arms exporter Rosoboronexport. And what a successful year it was. As 2001 came to a close Russian President Vladimir Putin met with his Security Council to discuss past and future weapons exports. "The results [of 2001] are not bad, \$4.4 billion dollars of foreign currency revenue for this year," Putin said. He also stated that "In effect, today we have only just begun to restore opportunities that we forfeited and to look at this field from new economic and geopolitical positions." (INTERFAX, 1451 GMT, 26 Dec 01; FBIS-SOV-2001-1226, via World News Connection)

But as successful as 2001 was, there are much bigger plans for 2002. According to Rosoboronexport General Director Andrei Belyaninov, the exporter wants to become more than just a middleman in the future. Rosoboronexport intends to increase its stakes in top military hardware manufacturers in 2002, invest in newly forming defense industries, and ultimately evolve into an investment agency. (INTERFAX, 1126 GMT, 26 Nov 01; FBIS-SOV-2001-1126, via World News Connection) As if these grandiose plans aren't enough, Rosoboronexport just acquired the controlling interests in the Russian Insurance Center Company, which seeks to counter the growing presence of foreign insurance companies in the Russian military-industrial market. According to Aleksandr Kravchenko, chairman of the board, the Russian Insurance Center currently provides 60 types of insurance to over 500 companies. (ITAR-TASS, 2015 GMT, 26 Dec 01; FBIS-SOV-2001-1226, via World News Connection) Adding an insurance arm to its infrastructure is a significant step to becoming an investment agency. In fact, Rosoboronexport is looking more and more like a Western defense industry giant.

### **How to get there from here**

According to Rosoboronexport's web page, to date there is a total of \$13 billion in orders through 2006, equating to just over \$2.6 billion per year. According to Belyaninov, exports in the past have been sent to 45 countries, with China, India, Cyprus, Algeria, Greece, Italy, Egypt and Kuwait making up 90% of sales. Sales breakdowns were 75% aviation, 12% naval, 5% ground equipment, air defense 3%, and the rest 5%. (ROSOBORONEXPORT WEBSITE, 11 Jan 02; via rusarm.ru)

To boost arms sales (and cash revenues to help fund his budget) President Putin has chartered the Committee for Military-Technical Cooperation (CMTC), to take the lead in the creation of a collegium to evaluate and improve the export process. One area of untapped potential is in the export of spare parts and technical/mechanical service to existing customers. In fact President Putin has issued a decree allowing weapons producers/exporters to enter into the sales and service end of exporting. (KOMMERSANT, 18 Dec 01; What the Papers Say, via ISI Defense and Security Database) The spare parts and service (contract support) are both very lucrative from a business standpoint. Existing (and paid for) machine dyes can produce spare parts inexpensively. Service contracts are even better with Russian engineer and technician salaries being paid by foreign governments (usually at a premium rate). The result is increased employment and tax revenues.

### **Rekindling old flames**

The biggest concern to the US is the recent resumption of Russian arms sales to Iran. (See THE NIS OBSERVED, 28 Nov 01) Moving rapidly since the "repeal" of the Chernomyrdin-Gore Pact in 2001, Iran by January 2002 will have received the last 2 of 21 Mi-171 helicopters from Russia; 30 additional Mi-171sh helicopters were ordered in 2001, with delivery starting in 2002. The Mi-171sh helicopters are armed with the Shturm anti-tank weapons system. (ITAR-TASS,

1309 GMT, 24 Dec 01; FBIS-SOV-2001-1224, via World News Connection) But this is just the beginning. Russia is likely to continue to pressure the US into lifting sanctions against Iraq, the one Russian debtor which easily can pay in hard currency (that is, once oil sanctions are lifted). Iraq was historically (and potentially will be) a significant arms importer. Africa and South America are also markets that Russia is pursuing aggressively.

### **Diamonds in the rough**

During a recent swing through Africa, Russian Foreign Minister Igor Ivanov laid the groundwork in Namibia to develop closer military and technological ties. Intrinsically linked with importing Russian arms is the export of Namibian diamonds. During a press conference, Ivanov praised the success of the Russian Diamond Company ALROSA in neighboring Angola. He stated that ALROSA "could take a proper place on the market of Namibia too." (ITAR-TASS, 2048 GMT, 14 Dec 01; FBIS-SOV-2001-1214, via World News Connection) This is but one example of Russia's aggressive (and apparently successful) global military and nonmilitary industrial marketing campaigns. Fortunately for Russia, Ivanov is not too bogged down fighting terrorism and creating coalitions like his US counterpart, Secretary of State Colin Powell. Given the current state of Russia's economy, the country's leaders are placing greater emphasis on that concern, while placating the US in the fight against world terrorism.

## **Newly Independent States: Western Region**

By Tammy Lynch

### **UKRAINE**

#### **Following Russia's lead into Iran**

As Western countries increasingly have looked away from Ukraine, in many ways ceding the country to Russian influence, they also may have looked away from an important -- and ominous -- new feature of Ukrainian foreign policy. Over the

last several months, Ukraine's leaders have increased significantly their country's cooperation with Iran, in some ways mirroring the relationship that already exists between that Mideast country and Russia. This stepped-up cooperation is exemplified by a December meeting of Ukrainian Foreign Minister Anatoly Zlenko and Iranian Petroleum Minister Bijan Zanagan. Following his talks with the petroleum minister, Zlenko announced, "I have brought a clear message from the Ukrainian side to offer a new stage in our bilateral relations, a stage of considerable change in the economic sphere for the good of our citizens." (INTERFAX, 27 Dec 01; via lexis-nexis) This statement signified a shift in Ukrainian policy; while the two countries have discussed expanding their bilateral relations in the past, the relationship always has been limited by Ukraine's ties to the West. Kiev has been reluctant to irritate Western powers concerned both with Iran's attempts to acquire ballistic missile technology and with its support for terrorist organizations. Now, the situation appears to have changed.

At the December meeting, Zlenko wholeheartedly endorsed collaboration between the two countries within the energy sphere. In particular, Zlenko mentioned the Russian-supported proposal for a pipeline that would carry Iranian gas to Europe through Ukraine. With this pipeline, Zlenko said, "our state can diversify the sources of energy supplies, and Iran can get new technologies for the modernization of the oil and gas industry." The technology could include equipment for drilling and the assignment of "Ukrainian specialists," he explained. While the implementation of Zlenko's plan is questionable given Western (and in particular US) opposition to the pipeline proposal, just the suggestion of it points to a new era in Ukrainian-Iranian relations. Although this project may fail to come to fruition, others undoubtedly will succeed. At the same meeting, for example, the two sides initiated new proposals for cooperation in the fields of aircraft production, petrochemicals and agriculture. And therein lies the problem for the West.

In a 13 January Washington Post article, Michael Dobbs examined Iran's attempts to build a nuclear weapon and ballistic missile program with Russian help. That help resulted in sanctions against a number of Russian companies by the US government over two years ago. In response, Russia claims to have cracked down on what the country said were unauthorized technology transfers. Bush officials suggest, however, that Russia continues to assist Iran in developing "nonconventional" arms and ballistic missile delivery systems.

With Ukraine actively engaged in several areas of Iranian industry, a new avenue now will open for Tehran. And, according to the information contained in Dobbs' article, it may be a very important avenue. Russian scientist Vadim Vorobei, who spent considerable time working in Iran on a ballistic missile program, said, "Their progress is very slow. In order to build missiles, you need a strong resource base. You need steel, aluminum, not to mention composite materials, a machine tool industry. Iran has very little of this." He continued, "They don't have any real metallurgical industry of their own. Their only hope is to steal something from neighboring countries, but they can't steal everything." (THE WASHINGTON POST, 13 Jan 02; via lexis-nexis) With Ukraine on their side, they may not need to. Ukraine's largest industry is metallurgy, with a special emphasis on steel. Combine this and other natural resources with the country's existing ballistic missile technology and, clearly, Iran could benefit from a closer association with Ukraine.

While these plans are being formulated, little is being heard from Western quarters. True, these talks and statements of intention may amount to very little, but they also could amount to much more. As the US and its Western partners continue the fight against terrorism, it is possible that, while their backs are turned, one of the countries accused of supporting terrorists may be acquiring a very helpful new friend.

## **MOLDOVA**

## **Two languages for the price of one**

This week, the government of Moldova initiates a brand new educational policy -- compulsory education in the Russian language. Yes, for the first time in 10 years, school children in Moldova will be forced to study Russian. Initially, Education Minister Ilie Vancea suggested that the move was necessary because "Russian is the native tongue for one-third of our population," and a number of Russian-speaking parents had requested that the language be available to their children. (ITAR-TASS, 2047 GMT, 3 Jan 02; FBIS-SOV-2002-0103, via World News Connection) This explanation, however, is questionable at best. The parents about whom Vancea is so concerned always have had the opportunity to see that their children are educated in Russian -- the constitution grants them that right. Article 35 says, "The State will enforce under the law the right of each person to choose his/her language in which teaching will be effected." Therefore, actually, no change was necessary to satisfy this group. Should students wish to be educated solely in Russian, that possibility is available to them -- Russia has even donated textbooks to ensure it.

Instead, the real explanation for the new law is likely closer to a statement released by the Russian foreign ministry. "The introduction of this subject as a discipline of study in the national education system of Moldova will contribute without a doubt to the interethnic communication and continued development of multilateral relations between Moldova and Russia," the statement reads. (BASAPRESS, 1715 GMT, 27 Dec 01; FBIS-SOV-2001-1227, via World News Connection) The measure can also be interpreted as yet another move toward Moldova's eventual inclusion in the Russia-Belarus Union, where Russian is the language of record. As such, the law has generated what for Moldova is a large protest action.

On 10 January, the opposition Christian Democratic Popular Party led a demonstration in downtown Chisinau that attracted nearly 2,000 persons -- mostly teachers. Although the rally was peaceful, police officials followed the

action by "visiting" those who spoke at the rally, and "suggesting" that state employees stay away from all future protests. In addition, Chisinau Police Chief Ion Curarari has asked that the prosecutor-general strip all Christian Democrats of their parliamentary immunity. (BASAPRESS, 1600 GMT, 11 Jan 02; BBC Monitoring, via lexis-nexis) Even so, the party has called for continued daily protests. So far, the people have responded, although the numbers have diminished to approximately 500 daily. The protests have had one effect -- the opening of the current semester had to be postponed by one week. There is little likelihood that the protests will force a reversal of policy, however. The semester is now open and the new law is being implemented. Moldovan children are learning Russian. It seems that history does repeat itself, if the right persons are there to force it to do so.

## Newly Independent States: Caucasus

By Miriam Lansky

### **GEORGIA**

#### **Will there be a TAG?**

Turkey, Azerbaijan and Georgia are expected to formalize arrangements for joint efforts against organized crime, drug trafficking and terrorism at a two-day meeting in Ankara. Turkish Foreign Minister Ismail Cem put forward the idea during a visit to Georgia and Azerbaijan in October. This effort builds on the Security Pact concept which was proposed in 1999 but never institutionalized. (TREND, 1430 GMT, 9 Jan 02; via BBC Monitoring, and ANATOLIA, 1444 GMT, 5 Jan 02; FBIS-SOV-2002-0105, via World News Connection) Some reports in the Azeri media anticipate a more ambitious political agenda. This cooperation may grow to include protecting pipelines, defining approaches to resolving the Nagorno-Karabakh conflict and possibly hosting a Turkish military base in Azerbaijan. (ANS, 1700 GMT, 8 Jan 02; via BBC Monitoring)

### **How long will Russian 'peacekeepers' stay in Abkhazia?**

The mandate of the Russian "peacekeeping force" in Abkhazia ran out on 31 December and President Eduard Shevardnadze has called for extending their stay since no UN peacekeepers have been allocated to replace them. The "peacekeepers" have been deployed in the area since 1994 and have not been able (or willing) to ensure the security of local residents or facilitate the return of refugees to the region. "They are actually only fulfilling the role of a frontier post between Abkhazia and the rest of Georgia," says Jemal Gakhokidze, deputy secretary of Georgia's National Security Council. (INTERFAX, 1217 GMT, 9 Jan 02; FBIS-SOV-2002-0109, via World News Connection)

Political opposition to the "peacekeepers'" presence has been building steadily and became particularly acute due to the aggravation in Georgia's Kodori region in October. At that time the parliament resolved that the Russian "peacekeepers" in Abkhazia should be replaced by an international force. Even President Putin advocated their removal. The situation became even more tense as Georgia stationed 350 army servicemen in the Kodori Gorge in response to the outings conducted by renegade Chechens and Georgian militias. (ITAR-TASS, 2047 GMT, 21 Dec 01; FBIS-SOV-2001-1221, via World News Connection) Since October, the repeated instances of Russian airplanes bombing Georgian villages in the Kodori Gorge and in and around the Pankisi Gorge hardly enhance Russia's supposed "impartiality." (See THE NIS OBSERVED, 12 Dec & 24 Oct 01)

### **Pressure to police Pankisi builds**

Roughly 200 members of the Union of Afghan Veterans have been holding pickets demanding the return of a police presence and operations to free hostages in the Pankisi region. On 9 January they were bolstered by members of the local Chechen population, including Khizri Aldamov, a representative of the Kists. (IPRINDA, 1440 GMT, 9 Jan 02; FBIS-SOV-2002-0109, via World News Connection) Russian representatives have used the presence of renegade

Chechen elements in the Pankisi Gorge as a lever against Georgia. Georgia's security services have set up checkpoints and taken pains to isolate the troubled villages, but they have stopped short of carrying out law-enforcement measures and have not proven capable of stemming hostage-taking. In particular, the kidnapping of a Georgian monk who remains in the captor's custody has incensed public opinion. Some fear that the criminal situation in the gorge may be used as a pretext for a Russian invasion or for the forcible removal of roughly 7,000 Chechen refugees from Georgia.

## **CHECHNYA**

### **Soldiers kill human rights workers**

Two activists of the Society of Russian-Chechen Friendship were shot at a checkpoint by Russian servicemen on 12 December 2001. Luisa Betergirieva and Umar Musaev were traveling by car to Argun to collect information concerning casualties among civilians resulting from the "cleansing" carried out there on 11 December. When the two human rights workers reached a checkpoint at the entrance to Argun, the servicemen checked their documents but did not allow them to enter the town. Betergirieva and Musaev got back into the car and started driving back, in the direction of Shali. Then the servicemen opened fire on their car. Betergirieva died at the scene and Musaev was lightly wounded. (PRESS RELEASE NO. 150, 15 Dec 01; via [www.friendly.narod.ru/info150.html](http://www.friendly.narod.ru/info150.html))

Five days later, servicemen shot Akhmed Ezhev, Luisa's brother, who had given an oration at her funeral and also worked with the human rights group. Servicemen arrived at Ezhev's house in an APC, asked for him by name, and shot him in front of three witnesses. The human rights group says that "the intensification of repressions" against its workers began "after Society of Russian-Chechen Friendship received a grant from the National Endowment for Democracy (NED)" to collect information about human rights violations and

military crimes. (RUSSIAN-CHECHEN FRIENDSHIP SOCIETY, 28 Dec 01; via ichkeria.org)

These incidents, in which Russian soldiers deliberately eliminated human rights workers, mock the international community. It's one thing when Russia's oft-repeated promises to curb atrocities and investigate human rights abuses go unfulfilled. It's another when Russian soldiers eliminate human rights workers -- after having verified their identities. Only three weeks earlier, on 26-28 November, at a meeting hosted by the Parliamentary Assembly of the Council of Europe, representatives of Russia's government and NGO sector had reached an agreement to facilitate investigation of abuses and atrocities in Chechnya.

### **Chechnya's government extends term**

Chechnya held presidential and parliamentary elections on 27 January 1997 for a five-year term, which would expire on 27 January 2002. However, due to the impossibility of holding elections during wartime, the mandate of the president and parliament was extended. According to Resolution 5 of the Chechen Parliament (carried by the official Chechen news service, chechenpress.com) the Chechen parliament extended its own and the president's powers until the "occupiers" leave and conditions for holding elections are restored.

In a decree dated 31 August 2001 but published on 24 December 2001, the Chechen president relieved Vice President Vakha Arsanov of his duties.

On 24 December, Chechenpress.com also carried Maskhadov's order 545 of 22 November 2000 [sic] depriving Hamzat (Ruslan) Gelaev of command and demoting him from the rank of division general to the rank of private. Maskhadov held Gelaev responsible for incorrect decisions that led to hundreds of casualties among Chechen fighters in the village Komsomolskoye in the spring 2000. However, it seems that Gelaev's most serious transgressions pertain to his

activities in Georgia. According to the edict, Gelaev showed "cowardice" by "factually deserting the area of combat" and going "to a neighboring state."

It's not clear whether the decrees were published late or had been backdated. Members of the government, including Deputy Prime Minister Akhmed Zakaev, who held talks with Russian representatives in November, stressed that the changes in personnel did not result from Moscow's pressure.

(CHECHENPRESS.COM, 27 Dec 01) Previously Maskhadov had condemned Gelaev's outing to Georgia's Kodori Gorge in October in no uncertain terms and mentioned that he had enacted an order demoting Gelaev. (RADIO LIBERTY, 11 Oct 01) But why wasn't the text of the decree published then? Similarly, Vakha Arsanov did not participate in the Defense Council Meeting of Chechen commanders which met 26 November and endorsed Maskhadov's approaches to peace. Arsanov's absence from that meeting was both noteworthy and unexplained. (RADIO LIBERTY, 26 Nov 01) (Shamil Basaev was also absent from the November meeting without explanation.)

Arsanov has been widely considered a patron of the hostage trade and his ouster may indicate growing pressure on Maskhadov to take decisive steps against criminal elements among the Chechen fighters. Similarly, Gelaev's presence in the Pankisi Gorge exposed the refugees and the Georgian government to possible retribution. On 1 October 2001 Anna Politkovskaya had reported in *Novaya gazeta* that a "third force" among the Chechen resistance, which aligns neither with Maskhadov nor with the radicals, had demanded that Khattab be liquidated. Arsanov's and Gelaev's ouster may represent an external manifestation of these internal Chechen tensions.

### **Where's Waldo?**

Acting on an 18-month-old extradition request, Turkey's and Azerbaijan's security services have started looking for Movladi Udugov. This quest is bound to be fruitless since it is widely known that Udugov lives in Qatar. Udugov "has been

living in Qatar all this time and has never stayed in Istanbul or Ankara for more than two days," a former field commander told Kommersant on 10 January 2002.

Although he served in the Chechen government in the early stages, by 1999 Udugov had become the architect of the Congress of Ichkeria and Dagestan (a shadow government that aimed at ousting Maskhadov), which together with Dagestani radicals launched the August 1999 attacks into Dagestan. Soon after the war started, Udugov was denounced in Chechnya and fled to Qatar from where he continues to run the Kavkaz-tsentr website. On 17 December, journalists from Vremya novostei visited Udugov's close associate, Zelimkhan Yanderbiev, in Qatar.

Several explanations for the half-hearted effort to find Udugov have been adduced in the press. Kommersant commented on 10 January that looking for Udugov where he can't be found is an easy way to curry favor. Another commentary in the same paper on 11 January makes comparisons to the recent trial of Salman Raduev, where Russian generals and security chiefs refused to give evidence. If they testified against Raduev, they would also incriminate themselves in the shelling of the village Pervomaiskoye during the first Chechen war.

There is another possible explanation for the sudden interest in Udugov's extradition. In December Boris Berezovsky revived accusations that the FSB organized the bombings in Russian cities in September 1999 that triggered the war and brought Putin to power. An English-language edition of the 27 August 2001 Novaya gazeta publication "FSB Blows Up Russia," co-authored by a former FSB and MVD agent, Alexander Litvinenko, is due out next month under the title *Blowing up Russia*. Perhaps, the remote possibility that Russia may seek Udugov's extradition is meant to inhibit Berezovsky from making further revelations. In his book, *Godfather of the Kremlin*, Paul Klebnikov reproduced transcripts of conversations between Berezovsky and Udugov which implicate

both men in the hostage trade. If Udugov was to stand trial in Russia, this issue could well be introduced in court.

## Newly Independent States: Central Asia

By Michael Donahue

### **Drifting ever farther away from Moscow**

From Tashkent to Dushanbe and every Central Asian capital in between, Moscow has begun to smell the odor of defeat. The recent acceptance of a semi-permanent American military presence in the region, once vehemently opposed by Moscow, has become the latest in a growing string of setbacks for continued Russian hegemony in an area that was once solidly in Moscow's grasp. As reported in October, Russia's growing crisis of influence in the region was exponentially exacerbated by, but not limited to, the security guarantees contained in the US-Uzbek agreement of 12 October. Indeed, in the long term the security implications will appear insignificant compared to the economic and commercial losses that Moscow is on the verge of realizing through no fault of Osama bin Laden.

The well-publicized October accord between Washington and Uzbek President Islam Karimov essentially traded American security guarantees for Karimov's government in exchange for the rights to base air and ground troops in Uzbekistan in support of actions in Afghanistan. While not exactly the equivalent of the Magna Carta or the Declaration of Independence, this important document began the process that turned trickles of sovereignty into an avalanche of independence and national self-assertion. US Secretary of Defense Donald Rumsfeld's November courtship of Tajikistan, once considered the bedrock of remaining Russian influence in the region, likewise produced a deal to position US forces at key airbases in and around Kulyab. Finally in a recent quid pro quo visit to Washington, Kazakh President Nursultan Nazarbaev signed a joint

statement with President George W. Bush affirming that the two nations shared commitments to a "peaceful, prosperous and sovereign Kazakhstan." Beyond the subtle hints of supporting a more autonomous (less-Russian) Kazakhstan, the key elements of the statement include calls for advancing bilateral cooperation in regional security and market-based development of energy resources. The latter point was further emphasized during the visit when Karimov inked an "Energy Partnership Declaration" with Secretary of State Colin Powell. (EURASIA INSIGHT, 4 Jan 02; via Eurasianet) Of late, there are signs also of a closer US-Kyrgyz relationship.

If growing American influence in regional security and energy policies were not troubling enough, Russian President Vladimir Putin has to contend with the beast from the East, China, which is also hungry for a larger role in Central Asian affairs. With much to gain from exploiting regional energy reserves and commerce markets, and even more in terms of geopolitical influence, China seems determined to bind itself closely to the future of Central Asia. Taking advantage of such Chinese interest and in an effort to transform the region into a transit hub for trade between China and the West, many Central Asian states, including Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan are building new or improving existing road and rail networks to facilitate the movement of persons, durable goods, and eventually Caspian Sea energy resources. (EURASIA INSIGHT, 12 Dec 01; via Eurasianet)

Russian responses to such penetrations thus far have amounted to lame rhetoric and weak coalition agreements, such as the one reached by the Shanghai Cooperation Organization (SCO) on 7 January. Designed to establish the organization as Central Asia's key player on security issues, the SCO's agreement did more to highlight contemporary Russian foreign policy weaknesses than to demonstrate regional solidarity. (EURASIA INSIGHT, 8 Jan 02; via Eurasianet) One need look only at the members of the organization to understand that their interests are anything but "shared." Russian hegemonical

interests are directly opposed by China, and also resented by Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan. The Central Asian states, despite the SCO proclamation, are themselves drawing closer, and turning east toward China and west toward Europe and America. These days nobody's compass seems to be pointing north toward Uncle Vladimir.

## Newly Independent States: Baltic States

By Michael Varuolo

### **ESTONIA**

#### **Transition in Estonia**

Issues of NATO accession and EU membership recently have taken on a whole new meaning in Estonia as the country seeks to avoid a domestic power vacuum caused by the resignation of Prime Minister Mart Laar. Laar resigned from office on 8 January amid intense political maneuvering within the ruling coalition. Since his resignation automatically forces the resignation of all government ministers, newly elected President Arnold Ruutel now faces the arduous task of appointing a prime minister who has the political leverage to form a functioning coalition government. Ruutel has until 23 January to comply with Estonian Constitutional law and appoint a new PM, but insists that he will not rush the decision. (ETA, 1241 GMT, 9 Jan 02; FBIS-SOV-2002-0109, via World News Connection)

Laar was the longest-serving prime minister and has achieved much success in recent years while pursuing market reforms and pushing the country towards the Western institutions of NATO and the EU. Despite his successes, many Estonians feel Laar no longer represents their views. (AGENCE FRANCE-PRESSE, 8 Jan 02; via lexis-nexis). It was this dissension that caused the Reform Party to break from the ruling coalition and align itself with the opposition Center Party during the Tallinn municipal elections. This formed a monumental rift in the coalition that supports Laar as prime minister. The rift rapidly destroyed

the coalition's ability to cooperate at the federal level and eventually led to Laar's stepping down.

The leading candidate to replace Laar is the leader of the Reform Party and former Finance Minister Siim Kallas. Kallas would face a difficult task of forming a new government, from a base that would only maintain control as a minority coalition with 48 of the 101 parliamentary seats. (AGENCE FRANCE-PRESSE, 8 Jan 02; via lexis-nexis) Although the Center/Reform Party coalition shifts the balance of power away from the center-right nationalist policies of the Laar coalition, both groups favor NATO accession and EU membership. Still, attempts to achieve these goals may be overshadowed by the instability caused by domestic maneuvering as the parties vie for power.

This comes at an unfortunate time for Estonia as some members of the US Senate have begun to show reluctance concerning NATO expansion. They are raising questions about legislation concerning NATO enlargement: The Freedom of Consolidation Act recently was blocked by Senator John Warner of Virginia. The legislation will not be revisited until later this year; if Warner gets his way, each aspirant country will be reviewed individually based upon readiness and official government evaluations of its status. (BNS, 1237 GMT, 28 Dec 01; FBIS-SOV-2001-1228, via World News Connection) In the case of Estonia, a domestic power vacuum could prove decisive for a skeptical US Senate. Despite a strong membership application and encouraging reforms, as George Robertson pointed out, NATO membership "is not a privilege, a gift or a prize, but a huge responsibility which sometimes can be a burden." (AGENCE FRANCE-PRESSE, 28 Nov 01; via lexis-nexis) -- a burden that could be difficult to shoulder without a strong central government.

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