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## Russian Federation: Executive Branch

By Susan Cavan

### **Sorting Kremlin denizens: Wheat, chaff, snakes, and ticking time bombs**

The current pastime for Kremlin observers is a new parlor game, which involves counting the staff in the Medvedev administration and sorting Putin holdovers from new arrivals to determine a relative status quotient by which to measure the new president's relevance against that of the current prime minister. Granted, the oddity of the Putin to Medvedev transition has made it more difficult than usual to take any Kremlin utterings at face value, but this method for discerning the more powerful sovereign in the present diarchical alignment is futile.

The Kremlin has long been a vipers' nest of competing clans, commercial interests, bon vivants, and blackmailers. The lengthy pre-succession period, during which the power struggle involved control over the transition (if there was to be one), hardened some fissures within the apparat that had emerged much earlier during the Putin administration. While it is tempting to posit the start of the siloviki's internecine war with the publication of Cherkesov's article addressing the topic, there clearly had been many skirmishes in the conflict before Cherkesov went public. Likewise, a simplistic formula, popularized in the Russian media, that repeated tales of a split between siloviki and "liberals" in Putin's camp made any deeper analysis of splits within camps more difficult to discern.

The combination of a flawed analytical base with a sense of urgency to determine whether Putin or Medvedev truly are "in control" in Russia has created difficulty in distinguishing between members of the Putin and Medvedev teams in the Kremlin. Many analysts seem to have forgotten that Medvedev ran the

Kremlin apparat for several years and developed his own network of alliances within what was obviously Putin's team at the time. Medvedev likely did not get to be Putin's successor by demonstrating his positive characteristics to the boss alone. Clearly, he would have had to work the apparat to achieve the appropriate showcase for his talents.

The fact that one or another member of Putin's team remains in the Kremlin does not, in and of itself, prove that Putin remains in control there; conversely, it does not disprove it, either. The question simply is more complicated: For example, does the fact that Aleksandr Sobyanin was tapped to become Putin's Chief of Staff, just as Medvedev was elevated to the position of First Deputy Prime Minister, make Sobyanin a member of Putin's team or Medvedev's? Does the fact that he took leave from the Putin administration to run Medvedev's campaign alter the picture? Or the fact that he moved to the Belyi Dom with Putin, to run his governmental apparatus?

Medvedev developed many intricate relationships with members of Putin's administration and likely was involved in several competitive Kremlin clan disputes. The question of where most members of the Medvedev Kremlin administration place their loyalty may not be resolved for some time to come, certainly not before Medvedev settles himself into his new role and does whatever tailoring he is able to his new presidential suit.

For now, the actions of various members of the Kremlin and governmental apparats, as well as the moves of Putin and Medvedev to expand their authority, provide a clearer guide to the power balance at present. With this in mind, recent suggestions by Medvedev Chief of Staff Sergei Naryshkin are informative. Naryshkin proposed expanding governmental authority by reducing the number of groups that have the right to legislative initiative. According to Naryshkin, "when other (not government) entities come forth with legislative proposals, they most often express local electoral preferences, and sometimes even private

corporate interests, the interests of maintaining an image." Whereas, the government "has at its disposal the greatest resources to put into effect the right of legislative initiative with a high practical return." (1)

Naryshkin's proposal marks what might be the first salvo in a struggle to redistribute constitutional authority between executive and legislature; his silence on the issue of presidential authority in the realm of legislative initiative suggests an argument for increasing governmental authority at the expense of the president, as well. Medvedev would do well to take note of his Chief of Staff's inclinations on this topic and perhaps do more to ensure that the head of his Kremlin apparat really is a team player...a Medvedev team player.

There also seems to have been a significant debate over control of the arms sales sector. During Putin's presidency, Sergei Chemezov, a close associate of now Prime Minister Putin, managed to consolidate a quite substantial position of supervision over much of the armaments industry. Last year, Chemezov moved beyond simply heading up the primary arms sales company, Rosoboronexport, to create a larger entity, Rossiiskiy Tekhnologii (Rostekhnologii), which would include Rosoboronexport, key metallurgical industries, helicopter, automotive, and other defense and defense-related industries. Chemezov's plan for the new company reportedly was for it to "lead the whole [defense industry] process, control the production and supply chain from research and development to the supply of special equipment abroad." (2) Rostekhnologii originated as a state corporation, its creation signed into law by then President Putin, but Chemezov's plan also envisaged a transition to private enterprise in the form of a joint stock company. (3)

Late last year, First Deputy Prime Minister Sergei Ivanov questioned Chemezov's plan for consolidation of defense industry assets, and for the privatization of part of those assets. Ivanov, who headed the Government's Military and Industrial Commission, and his First Deputy at the Commission, Vladislav Putilin,

suggested an alternative plan for phasing in the consolidation of state controlled assets, as well as for their more gradual transfer to Rostekhnologii. (4)

Perhaps Sergei Ivanov's recent demotion from First Deputy Prime Minister to Deputy Prime Minister emboldened Chemezov, but recent articles touted his plans for "a massive takeover" of "countless enterprises" across Russia, to be approved quickly by both president and prime minister. (5) Apparently, First Deputy Prime Minister Igor Shuvalov was informed by Presidential Chief of Staff Sergei Naryshkin that such a decree would receive presidential approval. The draft decree, produced by Shuvalov's office, was sent to Naryshkin, whose office forwarded the draft to Deputy Prime Minister Sergei Sobyenin; it was assumed that the decree had "secured presidential administration support." (6 –Emphasis added)

Apparently, several government ministries and departments, as well as other members of the Kremlin administration, had not approved the draft decree, and Deputy Prime Minister Sergei Ivanov also repeated his earlier concerns. Within days, a deal was announced that provided for President Medvedev and Prime Minister Putin to divide oversight of the arms industry between their offices: According to a June 11 decree, President Medvedev is now Chairman of the Government's Military Technology Cooperation Commission, and Prime Minister Putin is his Deputy at the Commission; Sergei Chemezov will retain his seat as a member of the commission. (7) The decree on Rostekhnologii's consolidation of assets may yet receive governmental and presidential approval. However, it will need to traverse the entirety of the approval process—a daunting task in a diarchy.

Source Notes:

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## Russian Federation: Domestic Issues and Legislative Branch

By Rose Monacelli

### **Russia goes "green"**

Around the world, June 5 is known as the official "Day of the Ecologist," (1) but until this year the holiday passed without notice in most parts of Russia. This is not particularly surprising as, across the country, constant reports of the worsening environmental situation in Russia (everything from constantly burning methane fires at trash dumps to undrinkable tap water, outdated, inefficient factories, polluted air and cities blanketed with industrial dust) paint a picture of encroaching environmental ruin. (2)

Russia's two largest cities rank among the world's dirtiest. (3) In a move that will surely exacerbate this situation, the mayor of Moscow announced plans last month to remedy the waste situation by installing six additional waste incinerators

in the city. (4) Similarly, St. Petersburg's region recently placed 85th out of the country's 89 regions in a survey conducted by the Russian Independent Environmental Monitoring Agency. The survey measures several factors, including air and water pollution, the treatment of industrial waste, shifting ecosystems, personal and business accountability, and efforts to protect the environment. Further, city leaders have been accused of implementing environmentally dangerous industrial construction and attempting, like Moscow, to solve the problem of waste with garbage incinerators. Perhaps most alarmingly, thanks to years of dumping sewage and industrial waste in the Neva River, St. Petersburg's tap water is undrinkable. In 2007, dumping reached a record high, with 40 percent of the city's industrial waste going into the river, and, eventually, into the Gulf of Finland. (5)

Of course, some areas of the country, most notably Siberia and the Far East, remain pristine, but this is a testament to their lack of habitability, not to human initiative. (6) Also, even though Putin signed the Kyoto Protocol in 2004, the gesture proved to be largely symbolic, as Russia remains hesitant to embrace Kyoto's mandate for lowered greenhouse gas emissions and a focus on efficient energy usage. This reluctance falls in line with a pattern of institutional disregard, post-Soviet industrial excess, and mismanagement of waste disposal that perseveres to this day.

This may be about to change, however, due to recent events, which suggest that environmental issues suddenly have become a priority of the government. Last week, President Dmitri Medvedev pledged to limit greenhouse gas emissions and use state funds to facilitate the development of clean energy sources. (7) This is a major victory for environmentalists, who are quick to remind officials that as a result of its rapid-growth economy and a legacy of Soviet environmental disregard, Russia is currently the world's third largest emitter of greenhouse gases behind the United States and China. (8)

This is not the first attempt by the Russian government to improve the country's ecology. However, unlike previous endeavors, the issue has been at the forefront of national policy since Medvedev was sworn in as president last month. Further evidence of this shift came straight from the president during his opening remarks to those assembled at the June 3 Meeting on Improving Environmental and Energy Efficiency in the Russian Economy. In the speech, Medvedev tied environmental reform to the country's international competitiveness, saying that reports which indicate that 40 million Russians live in substandard, even dangerously polluted conditions indicate a lack of "environmental and resource-saving technologies, and therefore outdated technologies are still in place, which is a sign of backwardness and waste." (9)

This new willingness to acquiesce to Kyoto standards also may be the result of recent United Nations-sanctioned alterations to Russia's emissions ceiling, which was raised by 535 million tons of "assigned amount units" (AAUs), from 107 million to 3.32 billion, and is roughly equivalent to the emissions allowed in France. (10) Under Kyoto guidelines, Russia now is free to either emit more greenhouse gasses or sell licenses for any remaining emissions. The change is the result of a 2007 review, which showed that the previous limits had been based on Soviet-era data. (11)

The issue of selling surplus AAUs illustrates a longtime complaint of Kyoto detractors, that the measurement standards of the AAU allowance system are fundamentally unfair because they fail to take a country's efforts to improve the environment into account. In Russia's case, what appears to be an impressive environmental turnaround in gas emissions is actually the result of two decades of decline in Soviet-era heavy industrial infrastructure, not due to any effort made by the country to become more environmentally conscious. (12)

At the same time, Kyoto supporters view any positive news about Russian participation as a victory. Despite the fact that currently Russia is not obliged to

lower its emissions, there had been concerns that the stricter standards expected in the next iteration of the treaty would be enough to cause Russia's refusal to renew its participation. This would be a serious blow to the 181-country treaty.

(13) When Putin agreed to participate in 2004, there were only 37 countries involved, and none of them were major producers of greenhouse gasses. The treaty was able to go into effect only after organizers secured Russia's support.

(14) Under the current treaty, which lasts until 2012, participating nations agreed to cut emissions by 5 percent of its 1990 levels. Even with Russia's current refusal to acquiesce to Kyoto standards, the country's 2006 emissions were 34 percent below 1990 levels (15).

In another major environmental step forward, Medvedev called for a "fully-fledged system of standards for allowable impact on the environment" to be introduced into the State Duma this October, as well as improvements to water, air, and soil standards relative to each region's current ecological conditions. In order to reach these goals, the president has pledged state funding for "green" projects for the next three years. (16)

Officials were quick to internalize the government's new position. In a recent press conference at the annual "Russia and the Kyoto protocol" summit, Federation Council Speaker and Chairman of the modern socialist party Russia of Justice Sergei Mironov told reporters that "We must limit ourselves. We must limit any emissions that accelerate global warming or simply pollute the environment." (17) With these words, Mironov became the first high-level official to state publicly that the government would break away from its longstanding refusal to accept emissions cuts, a stance Russia has held since signing the Kyoto Protocol. As recently as April of this year, Russia's top Kyoto official and Deputy Economy Minister Vsevolod Gavrillov still maintained that Moscow would not be cutting emissions anytime soon due to the energy needs of the middle class and heavy industrial sector. A month earlier, he had pledged to approach clean energy projects "from a principle of rejection." (18)

No matter what Gavrilov says, it appears that Mironov, who technically outranks Gavrilov, but has no official influence over Russia's handling of Kyoto, has made it his personal mission to proclaim Russia's shift in environmental policy and is attempting to position the country as a leader in the "green" movement. Speaking on behalf of the government, he announced that "Russia in the post-Kyoto period must provide for itself a fixed role in the emission of carbon ... we should not be reckless in taking on these responsibilities." (19)

Mironov's actions, however, may be more indicative of his deeper commitment to the party line than global clean energy initiatives, as only one year earlier at the same event, he used the results from several government-funded studies in order to deny the existence of global warming, going as far as to postulate that the earth is getting colder. (20) It was not the first time he had publicly decried the concept of global warming – in an interview published on Russia of Justice's official web site, Mironov warns readers to "get prepared for global cooling, which is to start approximately in the second half of the 21st century." (21)

Mironov, luckily, has been able to keep any nagging questions about his seeming ideological inconsistency in check behind an active campaign to convince America, China and India to become more environmentally aware, arguing that "Some countries will be trying not to pollute while others will be doing whatever they want. This would not be right and it would not be fair." (22)

In addition to environmental concerns voiced on the campaign trail, the latest round of energy conscious programs proposed by Medvedev have raised the hopes of Russia's green campaigners, a growing minority, that such initiatives will continue throughout Medvedev's time in office. (23)

These initiatives also contribute to the growing public perception of Medvedev's liberal image, which raises the question of whether this new focus on

environmental policy stems from a legitimate desire to clean the country or whether it indicates the president's eagerness to distance himself from his predecessor, whose administration prolonged Russia's poor record of environmental policy.

Medvedev has stressed the need not only to improve the environment, but also to fix the system that regulates it. In his eyes, this may include reworking rules that had become "detached from reality," because as everyone knows, the most important thing about judicial responsibilities is their unavoidability." (24) Even within the context of Medvedev's renewed focus on environmental responsibility, this final statement speaks of the president's oft-stated commitment to the rule of law. It is only one of a series of recently introduced policy initiatives aimed at promoting an image of a clean, fair and law-abiding country, including measures to reform the judicial system, prison system and eradicate economic corruption. This may be part of a larger goal of adjusting the global perception of Russia, in order to make it more competitive on the global market, especially on an economic level. At a recent economic forum in St. Petersburg, Rex Tillerson, CEO of Exxon Mobil, commented that foreign investors lack "confidence in the rule of law in Russia today." (25) These reform packages have the potential to impact significantly Russia's legal, economic, and environmental systems. Even if the improvements never come to fruition, they are an intriguing glimpse of what Russian lawmakers want the country to become.

Source Notes:

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- (3) Tiffany M. Luck, "In pictures: the world's 25 dirtiest cities," Forbes, 26 Feb 08 via [http://www.forbes.com/2008/02/24/pollution-baku-oil-biz-logistics-cx\\_tl\\_0226dirtycities\\_slide\\_2.html](http://www.forbes.com/2008/02/24/pollution-baku-oil-biz-logistics-cx_tl_0226dirtycities_slide_2.html). Last accessed 16 Jun 08.
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- (24) Ibid, Kremlin.
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## Russian Federation: Security Services

By Fabian Adami

### **Politkovskaya trial soon**

Twenty months ago, Anna Politkovskaya was murdered outside her apartment in Moscow. Since then, the investigation into her assassination has gone through several stages. First, in mid-February 2007, authorities announced that two Chechen individuals allegedly involved in the assassination had, with the help of military satellite photography, been identified, tracked, and arrested.

Approximately six months later an FSB officer, Lieutenant Colonel Pavel Anatolyevich Ryaguzov, was detained in connection with the case. According to Prosecutor General Yuri Chaika, Ryaguzov had carried out advanced surveillance of Politkovskaya and had passed his intelligence to Shamil Burayev, a political opponent of Chechen President Ramzan Kadyrov.

Further developments in the investigation included the FSB's success in tracing the murder weapon to a weapons workshop in Dagestan, and in (apparently) linking Politkovskaya's murder to that of Central Bank Chairman Andrei Kozlov. Chaika's working theory was that both hits had been carried out at the behest of

a prominent Russian living abroad. It was hardly a leap to deduce that Chaika was referring to Boris Berezovsky. (1)

Three months ago, Vyacheslav Smirnov (one of Chaika's staff), claimed that law-enforcement authorities finally had succeeded in identifying the trigger man and were mounting operations to capture him. As a result of this information, Ryaguzov's request to be released on bail was denied while the completion deadline for the investigation was moved to 7 September 2008. (2)

During the last month, there has been further movement on the investigation. On May 12th, two suspects—apparently the Chechen individuals identified in February 2007—were released from custody at the instigation of the Investigations Committee of the Prosecutor General's office. Named as Dmitri Grachev and Magomed Demelkhanov, they were released (with travel restrictions) because their role in the murder had not been direct, but "auxiliary." They are to face trial, but as accessories, not primary actors. (3) Authorities subsequently also released Burayev into house-arrest on his own recognizance, because he had cooperated fully with the investigation and "agreed to appear before the investigator at short notice." (4)

On the same day as the suspects were released, authorities finally named the suspected hit-man as Rustam Makhmudov, a 34-year-old Chechen. Although he has not yet been found, he will be placed on a watch-list, and an arrest on sight warrant in his name has been issued. Prosecutors have charged him with murder in absentia. (5) Once all documents have been filed correctly, Makhmudov's name will be placed on the most wanted list in all 186 of Interpol's member countries. (6)

Early this month, Vladimir Markin, the Investigations Committee's spokesman, claimed that the investigation would be wrapped up by June 20th. At that point,

Politkovskaya's son will be permitted to study the prosecution's file. (7) The case will sent to trial in "the near future." (8)

Presumably, it is not a normal step in Russia to allow someone so personally involved in the case (such as Politkovskaya's son) to study prosecution evidence before trial. The fact that authorities are permitting this is an important signal that law-enforcement officials—and likely their political masters—want the case and trial to be over as soon as possible, and for any verdict to be beyond reproach in the eyes of Politkovskaya's family and colleagues. Ryaguzov's and Burayev's fates therefore likely will be to carry the can. It seems safe to say that the important questions relating to state surveillance of Politkovskaya, the alleged rogue actions of Ryaguzov, and the length of time taken to identify the alleged assassin will never be answered.

### **Security service reshuffle**

On May 7, Dmitri Medvedev was sworn in as Russia's new President. Upon handing over the Presidency, Vladimir Putin moved to the Prime Minister's post. Within days of the inauguration, a number of changes in the hierarchy of Russia's security apparatus were made.

The first move came on May 13, during a session of the Presidential Security Council, when Medvedev announced that Nikolai Patrushev – Head of the FSB since August 1999, would be replaced by Alexander Bortnikov, formerly head of that agency's Economic Security Division. (9) Then, on May 16th, Viktor Cherkosov was removed as Head of the Federal Service for Control of Narcotics (FSKN), and replaced by Viktor Ivanov. Cherkosov is now to head up Rosoboronpostavka (the Federal Agency for Supplies of Armaments, Military and Special Hardware, and Materiel), the department dedicated to arms sales and deliveries. (10) Finally, Vladimir Ustinov was removed from his post at the Justice Ministry and sent to the Caucasus as the President's Plenipotentiary Representative in the Southern Federal District. (11)

Various Russian commentators and media outlets have posited different reasons for this reshuffle. First, it has been argued that Bortnikov's loyalties lie with Medvedev rather than Putin. Andrei Soldatov—a long-time observer of the security services—has suggested that plans to “divide control over the law enforcement agencies” have been “shelved,” and that Prime Minister Putin is not, in fact, attempting to seize control of the law-enforcement agencies. Control will be retained by Medvedev in the Kremlin. (12) Sergei Goncharov, a former KGB/FSB officer, takes the middle ground and argues that Bortnikov is a figure who “suits everyone including Medvedev, Putin,” and that his promotion signals little more than a refocusing of the FSB onto economic crimes and corruption issues. (13)

An extension of this second argument, which touches on Cherkesov in particular, posits that the goal of the reshuffle in toto, is to end the war of the siloviki. According to this analysis, Patrushev and Cherkesov were viewed as the main “antagonists” in the “fight for influence and control.” (14) Their battle came to a head with the arrest earlier this year of several of Cherkesov's deputies at FSKN and his subsequent open letter to Kommersant regarding the siloviki war. (15) Effectively, the reshuffle was carried out to remove those siloviki who “make all sorts of policy statements in public,” and to make the power system “more businesslike.” (16)

While both of these arguments may be correct, there is a plausible third argument for the reshuffle, namely to ensure that Putin, in fact—if not in name—retains control. Both Bortnikov and Patrushev are linked to Igor Sechin, Deputy Chief of Staff during Putin's Presidency, and now Deputy Prime Minister. Cherkesov, who allegedly harbored his own ambitions for the FSB, has been removed from the security apparatus. (17)

Patrushev meanwhile, has been appointed to head the Security Council. Although in the past that organization has seen its power fluctuate, a decree signed by Medvedev on May 25 has instituted changes. The Security Council now includes the speakers of both Duma houses—Boris Gryzlov (formerly Interior Minister) and Sergei Mironov, both of whom are staunch Putin loyalists, as well as the heads of all the intelligence and law-enforcement agencies excepting the GRU. Patrushev has been appointed to lead the Security Council, which is to be given increased powers. (18)

Barely a month has passed since this reshuffle was formalized. As such, it is too early to judge exactly how the Security Services—or the Security Council—will function in the new administration. What can be said with a high degree of probability, however, is that Medvedev did not conduct the FSB/Security Council restructuring without consulting Putin. It is safe to say that Gryzlov and Mironov were included to represent Putin in his role as Head of Government. Patrushev, as some analysts have suggested, probably was moved to his new position in order to act as Putin's enforcer. (19)

Handing over control of the Security Services to Medvedev would constitute a mistake on Putin's part: in so doing, the latter would potentially jeopardize his own position and safety. It is therefore highly unlikely that the President's office will have any real influence over security matters.

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## Russian Federation: Armed Forces

By Lt. Col. Carol Northrup

### **Russia ups military presence in Central Asia**

In recent months, Russia has boosted its military presence noticeably in resource-rich Central Asia, sending a message that Moscow still regards these former Soviet republics as home turf. In early June, the Kremlin announced plans to reinforce Russia's airbase in the Kyrgyz Republic. (1) This comes after announcements in May of plans to strengthen the Russian naval presence in (land-locked) Kyrgyzstan, and to bolster military cooperation with Tajikistan and Kazakhstan. The Kremlin has made a point of couching Russia's increased Central Asia profile in terms of its commitments under the Collective Security Treaty Organization (CSTO), which helps legitimize its plans and reassures its Central Asian allies that Russia takes their security seriously.

On 4 June, the Commander-in-Chief of the Russian Air Force, Colonel-General Aleksandr Zelin, announced Russia's intent to send one AN-26 transport aircraft and three additional SU-27 fighters from the Krasnodar aviation school in Southern Russia to the Russian air base near the Kyrgyz town of Kant. (2) About 500 servicemen, and Russian SU-25 and SU-27 fighters, AN-24 and IL-76 transport aircraft and MI-8 helicopters have been deployed to Kant since it was set up in 2003. According to Zelin, the additional aircraft will be used to intensify the training of Kyrgyz pilots. (3)

In addition to reinforcements at Kant, Russia has taken steps to strengthen Russian-Kyrgyz naval ties. Russia currently has two naval facilities in Kyrgyzstan, including a naval research facility used to test advanced torpedo and propulsion guidance systems. In May, Russian Naval Commander-in-Chief, Admiral Vladimir Vysotskiy, met with the Chief of the Kyrgyz General Staff, Major General Boris Yugai, to discuss the expansion of military-technical cooperation and strengthening of regional security. (4) On 30 May, Vysotskiy announced that the two countries have reached an agreement to allow continued operation of two Russian naval facilities, which have been in operation since Soviet times. (5) Vysotskiy also noted that the Russian Navy has placed a four million dollar order with Dastan, a Kyrgyz defense company, for torpedoes, equipment and parts related to underwater weapons, and he hinted that these orders might increase in the future. (6) Both Russian and Kyrgyz officials stressed the importance of a continued Russian naval presence in Kyrgyzstan. The agreements, which originally were negotiated in 1997, allow the Russian military to use Kyrgyz territory for the next 15 years. (7)

Russia also is stepping up its military presence in Tajikistan. On 7 June, Russian President Dmitri Medvedev met with Tajik President Emomali Rahmon to discuss “further expansion of military-technical cooperation” between Russia and Tajikistan. (8) Both leaders stressed the importance of Russia’s military presence in Tajikistan and pointed to the importance of intensifying cooperation between the two nations in order to fight extremism, terrorism and illegal drug trafficking. (9) Plans are underway to increase combat power and to modernize the weaponry and military hardware of the Russian 201st Motorized Rifle Division (MRD) housed at a Russian base near Dushanbe. (10) The Tajik government considers Russia one of its most reliable allies and says that improved Russian military capability within its borders is in Tajikistan’s national interest. (11)

Russia is reaching out to Kazakhstan, as well, by emphasizing the two states' strong military ties. As newly elected Russian president, Medvedev's first trip abroad was to Kazakhstan, where he reportedly "paid special attention to the further development of ties in the field of military technological cooperation" during the visit. (12) Kazakhstan is working to modernize its armed forces and is looking to Russia as a source of hardware to upgrade its air defense system. (13) Kazakh Defense Minister Danial Akhmetov referred to Russia as Kazakhstan's chief strategic ally and claimed that Kazakhstan "has bought, buys and will buy all its principal armaments, primarily for those of its air defenses, air force and navy, from Russia." (14)

For the first time in nearly a decade, Russia will conduct two large-scale exercises with Kazakhstan. The first of these—Interaction 2008—is a joint command post exercise, which began on 9 June. The primary purpose of the exercise, which is being conducted in the Eastern Kazakhstan Region, is to test the readiness and ability of command elements of Kazakhstan's Eastern Regional Command and to improve interaction between the command and control elements of the Russian and Kazakh armed forces. A similar exercise is planned for September in the Chelyabinsk region of Russia. (15)

None of these moves amounts to a significant build up of forces and none will result in any meaningful increase in combat capability in Central Asia. They do, however, signal Russia's firm resolve to remain the dominant influence in the region, which, together with the Caspian Sea, is said to hold the world's third-largest reserves of oil and natural gas. (16) This "boost" in Russian military presence is intended to send a clear message that Moscow continues to see the former Soviet Republics of Central Asia as home turf.

Russia's warnings to stay out of Central Asia are not aimed solely at the West. Medvedev landed in Kazakhstan in May on his way to China, another Cold War rival turned "strategic partner." Though Moscow and Beijing are allied in trying

to keep the West out of Central Asia, they have been jockeying with each other for influence there, as well. Moscow increasingly is worried about China's expansion in Central Asia and is concerned over China's failure to recognize Central Asia as falling within Russia's special sphere of influence.

China already has made significant inroads in the region, having reached a pipeline deal with Kazakhstan, as well as negotiating a gas pipeline agreement with Turkmenistan. (17) China provides its own military-technical assistance in the region and is actively pursuing increased military cooperation with Tajikistan. (18) China has provided 15 million dollars in military aid since Tajik independence and trains Tajik military cadets in Chinese military colleges, free of charge. (19)

Despite China's successes and the recent willingness of Uzbekistan, Kazakhstan, and Turkmenistan to negotiate with the West regarding oil, natural gas, and military presence, Russia is still the dominant power in Central Asia. Moscow's latest moves are calculated to highlight to its Central Asian allies the benefits of continued Russian influence, while reiterating to the world its resolve to preserve its clout in this strategic region. The latest "Great Game" in Central Asia is one Russia appears to be winning so far, and the Kremlin is doing what it can to keep it that way.

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The thoughts and opinions expressed in this article are those of the author and do not necessarily reflect the official position of the United States Air Force, Department of Defense, or the United States government.

## Russian Federation: Energy Politics

By Creela Henderson

### **Titanic shenanigans: TNK-BP corporate war**

For those who regard the election of Dmitri Medvedev as a victory for rule of law and liberalized markets in Russia, this year's Saint Petersburg Economic Forum apparently provided occasion to toast the dawn of a new era. (1) Absent from Russia's most important annual business conference were Prime Minister Vladimir Putin and the siloviki masterminds of the state's takeover of vast swathes of the national economy, leaving the podium to more liberal-minded politicians who pledged to respect property rights and to reduce state interference in the economy. Foreign corporate executives and investors reportedly were delighted by what they perceived as "Medvedev's keen knowledge of the challenges and opportunities" facing investors in Russia, (2) an impression confirmed by recent government decisions to bring the privatization of the national electricity sector to culmination and to repeal a law allowing the state to seize the assets of companies convicted of tax evasion, a major legal tool used by tax authorities in nationalization cases. (3)

The scrum over Russia's energy assets continued unabated on the sidelines of the conference, however, where British Petroleum chief executive Tony Hayward was hounded by reporters eager to get the scoop on rumors that a major state-controlled energy company was behind the official harassment of TNK-BP, a 50-50 joint oil venture between BP and four Russian tycoons that was established with the blessing of then-President Putin in 2003. In recent months, Russian authorities have raided the Moscow offices of BP, arrested a BP employee on

charges of industrial espionage, launched a back-tax claim against the company, and blocked its foreign employees from working in Russia. (4) Though little is known, much is suspected about the designs of authorities who, analysts note, could not launch such a concerted campaign without the tacit approval of the Kremlin. Evidently, authorities are attempting to tighten the state's hold over the energy sector further by forcing the sale of a controlling stake in the venture, thereby pumping a quarter of BP's worldwide oil output to a Russian state firm. (5) But which firm stands to gain the prize? To answer that question would be to identify a key power broker inside Medvedev's new administration.

Gazprom is a likely frontrunner for a stake in the venture. When Medvedev was sworn in as Russian president on May 7, the monopoly where he served as Chairman of the board of directors since 2000 seemed poised to enjoy the new administration's exclusive support in its drive to become a global energy player. Thus, when 78 FSB officers raided BP's Russian headquarters in March, following the British company's refusal to yield a controlling stake in TNK-BP, Medvedev's denial that authorities had acted with ulterior motives met with general skepticism. (6) While Gazprom clearly is interested in seizing a controlling stake in the multinational venture, and few doubt the energy giant's willingness and capacity to resort to political tactics, it is odd that the company would choose to step up pressure on TNK-BP in March, two months ahead of Medvedev's inauguration, at which time the full support of the Kremlin would be thrown behind Gazprom's bid. It is possible that from the helm of Gazprom Medvedev simply was not privy to the motives behind the raid because it was an outside job, aimed as much at Gazprom as at TNK-BP.

Two details in the story of the raid point to this conclusion: the role of the FSB, and statements by witnesses who reported that agents were only interested in seizing documents related to Gazprom. While office files were being scrutinized at TNK-BP headquarters, BP employees interrogated by FSB agents were left with the impression that "the only thing that seemed to interest the officers, based

on their questions, was information on Gazprom.” (7) Witnesses’ statements gave rise to suspicions that the author of the raid was not Gazprom, but Rosneft, a rival state energy major vying for a stake in the multinational venture. According to this scenario, Rosneft’s chairman, Igor Sechin, anticipating Gazprom’s advantage and his own demotion following Medvedev’s May inauguration, engaged his FSB allies in an act of industrial espionage in an effort to determine how far Gazprom had progressed in its takeover bid at TNK-BP. (8) Such a move would not be uncharacteristic for Sechin, who built Rosneft from the spoils of Yukos assets after orchestrating the private oil company’s downfall in 2003. Sechin is popularly portrayed as the hardline nemesis of the liberal Medvedev, a rivalry that is carried over into the national energy industry through the agency of dueling state energy majors Rosneft and Gazprom. In the case of TNK-BP, Sechin’s challenge to Gazprom reflects a deeper struggle by the siloviki to retain control over strategic assets during the early days of the Medvedev presidency.

Regardless of which state energy firm gains the upper hand, the fact remains that neither the Russian partners nor the British parent company is eager to give up a controlling stake in the highly lucrative joint venture. On 16 June, following months of corporate infighting between the Russian and foreign shareholders of TNK-BP, the Russian partners announced that they are ready to dispose of their 50 percent stake, in return for a commensurate portion of BP’s holdings. (9) BP rejected the proposal and now the battle is expected to rage on in Russian courts. There, the ringing rhetoric of the economic forum will be put to the test to determine whether Medvedev has sufficient conviction and authority to follow through with his pledges to reduce government interference in the national economy and to reinstate the rule of law in Russia.

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## Newly Independent States: Caucasus

By Robyn Angley

### **GEORGIA**

**Key election development: Party organizations maturing**

The Georgian parliamentary elections resulted in few surprises, but produced at least one positive note. In the final results released by the Central Electoral Commission (CEC), the National Movement Party collected 119 of the 150 available seats. While undoubtedly there were electoral irregularities and a not completely unbiased electoral environment – Mátyás Eörsi, head of PACE’s observation mission, characterized the election as failing to “make full use of the democratic potential of Georgia,” (1) the results are still interesting because of what they reveal about party development.

In the competition for Georgia’s 150 parliamentary seats, 75 MPs were elected in single-mandate districts, while the remaining 75 were elected via proportional party lists. This election was the first conducted under new legislation, which stipulated that the candidate in a single-mandate district who earns the most votes and gathers more than 30% of the total vote, wins the election.

It is a maxim of Georgian politics—and, indeed, much of the post-Soviet space—that politics is dominated by personalities. This leadership-centric model generally has a negative effect on political party development, since parties rely on the charisma of their leaders, rather than on institutional strength to gain political power. While the current Georgian context, from the presidency on down, offers many examples in support of this axiom, a closer look at the recent election may indicate that Georgia’s political parties are developing a broader base with more capacity to field candidates beyond Tbilisi or their regions of traditional support.

The election highlights the fact that while, as expected, the National Movement has a nation-wide party organization, several other parties also managed to field a very competitive number of candidates. In terms of party reach, parties fielding candidates in the “majoritarian” (in fact, plurality) or single-mandate elections can be divided into three tiers, based on the extent of their field of candidates. (2) The first group, which consists of the ruling National Movement Party, the Nine-Party

Opposition Bloc, the Labor Party, and the Republican Party, managed to produce candidates in at least 65 of the country's 75 voting districts. The second tier, encompassing the Christian-Democratic Alliance/Greens, the Christian-Democratic Party, the Traditionalist-Our Georgia-Party-of-Women group, and the Rightist Alliance-Industrialists, consists of those parties supporting candidates in between 25 and 45 of Georgia's 75 districts. The final tier, taking in the Our Country party, the Georgian Politics group, and the Georgian National Party of Radical Democrats, sponsored candidates in 15 or fewer of the district elections. More telling is that in Tbilisi (in a country whose politics absolutely revolve around the capital), of the second and third tier parties, only the Christian-Democratic Alliance managed to field more than four candidates in the 10-voting district capital. (3)

In the "majoritarian" voting contests, the National Movement captured 71 of the 75 seats, with the Nine-Party Opposition and the Republican Party dividing the remaining four seats at two apiece. These two seats won by the Republican Party were in the Tsageri and Kazbegi regions. In Tsageri, the Republican win largely was due to the withdrawal from the race of Valery Giorgobiani, the National Movement candidate, after the Nine-Party Opposition made public an audio tape in which a man, who the opposition claimed was Giorgobiani, threatened government employees with loss of their jobs if they failed to deliver a vote of 80% for the National Movement in their district. (4) Absent a National Movement candidate, the Republican Party's Karlo Kopaliani trounced his competition, pulling in a sound 64.68%, although the National Movement still managed to pull in 56.28% of the proportional vote.

The Nine-Party Opposition single-mandate victories were, not surprisingly, in the Tbilisi strongholds of Vake and Didube, although the tight competition for the Gidani district seat deserves honorable mention. (5) The proportional vote competition between the National Movement and the Nine-Party Opposition was closest in Tbilisi, particularly in Saburtelo (37.94% to 35.8%, respectively), in

Didube, where the two groups were within 0.13% of each other (36.9% to 36.77%), and in Vake, where the Nine-Party Opposition took a decided lead with 42.43% of the vote to the ruling party's 33.77%.

However, in Georgia as a whole, the proportional vote tilted strongly towards the National Movement. A survey conducted by Greenberg Quinlan Rosner Research from May 8-12 in Georgia estimated that the National Movement likely would be supported by 51% of those actually voting in the polls, with the Christian-Democratic Party likely to receive 11%, the Nine-Party Opposition 10%, the Labor Party 5%, and the Republican Party 3%. (6) A further 19% were reckoned to be undecided.

In the final CEC results of the proportional party list voting, only four parties cleared the 5% threshold required to enter parliament – the National Movement Party (59.18%), the Nine-Party Opposition Bloc (17.73%), the Christian-Democratic Party (8.66%), and the Labor Party (7.44%). (7)

The new parliament convened on June 7, three days earlier than expected, in order to circumvent the opposition's decision to stage a boycott of the newly elected body. Many, but not all, of the Labor Party candidates and the Nine-Party Opposition's 17 winning contenders have called for new elections and declared their intention to renounce their parliamentary seats. Some opposition politicians even have called for the establishment of an alternative parliament, though in the past that particular idea has failed markedly in Georgia.

The Christian-Democratic Party, on the other hand, has taken its place in parliament after negotiations with the National Movement. Reportedly, the National Movement agreed that one non-parliamentary majority lawmaker could sit on the Supreme Council of Justice, the highest body for the judicial system, and also that an opposition member would be appointed to the National Regulatory Commission for Communications. Additionally, the ruling party

agreed that the parliamentary opposition must be consulted regarding constitutional amendments, although whether it must actually take into account opinions received during these consultations was never mentioned. (8) These concessions are relatively slight compared to what the ruling party reportedly was prepared to offer the opposition – the appointment of three deputy speakers and the appointment of deputy chairpersons to legislative committees. (9) It may be that the parliament is holding on to a few carrots in case the Nine-Party Opposition ever decides to move off the parliament steps and into its seats.

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## Newly Independent States: Central Asia

By Monika Shepherd

### **Shunned by foreign investors, Tajikistan faces long, cold, hungry winter ahead**

In hopes of avoiding a new round of nationwide electricity black-outs next winter, Tajikistan's President Rahmon has been on a mission to attract a massive infusion of foreign investment to boost his country's energy infrastructure, particularly in the hydropower industry. Unfortunately, thus far his efforts have produced few results, leaving his administration to face not only the prospect of future energy shortages, but of rapidly rising prices for basic goods and services, as well as what the UN is portraying as a global food crisis. Tajikistan is a net importer of food and between the unusually cold winter, lack of spring rain and a locust infestation, the country already has lost 30% of its wheat harvest, 35% of its potato crop, and 20% of other vegetable crops. Two of Tajikistan's biggest grain suppliers, Russia and Kazakhstan, have reduced their exports, (1) and the others undoubtedly will either follow suit or significantly raise their prices, if they have not done so already. Unless the Tajik government receives an enormous influx of foreign investment and/or aid dollars, President Rahmon may find himself with a full-blown humanitarian crisis on his hands, once cold weather sets in.

President Rahmon's main strategy to avoid such a dire scenario seems to be focused on building up his country's capacity to generate hydropower for domestic use, as well as for export. To this end, he has been courting

representatives from various foreign governments and international companies, in order to procure contracts to finish the construction of the Roghun dam and hydropower station and build a number of new hydroelectric power stations. Investors' reluctance to sign on to any of these projects is not surprising, given how low water levels are in the country's lakes and rivers, not to mention that Tajikistan is not known for its hospitable investment environment. Graeme Loten, the British ambassador to Tajikistan, was quite candid in his evaluation of the country's potential for foreign investors, remarking, "The investment climate is not ideal in Tajikistan. To date over four British companies have left Tajikistan. Problems with taxes, corruption and preparation of documents forced them [to do so]." (2) Nonetheless, neither Rahmon's administration nor the Tajik parliament has launched a drive for the swift and substantial reform of the state's tax and financial systems, in order to bring more foreign dollars into the country.

Without such reform, it may prove difficult to elicit more than pledges from foreign dignitaries and firms to help overhaul Tajikistan's energy industry, unless Rahmon is able to offer a profit margin significant enough to dwarf all the other costs of doing business in his country. A number of investors have signed on to smaller, less ambitious projects, but thus far no one has been willing to risk underwriting a venture the size of the Roghun facility. Iranian Ambassador Ali-Asghar She'rdust recently met with Rahmon in order to reassure him of Iran's interest in working with the Tajik government on such projects as the construction of power lines, highways, and railroad lines from Tajikistan to Iran via Afghanistan, but a concrete timeline and division of fiscal responsibilities for these projects have yet to be drawn up. (3) Iran had seemed well-poised to take on the majority investor role in the financing and construction of the Roghun hydroelectric station; Iran is building the Sangtuda-2 hydropower station and has agreed to speed up construction in time for the facility to go on line one year ahead of schedule, in 2011. (4) However, although the Iranian government has expressed some interest in possibly participating in the Roghun investment consortium, it has yet to actually sign on to the project.

The Tajik government's apparent urgency in obtaining financial backing for the Roghun dam and hydropower station project is due to the fact that once completed, Roghun is slated to become the main supplier of power to the Tajikistan Aluminum Plant (TadAP). TadAP is Tajikistan's largest consumer of electricity and creating a new source of power just for the plant would lift a huge burden from the country's other hydropower stations and make more electricity available for smaller businesses, as well as for residents. Completing the Roghun dam and hydroelectric station therefore is a clear priority for President Rahmon's government, one which seems inordinately difficult to achieve. (5)

The Roghun project was started during the days of Soviet rule, but stalled after the USSR's collapse, and negotiations to finish its construction did not begin until well after the end of Tajikistan's civil war, in 2004. The Roghun contract eventually was granted to a Russian company, RUSAL, but when President Rahmon and RUSAL executives did not see eye to eye on the project's development, RUSAL's contract was cancelled, and construction was once again halted. Another Russian company, Unified Energy Systems (UES), expressed interest in taking on the Roghun project, (6) but the offer fell on deaf ears. UES already is the principal underwriter for the Sangtuda-1 hydroelectric power station but has experienced production delays and financial problems. (7)

However, due to the project's urgent nature and President Rahmon's inability to find enough non-Russian financing, in late May Prime Minister Oqil Oqilov appealed to his Russian counterpart, Vladimir Putin, inviting the Russian Federation to join an international consortium to complete Roghun's construction. (8) During his meeting with Rahmon in St. Petersburg on 7 June, Russian President Dmitri Medvedev seemed to offer the Tajik president a small window of hope when he lauded the Sangtuda-1 venture as an example of successful cooperation between the two countries and stated that "...Russia was interested in actively taking part in the implementation of other energy projects of Tajikistan

as well.” (9) Kommersant reported on 6 June that Anatoli Chubais’ Inter RAO Unified Energy Systems is in talks with the Tajik government to take over the Roghun project, but that no deals had been reached yet. (10) Finding mutually acceptable terms may prove to be a challenge for the two sides, given the Tajik government’s recent, problem-fraught history with Russian investments in its hydropower industry.

On the other hand, the Tajik government seems to have no qualms about working with Russian oil and gas companies. On 10 June, Tajik Energy and Industry Minister Sherali Gul and a deputy chairman of Gazprom, Valeri Golubev, signed an agreement permitting Gazprom to prospect for both oil and natural gas in Rengan, Sargazon, Sarykamysh and West Shaambaru. Golubev estimated that just the gas deposits in these fields could yield up to 300 trillion cubic meters. The cost of exploring these deposits is estimated at \$500 million and will take four to five years to complete. If Golubev’s estimates are anywhere near correct, then Tajikistan might, at some point in the future, develop the capacity not only to meet domestic demand for natural gas but to export fuel, as well. (11) However, cold weather is a scant six to eight months away and even during the warm weather months, residences and businesses must have electricity and gas in order to function, but these resources, in some parts of the country, are in short supply year-round.

Thus, Tajikistan’s economic woes seem destined to continue for at least another winter, as inflation continues to rise (for the first quarter of 2008, Tajikistan led the rest of the CIS with an inflation rate of 26.6%), (12) rates for drinking water and sewage systems double, (13) and food prices soar. The UN World Food Programme (WFP) has granted \$8 million in food aid to those with young children, the sick, and families who lost their homes in natural disasters, while the WFP’s annual budget for Tajikistan amounts to \$26 million. However, this is little more than a small drop in what has become a yawning chasm of need – Zlatan Milisic, head of the UN WFP office in Tajikistan, estimates that one out of every

ten families in the country requires emergency food aid. (14) This is a devastating statistic at a time of year when fresh fruit and vegetables tend to be plentiful in Central Asia, and livestock should be producing milk and eggs. With harvest numbers already lower than expected, the next winter will be a hungry one for many; the UN has predicted that circumstances could become so dire that Tajikistan will face famine.

The prices and scarcity of resources also may prove to be a political time bomb for President Rahmon, who has spent recent weeks promising to resolve the country's energy woes and spare his citizens the suffering they endured this winter. If he is not able to fulfill at least part of those promises, he may lose not only popular support, but also the backing of the country's political elite. Recent protests and small-scale armed conflicts in various parts of the country seem to indicate that some local factional leaders are becoming restless and sense that Rahmon's government is weakening and may not be able to maintain order outside the capital for much longer. The winter of 2008-2009 could prove to be the hardest test that Rahmon's administration has faced since the civil war ended in 1997.

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## Newly Independent States: Western Region

By Tammy Lynch

### **UKRAINE**

#### **Fiddling while the "Revolution" burns**

As Ukraine faces inflation, a budget shortfall, increased violence against minorities, charges of increasing political repression, international criticism for a lack of preparation to host the Euro 2012 football championships, wage arrears and increasing tension with Russia over its NATO aspirations, the biggest questions heard in Kyiv today are, "When will the government fall?" and "Whose fault is it?"

These questions are not new. But today, they are asked more wearily than at any time since the country's 2004 "orange revolution." Since that time, the country has endured a succession of political crises, as politicians appear more interested in battling each other than running the country.

To be sure, the administration of President Viktor Yushchenko, who took office thanks to the 2004 protests, can point to clear accomplishments in the sphere of personal and political freedom. Two successive parliamentary elections were deemed free and fair, and held with Western European-level political competition. Media censorship and the use of the "power ministries" against political opponents also lessened considerably, following the protests (although these tactics did not disappear).

Still, the country has failed to reform its major institutions, most of which continue to be run using Soviet-era systems (and in many cases, personnel). Ukraine also has shown an inconsistent commitment to rooting out the endemic corruption that plagues almost every sector of the economy. Furthermore, the country has endured a succession of four governments in less than four years, two national parliamentary elections in three years, and the splintering of the blocs that united in 2004 to support Yushchenko's presidential bid. Indeed, President Yushchenko, who was once known as a force for unity, has shown himself unable to create efficient working relationships with Ukraine's governments. This inability has led to almost constant instability in the country's leadership and frequent policy and legislative deadlock.

Yushchenko dismissed his first prime minister, Yulia Tymoshenko, in 2005 after she accused his National Security and Defense Council secretary of corruption. The President then broke from the majority of his political bloc's members to name former presidential election opponent Viktor Yanukovich as prime minister in August of 2006. Yushchenko dissolved parliament and called new elections in 2007, when Yanukovich threatened to impeach him. And the President has

spent all of 2008 severely criticizing the second government of Yulia Tymoshenko, going so far as to veto the majority of her government's resolutions.

Much of the criticism of Tymoshenko now comes officially from the office of Yushchenko's Chief of Staff, Viktor Baloha. On 4 April, Baloha placed a rambling, often incoherent statement attacking the Prime Minister on Yushchenko's official website. Baloha—who is called the “gray cardinal” in Ukraine's media—called Tymoshenko a “mercenary” who is conducting “shady deals” with “secret agreements” allowing massive theft of state funds. (1)

The statement triggered a severe response from Tymoshenko's allies. In an official statement, the Bloc of Yulia Tymoshenko (BYuT) accused the president and his allies of “anti-Ukrainian measures,” including “total ruination of all initiatives of the democratic government,” “blocking all anti-corruption initiatives of the government,” “creation of panic and hysteria regarding inflation,” “halting of civilized privatization,” “taking into their hands shadow schemes in the gas sphere,” “providing cover for the corrupt leadership of the State Property Fund, ... and disgracing the Ukrainian state.” (2)

Most recently, Yushchenko expressed his disappointment with the work of the government in an interview with Spanish newspaper ABC. “I will use all my influence to modify the current course,” he said. “However, it will be necessary to hold elections if there is no other choice.” (3)

The comment is likely a bluff, unless Yushchenko has decided not to run for re-election in late 2009/early 2010. In recent special elections (yes, another special election) for the Kyiv Mayor and City Council/Assembly, voter turnout hovered around a dismal 50 percent, and Yushchenko saw his political bloc booted out of the council as it polled slightly over two percent, failing to pass the three percent vote threshold. (4)

The result for Tymoshenko also no doubt was disappointing to the prime minister, who had pushed for the special election in an attempt to install a closer ally in the mayoral seat, and to solidify her bloc's position as the majority in the council. Tymoshenko's bloc saw its percentage of voter support decrease 19 percent, leaving her with slightly more than 22 percent of the vote. The bloc is now in second place behind the bloc of Mayor Leonid Chernovetsky, who not only stymied Tymoshenko's plans by winning re-election, but also won about 30 percent of the Kyiv council seats. (5)

Following this setback, and sensing growing public dissatisfaction with the constant political bickering of the country's leadership, Tymoshenko once again began reaching out to the president and calling for unity. She attempted to reassure Western allies that she continues to support a coalition with the president and that she is in control of the parliament. "Ukraine has very good potential and is developing positively, and what we need to get is political unity between the president ... and my majority in the parliament," she told EU foreign policy chief Javier Solana in Brussels on 19 June. "From my side as head of the government, I will do my best to head in this direction," Tymoshenko added. (6)

However, despite Tymoshenko's assurances, her coalition has proven to be unworkable. The already razor-thin majority (227 of 450) was undercut on 6 June when parliamentary majority members Ihor Rybakov (BYuT) and Yuri But (Our Ukraine-People's Self-Defense) announced that they will no longer vote with the coalition. (7) Rybakov and But have been called "frequent visitors" to the president by Ukraine's media and are expected to join a new party being created by Baloha to support Yushchenko. The majority of the members in the President's current parliamentary bloc (those who stood with him during the "orange revolution") regularly disagree with Baloha and are viewed now as more loyal to the prime minister than to the president.

Despite her reassurances to Solana, Tymoshenko clearly recognizes her plight. Even as she met with EU officials in Brussels, her bloc took action. On 19 June, BYuT members blocked the Rada rostrum, threatening that they were prepared to stall the work of the parliament for 30 days, which could provide grounds for the dismissal of parliament. (8) Since the president would need to dismiss the body, it is unlikely that this would occur.

However, the bloc once again is seizing upon old campaign slogans – demanding that parliamentary immunity from prosecution and deputy privileges be removed. BYuT has attempted to pass such bills on several occasions—most recently in the last two weeks—but failed. These parliamentary demonstrations of protest by BYuT members in the past have worked well to increase the bloc’s support and undermine the president. The action also helps to disguise the fact that the “majority” is unlikely to be able to pass any legislation, given its fractured state. BYuT also can escape some public wrath for the action, given that Viktor Yanukovich’s Party of Regions had announced plans to boycott the legislative sessions (hoping no doubt to spotlight the coalition’s disunity). (9)

Tymoshenko also announced that her government would pursue prosecutions against members of Yanukovich’s former government for “misuse of budget funds.” The country, she said, “has never seen such large-scale financial abuse before. ... Evidence from the Main Control and Revision Office shows that 10.2 billion hryvnias [approximately \$2 billion] were stolen.” (10) Yanukovich’s allies immediately threatened to sue Tymoshenko for slander. (11)

With this action, Tymoshenko moves herself more firmly back to the position of “anti-corruption crusader” – a position that has made her Ukraine’s most popular Western-oriented politician. Echoing her statements during the “orange revolution,” she said, “My goal is for everyone guilty of misusing the 10.2 billion hryvnia to be held responsible. The fact that officials from the previous

government and previous ten years were never punished gives the sense that the country can be robbed with impunity.” (12)

Yushchenko so far has not responded to Tymoshenko’s latest volley. What is clear, however, is that very little legislating will be done in Ukraine in the short to medium-term future. Sensing that, Russian leaders have increased their pressure on their neighbor, threatening a significant increase in the price Ukraine pays for Russian and Central Asian gas, rejecting calls to prepare to remove the Russian Black Sea Fleet from Crimea, and suggesting that the country may question whether Crimea belongs to Ukraine at all. Ukraine so far has provided only a limited response to any of these issues, as its politicians battle each other for control.

Source Notes:

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