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Russian Federation: Executive Branch and Security Services

By Susan Cavan

PRESIDENCY

Constitutional 'evolution'?

The question of constitutional succession to the Presidency continues to command the attention of Russia's politicians and may soon be addressed by the President himself. In comments on Itar-Tass (1/30/97), Yel'tsin suggested he would propose an "evolution" of the Constitution in his upcoming address to the Federation Council. While it is still unclear what the President has in mind, there is a great deal of speculation that he will propose amending the succession process.

According to Andrei Piontkovsky, director of Moscow's Center for Strategic Studies (as cited in The Moscow Times 31 Ja 97), Aleksandr Lebed's popularity and high-profile appearances have the ruling elite worried about his chances of succeeding Yel'tsin. Piontkovsky claims the political elite are weighing two options aimed at preventing a Lebed presidency. The first would be a constitutional amendment, which would allow the prime minister to serve out the president's full term in case of incapacitation. This would replace the current clause, which calls for new elections within three months of the president's death or incapacitation. The second option reportedly being considered would abandon popular election to the presidency, creating instead a 'parliamentary assembly' to select a president.
Given Yel'tsin's experience with the authority and legitimacy gained through popular election, it seems unlikely to me that he would support the second variant under discussion. He has recently signalled an unwillingness to make any adjustments. Indeed, if his recovery from pneumonia is complete, he may choose not to revisit the question of succession. There have however, been contradictory indications that Yel'tsin is still contemplating possible amendment, and that this was the focus of his meeting with Yegor Stroyev, Speaker of the Federation Council. The constitutional 'evolution' to which Yel'tsin alluded may refer to an alteration of the power sharing arrangements between the executive and legislature. If he does propose any change to the constitutional clause on succession, I would expect to see a clarification of the determination of incapacitation or, possibly, an increased role for the prime minister.

**APPARAT**

**Chubais stresses role of regions in upcoming reforms**

In an Interview with Trud (21 Jan 97), Chief of Staff Anatoli Chubais emphasized the need for reform in the relations between regional administrations and the federal center. Recent regional elections have conferred a new, but not unexpected, legitimacy on the governors. Their new status vis-a-vis the Kremlin and federal government requires a revision in the command-based power structure.

Chubais highlights the need for a "single legal area" to determine the interaction between center and regions. Rather than the highly personalized command system, Chubais describes a system where the regions, having accepted the federal constitution, operate under legal obligation which "denotes the mandatory implementation of all normative acts, and establishes transparent supervision and punishment for nonimplementation." Debate and negotiations between the governors and the Kremlin is certain to be lively as they strive to bring regional legislation in line with the Constitution and exact special privileges for compliance.
SECURITY COUNCIL
Enhanced role for the SC considered
Plans may be underway to transform the Security Council from the consultative body it has become into a more active, effective organ of power. According to a report in Vek (31 Jan 97), the lack of coordination between the presidential and government staffs has produced a crisis of executive power. Suggestions for the renewed Security Council include a greater role for the Prime Minister and perhaps for the presidential Chief of Staff as well. The heads of the both houses of parliament would also be included in order to enhance the coordination of work of all branches of power. [Although the Speakers from the previous Federal Assembly held seats on the Security Council, their membership was not granted ex officio and therefore did not pass to the current Speakers.]

These plans sound remarkably familiar and well they should, as the new Security Council would look very similar to the Consultative Council created by the President in November 1996. The only difference is that the Security Council would include Ivan Rybkin and the ministers of the security organs. This proposed reform may say a lot more about how little effective authority the Security Council retains than how useful it could become.

Russian Federation: Foreign Relations and Regions
By Chandler Rosenberger

Primakov, parliament maintain anti-NATO stance
Russian Foreign Minister Yevgeni Primakov, who hosted NATO Secretary-General Javier Solana on Monday, said his talks with the NATO chief revealed Russia and NATO have different views of what a bilateral charter should look like. The Itar-Tass news agency quoted Primakov as saying Russia wants a "juridical, compulsory, binding" pact but that its "opponents" in NATO would prefer something more vague. (UPI, 22 Jan 1997 11:33:08 PST)
Russian nationalist Sergei Baburin said on Friday there is strong support in parliament for a new group dedicated to safeguarding the country against NATO expansion to the east. Baburin said about 150 deputies had already joined the group and he expected a total of about 300 of about 450 members of the lower house of parliament to pledge support. "The whole point of this group is to engage the attention not only of the public but of state structures, so that they take swift measures to protect the security...of all the Commonwealth of Independent States," Baburin said. (Reuters, 31 Jan 1997 7:41:22 PST)

Meanwhile a leading Russian parliamentarian warned the World Economic Forum that if NATO were to admit former Soviet bloc countries, a move fiercely opposed by Moscow, it could harm the cause of reform in the country. The warning, from Alexander Shokhin who is first deputy chairman of the Russian parliament and a former deputy prime minister for the economy, was the latest in a barrage at the World Economic Forum against NATO's expansion plans. "We would like other countries to take Russia's views into account when major global decisions are being taken," he told a session devoted to his country's place in the world. (Reuters, 1 Feb 1997 6:30:52 PST)

Diplomats prepare for meeting with Yel'tsin but claim policy independent
As part of planning for upcoming high-level meetings, U.S. Deputy Secretary of State Strobe Talbott met on January 23 with Russian Foreign Minister Yevgeni Primakov and other officials in Moscow. Presidents Boris Yel'tsin and Bill Clinton are scheduled to meet in March, while a delegation to be led by U.S. Vice President Al Gore and Russian Prime Minister Viktor Chernomyrdin, will meet in February. (UPI, 23 Jan 1997 10:12:38 PST)

Secretary of State Madeleine Albright said Sunday, January 26, that U.S. ties with Russia's government are not dependent on the ailing Yel'tsin. "While we really wish Boris Yel'tsin well and we have a very good relationship with him, it's
important that people understand that our relationships with Russia are based on where they're going, other people in the government, and the possibility that we will be able to work better and better together," she said. (Reuters, 26 Jan 1997 13:40:45 PST)

**Comment**
The breadth and width of Russia's elite is now campaigning in every possible forum against the expansion of NATO. Indeed, the sheer number of political perspectives enlisted deflates the argument that one must not expand NATO for fear of provoking 'dark forces' in the Kremlin to action. If everyone in Russia is against NATO expansion, how could it be the defining issue that brings one group or another to power?

**REGIONS**

**Berezovsky behind proposals to arm Cossacks near Chechnya**
Security Council Deputy Secretary Boris Berezovskys proposal to arm Cossacks living near Chechnya has attracted the ire of parliamentarians. Federation Council Speaker Yegor Stroev said that any plan to arm a civilian population in the Caucasus is "madness." (Reuters, 23 Jan 1997 8:12:16 PST and OMRI Daily Digest I, No. 17, 24 Jan 97)

**Altai Republic in political upheaval**
The Altai Republic legislature on 23 January dismissed the republican government, headed by Vladimir Petrov, arguing that it had failed to tackle the republic's economic difficulties and lost the trust of the people. Later the same day, 18 of 22 deputies taking part in the session voted in a secret ballot to sack the government. (OMRI Daily Digest I, No. 17, 24 Jan 97)

**Comment**
One may take comfort in the fact that, six years after the collapse of the Soviet Union, economic reform remains the mantra of political elites in all of the Western
republics. And yet only Moldova seems likely to meet the standards of Western lenders; Ukraine's parliament seeks to inflate production at the risk of the reputation of its new currency, while Belarus would like to get rid of its currency altogether.

Also at risk is the reputation of Boris Berezovsky, Boris Yeltsin's car-salesman-turned-crony. The real aim of arming the Cossacks -- to put another piece on the Chechnya chessboard -- has become apparent and been condemned.

Russian Federation: Legislative Branch
By Michael Thurman

REGIONAL ELECTIONS

Stavropol
In the second round in the Stavropol region, Communist Aleksandr Chernogorov, was elected to the governorship with 55.56% of the vote. From now on, the body of local executive power will be called "government" and not "administration" as before, leading employees of the new gubernatorial apparatus told a news conference today. (21 Nov 1996)

Samara
Incumbent governor of the Samara region on the Volga Konstantin Titov won a convincing victory (63%) at the provincial elections in the region and defeated his communist rival (31%), according to early returns. (2 Dec 1996)

Altay
Communist-backed candidate and speaker of the local parliament Aleksandr Surikov (49.36%) defeated incumbent governor Korshunov (46.16%) in the 1 December runoffs in the south Siberian Altay region. (2 Dec 1996)

Ivanovo
Incumbent governor Vladislav Tikhomirov (50.13%) won elections on 1 December in the central Ivanovo region by defeating a representative of the Liberal Democratic party (LDPR) of Vladimir Zhirinovskiy and retired Lieutenant Colonel Sergey Sirotkin (23.85%). (2 Dec 1996)

**FEDERAL ASSEMBLY**

**Federation Council confirms new members in office**

The following are now members of the upper house: Valentina Bronevich, Governor of the Koryak Autonomous Area; Yevgeniy Mikhaylov, Governor of Pskov Region; Valentin Tsvetkov, Governor of Magadan Region; Aleksandr Chernogorov, Administration Head of Stavropol Territory; Dashi Dugarov, Chairman of the Legislature of the Aga Buryat Autonomous Area; Viktor Kolesnikov, Chairman of the Legislative Assembly of Kaluga Region. (4 Dec 1996)

**Duma approves law on relations with Iraq**

The State Duma on 5 December 1996 approved a draft federal law "On Measures To Develop Cooperation With the Republic of Iraq." According to Aleksei Mitrofanov of the LDPR (Liberal Democratic Party of Russia), chairman of the committee on geopolitics, this bill was drafted by his committee "in order to remove as quickly as possible the negative international consequences of Iraq's aggression against Kuwait," and "to normalize the international situation in the Persian Gulf as quickly as possible."

**The Duma backs Kuchma's proposal on Black Sea fleet**

The Russian State Duma backed the proposal of Ukrainian President Leonid Kuchma to stop dividing the disputed Black Sea fleet and use it to protect both Ukrainian and Russian interests. (5 Dec 1996)

**Lukoil-Garant buys shares of Izvestia**
Russia's liberal daily Izvestiya will remain independent and its management structure will remain unchanged despite the fact that 19.9% of its shares have changed hands. The shares were bought from the TroikaDialog company by the LukoilGarant pension fund. (7 Dec 1996)

**Russian Federation: Chechnya**

By Miriam Lanskoy

**Election Results**

In the Presidential poll Aslan Maskhadov won in the first round with 65% of the vote. Shamil Basaev came in second with 22% and Zelimkhan Yanderbiyev came in third with 8%. (TASS, 28 Jan 1997) The OSCE described the election as "legitimate and democratic."

In the parliamentary election 766 candidates, including 44 women, ran for 63 seats. Counting the presidential returns was a higher priority for the central electoral commission, so that there is some delay with the parliamentary lists.

**Refugee Voting**

That refugees were not allowed to vote in some Russian regions had little to do with the Chechen reluctance to allow people outside the republic (in some cases ethnic Chechens who reside in border areas but are not refugees) to vote; rather it reflected the attitude of the local authorities in each region. For instance, in Kabardino-Balkaria, the republic's central electoral commission offered to organize transportation to the Ingush border but refused to facilitate poling in the republic for the 35,000 refugees there. (Interfax, 17 January, 1997) Similarly no arrangements were made for the 36,000 refugees residing in Stavropol.

Ingushetia, which peacefully separated from Chechnya several years ago and maintains very friendly relations with the Chechens, allowed refugees to vote on its territory. In Ingushetia more than 250,000 voters (50% of the refugees in the
region) participated in the election. (Interfax, 28 January, 1997) In Dagestan, where many sympathized with the Chechen resistance during the war, 20,000 Chechens (permanent residents of Dagestan as well as refugees) were transported to the Chechen border to vote. (Interfax, 27 January, 1997)

**Cossacks cry provocatsia**
The Council of the Stavropol Cossacks Force issued a statement against arming Cossack detachments, which condemns recent moves aimed at stoking hostilities between the Chechens and the Cossacks. (See Digest Vol. II, No. 1)

In their statement appealing to other Cossacks to remain calm, the council speaks of federal authorities including members of Security Council and the Chief Department for Cossack troops who are "encouraging radical steps by promising Cossack arms and allowing them to advertise their views in the national media," which portends a "planned hysterical escalation of radical demands of aggressively-minded destructive forces in government bodies and Cossack circles directed at the military settlement of the territorial disputes over the Naur and Shchelkovo districts between Cossacks and Chechnya." (Interfax, 24 January, 1997)

Previous initiatives to form anti-Chechen home guards composed of Cossacks in Stavropol were initiated in the Stavropol Duma. (TASS, 5 January, 1997)

**Russian Federation: Armed Forces**

*By CDR John G. Steele*

**CFE revision discussed, while anti-NATO expansion rhetoric grows more hostile**
CFE revision talks began in Vienna on 21 January. The 30 signatories have agreed to renegotiate the levels based on new "security realities" in Europe.
Meanwhile, talks between Primakov and NATO Secretary General Solana went nowhere. Russian rhetoric is becoming increasingly hostile towards NATO expansion.

**SS15 missiles, jamming system offered to Greek Cypriots**

The Russians have suggested the offer of SS15 missiles to the Greek Cypriots, in addition to the S300 system already agreed. Also proposed was the sale of the Russian "TUMAN" jamming system to provide protection for their S300 antiaircraft missile system, should Turkish threats persist.

**Choice now necessary between military, civilian ranks**

The Russian Defense Ministry has abolished its "reserve" clause, which allowed military members to keep military rank (and job security) when elected to official positions. Henceforth, they have to choose one or the other.

**Newly Independent States: Western Region**

By Chandler Rosenberger

**BELARUS**

**Defense Minister: cooperation with Russia, but no merger of forces**

The armies of Belarus and Russia may soon cooperate to the same extent to which their air forces do, according to Lt. Gen. Alyaksandr Chumakov, Belarusian Minister of Defense. (Moscow Interfax in English, 0644 GMT 28 Jan 97). Chumakov, however, told national television that there are no plans to create a single Russian-Belarusian Army. (Moscow ITAR-TASS in English, 1932 GMT 22 Jan 97).

**Popular Front organizes year's first mass rally**

In Minsk 1,500 people attended a rally of the Belarusian Popular Front on January 25. The crowds gathered on Yakub Kolas Square, then made their way to the place of the rally -- Paris Commune Square. Minsk city authorities
authorized the march and there were no clashes with the police. (Minsk BELAPAN in English, 1540 GMT 27 Jan 97).

Belarus moves to link currency to Russian ruble
First Deputy Chairman Petr Prakapovich promised to pursue a legislative basis for specific steps toward integration with Russia. The Belarusian government, he said, has already taken the first step toward linking the Belarusian zaychik to the Russian ruble. (Moscow NTV in Russian, 1100 GMT 23 Jan 97)

UKRAINE

New struggles over course of economic reform
The Socialist faction of the Ukrainian Supreme Council has condemned the economic program of the government as "aimed at ultimately ruining the economic system, destroying state-owned and collective companies, liquidating science, education and culture, and eroding the system of social guarantees for the workers. (Kiev Holos Ukrayiny in Ukrainian, 21 Jan 97 p. 6).

Mykola Azarov, chairman of the parliamentary committee for budgetary issues, announced that the deficit of Ukraine's national budget reached 3,7 billion hryvnias in 1996 with the revenues of 30,1 billion hryvnias. The main causes of the failure to meet the state budget are a decline in the budget, a ten-percent drop in the gross domestic product, and a payments crisis of two billion hryvnias (UAH1,89 / $1). (Moscow Interfax in English, 1916 GMT 27 Jan 97).

Kuchma in Paris: Chirac reassures Ukraine over NATO
Both Kiev and Moscow will be included in discussions on the eastward expansion of NATO, French President Jacques Chirac assured Ukrainian President Leonid Kuchma during Kuchma's visit to Paris. Chirac said that Kuchma and he had "broadly convergent views" on the idea that security in post-Cold War Europe, including NATO enlargement, should be part of a deal involving all nations affected. (Reuters, 30 Jan 1997 15:32:13PST).
MOLDOVA
World Bank to grant Moldova loans for reforms
Moldova will get $100 million of credits from the World Bank in 1997 for projects including industrial restructuring and to stimulate private investment according to James Parks, the bank's permanent representative in Moldova. The bank had been "encouraged" by support for economic reform of Moldova's new President Petru Lucinschi and Premier Ion Cebuc in favor of speeding up economic reforms and the transition to a market economy. (OMRI Daily Digest II, No. 16, 23 Jan 97)

Newly Independent States: Caucasus
By Miriam Lanskoy

AZERBAIJAN
Aliyev opposes France as Minsk Group co-chair despite new oil deal
At the December 1996 summit of the OSCE, France became one of the co-chairs of the Minsk group of the OSCE, a group of 11 countries which was formed in 1992 to seek a solution to the conflict in Nagorno-Karabakh. After meeting with French President Chirac, Azerbaijan's President Aliyev told a news conference that Azerbaijan would prefer the US as co-chair (Russia is permanent co-chair) and opposes the French candidacy on the grounds that France has not been active in the past due to the activities of an influential lobby of the Armenian diaspora. (AFP, 14 Jan 1997 and Interfax, 17 Jan 1997) President Aliev's visit to Paris coincided with the signing on 13 January of an agreement that gives two French oil companies, Elf Aquitaine and Total, 50% of the stock in the Lenkoran-Deniz and Talysh-Deniz oil fields in the Caspian Sea. American, German and Japanese oil companies are bidding for the remaining 25%; the Azeri company, SOCAR retained 25%. (Interfax, 14 January and 20 January, 1997)
On 29 January, Azerbaijan's former Interior Troop Commander, Rafik Agayev and former Deputy Defense Minister, Vakhid Musayev were sentenced to 11 and 15 years in connection with a 1995 coup attempt. (TASS, 29 Jan 1997) This comes as the latest in a string of convictions associated with Prime Minister Suret Huseynov's October 1994 coup attempt and the OPON (formerly OMON) rebellion of March 1995. Two weeks earlier 31 OPON personnel were sentenced to between two and fourteen years. (Interfax, 16 Jan 1997). The dexterity with which the Azerbaijani police discover and prevent attempts on the President's life and the sheer frequency of these sinister plots (all of this couched in language deeply reminiscent of the Soviet past) has led some to wonder whether the "coup attempts" were real or simply cover to remove highly placed apparatchiks in the OMON and the Interior Ministry. Since Aliyev himself was installed with the aid of a Russian-backed coup attempt in 1993, he is no doubt acutely aware of the danger inherent in employing security personnel who work too closely with their Russian counterparts. In January the Interior Ministry and the Prosecutor General announced that another such plot--this one involving former KGB and military chiefs (who intended to launch an operation against Baku from Dagestan)--was foiled in October 1996. (Interfax, 24 Jan 1997)

ARMENIA
Turkey's border guard commander says 5 PKK camps in Armenia
Colonel Ismail Pekin, the commander responsible for Turkey's border with Iran and Armenia, stated that Iran hosts six training camps from which members of the Kurdistan Workers Party (PKK) enter Turkey. Armenia, which has previously pledged to give the PKK no assistance, according to Pekin, has five such camps. (Turkish Daily News, 11 Nov 1996)

GEORGIA
Russia prods Ajarian separatism
Recently Alsan Abashidze, the Chairman of Ajaria's Supreme Soviet has renewed his initiative to create a Free Economic Zone (FEZ) in Batumi. (Deloviy
A decree to that effect had been adopted by the Georgian Cabinet of Ministers as early as 1994. However, due to IMF and World Bank concern that Georgia was not ready for this step, the law on the FEZ has been held up in Georgia’s parliament. The reemergence of this issue is just one in a series of steps calculated to threaten Georgia with yet another bout of separatism.

In response to the Georgian parliament's increasingly aggressive demands for the withdrawal of Russian border guards, military bases and peacekeepers, the Russian leadership has resorted to the same bullying tactics that served them so well in the past. On 4 December the border guards detained a Ukrainian ship, Almaz, in Georgian territorial waters and removed its captain and crew to Russia without notifying the Georgian authorities. This incident was characterized by Georgian President Eduard Shevardnadze as piracy and by Deputy Foreign Minister Malkaz Kakabadze as a move just short of a declaration of war. A week later Russian Duma Speaker Gennadi Sleznev included a plea for establishing a Russian consulate in Batumi in his address to the Georgian parliament. Other elements of his speech included an impassioned plea against "driving out the Russian-speaking community" (presumably a reference to members of the Russian military "community" since there have been no calls for evicting Russian civilians) and a call for easing the economic sanctions against Abkhazia.

Next came what the border guards described as a regular exercise -- the appearance of armed personnel carriers on Batumi streets and the stationing of Ajarian Interior Ministry troops on the administrative borders of the region with the aim of keeping out the Georgian Interior Ministry personnel. For the time being, the Georgian government has diffused the situation in Ajaria by meeting in Batumi and allowing the region to retain customs duties that were originally intended for the central budget. (For a more detailed account of these events see Miriam Lanskoy, "Georgia: 'A Far-off Country...'?", Perspective, Vol. VII, No. 3)
The Russian muscle flexing did little to calm the Georgian opposition, which has resolved to evict the Russian peacekeepers from Abkhazia and negotiate with the Abkhaz and the South Ossetian leaderships on a bilateral basis. On 22 January Georgian air traffic controllers stopped Russian planes from delivering supplies to the peacekeepers in Abkhazia. South Ossetia's president and a military delegation have visited Tbilisi in January. These actions come on the eve of the CIS Council of Heads of State, which is due to renew Russia's peacekeeping mandate.

Newly Independent States: Central Asia

By Monika Shepherd

KAZHIZKSTAN

Russian minister against law on state language
The Moscow Interfax news agency reported on 20 November 1996 that the Russian Minister for CIS Affairs, Aman Tuleev, had warned the Kazakh President and Parliament against confirming Kazakh as the only state language, stating that this would further curtail the rights of Russian-language speakers and cause another large wave of Russian emigration from Kazakhstan, as well as violating the terms of the 1992 Treaty on Friendship and Cooperation. Tuleev also called for the establishment of a committee on human rights in Kazakhstan.

President Nazarbaev discusses integration into CIS Payments Union
The governor of the Central Bank of Russia, Sergei Dubinin, President Nazarbaev, and Uraz Dzhandosov, governor of the Kazakh National Bank, met in Almaty on 19 December 1996 to discuss the integration of Russia's and Kazakhstan's financial sectors within the framework of the CIS Payments Union. Further development of currency regulations is to be considered, including exchange rate regulations.
President Nazarbaev comments on Russian debts

After declaring that, "Kazakhstan does not owe anything to anyone," at a news conference in Almaty on 30 December 1996 when asked about Kazakhstan's debts to Russia, President Nazarbaev stated that Russia owes Kazakhstan $345 million for the past 3 years of its lease of the Baikonur launch site, as well as another $110 million for the leasing of various military test sites. He admitted that Kazakhstan's northern regions owe approximately $320 million to Russian energy producers, but Nazarbaev views these debts as private matters between the enterprises and not as the responsibility of the Kazakh government.

Kazakh senator calls for end to Russian military tests in Kazakhstan

In an interview in Kazakhstan Pravda published on 11 December 1996, Senator Engels Gabbasov, a member of the Parliamentary Committee for Foreign Affairs, Defense, and Security, called for the Kazakh sector of the Kapustin Yar nuclear test site to be closed, and suggested that the other nuclear and military test sites should be shut down, as well, due to the damage which they have inflicted on the environment and on people's health. Nuclear and other military tests have been conducted at these sites over a period of 50 years.

17 November demonstration takes place in spite of ban

A demonstration for the rights of workers and pensioners, organized by the Azamat movement and which had been banned by Almaty city authorities, took place after all on 17 November 1996, with a turnout of about 500 people. Murat Auezov, co-chairman of Azamat (and son of Kazakh writer Mukhtar Auezov), stated that many of the demonstrators had not been aware of the ban on the demonstration, due to power outages in many of their home districts. Another demonstration was being planned for 1 December 1996. Auezov has been offered a post in President Nazarbaev's administration, but refuses to accept it under current conditions.

Azamat holds press conference to discuss demands

The leaders of Azamat held a press conference on 18 November in order to
reiterate their demands: that the government permit the existence of an independent mass media; that the government cease its persecution of opposition activists; and that a real democracy be established in Kazakhstan. Deputy (of the parliament) Zamanbek Nurkadilov (former mayor of Almaty) received the most attention, however, when he presented documents to the press in order to support his accusations of corruption against former Prime Minister Tereshchenko and against the present prime minister, Akhezhan Qazhygeldin.

**Demonstrators call for government's resignation**
The opposition movement Azamat organized another demonstration on 8 December 1996 in Almaty. 3,000 people gathered in front of the Academy of Sciences. The demonstrators adopted a resolution calling for the resignation of Prime Minister Qazhygeldin's government and the formation of a new government based on popular trust. President Nazarbaev was not called upon to resign, but was instead urged to act as a guarantor of the Kazakh constitution and to end government corruption.

**Azamat chairman charged with misuse of state funds**
Petr Svoik, co-chairman of Azamat, has been charged with misusing state funds during his tenure as chairman of the Price and Antimonopoly Committee. He allegedly used state funds to decorate his office. The State Investigation Committee is the organ responsible for instituting the criminal proceedings against him.

**Members of the media accuse Kazakh government of censorship**
Representatives of Kazakhstan's Independent Electronic Media Association have accused the government of denying airtime to opposition groups by frequently halting the transmission of private radio and television stations. On 11 November 1996 contracts between the Almaty City Broadcasting Center and a number of independent radio and television stations were ended, ostensibly due to the fact that their broadcasts were interfering with airport radio traffic. One week earlier, 5
stations (including the commercial Russian-language station KTK) had their transmitters shut off and several had their licenses withdrawn. As of 5 December 1996, all Russian-language channels except Russian Public Television would cease to be relayed in Kazakhstan, due to lack of funding. The Russian Public Television channel will continue to be relayed because it has agreed to share the expenses of broadcasting its programs in Kazakhstan with the Kazakh government. Residents of Kazakhstan who wish to continue receiving other Russian channels will need to subscribe to cable, which costs about $30 per month.

**Baikonur faces energy cutbacks and poor security**

The Baikonur launch site often receives power for only a few hours per day, due to lack of funds, as well as poor quality electrical lines which cause frequent breakdowns. The Kazakh government has also placed a cap on the amount of power that can be supplied, and when capacity norms are exceeded, the power is automatically cut off. These capacity norms are strictly enforced even on launch days. In order to complete the 20 November 1996 launch of the Progress freighter, an independent electricity supply was used, at a cost of 12 million rubles per hour.

To make matters worse, many areas of the Baikonur site have simply been abandoned, because the Russian government cannot afford to maintain them. Those areas which are not in use are not guarded, and this continues to result in the robbery of equipment and materials.

**Kazakhstan's trade with ECO states increasing**

Kazakh Deputy Foreign Minister Vladimir Alesin held a press conference on 29 November 1996 in Almaty, in order to mark the anniversary of the ECO's (Economic Cooperation Organization) creation. The ECO was established in 1977 by Iran, Turkey, and Pakistan. Kazakhstan joined in 1992 and since then has set up 184 joint ventures with member countries. In the first 6 months of 1996 Kazakh trade turnover with ECO countries totaled $538 million. Trade is
most active between Kazakhstan and Uzbekistan, Turkmenistan, Kyrgyzstan, Iran, and Turkey.

**Kazakh Senate approves 1997 draft budget**

The Kazakh Senate (the upper house of Kazakhstan's parliament) approved the 1997 budget draft on 19 December 1996. The draft document calls for inflation to be kept below 21% for the year and for a treasury with an efficient allocations system to be created, in order to increase state control over budget funds. The budget draft also guarantees accurate payment of wages, scholarships, pensions and benefits.

**Comment**

Perhaps this budget draft is President Nazarbaev's way of answering some of Azamat's demands. What remains to be seen, however, is whether Azamat will be satisfied with economic concessions alone. The payment of wages and pensions is a far cry from establishing freedom of the press and genuine democracy.

**Kazakhstan to begin exchanging oil with Iran**

As of January 1997, Kazakhstan plans to begin exchanging oil shipments with Iran. Over the course of the next 10 years, 2-6 million tons of oil from Kazakhstan's Caspian fields are to be delivered to Iran, and Kazakhstan will receive the same amount from Iran. However, there are still disagreements over such fundamental issues as tariffs and pricing.

**Kazakhstan signs Caspian Pipeline accord**

On 6 December Kazakhstan, Russia, and Oman signed a number of documents concerning the new structure of the Caspian Pipeline Consortium. This consortium was formed by Kazakhstan and Oman on 17 June 1992 (Russia joined one month later), for the purpose of building a pipeline from Kazakhstan's Tengiz oil fields (on the Caspian Sea) to Novorossiisk (on the Russian Black Sea Coast). As a result of this most recent agreement, Kazakhstan and Russia will
form their own pipeline consortium. Construction is to begin in early 1997 and be completed by 1999. The project's cost is estimated at $2 billion. The volume of oil transportation is to start at 28 million tons and eventually increase to 67 million tons.

**Kazakhstan ratifies border troop reduction agreement with China**

On 26 December President Nazarbaev issued a decree to the government to ratify an agreement on the reduction of military forces along the Kazakh-Chinese border. According to the agreement, the military forces of both sides are required to inform each other of any major military exercises which are scheduled to take place within 100 km of the border. The two sides also agreed to invite each other’s observers to attend any such exercises. This agreement is the result of 7 years of negotiations between China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, the final round of which was held in Beijing from 11 to 27 December 1996.

**President Nazarbaev orders civil servants to declare incomes**

On 19 November 1996 President Nazarbaev ordered the government to draw up a bill requiring all government organs to declare the extent of their incomes and property on an annual basis. The government was given 10 days to draft the bill and submit it for ratification. Furthermore, all civil servants are now required to declare their personal incomes and property holdings to state tax inspectorates.

**Comment**

This may be the first step in an attempt by Nazarbaev to crack down on corruption and tax evasion in the government, perhaps partly in accordance with Azamat’s demands, but also to regain the trust of the majority of Kazakhstan’s citizens.

**KYRGYZSTAN**

**Kyrgyz-Uzbek economic cooperation increasing**

Uzbekistan is currently Kyrgyzstan’s largest foreign trading partner. Annual trade
turnover between the two countries has reached $200 million. On an official visit to Uzbekistan from 24-25 December 1996, President Akaev and President Karimov signed 17 accords, including agreements on military cooperation and the further development of their trade relationship. President Akaev approved plans for a joint project to build transnational communication networks, as well as for a project to build additional railway lines between Uzbekistan and Kyrgyzstan. Uzbekistan will also continue to supply Kyrgyzstan with natural gas at a reduced price of $55 per 1,000 cu. meters, and Kyrgyzstan will supply Uzbekistan with electricity from its hydroelectric dam at Naryn.

President Akaev Reviews 1996, states goals for 1997
At a roundtable in Bishkek on 29 December 1996, President Akaev gave a review of the achievements and shortcomings in Kyrgyzstan for the year 1996 and outlined some of his goals for the coming year. Although inflation was still continuing to rise, Kyrgyzstan's industrial output posted a 5% increase for the first time in 5 years, finally bringing the decline in industrial production to a halt. The government's goal for 1997 was to bring inflation down to 15%, stabilize the national currency, and increase pensions and the minimum wage by 30%. President Akaev expressed great hopes for the growth of Kyrgyzstan's mining industry in 1997, and also pledged to continue his fight against corruption.

TAJIKISTAN
Fighting intensified as peace talks approached
As the peace talks scheduled to be held on 9 December 1996 in Afghanistan between President Rahmonov and UTO (United Tajik Opposition) leader Abdullo Nuri drew near, the opposition launched an attack on the district of Garm in eastern Tajikistan. The opposition was able to take control of the district on 1 December 1996 in 6 hours, taking 120 people (mostly government troops) prisoner and successfully repelling attacks by government spetsnaz troops. Clashes between government and opposition forces also intensified in the Komsomolobod District (next to the Garm District) and in the region of Tavil-Dara, where the opposition regained the city of Tavil-Dara (located approx. 210
km east of Dushanbe in the Pamir Mts.) on 6 December 1996 and captured sizable stocks of ammunition. As a result of the fighting, hundreds more civilians have been forced to flee their homes and UN military observers have been recalled from the previously mentioned areas.

Comment
The more territory the opposition can gain control of before the negotiations begin, the more leverage they will have at the negotiating table.

President Rahmonov, Nuri sign cease-fire
President Rahmonov and UTO leader Abdullo Nuri met in the northern Afghan town of Khostdekh (one of Gen. Mas'ud's strongholds) from 10-11 December 1996 in order to discuss the protocol of their next meeting in Moscow. They scheduled the next meeting for 19 December, on which date they would sign a full-scale agreement on peace settlement. They also signed a cease-fire which was to take effect at midnight on 12 December. Nuri also agreed to order his forces to withdraw from the district capitals of Komsomolobod, Tajikobod, Dzhirgatal, and Tavil-Dara and to release all government troops taken prisoner during the most recent fighting.

Comment
This tactic makes the opposition look good, while causing them to lose only a minimum of territory (the territory which they gained between 1-6 December), and allowing them to keep all weapons and ammunitions stocks which they captured during the most recent fighting.

Cease-fire violated within 24 hours of its signing
On the afternoon of 12 December 1996 opposition forces attacked a government spetsnaz battalion stationed at the airport in the town of Garm (150 km east of Dushanbe). They also attacked government troops near the village of Labidzhar (in Komosomolobod District) and mined the road between Labidzhar and Garm.
Opposition chief-of-staff flies to garm to enforce cease-fire

UTO Chief-of-Staff Davlat Usmon arrived in Garm on 17 December 1996, accompanied by a delegation of other opposition members, as well as by Zafar Ikromov, the government's co-chairman of the joint commission on cease-fire monitoring, in order to enforce the conditions of the cease-fire. By 20 December the delegation had achieved the release of 42 or 43 prisoners, who were transported to Khojand (in northern Tajikistan).

Pro-government group takes hostages

On 20 December 1996 an armed pro-government group which included a former UTO commander, Rizvon Sodirov (he defected to the government side in early December), took 15-20 people hostage in the village of Kalainav (approx. 60 km east of Dushanbe). Among the hostages were UN military observers, members of the joint commission on cease-fire monitoring, and servicemen. The group demanded the release of two or three of its own supporters (one of whom was reported to be Sodirov's brother) who were being held by UTO forces. Most of the hostages were freed on 21 December, and the remaining few on 26 December, when they were exchanged for the men held by the UTO. The exchange was negotiated with the help of the UN observers, and by representatives of both the government and the opposition.

Comment

This "pro-government armed group" is just one example of a number of renegade groups which have formed throughout Tajikistan and who support whichever side (government or opposition) has more to offer at that particular place and time.

President Rahmonov, Nuri sign agreements to end war

President Rahmonov and UTO leader Abdullo Nuri signed two documents in Moscow on 23 December 1996 which are intended to put an end to Tajikistan's five-year-old civil war. The documents call for the establishment of a National Reconciliation Commission which is to be led by a member of the opposition. The commission is to begin its work no later than 1 July 1997. The National
Reconciliation Commission is responsible for: the carrying out of a general amnesty and exchange of POW's; the monitoring of the conditions of the peace agreement; the implementation of measures which will allow refugees to return to their homes; the reconstruction of housing and industrial and agricultural facilities damaged during the war; the drafting of proposals to amend the current laws on political parties and the media; and for the organization of new parliamentary elections, which will be carried out under the auspices of the UN and the OSCE. The elections are to be held at the end of the next 12-18 months, at which point the National Reconciliation Commission will be dissolved.

Comment
The National Reconciliation Commission will, in effect, act as a transitional government, once it is established.

President Rahmonov issues decrees on economic reforms
President Rahmonov ordered the Tajik government to simplify the procedures for the formation of joint-stock companies at the end of December 1996, in order to attract more foreign investment in the Tajik economy. He also ordered the formation of a state commission on economic reforms. The commission is to consist of the Prime Minister, the presidential economic aide, the Minister of Economics, the Minister of Justice, and the National Bank Chairman. The commission is responsible for working with the representatives of international fiscal and economic institutions and its resolutions will be binding for all legal entities on Tajik territory.

TURKMENISTAN
National trade center opened in Ashgabat
The National Trade Center was officially opened in Ashgabat in early December 1996. The Trade Center has been set up as a joint-stock company and its members include: the State Commodity and Raw Materials Exchange, the Ministries of Trade and Resources, Agriculture and Food, the textile industry, Turkmenistan's joint-stock commercial bank, and the Turkmenpotrebsoyuz
(Turkmen consumers' association). The purpose of the National Trade Center is to boost the consumer goods market by saturating the market with high quality consumer products (including agricultural products). The National Trade Center also hopes to attract foreign investors by exempting all foreign goods sold through the Center from profit taxes.

**President Niyazov issues decree on agricultural reform**

President Niyazov issued a decree on 19 December 1996 to promote agricultural reform in Turkmenistan. He ordered the Central Bank to open a $20 million credit line to finance loans to manufacturers of farming and food processing equipment. This credit line is to remain open for the next 10 years. In addition, the State Fund for the Development of Agriculture is to set aside approximately $16 million ($80 billion manats) to support farmers in 1997.

**President Niyazov repeals ban on sale of private residences**

President Niyazov issued a second decree on 19 December 1996 to eliminate his May 1992 ban on the sale, exchange, and giving away of private houses and apartments in Turkmenistan.

**Turkmen parliament passes law on land ownership**

According to a new law on private land ownership, passed by the Turkmen parliament on 20 December 1996, peasants' associations consisting of Turkmen citizens will now be allowed to own land, after first leasing it for 2 years. Turkmen citizens who are not members of peasants' associations may only lease land, not own it.

**Turkmen parliament passes 1997 budget**

The Turkmen parliament passed a budget for 1997 on 20 December 1996. For the first time in five years, no foreign journalists were permitted to attend the parliament's budget session, however sources reported to Interfax that the budget deficit for 1997 has been set at 66.2 billion manats ($1=4,000 manats),
which is equal to 1% of Turkmenistan's GDP. Natural gas exports are expected to provide the main source of revenue for 1997.

**Taleban, Pakistani Government approve Turkmen pipeline project**
According to a 9 December 1996 report on Islamabad Radio Pakistan Network, Pakistani Foreign Secretary Najmuddin Sheikh approved the construction of a railway line and gas pipeline from Turkmenistan to Pakistan (via Afghanistan) in a joint meeting with the leadership of the Taleban leadership in Kandahar, Afghanistan. Under the terms of the construction agreement, Afghanistan is to receive royalties and Afghan workers are to be employed in the project.

**Turkmen and Iranian natural gas to be exported via Turkey**
Turkmen Deputy Prime Minister Batyr Sarjayev, Iranian Oil Minister Gholam Reza Aqazadeh-Kho’i, and Turkish Minister of Energy and Natural Resources Recai Kutan signed an agreement on 28 December 1996 to transport Turkmen and Iranian natural gas to the European market via Turkey. Beginning in 1998, 10 billion cubic meters of Iranian gas and 8 billion cubic meters of Turkmen gas will be exported annually through Turkey. The project will not require the construction of an entirely new pipeline route, but simply the linking of already existing Iranian and Turkish pipelines.

**UZBEKISTAN**
**Ukrainian delegation in Tashkent**
A Ukrainian government delegation led by Prime Minister Pavlo Lazarenko met with President Karimov and Prime Minister Otkir Sultanov in Tashkent on 5 December 1996. As a result of their meeting, a number of agreements were signed, including an interstate consular convention and an agreement to exchange military hardware. The Ukrainian government is also considering Uzbekistan's offer to ship 6 billion cubic meters of natural gas to its companies, as well as a joint project to create a Black Sea transport circle between Ukraine and Central Asia.
**President Karimov censures regional ministries of agriculture**
A resolution drafted by President Karimov to protect winter crops from further damage was published in the 26 November 1996 issue of Tashkent's Narodnoe Slovo newspaper. The resolution charges farm managers and officials of the Ministry of the Interior with establishing observation posts and a mounted patrol in order to protect Uzbekistan's winter crops from future harm by cars, cattle, and agricultural machinery and criticizes regional administration chiefs for their previous lack of effort to protect the crops.

**Comment**
It is not made clear which crops were damaged, or precisely how they were damaged, however, the fact that Karimov called for observation posts and mounted patrols to be set up implies that some of the damage was due to vandalism.

**Bukhara's regional administration comes under fire**
During a speech at a special session of the Bukharan Regional Council of People's Deputies on 14 December 1996, President Karimov criticized the regional administration for its inability to meet grain harvest targets and for allowing industrial output levels to fall in recent years. He also chastized the administration for not implementing new, high-tech methods of cotton cultivation. The regional governor resigned, and President Karimov appointed the Uzbek Deputy Finance Minister to take his place.

**President Karimov offers more incentives to foreign investors**
In two decrees, issued on 3 and 13 December 1996 respectively, President Karimov outlined a number of new privileges designed to attract greater foreign capital to Uzbekistan. Companies with foreign capital which are willing to invest in the Uzbek economy through the state investment program are now exempted from paying profit taxes for an additional two years (for seven yrs. instead of five yrs.). New companies which have foreign capital and which manufacture goods which can replace imported products have been granted exemption from profit
taxes for five years. These changes were to take effect beginning 1 January 1997.

**Uzbek prime minister vetoes economic integration with CIS**

In his address to the Japan National Press Club in Tokyo on 16 December 1996, Prime Minister Otkir Sultonov stated that Uzbekistan will not join four other former Soviet republics (including Russia, Belarus, and Kazakhstan) in a plan to integrate their economies under the auspices of the CIS agreement, because such a move would interfere with Uzbekistan's ongoing domestic reforms. Prime Minister Sultonov also thanked the Japanese private and public sectors for their continuing financial support of the Uzbek economy (Japan granted Uzbekistan its first loan in 1995), including an offer of a new loan package for 25 million yen by the Export-Import Bank of Japan.

**President Karimov reviews 1996 economy, looks ahead to 1997**

During a 27 December 1996 press conference, President Karimov summed up some of Uzbekistan's economic achievements for 1996, and detailed the main goals of the 1997 state budget. Uzbekistan had an average annual inflation rate of 60% for 1996, economic investments totalled $6 billion, industrial production grew by 6%, and foreign trade turnover reached $8.3 billion (a 40% increase from the previous year). The 1997 state budget will attempt to reduce inflation to 27%. 47% of the total budget has been allocated for social services, versus only 4.3% for defense spending. Government staff is to be cut by 20%.

**President Karimov signs agreements with EU**

During his first visit to Brussels, President Karimov and European Commission President Jacques Santer signed a temporary agreement (on 14 November 1996) to put into effect the trade and economic terms of a general agreement on partnership and cooperation between Uzbekistan and the EU that had been signed on 21 July 1996. The general agreement has not yet been ratified due to its political provisions.
President Karimov addresses OSCE members at Lisbon Summit
In his 3 December 1996 speech at the OSCE summit in Lisbon, President Karimov requested the support of the other member states in turning Central Asia into a nuclear-free zone. He also proposed drawing up a new security charter which would reflect the changes in the former USSR and Eastern Europe.

Uzbekistan shuns CIS military alliance
During a 24 December 1996 press conference, President Karimov told reporters that the Uzbek government does not support the establishment of a CIS military-political alliance as a counterweight to NATO expansion in Eastern Europe. Instead, President Karimov believes that the CIS should pursue the creation of bilateral agreements between its member states, such as the Treaty on Eternal Friendship and Cooperation, which he and Kyrgyz president Askar Akaev had just concluded. This military cooperation treaty confirms both countries' commitments to the UN and OSCE charters, and states that neither country will join alliances hostile to a third country or permit its territory to be used to launch aggressive actions against a third country.

On 27 December the Uzbek parliament passed a law which prohibits Uzbekistan's participation in all military-political blocs, and states that Uzbekistan will not interfere in the domestic affairs of other sovereign states.

Comment
How much of this is simply window-dressing to calm the reservations of those members of the international community which have been most vocal in accusing President Karimov's regime of frequent human rights violations both in Uzbekistan and in Tajikistan? Karimov is quite actively courting the governments of the United States and Western Europe, in the hope that he will be able to convince them to invest as much aid in Uzbekistan as they have in Kazakhstan.

President Karimov decrees 20% reduction of state bureaucracy
The Uzbek government adopted a resolution on 28 November 1996 to reduce
the staffs of the state ministries, committees, and departments by 20%. Of the total 33,000 jobs which are to be eliminated, 2,400 are in the central administration. This measure, combined with cutbacks in other areas, should amount to savings of 1.6 billion soms for the state budget. It is also intended to increase the efficiency of the state government.

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