Russian Federation: Executive Branch

By Susan Cavan

What a shame

Mikhail Khodorkovsky, head of Yukos Oil, has finally been arrested by the Russian security services. The sinking feeling that comes from watching a cat play hand ball with its mouse-prey will pass, and Khodorkovsky will manage to find his way into exile, like Gusinsky and Berezovsky before him. After initial shock at the state's grab of his assets, the markets will stabilize, take stock of the price of oil and other extractable resources, and then judge Russia's investment-worthiness. The few who will line up to defend the Yukos billionaire will do so without citing any action Khodorkovsky has taken more than two years in the past, sweeping away the crimes of the nineties with a "that was then" flick of the wrists. [As the FSB and Prosecutor's offices make public the "findings" of the searches that accompanied Khodorkovsky's arrest, even these voices may fade. (See WWW.INTERFAX/RU/E, 10 Oct 03, e.g., "Search at Yukos…produces impressive results.")]

Like the embarrassing Kompromat wars of the Yel'tsin administration, this arrest reminds us all that the security services, despite all the changes of the past ten years, have not lost the ability to gather, process and deploy information. In the Yel'tsin years, the concern was the Korzhakov-Barsukov axis in the Kremlin. These days, there are so many entrées for the siloviki into the Putin administration that it more closely resembles a pincushion than a spit. The security men may well be attempting to flex their considerable muscle for a chance to satisfy their desires from the state coffers. At best one may hope that all they're looking for is a little self-indulgent spending and not a new power trip.
Platon Lebedev, Khodorkovsky's associate at Yukos, was transferred to the infamous Matrosskaya Tishina prison just prior to Khodorkovsky's detention there. In just the twelve short years since the break up of the Soviet Union, Matrosskaya Tishina has held many a fascinating detainee. Several of the August 1991 putshchisti were held at the jail for months before being granted amnesty. Vil Mirzayanov, the scientist-dissident who informed the world of Russia's chemical weapons program, spent time in Matrosskaya in 1994; several policemen, accused in a plot against Vladivostok Governor Viktor Cherepko also saw the inside of this famous institution. The FSB held Ivan Orlov on terrorism charges at Matrosskaya after he blew up his car in the middle of Red Square in November 1998. Three Afghantsii were released from Matrosskaya Tishina in 2000 after being held for three years in connection with the Kotlyarskoye cemetery bombing that killed 14 persons and revealed a rumble for control of the lucrative Afghan War Veteran's Fund. Their confessions in the case were determined to have been coerced. Speaking of the Kompromat wars, former Justice Minister Valentin Kovalev (of sauna fame) was remanded to Matrosskaya on embezzlement charges after his fall from grace. He was released in 2000. In the battle for Media-MOST, Vladimir Gusinsky's Chief Financial Officer, Anton Titov, was tossed in Matrosskaya Tishina when Gusinsky slipped out of the country in the middle of "negotiations" for Gazprom to takeover Media-MOST. And now Khodorkovsky sits….

**Personnel changes sans fanfare**

In an apparently related development, Aleksandr Voloshin resigned as Putin's Chief of Staff this week. He will be replaced by Putin Peterburger pal Dmitri Medvedev, who has been First Deputy Chief of the President's Staff since June 2000. Medvedev's previous bailiwick included "cadre" appointments (up to the level of presidential adviser), labor contract negotiator and liaison with the Government apparatus. (ITAR-TASS, 30 Oct 03 via Lexis-Nexis)
Dmitri Kozak has also moved up within the administration from a "Deputy Head" to a "First Deputy Head" of the administration, and Igor Shuvalov, formerly of the Government bureaucracy who moved to the Kremlin as Presidential adviser, will now be a "Deputy Head" of the Administration. (Ibid.)

Both Medvedev and Kozak have been identified for several years as close confidantes of the President. Kozak, in recent years, has had the more high-profile assignments, but Medvedev was believed to be a strong, if quiet, force within the administration.

The murky Kremlin "debate" between the Siloviki and 'Family' members may finally be over. Some worry that Voloshin's continued presence in the Kremlin gave comfort to Family-connected moneymen. Instead of resigning when the security services went after Yukos and Lebedev, Voloshin held on, giving (perhaps) false hope to Khodorkovsky, who could have left the country and thus eluded capture given a clearer signal from Voloshin. (KOMMERSANT, 29 Oct 03, pp. 1,3; What the Papers Say (WPS) via Lexis-Nexis)

For the record, it appears that Voloshin will not, for the time being, jump from the Kremlin to the good ship UES. While Anatoli Chubais is rumored to have proposed Voloshin for a full-time position as Chairman of the Board, the Board of Directors decided to wait to consider the move. Don't rule it out in the future: With Chubais' 'empire through energy' scheme of expansion throughout former Soviet territory, the Board may need more full-time employees.

**Regional reaction**

Among those taking the cautious route of NOT commenting on the arrest of Khodorkovsky are Chukotka Autonomous District Governor Roman Abramovich, who claimed that he was "not thinking about this." (WWW.INTERFAX.RU/E, 29 Oct 03, 12:33PM EST) Krasnoyarsk Territories Governor Aleksandr Khloponin
gave an equally equivocating response, stating that the rumored moves within
the Kremlin if true would mean a "change in priorities." (Ibid.)

Apparently, the governors caught wind of the hot topic around Government
corridors: streamlining the procedure for dismissing governors. As Emergencies
Minister Sergei Shoigu noted, the government should be able to dismiss regional
governors "if a region actually goes bankrupt or when the irresponsible activity of
governors leads to freezing in their regions during winter."
(WWW.INTERFAX.RU/E, 31 Oct. 03, 630PM EST. For more on this issue see
"Regions" report.) I guess the Governors better make sure they have a
connection with the energy distributors, eh?

Russian Federation: Security Services
By Fabian Adami

Putin’s War Against Yukos & Mikhail Khodorkovsky.
Yukos has been facing a concerted government attack since July of this year. At
that time, a core Yukos shareholder, Platon Lebedev, was arrested and charged
with stealing state property during a 1994 privatization deal. (THE MOSCOW
TIMES, 22 Oct 03 via ISI Emerging Markets Database) In what may be an
attempt to exert pressure, Lebedev, without the knowledge of his lawyer, was
moved on 21 October from the "relatively comfortable" Lefortovo prison to a
much more crowded, high security prison at Matrosskaya Tishina. (IZVESTIA
PRESS DIGEST, 22 Oct 03 via ISI Emerging Markets Database)

Since Lebedev’s arrest in July, there had been little by way of a direct threat from
the Federal Government—until two weeks ago. The first indication that a renewed
government attack on Yukos was imminent was the arrest on 18 October by the
FSB of a second Yukos core shareholder, Vasili Shakhonovsky. (THE MOSCOW
TIMES, 22 Oct 03 via ISI Emerging Markets Database) His arrest was followed
by a raid on the St. Petersburg offices of Menatep-Sankt Peterburg bank, which has close ties to Yukos, (IZVESTIA PRESS DIGEST, 22 Oct 03 via ISI Emerging Markets Database) and an announcement from the Federal Prosecutor’s Office on 21 October, that the government intended to levy criminal charges against senior Yukos staff and would initiate a probe into the company’s oil licensing rights. (Ibid.)

It seemed inevitable, in this atmosphere, that Yukos owner Mikhail Khodorkovsky would himself be the target of Federal action sooner rather than later. This has proven to be the case. On 25 October, Khodorkovsky was traveling on a private Yukos jet between Nizhnii Novgorod and Irkutsk, where he was due to give a speech at the Irkutsk School of Public Policy. (WPS, 27 Oct 03 via ISI Emerging Markets Database) The aircraft made an apparently planned stopover in Novosibirsk, Siberia, in order to refuel. Upon touching down, the jet was ordered to a secluded section of the airport, where it was surrounded by several trucks and buses with darkened windows. A special FSB commando squad then boarded the Yukos jet, and effected Khodorkovsky’s arrest. (WPS-RUSSIAN POLITICAL MONITOR, 27 Oct 03 via ISI Emerging Markets Database)

The Yukos boss was flown back to Moscow to be detained at Matrosskaya Prison. The Bassmannyy Intermunicipal Court in Moscow issued a warrant allowing the FSB to detain the oligarch for a period of two months. (ITAR-TASS, 25 Oct 03; FBIS-SOV-2003-1025 via World News Connection) Khodorkovsky has been charged with seven offences, including personal & corporate income tax evasion to the tune of $1 billion, fraud and forgery. (THE MOSCOW TIMES, 27 Oct 03 via ISI Emerging Markets Database)

Although the speaker of the Duma’s lower house, Gennady Seleznyov, stated on 27 October, that he saw "no political aspects" (ITAR-TASS, FBIS-SOV-2003-1027 via World News Connection), to Khodorkovsky’s arrest, it seems clear that the opposite is true. In 2000, soon after his succession to the Presidency, Putin is
believed to have agreed with Russia’s oligarchs not to attack them, in return for their assurance not to enter the political arena. (THE MOSCOW TIMES, 29 Oct 03 via ISI Emerging Markets Database)

Khodorkovsky’s arrest can be linked to the oligarch’s criticism of Kremlin corruption during a televised February meeting with Putin, as well as his publicly stated intention to back several Duma factions that are not tied to the President. (THE MOSCOW TIMES, 27 Oct 03, via ISI Emerging Markets Database) More importantly, it is a central part of the Siloviki (the so-called St. Petersburgers and former FSB colleagues of the President) campaign to oust the remnants of President Yel'tsin's clan. (AGENCE FRANCE-PRESSE, 2 Nov 03, via ISI Emerging Markets Database)

The importance of the FSB’s role in Khodorkovsky’s arrest should not be underestimated. But Russia’s press has once again missed, or more likely avoided, making the important point. Both The Moscow Times and the Russian Political Monitor have published pieces purporting that Putin has "become a hostage to the Kremlin’s dominant clan: the ex-KGB people, the chekists." (WPS-RUSSIAN POLITICAL MONITOR, 31 Oct 03 via ISI Emerging Markets Database) Media naïveté is even more glaring in the face of further FSB action: on 27 October, Anatoli Chubais, CEO of Unified Energy Systems, and Duma candidate for the Union of Right Forces spoke out against Khodorkovsky’s arrest, warning that President Putin risked an open war between himself and big business. (THE MOSCOW TIMES, 27 Oct 03 via ISI Emerging Markets Database) Retribution came three days later, on October 30, in the form of an FSB raid and search action, lasting over thirteen hours, on the offices of Novosibirskenergo, which is a subsidiary of UES. (BBC MONITORING, 31 October 2003, via ISI Emerging Markets Database) Clearly, the raid was intended as a warning to Chubais and his remaining colleagues to toe the line—or else face the same fate as Khodorkovsky.
Khodorkovsky's arrest and the actions against Yukos and UES are such serious moves, that it is inconceivable that the orders did not come directly from President Putin. To argue that Putin is being manipulated by, or is beholden to the FSB is a dangerous misreading of the situation as it currently stands in Russia.

Russian Federation: Foreign Relations
By Scott Dullea

Russian Foreign Ministry holds back investments in Iraq
Prior to the Madrid conference on 23 and 24 October to discuss the restructuring of Iraq and to consolidate the world community’s intentions to donate financially and otherwise to the reconstruction of Iraq, the Russian Foreign Ministry laid out its conditions for Russian investment towards rebuilding the country. In a letter published in RIA Novosti on 21 October (via Johnson’s Russia List (JRL) #7379, 22 Oct 03) Russian Deputy Foreign Minister Yuri Fedetov declared Moscow’s dissatisfaction with the situation so far, making a plea to the new Iraqi government to honor previous agreements (under Saddam Hussein) with the Russian Federation and drawing the line on Russian donations and investments to Iraq.

In the letter, Fedetov sets out a case to win support for Russia by claiming that the Madrid conference wouldn’t even be taking place were it not for Russia’s key role in achieving the compromise necessary to pass United Nations Security Council Resolution 1511. Despite Russia’s support for the resolution, he explains, Moscow still prefers more clear-cut provisions for reaching a political settlement in Baghdad and a more active role for the U.N.

In Fedetov’s list of grievances one finds what seems truly important to the Kremlin—opportunity for Russian business in Iraq. Fedetov makes four specific
complaints: no reliable security conditions exist; economic activity in Iraq lacks transparency and the rules for foreign investors are unclear; continuity of previous arrangements is necessary (i.e., previous Russian deals must be upheld, and Russian companies must be given priority); and an unbiased organization to supervise the activities of the Iraq restoration fund still needs to be established. Additionally, Fedetov expresses his discontent towards the report published by the U.N. Development Group and World Bank which does not clarify the areas of top priority investment and does not cover the oil industry.

Fedetov further explains that Russian companies will not make their investments in Iraq, potentially worth billions of dollars, unless the returns on previous Russian-Iraqi contracts are guaranteed. The deputy foreign minister is referring, in particular, to LUKoil’s 1997 40-year production sharing contract with the previous Baghdad regime, valued at between $7 and $15 billion; in the months prior to the war, however, Saddam Hussein declared the deal void. Fedetov is also attempting to persuade the new Iraqi government that Russian business investments will be better for Iraq in the long term than any one-time donations that emerge from Madrid. Russia, too, understands how profitable their investments could be in Iraq and has even expressed a willingness to write off some of the $8 billion debt that Iraq owes to Moscow for the Soviet Union’s previous support to the regime which mostly took the form of military hardware. (AGENCE FRANCE PRESSE (AFP), 21 Oct 03 via JRL #7378, 21 Oct 03)

At the Madrid conference, Fedetov described Russia’s potential investments in Iraq as totaling up to $4 billion, mostly consisting of plans for developing the Western Qurna 2 and Garraf oilfields, and he maintained his position not to commit to any investments until Moscow receives guarantees that old contracts will remain valid and Russian companies will receive priority consideration. Russia has informed Baghdad of this policy in a number of different fora. (RIA NEWS AGENCY, 21 Oct 03; BBC Monitoring via ISI Emerging Markets Database)
Moscow can only dangle this threat for so long until the opportunities for investment are gone. Thus, when Russian Foreign Minister Igor Ivanov stressed the Kremlin’s insistence for a timetable to be established by 15 December for handing over authority to an Iraqi government, (ITAR-TASS, 28 Oct 03, BBC Monitoring via ISI Emerging Markets Database) Russia was angling to obtain a ruling body in Baghdad that will be more willing to do business with Russia and less influenced by the United States.

**Putin’s visit to Pope important for Russia’s foreign relations**

A key element of Russia’s quest to regain its leadership position in the world community has been President Vladimir Putin's interaction with the Muslim world, specifically his recent efforts to become a member of the Organization of the Islamic Conference. Pronouncing the size of the Muslim population within Russia as larger than that of some Muslim countries, Putin is seeking the many potential benefits of warm relations with the oil-rich Islamic nations of the world. If relations with the Muslims to Russia’s south are important to Russia’s future, then evidently so are relations with the Catholics to Russia’s west, and with this doubtlessly in mind, President Putin has announced that he will visit Pope John Paul II at the Vatican in November.

Relations between Moscow and the Vatican have been sour. The Russian Orthodox Church has charged the Vatican with proselytizing among the Orthodox populations of Russia, Ukraine, Kazakhstan and Belarus. (AFP, 16 Oct 03 via Johnson’s Russia List (JRL) #7372, 17 Oct 03) In late 2002 - early 2003 the Russian government expelled six Roman Catholic priests from Russia for "activities that are incompatible with their condition as priests."

(WWW.ZENIT.ORG-AVVENIRE, 18 Feb 03 via JRL #7067, 19 Feb 03) The sixth, Father Bronislaw Czaplicki, a Polish Catholic priest, reportedly was proposing to canonize Catholic martyrs from the Soviet era. (AFP, 24 Feb 03 via JRL #7075, 24 Feb 03) Moscow thus claimed to feel 'besieged' when the Vatican
moved to upgrade the church’s structure in Russia by establishing four dioceses there.

Despite reports that Vatican-Russian relations improved following the arrival in Moscow of the Vatican’s new envoy, Archbishop Antonio Mennini, in November 2002, (WWW.ZENIT.ORG—AVVENIRE, 17 Feb 03 via JRL #7067, 18 Feb 03) Mennini has been treated coolly by his Russian hosts. Talks between Mennini and Patriarch Aleksei II, in February 2003 were reported by the Russian Orthodox Church as "doing nothing" to improve relations. (AFP, 24 Feb 03 via JRL #7075, 24 FEB 03) In March, while in the city of Tula, the Archbishop was denied entry into a 19th century Catholic chapel and not allowed to visit the historic home of Leo Tolstoy, and his requests to call on the oblast’s governor and the city mayor were rejected. (TVS, 3 Mar 03 via RFE/RL Newsline Vol. 7 No. 41, Part I, 4 Mar 03)

The front against the Catholic Church, however, appears to be led by the Russian Orthodox hierarchy and not by the Kremlin. Putin, who has visited the pope several times, has expressed hope repeatedly for improved relations between the Orthodox community and the Holy See and has most recently stated his intention to discuss bilateral relations and international affairs during his visit with the pontiff. Although the president has even stated the usefulness of a papal visit to Russia, he claims that he is hamstrung by the Orthodox Church’s unwillingness to welcome the Catholic leader. (RFE/RL Vol. 4, No. 38, 25 Sep 03)

Meanwhile, Archbishop Mennini continues his work in Russia and was recently in Kazan to consecrate the site on which the first Catholic cathedral in Tatarstan is to be built. While there, he reminded the Russians that the Vatican still holds a trump card in its tussle with the Orthodox Church — the Kazan Mother of God Icon, which was formerly housed in the cathedral of the Kazan Mother of God in Petrograd from where it was taken abroad in the 1920s; eventually it came into
the possession of the Vatican and is situated in the Pope’s apartments. Mennini stated that the time and place for handing over the icon "will depend on the achievement of an agreement between the Holy See and the Russian Orthodox Church." (ITAR-TASS, 31 Oct 03; BBC Monitoring via ISI Emerging Markets Database)

OSCE plans to discuss status of Russian forces in Georgia
The Georgian news agency Kavkasia Press has reported that the Organization for Cooperation and Security in Europe (OSCE) plans to discuss the issue of Russian troop withdrawal from Georgia at its 1-2 December 2003 meeting of foreign ministers in Maastricht, the Netherlands. (22 Oct 03; What the Papers Say via ISI Emerging Markets Database) Russia broke its promise made during a 1999 OSCE summit to remove forces from Georgia. Tbilisi now wants Russia to remove its troops from the bases at Akhalkalaki and Batumi within three years, but Russia insists it needs eleven years. Having gone unpunished thus far, Russia may be expected again to attempt having its way with Georgia.

It is unlikely, first of all, that Moscow will be in the mood to bow to any demands made of it at an OSCE forum following the organization’s recent decision not to observe the elections in Chechnya, thus diminishing the perception of those elections’ legitimacy. Secondly, given the strong arm tactics the European Union has been using to try to persuade the Kremlin to raise domestic oil prices by threatening Russia’s accession to the World Trade Organization (W.T.O.) and the equally obdurate response from Russian President Vladimir Putin (ITAR-TASS, 9 Oct 03; FBIS-SOV-2003-1009 via World News Connection) no solid promises regarding Russian troop withdrawal from Georgia may be expected at the December meeting.

Georgia would like to have Russian forces off its territory before 2006 or 2007 when it hopes to receive an invitation to join the North Atlantic Treaty Organization (NATO). (VREMYA NOVOSTEI, 18 Apr 03; What the Papers Say
Indeed, to prevent this very event, Russia may want to stall as long as it can on removing its presence from Georgia. Russia bristles at the idea of putative NATO bases in Georgia.

Despite U.S. military assistance to and presence in Georgia, Moscow seems, for the moment, to have the upper hand in the struggle for dominance in Georgia; it is in complete control of Georgia’s gas and electricity resources, and Russian forces move freely across the border on the pretense of hunting Chechen fighters. A Russian military presence also helps Russia maintain control over Abkhazia and South Ossetia.

Russia finds itself under watchful eyes due to recent developments that resound of Russian imperialism—a claim to have the right to defend ethnic Russians and Russian speakers anywhere, the announcement of a new "preemptive military doctrine," the recent establishment of the Single Economic Space, and the attempt to jeopardize Ukraine's territorial integrity with encroachments near the Tuzla spit in the Sea of Azov. The concerns of European Union foreign ministers are likely to be reinforced if Moscow continues to drag its feet on withdrawing forces from Georgia.

For Russia the stakes in Georgia are too great to expect that it will budge. Georgia is part of the new front line in the struggle for hegemony in Eurasia, and the toothless OSCE is hardly the forum in which to put any real pressure on Moscow. A serious strategy for the use of leverage-tools by the European foreign ministers and perhaps promises regarding NATO’s intentions in Georgia will be required if they expect to influence Russia to make concessions there.
By Kate Martin

MEDIA
And the winner is...
The Constitutional Court took away an important tool for the suppression of press freedoms last week, deciding that vague wording in a section of the amended Law on Elections rendered that section—affecting media coverage of candidates—invalid.

Ruling on an appeal submitted by three media outlets (Ekho Moskvy, Rodnaya gazeta and Svetlogorye), the Court decided that several provisions of Article 48 of the federal law "On the Main Guarantees of Electoral Rights and the Right to Participate in a Referendum of the Citizens of the Russian Federation" inhibited the dissemination of information that voters needed. (A group of 104 Duma deputies had submitted a similar complaint.) The guidelines provided in the amended law "allow for a broad interpretation" of "campaigning," and, therefore, the possibility of the "arbitrary application of these guidelines," the Court ruled. (ITAR-TASS, 30 Oct 03 via Johnson's Russia List #7391)

The Constitutional Court differentiated between propaganda and election reporting, filling a gap that had allowed for abuse of the law, and tightening the definition of "campaigning." Moreover, the media are no longer prevented from providing positive or negative assessments of candidates' activities. "Elections can be free only when freedom of information and the citizens' free expression of their will are assured," said Constitutional Court Chairman Valeri Zorkin. (WWW.GAZETA.RU/ENGLISH, 30 Oct 03)

Now the onus appears to be on prosecutors, who have to prove that a journalist's intent was specifically to influence voters via propaganda. Prior to the Court decision, several attacks had been launched on media, using the broad definition
of "pre-election campaigning" in the elections law, to stifle the dissemination of any information about the candidates. (THE NIS OBSERVED, 22 Oct 03)

Such a definition, the Court ruled, was "incompatible with judicial equality, [and] limit[ed] the freedom of public information and the rights of citizens to receive information to vote as they wish in the elections." (WWW.MOSCOWTIMES.COM, 31 Oct 03)

Reaction to the ruling was mixed. Alexei Venediktov of Ekho Moskvy sounded victorious: "We got what we wanted." However, others, such as Alexei Simonov of the Glasnost Foundation, warned that the ruling came too late to halt the damage inflicted by the media's self-censorship due to the law. (Ibid.) The beginning of the election campaign period on 7 November should provide evidence on whether Simonov's pessimism is warranted. Yet a truly chilling effect may be suffered by the voters who witnessed the media muzzle themselves in the face of government intervention in the electoral process. How much Russian-style democracy can the electorate withstand?

**REGIONS**

**Less job security for governors**

In an indication that the emergencies ministry likely won't be accepting the responsibility for any...um ... emergencies, the government information department announced that Moscow is examining the procedure whereby governors are removed from power. The announcement came in response to a comment by Minister (and parliamentary candidate) Sergei Shoigu that the ouster process should be simplified. (INTERFAX, 31 Oct 03 via www.moscowtimes.com) The goal apparently is to allow the removal of a governor if "a region actually goes bankrupt, or when the irresponsible activity of governors leads to freezing in their regions during winter," the department said.
The heating crisis that affected much of Russia last winter—in which hundreds of persons died and thousands more required hospitalization—clearly remains on the minds of many these days, as the weather turns brisk. To be sure, criminal charges were brought against some regional authorities for misuse of funds. (ITAR-TASS, 1206 GMT, 14 Jan 03; FBIS-SOV-2003-0114 via World News Connection) None of the cases resulted in convictions for regional authorities, however. A similar scenario is being played out this year: Kamchatka Governor Mikhail Mashkovtsev and his deputy, Vladimir Skvortsov, and Petropavlovsk-Kamchatsky Mayor Yuri Golenishev are facing charges for existing heating crises. (MOSCOW TIMES, 29 Oct 03 via Lexis-Nexis)

Yet, while official malfeasance is a cause for concern, the bigger culprits appear to be the high costs of fuel (both new and accrued charges) and aging and often obsolete supply systems and pipes. Regional budgets simply cannot handle the tremendous cost such overhauls would require. The federal government seems unwilling to lend too much assistance either; rather, Moscow already is devoting energy to covering its own assets by pointing the finger at this year’s scapegoats.

Interestingly, Moscow has found at least a partial solution to the problem, for some. The Federal Energy Commission announced its decision to reduce electric costs for individuals in five areas in Russia -- Sverdlovsk, Nizhni Novgorod, Perm and Leningrad regions, and in St. Petersburg. (RosBusinessConsulting, 31 Oct 03 via www.moscowtimes.com) Those regions were not the only areas affected by last year’s crisis and are unlikely to be the only areas affected this winter. Indeed, the federal government has described the existing situation as "critical" in Kamchatka, the Koryak Autonomous Region and Ulyanovsk Province, and "serious" in Altai, Tuva, and Ivanovo, Chita and Sakhalin provinces. (IZVESTIA, 12 Sep 03; Current Digest of the Post-Soviet Press via Lexis-Nexis) Only a cynic would compare the number of voters in the regions getting assistance with the areas that will get no help…. 
Russia Returns?

In what Russian President Vladimir Putin called a "landmark event," for the first time in its 13-year history, the Russian Federation opened a new airbase outside its own territory (ITAR-TASS 23 Oct 03, 0840 GMT; FBIS-SOV-2003-1023 via World News Connection). [The Russian Federation has maintained military bases in other republics, in the form of Border Guards and "garrisons," as well as establishing a new presence, in some cases, under the guise of "Peacekeeping Forces" — Ed.] In a formal ceremony on 23 October 03, attended by President Putin, Kyrgyz President Askar Akayev, the Defense and Foreign Ministers of both countries, the Secretary General of the Collective Security Treaty Organization (ODKB) and numerous other national and local officials, Russia took formal control of a large air base in the Kyrgyz town of Kant, near the capital of Bishkek. (ITAR-TASS 23 Oct 03, 0718, 0840 and 0956 GMT; FBIS-SOV-2003-1023 via World News Connection).

The creation of this Russian air base in Central Asia constitutes a significant development in view of the constant discussion of the need for contraction of Russia's military services and the fact that, in some areas, Russia was compelled to implement major redeployment, not only from its former East European satellites but from the three former Soviet Baltic Republics. In other places Russia has had to start complying, albeit at a glacial pace, with international pressure to withdraw its military presence, such as from Transdniestr and from one or two of its four "garrisons" in Georgia. Viewed as a single period, the fourteen years since the end of the USSR have seen the redeployment of military and civilian personal plus dependents, numbering hundreds of thousands, as well as many thousands of weapons, from ICBMs to AK47s, and a vast amount of ammunition. (KAVKASIA-PRESS (Internet version) 25 Oct 03; FBIS-SOV-
2003-1025 and CHISINAU BASAPRESS 24 Oct 03; FBIS-SOV-2003-1024 both via World News Connection) But last month, in a mountainous country of central Asia, the process has been reversed. While a minor event militarily, this new "permanent" forward deployment of aircraft and troops outside its own frontier is a significant emotional, political and diplomatic event for Russia.

According to President Putin, it was President Akayev who proposed the development of the air base and smoothed the way for its creation through the Kyrgyz governmental bureaucracy. An initial agreement was signed in December 2002 and construction started soon after. A final agreement, for a 15 year lease with automatic five year extensions by mutual agreement, was signed 22 September 03 during President Akayev's last visit to Moscow. (RUSSIA JOURNAL (www.russiajournal.com) 15 Oct 03 & EURASIA INSIGHT (www.eurasianet.org), 24 Jul 03 & ITAR-TASS 23 Oct 03, 0956 GMT; FBIS-SOV-2003-1023 via World News Connection)

According to Colonel-General Esen Topoyev, the Kyrgyz Minister of Defense, Russia has already invested more than 70 million Rubles [approximately $2.5 million] upgrading the runway, buildings, and grounds in the "air base military encampment alone." He also stated that if, "radio-technological equipment [presumably radar, weather and navigational aids] were factored in, the figure would increase two or threefold." (ITAR-TASS 23 Oct 03, 0924 GMT; FBIS-SOV-2003-1023 via World News Connection) The key word here is "upgraded," not built from scratch, because Kant is not a new base at all, nor is it unknown to many in today’s Russian Air Force. During WWII, because it was far beyond the range of the Luftwaffe’s bombers, the USSR used it to train more than 1,500 pilots. And from 1945 until the early 1990s, Soviet Pilot School #5 trained thousands of Soviet pilots as well as hundreds of pilots from 54 other countries that bought or were given Soviet military aircraft. (ITAR-TASS 23 Oct 03, 0956 GMT; FBIS-SOV-2003-1023 via World News Connection)
In fact, the base is ideal for the Russians, because it has a superb runway, certified to ICAO standards' for almost any plane in the Russian military (or commercial) fleets. Since September, Russia has bedded down five Su-27 multi-role fighters, five Su-25 ground attack aircraft (similar to American A-10s), six IL-76 jet cargo planes, one IL-18 and one An-24 turboprop transport aircraft, one An-12 light utility plane and two Mi-8 transport helicopters. In addition, for reasons not yet clear, Kyrgyzstan turned over its only combat capable aircraft, four L-39 Czech-made trainers equipped to carry a few bombs on wing hard points, to the Russians. With these few aircraft, there is plenty of ramp space left open. (Note: although not mentioned in open sources, it seems highly likely that Russia has deployed at least one SAM battery to Kant as well, probably of the recent S-300 variety.) The 500-person Russian unit, commanded by Lt Col Andrei Samotsvet, will report to the Fifth Air Force and Air Defense Army within the Volga-Urals Military District and will employ about 200 Kyrgyz local personnel in various service and support positions. (RIA NOVOSTI (www.en.rian.ru), 22 Oct 03 and MOSCOW MAYAK Radio, 16 Oct 03; FBIS-SOV-2003-1016 via World News Connection)

The force that recently moved to Kant is not large, but it offers the Russians capabilities far beyond the limited aircraft there at present. By establishing the base and bedding down maintenance and support forces there, hiring local personnel and upgrading the airfield itself (runways, navigational and landing aids, fuel storage, etc.), it will be so much easier in the future to expand rapidly the number and type of aircraft based there. In fact, the ability to expand is much more important than the current capability. Russian Defense Minister Sergei Ivanov said as much when he noted during the opening ceremonies, "We should make sure that we could step up our military presence in the shortest possible time." (ITAR-TASS 23 Oct 03, 0920 GMT; FBIS-SOV-2003-1023 via World News Connection) Russia plans to give the first group of airmen and aircraft some time this winter and in the spring to get properly bedded down, and then, in Ivanov’s words, "…to make sure that the air base at Kant is fully operational" by
conducting a large joint (multi-service) and combined (multi-national) exercise with Kyrgyz and Russian ground forces. (Ibid.) Perhaps because he was speaking to a mainly Kyrgyz audience at Kant, Ivanov pointed out twice that the deployment of Russian ground forces for the exercise would be "only for a short period." (Ibid.)

So what is the nature of this new bastion of military might? President Putin, Kyrgyz Defense Minister Topoyev and others announced that the purpose is to establish an airbase to provide air support to the Collective Rapid Reaction Forces of the Collective Treaty Security Organization (ODKB), which, since its origins in 1992, has included Russia, Kyrgyzstan, Armenia, Kazakhstan, Belarus and Tajikistan. In fact, Putin stated, "...the base will lend an entirely new military and political significance to [ODKB]" and that "...by creating this aviation shield, we intend to strengthen security in the region, whose stability is becoming an increasingly significant factor influencing the development of the international situation." (ITAR-TASS, 21 Oct 03, 1028 GMT; FBIS-SOV-2003-1021 and ITAR-TASS, 23 Oct 03, 0840 GMT; FBIS-SOV-2003-1023 both via World News Connection) Under the agreement, the Russian Ministry of Defense controls combat readiness, organizational and personnel structures and everyday base operations, while the Kyrgyz provide communications services, electricity, water and other support, and create conditions for normal work at the base. Although constituted as a "Russian" base, the militaries of other ODKB members will be allowed also to stay at the base. And a Status of Forces Agreement (SOFA) was included, granting Russian military troops and their property full immunity from search, seizure and taxation (WWW.RUSSIAJOURNAL.COM 15 Oct 03)

President Putin makes the case that Kant is different, but compatible with the coalition air base (formally know as Ganci Air Base), at Manas, Bishkek’s international airport. Initially, many international observers were amazed when Kyrgyzstan allowed the anti-Taliban coalition, led by the U.S., to begin using Ganci Air Base to stage forces into Afghanistan, and later to fly combat missions
from there. In hindsight, Putin’s desire to join the anti-terrorism coalition in 2001, along with U.S. incentives, enabled the Kyrgyz to open the base to outsiders. Today, Putin emphasizes that Kant is permanent, while Manas has been set up for the specific task of fighting terrorism in Afghanistan and will be closed down again when that mission is deemed complete. According to him, "The Russian air base will be fulfilling other tasks; it will ensure the security of Kyrgyzstan and the whole large region" acting as a deterrent to terrorists and extremists "...of every stripe." He also ties that mission to one on Russian soil, stating, "The fight against terrorism is our domestic policy task," once again linking himself to that worthy cause, referring, of course, to Chechnya. (ITAR-TASS, 23 Oct 03, 0840 GMT; FBIS-SOV-2003-1023) Interestingly, coalition operations at Manas have been reduced recently to resupply and refueling tasks into and over Afghanistan, while the Dutch and Danish F-16 fighters have returned home. (BBC Monitoring International Reports, 2 Oct 03; via Lexis-Nexis)

The bottom line is that Russia has enhanced significantly its ability to deploy military air and land power to this key republic and region. But for what purpose? Imperial expansion? To improve domestic security? To counter the expansion of U.S. and multi-national coalition facilities in the region? Simply to cement the Kyrgyz military and the Russian military? Or a combination of the above?

This effort and similar ones elsewhere: Most notably Russia’s effort to convert the 201st Motorized Rifle (Infantry) Division, currently in Tajikistan, into a permanent military base (RIA NOVOSTI, www.en.rian.ru, 4 Nov 03) constitute a response to all of the above. Russia is working hard to regain both the perception and reality of its ability to project power into the Central Asia region. Obviously, the Russians seek to counter U.S. and NATO influence in Central Asia, that has grown since the immediate post-11 September 01 efforts. The Russian military clearly is bonding with the Kyrgyz military (witness the transfer of the L-39 aircraft and the defense of Kyrgyz airspace to Russia). While Russia gains, it seems that Kyrgyzstan and the region also may be gaining security from the destabilizing
forces to the south, such as radical Muslim fundamentalists, nacre-traffickers and other undesirable elements. It is a concern that Russia will dominate ODKB much more than the U.S. ever dominated NATO, for the simple reasons that Russia is so much bigger militarily, politically and economically than the other members, and Russia is breathing over the shoulder of each of these countries, while a wide ocean separates the U.S. from most of NATO. (EURASIA INSIGHT (www.eurasianet.org), 1 Oct 03)

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

NAVY

Military Doctrine...Rift or Reason

As covered in the last segment of the NIS Observed, Russia's new military doctrine articulated what most analysts would conclude are dramatic departures. Most notably, the new military doctrine provides for more far-flung action and great 'flexibility' than previous post-Soviet pronouncements, especially concerning the right of pre-emptive strike, the right to engage military forces in regions of former-Soviet territory (CIS) in order to secure state-interests (oil/energy) and the affirmation that Russia's nuclear arsenal remains a viable deterrent, all of which have fueled international debate, comment and concern over Russia's regional and global partnerships.

Russia has attempted to substantiate the offensive aspects of the new military doctrine by claiming that its evolution has resulted from external factors. First and foremost is NATO. The Defense Ministry has alleged that "Moscow may rethink its nuclear strategy in response to NATO's 'offensive military doctrine'." (WWW.MOSCOWTIMES.COM, 28 Oct 03) This includes NATO's courting of new members in Central and Eastern Europe including three former Soviet republics in the Baltic area. General Yuri Baluyevskiy, First Deputy Chief of Staff of the
Russian Armed Forces recently told Rossiyskaya gazeta (cited by INTERFAX 31 Oct 03; BBC Worldwide Monitoring via ISI Emerging Markets Database) that "it is not possible to fully rule out the possibility of war with a NATO country, but a war with NATO would be Russia's death." Second to NATO, is the deteriorating relationship with Ukraine and Georgia. Intrinsic to that problem are Russian oil pipelines, economic interests and the claim that Georgia is playing a hand in the Chechen resistance. Third, the United States' use of preemptive force under the aegis of the Global War on Terrorism (GWOT) in Iraq and Afghanistan is taken by Russia's military planners as a defensive measure through offensive means.

Obviously, the military doctrine has spawned wide-scale debate and analysis. One source has posited that the new doctrine fails to discuss "Russia's current military problems...the military seem to have convinced Putin to copy the United States." (COPENHAGEN POLITIKEN, 22 Oct 03; FBIS-WEU-2003-1022 via World News Connection). In addition, Novaya gazeta (29 Oct 03; What the Paper's Say via ISI Emerging Markets Database) has assessed the new doctrine as "a recipe for confrontation with the United States, NATO, terrorists and neighboring countries."

Stirring further debate and reaction, Defense Minister Sergei Ivanov, during an interview with Moskovsky Komsomolets (cited at WWW.MOSCOWTIMES.COM, 28 Oct 03) responded to a question about the United States by saying, "No one fully understands it...[It's]...just as well [that] the Americans don't know exactly who the Russians are...it's been stated they aren't an enemy, but they aren't allies either, that's for sure." Therein lies the landscape—a new doctrine that redefines vital tenets of the use of force and a diplomatic canvas clouded by Russia's domestic intrigues and imprecise foreign intentions.

**Two's Company**

In concert with perceptions of renewed Russian "imperialism" within the Commonwealth of Independent States (CIS), Russia's opening of its Kant
Airbase in Kyrgyzstan is being viewed by many as a move to shift the balance of power in the region. Under the auspices of the CIS' Collective Security Treaty, the airbase is said to "strengthen security in the region, whose stability is becoming an increasingly significant factor influencing the development of international situation...[and will] boost security in the region by deterring terrorists and extremists of all kinds." (ITAR-TASS, 23 Oct 03; FBIS-SOV-2003-1021 via World News Connection)

With the presence of a U.S.-led coalition airbase at Manas only 20 miles away, one could conclude that the Kant Airbase's establishment (and Russia's first new military installation on foreign soil since the fall of the Soviet Union) is anything but coincidental. With dwindling numbers of coalition forces in Manas, and U.S. attention focused elsewhere, it is plausible that Russia is bolstering its hand in yet another Central Asian state.

**Stemming the Tide...**
Russian construction of a sea dyke that would effectively link Russian soil to the strategic island of Tuzla stirred an eddy of tense diplomatic posturing and potential military conflict. At issue is the island of Tuzla which lies amidst the Kerch Strait and which has been viewed as part of Ukraine since the USSR's break-up. The area's strategic value lies in the fact that the Kerch Strait offers the only outlet from the Sea of Azov to the Black Sea and is situated along a border that Russia views as unresolved (despite its recognition of Ukrainian borders).

The Russian dyke-building attempt has been viewed by Kiev as a "blatant land-grab." [Consequently Kiev] "began to stage small-scale military maneuvers in the area." (AGENCE FRANCE PRESSE, 30 Oct 03 via Lexis-Nexis) Russian-Ukrainian contacts have avoided further exacerbation of the situation. Ukrainian border guards remain poised to prevent further Russian encroachment. [See additional coverage of this issue under "Ukraine"]
The Tuzla sovereignty issue has potentially far reaching consequences for Ukraine. In discussions over putative NATO membership, Ukraine's territorial dispute will stall any pursuit of acceptance into NATO. "Under NATO's statutory documents, the political demands of the countries striving for membership in the alliance include, among other things, the settlement of external territorial controversies." (RFE/FL NEWSLINE Vol. 7. No. 206, Part II, 30 Oct 03).

Significant is the fact that Russia commenced its sea dyke construction immediately after the Ukraine-E.U. summit in Yalta.

Newly Independent States: Western Region
By Elena Selyuk

MOLDOVA
Back under Communist control?
The Moldovan Parliamentary majority voted in favor of a draft law that would liquidate the Moldovan state-owned broadcasting company Teleradio-Moldova, restructure it and then reopen it as a public company. The move came as a result of pressure by the Council of Europe, which strongly advised Moldova to democratize its media in order to ensure a greater plurality of views. The company's new President, Artur Efremov, expressed hope that the public ownership will increase operational efficiency and profitability of the company and will make programs more interesting. (BASAPRESS NEWS AGENCY 15 Oct 03; BBC MONITORING, 16 Oct 03 via Lexis-Nexis)

Despite the seemingly noble intentions of this move, many argue that the draft law is a convenient excuse to bring the company under Communist Party control and eliminate those employees of Teleradio-Moldova who do not support the party. It is estimated that anywhere from 500 to 850 employees, out of 1,320, will be fired by the management. (BASAPRESS NEWS AGENCY 22 Oct 03; BBC MONITORING, 22 Oct 03 via Lexis-Nexis) This move could be a reaction to last
year's strikes carried out by journalists in Chisinau, who protested against governmental censorship (the protest was also censored). There have been attempts to silence those Teleradio-Moldova journalists, who showed solidarity with the protesters.

Another reason for liquidating the company is allegedly the troubling financial situation that has developed under the past management. According to the voted amendments, Teleradio-Moldova will be relieved of the debts it has accumulated to date — a very convenient way to hide the embezzlement of public funds. The company has accumulated 1.4 million dollar debt during the two years of being managed by the directors appointed by the Communist Party. No wonder! (INFOTAG, 24 Oct 03; FBIS-2003-1024 via World News Connection)

The Council of Europe has voiced its disapproval of this development, accusing the Communist Party of attempting to bring Teleradio-Moldova under its control. This is not the first time the government of Moldova has attempted to restrict the activities of the Moldovan media. In 2002, broadcasting licenses were withdrawn from several radio stations for violating broadcasting regulations. Bessarabia's Voice was one of them. The station carried newscasts of foreign stations such as the BBC, Voice of America and RFE/RL. (INFOPROD, 18 Nov 02 via Lexis-Nexis) In June 2003, the journalists voiced their concern that the new Criminal and Civil Codes, which came into effect this summer, were threatening freedom of speech. The new Criminal Code contains an article on libel, which carries a mandatory sentence of up to five years imprisonment. Journalists consider this article a warning shot. The new Civil Code also does not specify the maximum compensation an author should pay if a court finds him or her guilty of libel, (BASAPRESS NEWS AGENCY 14 Jun 03; BBC MONITORING, 12 June 03 via Lexis-Nexis) creating an even more uncertain atmosphere.

BELARUS
Unfulfilled Promises
Belarussian President Alexander Lukashenka once again waxed optimistic about the Russian-Belarussian Union on October 24, 2003. In particular, the President expressed his confidence that the Russian ruble will become the sole legal tender in Belarus by January 1, 2005. His hopes have turned out so often to be unfounded however, that it seems that few still trust his words. The introduction of Russian-Belarussian non-cash settlements was supposed to take effect on July 1, 2003, but it was delayed for "technical reasons." On October 1, 2003 an attempt to approve an agreement introducing the ruble as the single currency failed yet again…for technical reasons. Russian Prime Minister Mikhail Kasianov expressed his doubts that the single currency would come into effect in Belarus by January 1, 2005 unless all the necessary documents were signed and ratified before the end of 2003. With Lukashenka's ability to uncover a plethora of "technical difficulties," the chances that this deadline will be met are small indeed.

Lukashenka has become very adroit at evading his promises. His claim to establish an export consortium by July 1 of this year has not been honored; neither has he done anything to encourage Russian investors in Belarus, as he assured the Russian side he would. The Baltika brewery, which invested over $10 million into production facilities was forced to leave Belarus. The partnership with Surgutneft also failed and Russian news broadcasts are no longer permitted on the territory of Belarus. (WHAT THE PAPERS SAY, 15 Oct 03 via Lexis-Nexis) What kind of Union are we talking about if Lukashenka is going out of his way to promote anti-Russian sentiment in Belarus?

To complicate matters further, Lukashenka is requiring compensation from Russia for giving up the Belarussian currency, $500 million to be precise. He is also demanding an increase in gas deliveries at Russian domestic prices. (VEDOMOSTI 29 Aug 03;WHAT THE PAPERS SAY, 29 Aug 03 via Lexis-Nexis) These demands clearly infuriated Kasianov: "I do not know what kind of compensation can there be for introducing the currency! Introducing the Russian
ruble in Belarus will be a blessing for the Belarussian economy."
(KOMMERSANT 2 Oct 03; WHAT THE PAPERS SAY, 2 Oct 03 via Lexis-Nexis)

It seems that there are only two possible ways of ever making a Russian-Belarussian Union work. The first one is to fulfill Lukashenka's demands: give him cheap Russian gas and nurture his prospects of gaining the presidency of the Union in 2008. Needless to say, the latter is very unlikely. Russia is not without options, however; they could always reconfigure the Union as a 'Lukashenka free zone.'

And yet another arrest...
The OSCE expressed its concern about a Belarussian government campaign against non-governmental organizations. Last week, members of a human rights organization "Vesna 96" ("Spring 96") were arrested in Minsk. Vesna-96 members had organized a sit-in strike at the Belarussian Supreme Court, which recently confirmed a decision on the dissolution of the organization. The OSCE called the recent development a "serious regress." (RADIO LIBERTY, 30 Oct 03)

UKRAINE
Testing the ground...
A bitter dispute between Ukraine and Russia continues over Tuzla, an island in the Kerch Strait, which separates the Taman Peninsula from Crimea. At the end of September, 2003 the Russians began constructing a dam between the Russian mainland (Krasnodar Territory) and Ukrainian Tuzla Island. The Russian side claims that the purpose of the dam is to restore the ecological balance, as this spit of land was blown away by a storm in 1925. Ukrainians, of course, view it as an attempt to annex Ukrainian territory, since, should the dam be completed, Tuzla will become Russian territory according to international law. Even though dam construction is said to be initiated solely by the Krasnodar Territory governor Aleksandr Tkachev, this move bears the mark of Russian central planning.
Russia, it seems, has several goals in mind as it encroaches on Ukrainian territory.

First, there is the factor of economic influence and control over economic resources. Russia has recently articulated its ambitions for creating a "liberal empire" in the post-Soviet space. In particular, UES Chief Anatoli Chubais recently expressed his hopes that Russia would be able to participate in the privatization of the Ukrainian regional energy distributing companies, effectively gaining control over Ukraine's energy sector. The Kerch Strait dispute fits this pattern of gradual economic expansion into the territories of the former Soviet republics. More than a hundred oil and natural gas deposits have been discovered in the Azov Sea, which Russia would be able to explore. (RFE/RL 29 Oct 03) In addition, Moscow is not thrilled about paying over a million dollars per year in fees for its ships to be able to pass through the Kerch Strait. If the dam is constructed, the situation may be reversed, bringing toll revenue into Russia. Economic benefits and influence are a side prize, however. It was certainly not the reason for starting the dam's construction.

A more likely reason is Moscow's desire to test the ground of how far Ukraine will go to protect its territorial sovereignty and to see how much concern the border dispute will raise in the West. British Military Expert James Sherr said that Russia pressed on with dam construction in order to "ascertain whether the West is so distracted by what is going on in Iraq, the friction between Europe and America, the problems of terrorism and economic problems that it will not notice what is happening over Tuzla. It is an experiment." (DEN 28 Oct 03; BBC MONITORING, 30 Oct 03 via Lexis-Nexis) Indeed, it seems odd that Russia suddenly decided to "restore ecological balance" after eighty years of ignoring it. So far, there has not been much reaction from the West and it does not look as if the West will intervene in this conflict.
Yet another possible reason for starting dam's construction is the upcoming Russian presidential elections in 2004. By appealing to the allegedly deep-rooted feeling among Russian citizens of grief about the loss of empire, Putin might be trying to raise his popularity by effectively restoring the empire. Despite all the commotion, however, it does not look as if Russia would be prepared to "throw a bomb" at Ukraine, as it has jokingly threatened, or to let the conflict escalate to a military phase. But it certainly does appear to be challenging the notion of Ukraine's independence.

Newly Independent States: Caucasus
By Ariela Shapiro

Armenia
On 22 October, Armenian Prime Minister Andranik Margaryan and United Energy System (UES) CEO Anatoli Chubais signed an agreement that solidified the transfer of 80% of Armenia’s energy sector to UES. (MEDIAMAX, 23 Oct. 03; FBIS-SOV-2003-1022 via World News Connection) At present, UES operates the Sevan-Hrazdan Cascade hydro plant, manages the Armenian NPP and expects to manage the Hrazdan thermal power plant soon. (ARKA News Agency, 24 Oct. 03 via ISI Emerging Databases) The commanding influence UES wields in the Armenian energy sector indicates the far-reaching plans Chubais harbors for the region and places him but one step closer to the creation of a Russian, or UES, dominated Caucasian energy bloc. However, according to Chubais, the ostensible objective of this "united energy system" is the resolution of political disputes in the region, particularly focusing on the Armenian-Azerbaijani disgust over Nagorno-Karabakh. (ITAR-TASS, 22 Oct. 03; FBIS-SOV-2003-1022 via World News Connection) He added that the synchronization of the energy systems of Armenia and Azerbaijan will open new possibilities for energy export not only between these two countries but also to "third countries," a clear reference to the as yet unrecognized republic of Nagorno-Karabakh. (ARKA
Indeed, the Armenian Deputy Foreign Minister Ruben Shugarian has claimed also that stronger economic ties may pave the road to a constructive dialogue between Azerbaijan and Armenia, a view quickly refuted by Azerbaijani Foreign Minister Vilayat Guliye (INTERFAX, 24 Oct. 03), but subsequently considered tacitly by the Azerbaijani government, as indicated by the meeting of Shugarian and Azerbaijani President Ilham Aliev on 31 October at the Baku Economic Conference. (MEDIAMAX, 30 Oct. 03; FBIS-SOV-2003-1030 via World News Connection) The ambivalent Azerbaijani stance regarding relations with Armenia and an integrated economic zone demonstrate both the amorphous nature of Ilham Aliev's initial foreign policy forays and the current instability in the Azerbaijani government. These two factors could prove providential for Armenia in future discourse with the new Aliev regime.

**Georgia**

On 2 November, Georgia conducted parliamentary elections, with immediate results unclear, since official tallies contrasted sharply with the parallel vote tabulations conducted by independent monitoring organizations. Amid charges of fraud, both opposition and pro-government parties have claimed victory; competing poll results indicate uncertainty concerning Georgia’s political landscape. This landmark election marks the first step of a difficult transition that is expected to culminate with Eduard Shevardnadze’s departure from the Presidency in 2005.

Preliminary election results released by the Central Election Commission (CEC) confirmed that six political parties had passed the required 7% vote-hurdle to win seats in the next parliament. The For a New Georgia pro-government bloc, led by Vazha Lordkipadnadze, led the CEC count with 27% (BBC News, 3 Nov 03) and the radical opposition National Movement bloc, led by Mikheil Saakashvili, was reported, thus far, to have garnered 22.6%.

(www.eurasianet.org/departments/articles/eav110303) These CEC reports
contrasted sharply with two parallel vote counts conducted by Fair Elections, Georgia’s leading monitoring group, and Global Strategy Group, a U.S. firm. Both organizations stated that exit polls indicated that the National movement bloc was leading with about 26% of the vote, and the For a New Georgia bloc was trailing with only 19%. (Ibid)

The electoral process was marred by widespread irregularities leading to the suspension of voting in at least ten polling stations throughout the country. (BBC MONITORING, 2 Nov 03 via Lexis-Nexis) Voting irregularities included intimidation or exclusion of accredited monitors, voting without proper identification, a complete absence of ballot papers in 25 precincts of Kutaisi (THE GUARDIAN, 2 Nov 03), an absence of computerized voting lists in Tbilisi, the hijacking of ballot boxes in Rustavi by pro-government police, and reports of pro-government MPs attempting to influence local election commission officials. (SARKE-NEWS, 2 Nov 03 via ISI Emerging Databases) Although these incidents led international observers, most predominantly the OSCE’s head observer Bruce George, to condemn the elections and question the capacity of the government to run a credible election (SARKE-DAILY NEWS, 3 Nov 03 via Lexis-Nexis), many observers noted the marked improvements compared with the past, such as the increased transparency of the CEC’s methods and the introduction of a new unified electoral code. (AGENCE PRESSE FRANCE, 2 Nov 03 via Lexis-Nexis)

The preliminary results favoring the National Movement bloc, as reported by non-CEC groups, indicate that many Georgians blame President Eduard Shevardnadze for Georgia’s most pressing problems, which include the on-going economic crisis catalyzed by the suspension of IMF cooperation in September, the strained relationship with Russia, and the absence of resolution of the Abkhaz and South Ossetian conflicts. Indeed, Mikheil Saakashvili of the National Movement campaigned on a strongly anti-Shevardnadze platform, demanding economic reform and a quick, strong resolution of the Abkhaz conflict.
Although deemed too incendiary by other opposition leaders, his rhetoric has yielded support from segments of the Georgian public, and indicates the distrust that prevails between the population and the Shevardnadze government. If election results are shown to have been tampered with or corrupted in any major organized way, Shevardnadze’s government will face not only oppositional unrest, but also possible violence and destabilization. In turn, this may damage the chance for Georgian integration into NATO in the foreseeable future, cool relations with the U.S., and leave Georgia vulnerable to increasing pressure and penetration by Russia's political and economic hegemonic drive.

Newly Independent States: Central Asia
By David Montgomery

Searching for Hegemony: Russia, Turkey, and the Rewards of Ramadan
Outsiders seeking hegemony over the region mark the history of Central Asia. Since the collapse of the Soviet Union, leaders of the five republics have sought to establish and define the role of their countries in a manner most favorable to them. This remains the case though the security threat of terrorism has led Russia to reassert its role as regional hegemon. Turkey is also moving to increase its influence as a regional power with a long history of ethnic relations with the four Turkic states. But during the holy month of Ramadan, Islam also can be used to gain popularity.

At the opening of the Russian military air base in Kant, Kyrgyzstan, Russian President Vladimir Putin commented that Central Asia’s future was "directly linked with close cooperation with Russia… [which will] develop (relations) with all countries of the region." Presenting Russia as the primary "protector" of the region, Putin went on to add that the benefits of Russia’s military presence would spill over to economic development: The military would provide "an important

During Putin’s visit to Kyrgyzstan, the relationship between the two countries was enlarged by the signing of a handful of contracts meant to spell out areas of Russian assistance and influence in the Kyrgyz business sphere. At an investment forum, four contracts worth $14 million were signed, with an additional $50 million in agreements held under consideration. The projects to be undertaken by Russian businesses include: Aeroflot’s upgrading of Lake Issyk Kul’s international airport; the development of Kyrgyz natural resources; and increased cooperation in agriculture and industry. (ITAR-TASS, 1138 GMT; 1021 GMT, 23 Oct 03; FBIS-SOV-2003-1023 via World News Connection) Respectful of his Russian counterpart, Kyrgyz President Askar Akayev cited "allied relations with Russia as an important factor of regional and global security" going on to add that Kyrgyzstan regarded itself as "Russia’s dedicated brother" and "Russia’s political support base in the region." (ITAR-TASS, 0956 GMT, 23 Oct 03; FBIS-SOV-2003-1023 via World News Connection)

While Russia strives to cement its authority in the region, Turkey enhances its influence by emphasizing the Turkic roots of much of Central Asia’s population. Turkish Prime Minister Recep Tayyip Erdogan’s recent travels to Kyrgyzstan and Tajikistan were aimed at encouraging an environment of increased economic cooperation. On his visit to Kyrgyzstan, he was accompanied by over 100 Turkish businessmen wishing to capitalize on cultural affinity, linguistic similarities, and an inexpensive labor market. (TIMES OF CENTRAL ASIA, 31 Oct 03 via www.times.kg) Commenting on his visit, Erdogan insisted that "we [Turkey] attach much importance to these lands… and we want to achieve a leap
in our relations." (ISTANBUL MILLIYET, 25 Oct 03; FBIS-SOV-2003-1025 via World News Connection) At an economic level, Erdogan encouraged greater cooperation between Turkey, Kyrgyzstan and Tajikistan, advocating a five-fold increase in trade volume to $200 million and $250 million respectively, by the end of 2004. (ANATOLIA, 1853 GMT, 24 Oct 03; FBIS-SOV-2003-1024 via World News Connection)

After Erdogan’s return to Turkey, Uzbek Foreign Minister Sodiq Safoyev visited Ankara to discuss Turkish-Uzbek military and security interests and economic relations. Meeting with Turkish Foreign Minister Abdullah Gul, Safoyev characterized his visit as "successful" and discussions were held in preparation for Erdogan's upcoming visit to Tashkent in December of this year. (ITAR-TASS, 0016 GMT, 29 Oct 03; FBIS-SOV-2003-1029 via World News Connection)

Noting the influence in Central Asia of China, Russia, and the United States, Turkey acknowledged its need to be more active and multidimensional in its policy in the region, if it is to achieve contemporary rather than historical influence.

Yet another element seeking influence in the region appears under the umbrella of Islam. The influence of terrorist organizations with an Islamic "ideological" framework is something that the SCO anti-terrorist efforts are designed to address, but, during the holy month of Ramadan, the Tajik and Turkmen presidents have sought to harvest political popularity and influence by taking advantage of Islam's popular support base.

Tajik President Emomali Rakhmonov greeted his country at the beginning of Ramadan by encouraging the population to use Ramadan as an occasion to reflect upon and act according to the "human purposes" of Islam and thus denounce acts of terrorism. (ITAR-TASS, 0801 GMT, 25 Oct 03; FBIS-SOV-2003-1025 via World News Connection) To mark the celebration and thereby secure at least momentary popularity, the Tajik government has, for the month of
Ramadan, temporarily resumed the supply of natural gas to Dushanbe homes that had been cut off for non-payment. (ITAR-TASS, 1112 GMT, 28 Oct 03; FBIS-SOV-2003-1028 via World News Connection)

For his part, Turkmen President Saparmurat Niyazov started the observance of Ramadan by pardoning over 7000 prisoners. Since 1991 he has pardoned over 120,000 convicts, often around holidays, thereby allowing the convicts to spend time with their families. (ITAR-TASS, 1215 GMT, 24 Oct 03; FBIS-SOV-2003-1024 via World News Connection)

Whether it be the occasion of Ramadan, the fear of militant Islam and terrorism, or the development of business deals aimed at improving economic stability, the struggle for influence in Central Asia is ongoing. And the reality of the situation is that hegemonic power is likely to be shared among a number of actors with puissant interests in the region.

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Unless otherwise indicated, all articles appearing in this journal were written especially for Analyst. This article was originally published at http://www.bu.edu/iscip/digest/vol8/ed0818.html.