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PONARS Eurasia is a global network of social scientists that seeks to promote scholarly work and policy engagement on transnational and comparative topics within the Eurasian space. PONARS Eurasia is based at the Institute for European, Russian and Eurasian Studies (IERES) at The George Washington University's Elliott School of International Affairs.

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Cover image: The Russian 109-meter (358-foot) Pallada training tall ship sails during a naval parade to mark the 225th anniversary of the Russian navy's Black Sea fleet at the Crimean Peninsula port of Sevastopol, Ukraine, Sunday, May 11, 2008. Sevastopol is still home to the Russian Black Sea Fleet more than 15 years after the Soviet collapse. Under the agreement between Russia and Ukraine, the Russian navy was allowed to remain in Sevastopol until 2017, paying an annual rent of US\$93 million (euro73 million). (AP Photo/Sergei Chuzavkov)

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Foreword

Cory Welt

The George Washington University

This collection is an accompanying volume to the annual policy conference of the Program on New Approaches to Research and Security in Eurasia (PONARS Eurasia), held at The George Washington University's Elliott School of International Affairs in October 2010. PONARS Eurasia, supported by the Carnegie Corporation of New York, promotes scholarly work and policy engagement on transnational and comparative topics within the Eurasian space, drawing on the expertise of a global network of social scientists.

The collection is divided into six parts. The first part, "A New 'Neighborhood Policy' for Russia?", evaluates the near- and mid-term outlook for Russia's relations with neighbors in post-Soviet Eurasia and East Europe. The four memos in this section assess whether a bilateral "reset" in Russia's relationship with countries like Azerbaijan, Poland, and Georgia is possible, and whether new forms of integration, like the Russia-Belarus-Kazakhstan Customs Union, can be more effective than the old. In short, is Russian "soft power" able to reshape the regional landscape?

The second part, "Rising Federalism? Identity and Control in Russia's Regions," assesses changing trends in the North Caucasus and across Russia's federal regions. As new forms of identity politics take hold in Russia's ethnonational and, intriguingly, ethnic Russian regions, the federal government has tightened up its political and administrative links to local governments – with the curious exception of Chechnya, where a new kind of indirect rule has become entrenched. Coupled with a cycle of violence and corruption across the North Caucasus, and increasing perceptions of externally-fueled security threats there, is there any prospect for a new kind of federalism to arise in Russia? What would be its consequences?

The third part, "A New Ukraine? Making Sense of the Yanukovych Regime," grapples with the frequent observation that Ukraine has undergone a 180-degree turn in foreign and domestic policy since the election of Viktor Yanukovych. Have Ukrainian-Russian relations really been transformed, and are their relations newly stable? What are the consequences of a Ukrainian "unaligned" foreign policy for a new European security architecture and Ukraine's own domestic reforms? Has the new government in Kyiv truly moved away from democratic governance, and what is the political outlook for Ukraine beyond the short term?

Recently, Russia's leadership has emphasized state-led modernization as a foundation of its economic and foreign policies. The collection's fourth part, "Russian Modernization," takes a close look at key aspects of this modernization drive: the next

phase of Russia's military reform, focused mainly on acquisition and modernization of equipment; the development of the Russian energy sector, including possible lessons from the Brazilian model of energy development and prospects for a "normalization" of energy trade with China; and Russia's post-Soviet demographic crisis, its causes and implications.

The fifth part, "Is European-Eurasian Security a Viable Goal?", assesses the challenges to the development of a security architecture embracing all of Europe and post-Soviet Eurasia. The authors of the four memos in this section note cleavages between official "Western" (American and European) and Russian views of security and security communities, as well as between the views of Russia and many of its post-Soviet neighbors. However, they also propose ways to begin bridging those cleavages, including on delicate questions of democracy engagement and multilateral approaches to conflict prevention and resolution (including in Abkhazia and South Ossetia).

In addition to the conference sessions based on the above, a sixth conference session focuses on "Recovery and Reform in Kyrgyzstan" in the wake of regime change, ethnic conflict, constitutional reform, and parliamentary elections. This session draws on a separate collection of PONARS Eurasia policy memos, published in August 2010, as well as one of two concluding memos in this collection. These final two memos assess trajectories of development in Central Asia and the "de facto" state of Nagorno-Karabakh. They observe how legacies of Soviet modernization and post-Soviet social and economic strain have combined to produce unsteady and undulating hybrid forms of social development, in some ways that are recognizable from post-colonial contexts and in other ways that are altogether unique.

The efforts of many individuals went into the production of this volume and the organization of the 2010 PONARS Eurasia policy conference. In addition to all the authors and conference participants, I would like to especially thank Managing Editor Alexander Schmemmann; Program Assistant Olga Novikova; IERES Executive Associate Caitlin Katsiaficas; Graduate Research Assistants Wilder Bullard, Michael Drury, Julija Filinovic, and Charles Sullivan; and IERES Director Henry Hale.

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Russia-Georgia Today

AN ILLUSORY STABILITY

PONARS Eurasia Policy Memo No. 109

Kornely K. Kakachia
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Both the frozen and unfrozen conflicts of the past two decades in post-Soviet Eurasia have undermined regional progress and cooperation and have negatively impacted broader European security. Weak states and war-torn societies threaten international stability and the lives of millions of people around the globe. The Caucasus has served as the location for a number of intractable and violent conflicts, all of which have jeopardized or complicated efforts to establish sovereign states, develop political institutions, and achieve economic and social reforms. While the region remains in a democratic transition period, such conflicts are a source of insecurity. Consequently, instability and the potential for conflict in the resource-rich region matter to the international community.

Over two years have passed since the signing of the French-brokered ceasefire between Russia and Georgia that marked an end to large-scale hostilities between the two warring states. Yet, a lasting peace settlement remains a distant prospect, and the ongoing conflict between Moscow and Tbilisi continues to profoundly affect political and economic development in the region. While Russian troops continue to hold Georgian territories that the Kremlin agreed to vacate as part of a formal cease fire, large numbers of people, many of whom were displaced after the conflict, continue to live a precarious existence. Positions remain intransigent, insecurity and a lack of trust continue to underpin attitudes, and belligerent rhetoric reinforces a conflict dynamic that leaves little room for engagement with the other side, let alone compromise. While a cease-fire remains in effect, several hundred thousand refugees and internally displaced persons (IDPs) have yet to return home. As war produced a new generation of IDPs in Georgia, there is a common view that sooner or later another conflict is inevitable. While the continuation of the fighting might have negative immediate and long-term consequences for all parties and civilian populations within the region, the goal of sustainable peace and justice with regard to Georgia's conflicts has yet to be discussed.

Stabilization Efforts of International Actors and Attempts at a Russo-Georgian Rapprochement

Georgia has the dubious privilege of being one of the few countries in the world where the West and Russia are in direct competition. While neither the West nor Russia considers the unresolved conflict in Georgia as crucial to their bilateral relationship, they cannot seem to find a common understanding and mutual approach to stabilizing the South Caucasus region. The United States under Barack Obama has moved away from the insistent advancement of its goals (including enlargement of the North Atlantic Treaty Organization) and looks at everything through the filter of its own objectives in Afghanistan, which are frequently linked to U.S. domestic policy. The European Union has ambitions to play an influential role in Georgia, but there are limitations given the deeply divergent interests and positions of member states (especially on relations with Moscow) and the multitude of institutional players. Some say both Washington and Brussels have agreed with Moscow to disagree over Georgia but have otherwise wished to normalize relations.

With the international community focused on “resetting” relations with Russia and embracing the Kremlin, the U.S.-Russian and EU-Russian relationships have been replaced with cordiality, but this has not changed anything with respect to the poisonous Russian-Georgian relationship. Though Western leaders from time to time have raised this issue in talks with Russia, they have been reluctant to confront Moscow over the fulfillment of the cease-fire plan. The West continues to unequivocally support Georgia’s territorial integrity and sometimes even calls for the de-occupation of Georgia, but apparently the focus remains on Russia not being allowed to redraw international boundaries in Eurasia by using military force than to assist Tbilisi in finding durable solutions to the Russian-Georgian conflict. While postwar negotiations in Geneva continue, the conflicts in Georgia remain unresolved and their settlement remains elusive.

While Georgia’s preoccupation with the Russian occupation incapacitates its leaders in responding to other challenges the country faces, both the United States and Europe have exerted pressure on Tbilisi to increase its efforts at regional cooperation and to show strategic patience vis-à-vis Russia. At the same time, despite the Georgian public’s fear that change in the foreign policy priorities of the new administration affects U.S. relations with Georgia, U.S. policy toward the country has remained largely the same, with President Obama expressing his support for Georgia’s territorial integrity. A recent cascade of visits by high-ranking Western officials to Tbilisi and other East European capitals gave the impression that Georgia was not sacrificed and raised questions about whether the West would push to have the cease-fire plan fully honored. The main message that Tbilisi received during these visits was that regardless of all the difficulties, and notwithstanding the Kremlin’s well-known **stance** that it would not negotiate with Georgia’s current leadership, Georgia should engage in constructive talks with Russia.

While a normalization of relations between Tbilisi and Moscow is definitely needed, it is still not clear how Tbilisi could convince Moscow to sit down at the

negotiation table without compromising its vital national interests. Georgia has relatively few options available to it, in terms of changing the dynamics of its relationship with Russia so long as the current leadership in both countries remains in place, given their deep political and ideological differences and mutual personal hatred. Potential negotiations are further complicated by Moscow as Russian diplomacy is still trying to create an imaginary “new reality” in which two breakaway “sovereign republics” have become independent nations under the tutelage of the Kremlin. Russia knows that in the foreseeable future neither Georgia nor the international community will accept the forcible redrawing of borders based on an ethnic cleansing campaign and unilateral declarations of secession. However, its main goal at this stage is not to resolve the conflicts in Georgia but to maintain the unstable status quo and to use these conflicts as a lever of pressure against Georgia.

At the same time, Russian policymakers under the leadership of Prime Minister Vladimir Putin claim that Georgia can have a decent relationship with Russia as long as Tbilisi withdraws its application to NATO and terminates its de facto alliance with the United States. Russia is also hinting to Georgia that it will assist Tbilisi in resolving its conflicts with Abkhazia and South Ossetia with a face-saving solution, but Moscow also demands that the Georgian public dispose of President Mikheil Saakashvili and his Western orientation. In order to help achieve regime change in Tbilisi, Russian leaders support those Georgians who promise to deliver their country over to the Kremlin in exchange for Russian support in bringing them to power.

As long as Russia’s regime change policy toward Georgia remains unsuccessful, decision makers in Moscow cannot afford to acknowledge it publicly. They have also failed to understand that the vector of Georgia’s Euro-Atlantic integration and the aspiration to restore territorial integrity are not Saakashvili’s personal ideas, but the result of a clear public consensus. As recent public opinion polls conducted in Georgia by the U.S.-based International Republican Institute suggest, while many Georgians clearly see shortcomings in their own leadership and the institutional weaknesses of the Georgian state, they strongly support the democratic transformation of Georgia, its devotion to the idea of Euro-Atlantic integration, and the government’s Western-leaning political agenda. According to the same survey, while 83 percent of Georgians consider Russia to be the country’s greatest security threat and they also consider NATO/EU membership to be important, 89 percent still consider territorial integrity to be one of the country’s top two most important issues (together with job creation).¹ Such data suggests that between Tbilisi and Moscow a clear mismatch of political and security perceptions exists and that prospects for direct negotiations that exclude international mediators are grim.

IDPs as a Political Factor in Georgian Politics

A public perception prevails in the West that Georgia’s poor decision making and weak political institutions were sources of its 2008 conflict with Russia. Meanwhile, the role of

¹ For the full survey data, see <http://www.iri.org/news-events-press-center/news/iri-releases-survey-georgian-public-opinion-2>.

IDPs as a permanent force in mobilizing Georgian politics is usually overlooked. As Moscow and Tbilisi place their bids on a fruitless policy of dragging out negotiations, however, IDPs have emerged as a potential new lever of influence for Tbilisi in its protracted negotiations with Russia over a conflict-resolution plan.

IDPs from Abkhazia and South Ossetia exert a strong political and moral influence on Georgian politics and the decision-making process. They are actively involved in the Georgian NGO sector and represent a vibrant part of Georgian society. IDPs have their own government in exile, which functions as an assistance network for displaced persons from the conflict zones. The creation of a government-in-exile has allowed many displaced persons not only to keep their jobs but also to influence the political process within Georgia. While IDP-related issues dominate most of the Georgian political parties' agendas, IDPs frustrated by the inability of the government to ensure their return have decided to create their own political party called *Chven Tviton* (On Our Own). During the most recent parliamentary elections, the party managed to get several of its candidates elected and secured the nomination of its leader for the post of deputy parliamentary chairman. IDP representatives occupy many high-level posts in different Georgian ministries, including the "power" ministries and, as is currently the case, the Ministry of Economy and Development. One opposition leader, Irakly Alasania, who is considered to be a real contender for the presidential post has strong IDP ties. This and other examples of IDPs' political activities suggest that their opinions carry a lot of weight and cannot be neglected.

With several hundred thousand Georgian IDPs and refugees living resentfully in different parts of the country or other foreign lands, pressure on Saakashvili and other Georgian political leaders is high. One of the reasons why restoring the country's territorial integrity has remained one of the government's top policy priorities is that it has been confronted with demonstrations by IDPs who have become increasingly critical of the Georgian government, as well as of international organizations, because of their perceived incapacity to achieve progress in creating conditions for repatriation.

As the vast majority of IDPs remain committed to returning to their permanent residences, the most pressing human rights issue remains the inability of the Georgian government and the international community to facilitate their return home and to help them regain their lost properties. The situation is further aggravated as the living conditions and economic situation of many IDPs are disadvantageous. The unemployment rate among IDPs is high; in some cases, their existence depends upon state allowances and international humanitarian assistance. Although the Georgian government, with the active assistance of international NGOs, has started to improve the living conditions of IDPs, prospects for returning to their homes are as obscure as ever.

A gloomy future, coupled with the suffering and deprivation within IDP communities, creates a strong desire for revenge, as IDPs are refused the right to return home on the basis of their ethnicity. The embittered IDPs know firsthand how their rivals have used force to achieve their aims. Accordingly, after the Russia-Georgia war, they inevitably came to believe that only brute force triumphs and that negotiated

settlements are impossible except from a position of military strength. While believing that military action is necessary for their grievances to be redressed, the group fiercely opposes any deal with Russia that does not include provisions for return. In such circumstances, any hope that Georgia can engage in a durable peace process directly with Russia exclusive of IDPs' demands are slim.

Conclusion

History shows that imposed solutions are generally less stable than negotiated ones, especially in a war-torn region like the Caucasus where one precedent creates another. The aim of Russian leaders to sell the present status quo in Georgia as a reality in fact only further instigates the "Balkanization" process currently underway in the region. Although Georgians regularly blame Russia for a lack of progress on the IDP issue, Moscow claims that it has failed to persuade its proxy regimes to accept international demands concerning the return of refugees. Moreover, Moscow's political advisers continue to underestimate the ability of Georgian IDPs to mobilize Georgian public opinion against Russia and to seek justice. For Tbilisi, the normalization of Russo-Georgian relations firstly means talks on the return of all displaced persons back to their homes and the restoration of their property rights, as well as on other issues related to bilateral relations, including political, economic, diplomatic, and humanitarian aspects. However, there seems as yet little indication that Moscow and the separatist regimes in Sukhumi and Tskhinvali are prepared to countenance the return of IDPs and refugees driven out during the conflict. The Geneva talks sponsored by the United Nations, the Organization for Security and Cooperation in Europe, and the EU have gone almost nowhere as Moscow insists that the future status of the breakaway regions must be resolved before IDPs return. Russia also actively blocks international efforts to create the security and economic conditions needed to enable the return of IDPs, as the Kremlin knows that if the IDPs return Moscow may lose influence over the separatist regions since a majority of original populations may support peaceful reunification with the rest of Georgia.

As long as the Russian state relies on proxy regimes and military force to ensure a "Pax Russica," civilians in conflict areas continue to pay the price of power politics through threats to their safety and welfare. Policymakers in Moscow should realize that neglecting fundamental principles of international humanitarian law may spark social and political discontent in Georgia, which can lead to unintended consequences. As long as a status quo based on injustice prevails, there will be no peace and stability in the Caucasus or any real hope for Russia-Georgia rapprochement.

The 2010 Russia-Belarus-Kazakhstan Customs Union

A CLASSIC CASE OF *PRINUZHDENIE K DRUZHBE* (FRIENDSHIP ENFORCEMENT)²

PONARS Eurasia Policy Memo No. 110

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The Customs Union (CU) between Belarus, Kazakhstan, and Russia signed in November 2009 and enacted on July 1, 2010, was a breakthrough integration project in the post-Soviet space. It happened just as all other regional unions and agreements – the Commonwealth of Independent States (CIS), the Eurasian Economic Community (EURASEC), the Collective Security Treaty Organization (CSTO), and the Union of Belarus and Russia – have been failing due to conflicting interests and the lack of political will to honor and enforce treaties.

The CU has the potential of being yet another failed accord. It lacks strong political will from the signatories. It introduces common rules in an area of conflicting interests. It has received a dose of negative publicity in Belarus and Kazakhstan because of its potential adverse effects (and unclear benefits). Finally, it was enforced, at least in the case of Belarus, in a rather scandalous manner by means of coercion and blackmail.

However, the CU has a strong and committed leadership in the form of the Russian Federation, which clearly sees the union as part of its grand strategy of retaining what is left of its influence in the post-Soviet sphere. In the end, the CU largely represents a zero-sum game where one party has all the gains and the others are compelled to join in order not to make their conditions worse.

Union Members: An Odd Trio

Belarus, Russia, and Kazakhstan, once closely linked republics of the Soviet Union, would benefit enormously from the restoration of their “lost” economic ties. This core regional outlook of the old Soviet central economic planners is most often mentioned as the primary rationale for creating the CU today. However, the fact is that these are three independent states, which are now pursuing distinct models of development with different economic structures. On paper, they are an odd trio for an economic union.

² This euphemism is derived from *prinuzhdenie k miru* (peace enforcement), which was used with regard to the role of Russian troops in the August 2008 Russian-Georgian war.

Russia and Kazakhstan are resource-based economies, while Belarus is an industrial and transit economy. Russian and Kazakh foreign trade is oriented toward the European Union while China is rapidly emerging as the second most important trade partner for both countries. Belarus is more tightly integrated into the post-Soviet space, with 32 percent of its exports and 58 percent of its imports involving Russia in 2009. Russia's share in Kazakhstan's imports in 2009 was almost 31 percent, and only 8.2 percent in exports. Belarus and Kazakhstan have less than one percent in foreign trade between them. Given the differences in the countries' economic structures and foreign trade compositions, it is rather difficult, if not impossible, to find a win-win formula for the CU.

The CU tariff configuration was based on Russia's tariff system (92 percent of the tariff arrangement was based on current Russian excise rates). This has different consequences for Belarus and Kazakhstan, with their different economic structures and varying integration levels with Russia.

Belarus, which has had a de jure customs union with Russia since 1995, found most of its tariffs already synchronized (90 percent). Three quarters of its tariffs remained unchanged after the CU came into force, 16 percent were lowered, and 8 percent were raised. However, the average overall tariff did increase, which was the consequence of elevating customs duties on goods that were heavily protected by Russia (foodstuffs and industrial machinery).³

For Kazakhstan, the CU was far more revolutionary in changing its trade regime. Because only 38 percent of its duties were unified with Russia prior to signing the agreement, the effect was felt instantaneously. Even after Kazakhstan managed to secure a national trade regime for its vast array of sensitive goods, about one third of its customs duties have changed since the start of 2010. Due to its less sophisticated and diverse economic structure, which is typical of a resource-rich state, Kazakhstan had a rather liberal trade regime, particularly in foreign consumer goods. This made the country an attractive "transit point" for distributing Chinese goods across the region. Kazakhstan had a very high limit on the volume of imported goods: one individual could bring up to 2 tons of goods into the country duty-free. This ended with the enactment of the CU and Russian regulations, whereby goods weighing in excess of 50 kilograms per individual are liable to prohibitive duties. The prospect of such abrupt changes and price increases even provoked political protests in Kazakhstan.

Why Would Russia Want a Customs Union?

Significant quantities of Russia-China trade go through Kazakhstan. Likewise, a significant amount of Russia-EU trade goes through Belarus. The CU, when viewed as a political project, reflects the intention of Russia to obtain control over the periphery of the post-Soviet space. Indeed, Russia is the prime initiator and mover of the CU. Russia seeks to counterbalance and stabilize alternative political (and economic) regional influences, particularly those of China. Balancing Chinese expansion is a key concern of

³ <http://www.research.by/pdf/pp2010r02.pdf>

Russia's import substitution-based modernization policy that is being promoted by the Putin/Medvedev government (one of the most visible examples of this "modernization" drive was the closing of the famous Cherkizovo market in Moscow in 2009). Economically, Russia's main goal is to rein in the autonomy (*samodeiatel'nost* in Russian) of its neighboring states. Their independence in regional and global markets can be costly to Russia if they follow policies at odds with Russia's own development plans. The relatively free trade regimes within Kazakhstan and Belarus have allowed importers to use them as transit points for bringing goods into Russia, thereby bypassing protective Russian tariffs. Such trade issues particularly underlined Belarusian-Russian relations. Since 1995, Belarus' duty-free export trade to and from Russia were vital for building President Alexander Lukashenko's shadowy business empire.

Russia seeks to stop the uncontrolled importation of a wide range of manufactured goods (including automobiles, clothing, and pharmaceuticals), which pose excessive competition to Russian companies and industries. By extending its internal market and better protecting its vital sectors, Russia makes itself more attractive for foreign investors aspiring to enter the markets of the CU member-states. While this can be technically true for all participants of the CU, studies have shown that it is the largest member of a custom union that benefits the most.

Another important consideration for Russia is the collection of import duties. Under the terms of the CU, these have to be divided according to a certain formula. Earlier on, Russia had to battle for its share of duties from Belarus, with which it shared a common customs territory. Russia is also interested in using the CU as an instrument to prevent the uncontrolled export of its raw materials through the territories of neighboring states (particularly Belarus).

Russia has a clear interest in receiving easier access to the markets of CU member states. The CU rules streamline the non-tariff limitations and revise agricultural subsidy rates. Belarus heavily subsidizes its collective farm sector, a practice that it may have to abandon soon. Importantly, leaving the average level of agricultural subsidies intact, Russia, through a redivision of "subsidy quotas," may increase its own subsidies to agriculture before joining the World Trade Organization (WTO).

Belarus and Kazakhstan?

The advantages of the CU for Belarus and Kazakhstan are not as clear. Easy access to the vast Russian market, which economists of the Russian government have predicted will generate up to \$16 billion for Belarus and Kazakhstan over five years has already been enjoyed to a certain extent by the two states. Therefore, the benefit of joining the CU seems to be about "retaining" privileges and opportunities – continued access to the Russian market – but also, importantly, political goodwill and support from Russia on regional and global issues. One could say that with Russia's move toward modernization, friendship has a higher price.

The tangible economic benefits for the two smaller states are primarily in the area of protecting goods produced in Belarus or Kazakhstan. For example, Belarusian

producers of agricultural machinery and textiles may benefit from the application of higher import duties on competitors' products. Another advantage is the application of national railway transportation rates that may actually invigorate trade between Kazakhstan and Belarus, particularly with regard to shipping Kazakh oil to Belarusian refineries, even though the Kremlin may not be happy at such a prospect and the oil will have to be declared as having Russian origin. Still, a more cost-stabilized and predictable transportation sector between the three countries could yield noteworthy gains.

Three-Month Assessment

The credibility of the CU was undermined almost immediately when its chief protagonist chose to frivolously observe its rules. While in the process of joining the CU, the Belarusian authorities hoped the pact would bring an end to the export duties levied by Russia on oil shipped to Belarus (since 2007, the levy has been at a rate of one-third the typical customs duty). Instead, Russia declared in early 2010 that the CU had nothing to do with oil exports and that full export duties would be levied on Belarus-bound oil, except for the one-third share of the total Belarus uses for internal consumption. This decision was seen in Belarus as the Kremlin's retaliation for Lukashenko's refusal to recognize the independence of Abkhazia and South Ossetia. Financially, it would have resulted in \$2 billion being transferred from Belarus to Russia (on the basis of previous oil import levels of about 20 billion tons a year). Thus, the Belarusian government decided not to ratify the Code of the Customs Union in the first half of 2010, opening a distinct prospect for derailing the CU by July 1, 2010, when trade barriers were to be eliminated. The Kremlin applied all kinds of political, economic, and information-campaign pressures against Lukashenko, even threatening that if Belarus did not sign up, Russia would install a customs regime along the Russian-Belarusian border. Russia's deputy prime minister, Igor Sechin, the person informally responsible for dealing with Belarus in the Kremlin, hinted that Russia would introduce customs duties on oil shipped to Belarus. Russia also demanded a small outstanding payment of about \$180 million for oil that had already been shipped to Belarus in the first half of 2010. Lukashenko refused to pay this bill on the pretext that the new export duties had not been properly negotiated and that the old agreements were still in force. This "oil war" ended with a large public relations embarrassment for the Kremlin when not only were oil shipments to Belarus suspended on June 22 – the day of the anniversary of Hitler's attack on the Soviet Union, a fact immediately used by Lukashenko's propaganda machine – but the Russian government "overlooked" an outstanding payment of \$220 million to Belarus for transiting oil through its territory, thereby making Russia a net debtor to Belarus as of June 2010.

Moreover, by spearheading the CU, the Kremlin accidentally violated a series of integration accords it had already signed with Belarus. Specifically, the Treaty on the Union State of Belarus and Russia, signed on December 8, 1999, specified that a joint customs space existed between the two countries with a mandate to unify all customs duties, fees, and procedures. As was the case with other integration accords in the

former Soviet Union (like the Collective Security Treaty, which failed to bring any of the allies to the rescue of Kyrgyzstan), the conflict between Belarus and Russia only highlighted the futility of such agreements. Russia also de facto sabotaged the workings of the Economic Court of the CIS when Belarus filed an official complaint about Russia and its method of levying customs duties on oil.

The prospect of Belarus opting out of the CU was, however, not an option. The Belarusian government could not risk any cessation of a free trade regime with Russia. Therefore, the Belarusian parliament, apparently on orders from Lukashenko, “secretly” ratified the Code of the Union at a closed-door session on July 6, 2010.

Expanding the CU and the Role of the WTO

The future of the CU will be determined by the Kremlin’s commitment to use it as a springboard for the reintegration of the former Soviet space. The idea that Ukraine should join the CU began to be debated right after the inauguration of its new president, Viktor Yanukovich. President Medvedev instructed the Federal Customs Service to “work out” the prospects for Ukraine joining the CU, a task which, experts believe, is not about economic expediency but a proper “political packaging” of the project.⁴ While Ukrainian officials have sharply denied any interest in joining the CU, there is a possibility that Russia will use the same tactics it used against Belarus, which is to use preferential pricing on energy as a carrot (or, alternatively, a stick). This trick of “friendship-enforcement” with regard to Ukraine (and Kyrgyzstan, which was also offered membership) will be more difficult because both countries are members of the WTO. This adds another reason for the widely advertised strategy of building CU regulations on the basis of WTO rules. This can have a positive effect on some of the member states as it may help them integrate into the global economy.

This notion could apply to Belarus, which, after all, once used an extensive system of non-tariff regulations to protect its internal markets, which developed to the extent that some Belarusian regions were protecting their markets from other Belarusian regions. Bringing CU regulations in line with those of the WTO may in fact promote competitive markets in Belarus, but only if this manages to correct the most obvious absurdities of Lukashenko’s “market-socialist” model.

Conclusion

We may expect the CU to develop as envisioned by Russia. The goal is to create a single economic space that unifies economic legislation and lays down the foundation for a common currency. The method will involve forcing countries into compliance on the condition that the benefits they already have will be left intact. Russia may induce Belarus to comply by promising to waive some export duties on oil, but it will most likely demand cessation of other concessions, such as lower customs duties for imported foreign cars.

⁴ <http://www.gzt.ru/topnews/economics/-ukrainu-prorobotayut-po-voprosu-tamozhennogo-/291189.html>

As primarily a political project, the CU provides Russia with certain vetting rights on the other members' geopolitical trajectories, counterbalancing the influences of external actors (the EU and China). As both Belarus and Kazakhstan strive to join the WTO (neither is likely to join before Russia does), they will have to balance their negotiations with WTO members against their obligations to the CU (the initial idea of joining the WTO as a three-member bloc was later dropped as totally unrealistic). For Belarus in particular, the CU effectively blocks the prospect of a deep, free-trade area under the aegis of the EU Eastern Partnership program. As far as economics is concerned, the costs and benefits remain to be seen, not least because porous borders leave both Belarus and Kazakhstan with ample opportunity to undermine regulations (some observers expect both to engage in the smuggling of goods that Russia is trying to protect). Ultimately, however, the CU is not so much about decreasing financial losses and boosting economic gains but creating a region of political cohesion and cooperation.

Polish Public Opinion Toward Russia in the Aftermath of Smolensk

AN OPPORTUNITY FOR IMPROVED RELATIONS

PONARS Eurasia Policy Memo No. 111

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Polish-Russian relations have long been among the thorniest in Europe, providing an often serious impediment to improving broader EU-Russian relations. The events of April 2010, beginning with Russia's changing line on the Katyn Forest massacre and culminating in the response of both countries to the Smolensk plane crash tragedy, were widely reported as presenting an opportunity for a reset in Polish-Russian relations. Nevertheless, animosity toward Russia among Polish citizens has long been presumed to run deep; should we expect a single set of events to change this?

This memo explores Polish public opinion regarding Polish-Russian relations in the aftermath of the Smolensk tragedy. The following observations are made:

1. Despite conventional wisdom, the Polish population has been amenable to better relations with Russia.
2. Prior to the Smolensk tragedy, most Polish citizens had been pessimistic about the state of Polish-Russian relations.
3. Despite some aggressive rhetoric about conspiracy theories from the fringe of Polish politics, a large majority of Polish citizens approved of the way Russia handled the tragedy.
4. In the aftermath of the tragedy, optimism about Polish-Russian relations among the Polish citizenry increased substantially.

While short-term swings in public opinion always need to be taken with a grain of salt, all these factors taken together lead to the conclusion that the Polish public would indeed be supportive of steps to improve relations with Russia. This, in turn, gives added credence to efforts on the part of Polish elites to improve those relations, as we have reason to think that, at worst, any animosity that existed toward improving Polish-Russian relations among the Polish citizenry has diminished; at best, the citizenry may turn out to be supportive of such developments.

Background

Polish-Russian relations have long been complicated by a history that has seen Russia repeatedly take part in the dismemberment of Poland, including the “Polish partitions” of the 18th and 19th centuries and then again with the 1939 Molotov-Ribbentrop Pact. Fast forwarding to the post-communist era, Russia’s relations with Poland in recent years have been poor, probably ranking among the worst of its relations with former Warsaw Pact allies, as well as perhaps its most contentious with a member state of the European Union. Tensions have repeatedly flared between the two states, including over Poland’s decision to join the EU and NATO, Russia’s two year ban on importing meat from Poland, Poland’s role in blocking Russia’s World Trade Organization (WTO) aspirations, Russia’s plans to build a gas pipeline with Germany bypassing Poland, and, perhaps most seriously, Poland’s role in the United States’ missile defense program.

Against this background, it may seem a bit surprising that Russian Prime Minister Vladimir Putin, who is generally known for his nationalist approach to foreign policy, decided to take part in a joint ceremony with Polish Prime Minister Donald Tusk to honor the Poles killed in the Katyn Forest massacre on the 70th anniversary of that event. The very fact of this joint ceremony prompted *Der Spiegel* to suggest that the “gesture heralds [a] new era in Russian-Polish relations.”⁵ Several days later, Polish-Russian relations would be thrust into an entirely new dimension due to what has become known as the Smolensk tragedy, when the plane carrying Polish President Lech Kaczyński, his wife, and many other high-ranking members of the Polish government crashed on its way to a separate ceremony honoring the Katyn victims. While such an event held the potential for further damaging Russian-Polish relations, the way in which both the Russian people and Russian leadership reacted suggested the opposite might be the case: the tragedy could present an opportunity for a real thaw in Russian-Polish relations. Today, almost five months after the crash, the rhetoric of this thaw can still be heard in discussions about the future of Polish-Russian relations. This is all the more impressive given the fact that there have been numerous opportunities for improved Polish-Russian relations to get derailed, including, most recently, the arrest and release in Poland of Akhmed Zakayev, a Chechen leader in exile, as well as the signing in July of a revised agreement for placing U.S. missile interceptors in Poland.

To what extent to is the rhetoric of rapprochement at the elite level matched by Polish public opinion? While elites do not necessarily need the support of the masses to change foreign policy direction, we would certainly expect such changes to be more difficult to both implement and sustain if such support were lacking. Fortunately for the sake of Polish-Russian relations, initial assessments of Polish public opinion are positive.

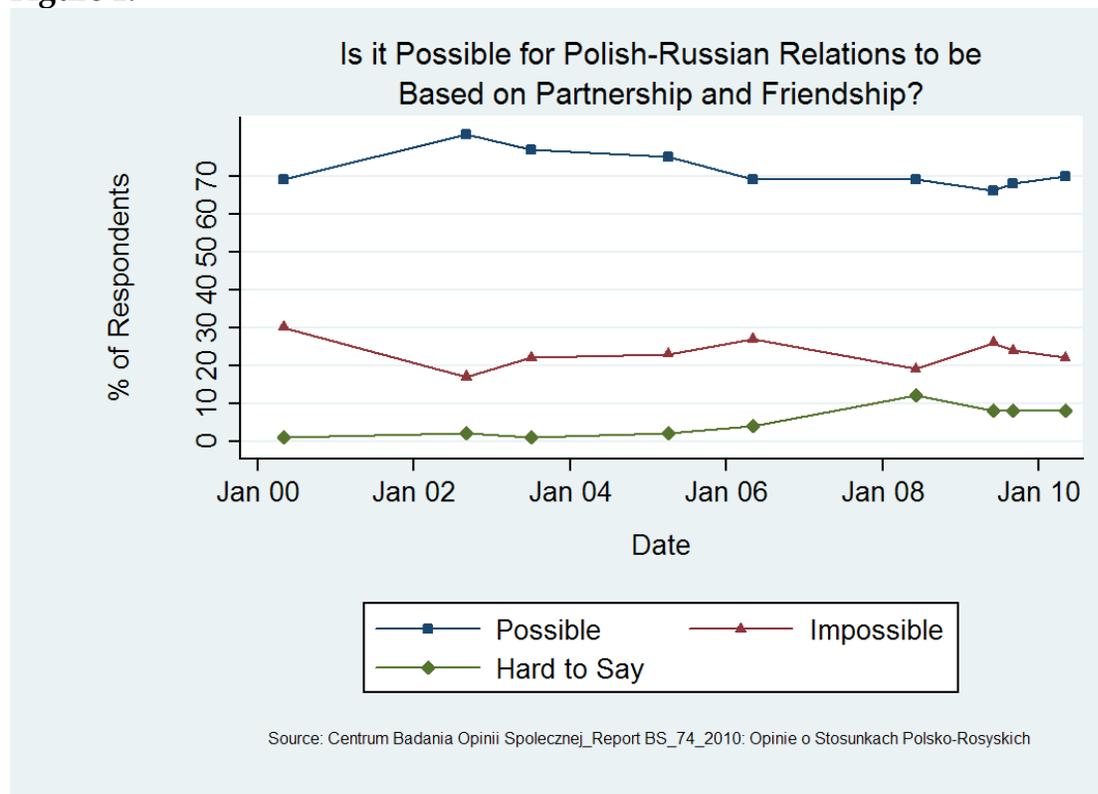
⁵ <http://www.spiegel.de/international/europe/0,1518,687819,00.html>

Polish Attitudes toward Polish-Russian Relations

The first important fact to realize about public opinion in Poland is that, at least for the past 10 years, the Polish public has *not* had a fatalistic approach to Polish-Russian relations.

Indeed, as Figure 1 below demonstrates, a strong majority of Poles believe that positive relations between Poland and Russia – defined here as “relations based on partnership and friendship” – are possible, with only about a quarter of the population thinking such relations are impossible. This data represents a time-series of the same survey question asked by the Center for Public Opinion Research (CBOS).⁶ It is worth noting that there is practically no difference in the nature of the responses after the Smolensk tragedy (the final data point on the far right of the figure) as compared to those from earlier in the decade. Thus, in this case, there is no reason to assume that this final set of responses – from a survey between May 8-13, 2010 – is in any way a short-term response to Smolensk. Therefore, the conclusion that Poles are at least amenable to positive relations between Poland and Russia seems credible.

Figure 1.



In contrast, however, attitudes toward the current state of Russian-Polish relations do appear to have changed rather substantially in the aftermath of the

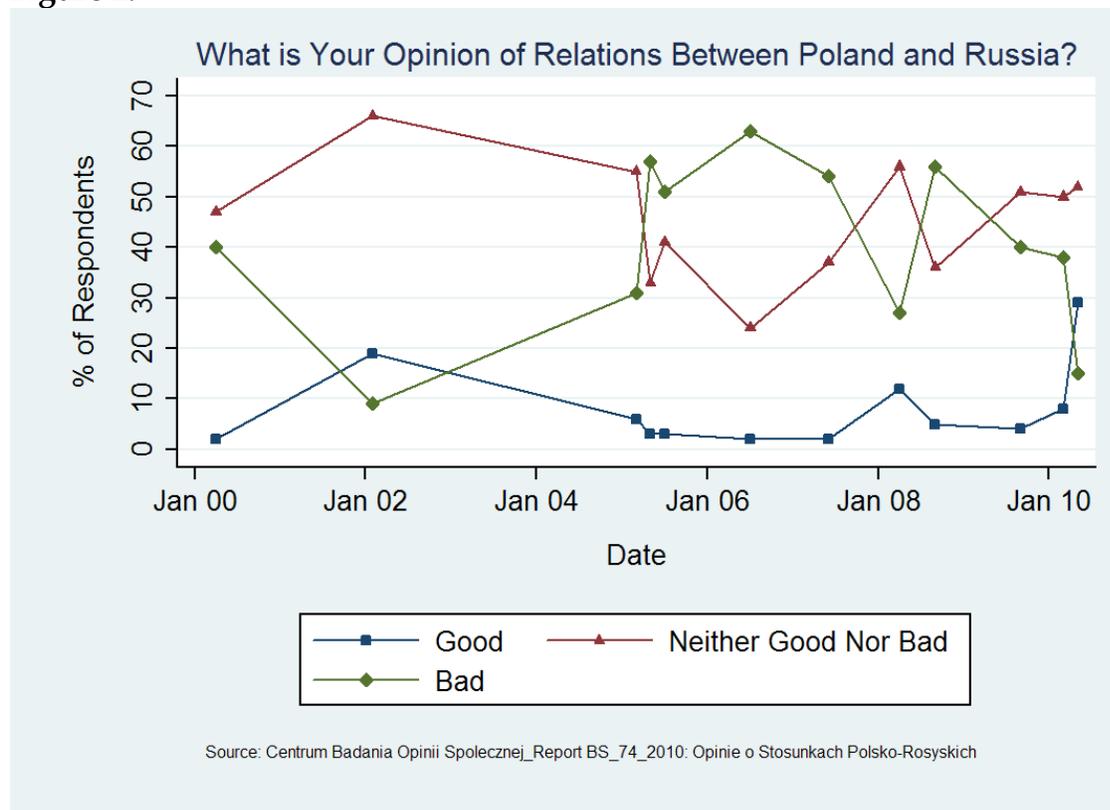
⁶ http://www.cbos.pl/SPISKOM.POL/2010/K_067_10.PDF

Smolensk tragedy (see Figure 2 below). While this time-series is a bit more unstable than the first one, three points are worth noting.

First, prior to the May 2010 survey, no more than 20 percent of Poles ever saw Polish-Russian relations in a positive light; in most instances, in fact, fewer than 10 percent (or even 5 percent!) had a positive opinion of the relationship.

Second, most of the instability in the time-series is due to variation in the proportion of Poles who thought Polish-Russian relations were “bad” as opposed to those who thought they were “neither good nor bad.” In the earlier and latter part of the decade, pluralities of the population thought relations were “neither good nor bad.” From 2005-2008, pluralities generally thought relations were “bad” (roughly coinciding with the period of the PiS [Party of Law and Order] led government in Poland).

Figure 2.



Finally, and perhaps most importantly, in Figure 2 above, the shift following the Smolensk tragedy really does appear to be a significant one, with the proportion of respondents thinking that relations were “good” rising substantially and the proportion thinking that relations were “bad” falling substantially; the proportion thinking relations were “neither good nor bad” stayed fairly constant. (Note that we cannot conclusively say that large numbers of individuals switched from thinking relations were “bad” to “good”; this data could have been generated by those who thought relations were “bad” switching to “neither good nor bad” and those who thought they

were “neither good nor bad” switching to “good.” However, the aggregate effect is the same.) Indeed, the May 2010 survey was only the second since the year 2000 when more Poles thought relations with Russia were “good” than thought they were “bad.” That poll also featured the highest proportion of Poles – almost a third of the country – who believed that relations were “good.”

Two important caveats are in order. First, we only have one real observation in this time-series of Polish public opinion post-Smolensk, so it is too early to say whether the changes recorded in May 2010 are likely to be temporary or of a more permanent nature. Second, the question in the survey that asked respondents for their opinion of Polish-Russian relations was not ideal for our purposes. A question asking whether respondents were personally supportive of improved relations would have been better.

That being said, there are reasons for thinking that the survey’s results tapped into an important public sentiment regarding Polish-Russian relations. First, we have no reason to think that the May 2010 survey results were simply an outlier. According to CBOS:

- Forty-eight percent of Poles believed that the plane catastrophe would “improve” Polish-Russian relations (as opposed to only 5 percent who felt it would make relations worse).
- Seventy-seven percent felt that the reaction of Russian authorities “met or exceeded” their expectations.
- Eighty-five percent felt that the reaction of the Russian people “met or exceeded” their expectations.
- Sixty-seven percent thought that the actions of the Russian government toward the families of the victims were “rather good” or “definitely good.”
- Fifty percent thought the actions of the Russian government to explain the causes of the crash were “good” or “rather good.”

Knowing what we know about people’s tendencies to project their own prejudices into evaluations of other people’s behavior, these are not the kind of numbers we would expect to see from a population that was inherently hostile toward Russia. Indeed, to the extent that the Polish public is inherently hostile toward Russia, these numbers are highly credible in explaining *why* public opinion toward Polish-Russian relations would have improved so dramatically in the May 2010 survey: Poles clearly felt positive about the way that Russia, both its elites and its public at large, reacted to the Smolensk tragedy.

While it is again worth noting that we cannot yet comment on the duration of these effects, the data from Figure 1 – that indicate that Poles have long believed that good Polish-Russian relations are possible – hold open the possibility that the effects will prove to be more than temporary. To see the logic of this argument, consider the counterfactual: if 70 percent of the population had long held that positive Polish-Russian relations were impossible, we would suspect that the improved view of Polish-Russian relations after Smolensk might be temporary. The fact that 70 percent of the

population for at least the last decade has accepted the possibility of better relations with Russia ought to give us reason to suspect that the effect may be longer lasting.

Conclusion

Ultimately, the most proximate determinant of Polish-Russian relations will always be the actions of Polish and Russian elites. To this extent, there are also reasons to suspect that the recent détente in Polish-Russian relations will continue. This is highlighted most notably by the defeat of Jarosław Kaczyński in the 2010 Polish presidential election by Bronisław Komorowski and the ongoing “reset” of U.S.-Russian relations. However, at the end of the day, long-term transformations of foreign policy – especially between countries with a history of mutual antagonism – are going to require acceptance on the part of the population. From this vantage point, the initial hopes that the silver lining of the Smolensk tragedy could be improved Polish-Russian relations look justified, at least in the short run. Time will tell if more long-term optimism is warranted, but for now we can safely conclude that there is nothing yet in public opinion data to suggest we ought to temper such expectations.

Finlandization or Strategy of Keeping the Balance?

AZERBAIJAN'S FOREIGN POLICY SINCE THE RUSSIAN-GEORGIAN WAR

PONARS Eurasia Policy Memo No. 112

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The two years since the end of the August 2008 Russian-Georgian war have represented a critical stage in Azerbaijan's foreign policy. The war generated a new source of instability and forced most of the states of post-Soviet Eurasia to reevaluate their foreign policies. Azerbaijan, for its part, has tried to avoid antagonizing Russia and has been cautious with regard to its ambitions for membership in either the North Atlantic Treaty Organization or the European Union. Some might describe Azerbaijan's policy as a kind of "Finlandization," akin to the Finnish pursuit of neutrality after World War II in the face of a hostile Soviet Union.

An analysis of Azerbaijani foreign policy, however, suggests that the country has actually continued its balanced foreign policy course of the past 16 years. This foreign policy remains in pursuit of three major goals: retaining independence, resolving the Karabakh conflict, and making Azerbaijan a key partner for regional powers. Azerbaijan's foreign policy over the last two years can be considered a kind of "silent diplomacy," by which Baku is gradually developing Azerbaijan's role in the region using contradictions between powers. During this time, Baku has taken some bold actions that indicate its policy is not dependent on regional powers and that its interests are to be taken into account.

Turkish-Armenian Rapprochement and Azerbaijan

The recent attempt by Turkey and Armenia to normalize relations without taking Azerbaijani interests into account was an important test for the country's foreign policy. The period from October 2009 (when protocols on the establishment of diplomatic relations between Armenia and Turkey were signed) to May 2010 was a time of active shuttle diplomacy for Azerbaijan. The country used Turkish public opinion as well as its own energy card to force Turkey to reconsider its rapprochement strategy. Less than a week after the protocols were signed, Azerbaijani President Ilham Aliyev stated that it was economically irrational to continue selling gas to Turkey for one-third of its market price. The president tried to present this statement as if it were linked to commercial

considerations rather than to the protocols. Analysts, however, considered this move to be a hidden signal to Turkey to take Azerbaijani interests into account. With this statement, Azerbaijan warned Turkey (and future European consumers) that problems with gas supplies could undermine or even kill the Nabucco gas pipeline project, for which Azerbaijan is considered a main supplier and key transit state.

At the height of Azerbaijani–Turkish tensions, Baku made another strong move. On October 14, 2009, when Turkish President Abdullah Gül met with his Armenian counterpart Serzh Sargsyan during a Turkish-Armenian soccer match, the State Oil Company of Azerbaijan (SOCAR) signed an agreement to sell 500 million cubic meters of gas a year to Gazprom starting in 2010, at a price of \$350 per thousand cubic meter. Aliyev stressed that this was not the maximum amount of gas Azerbaijan might sell to Russia. In cutting this deal, Azerbaijan pursued its own interests. It raised the prospect that Azerbaijan would choose Russia as the main destination for its gas exports, perpetuating European gas dependence on Russia. The agreement also showed Ankara that Azerbaijan is not dependent on Turkey for gas transit; it can successfully sell its gas for prices higher than those offered by Ankara. Third, the agreement showed Turkey what it would lose if it opened its borders with Armenia. In the end, with the pressure from the Azerbaijani side, Turkey did in fact slow down its rapprochement with Armenia and linked the border opening to progress in resolving the Karabakh conflict.

Relations between the two countries culminated in August 2010 during a visit of Gül to Azerbaijan. Presidents Aliyev and Gül signed a Treaty on Strategic Partnership and Mutual Assistance. Although the full text of the treaty has not been made public, both sides did not hide the fact that the agreement also covers military cooperation and mutual assistance, laying the foundation for the political and legal presence of NATO troops in Azerbaijan. The treaty may be considered an indirect response to Russia's demonstrative signing of a new agreement with Armenia on prolonging Russia's military presence in the country. The new treaty between Turkey and Azerbaijan made it possible to counter the effect of the continued strengthening of Russian power in the region, something that is detrimental to a resolution of the Karabakh conflict.

Azerbaijani-Russian Relations and the Gyumri Military Base

Azerbaijan has consistently demonstrated its commitment to building solid neighborly relations with Russia. It has taken Russian sensitivities into account and adopted a soft and respectful tone in its bilateral relations. It prefers not to “disturb the waters” while maintaining an overall trajectory of integration into the West. Such diplomacy prevents Russia from taking openly aggressive steps toward Azerbaijan, even if it does not promote resolution of the Nagorno-Karabakh conflict, domestic stability, or regional security.

This stable flow of events was disturbed when in August 2010 Russia decided to extend its troop deployment in Armenia.⁷ The new treaty stipulates that besides protecting the Armenia-Turkey border, Russian troops at the Gyumri base will defend the Azerbaijan-Armenia border as well. Thus, in the event Azerbaijan attacked Armenia, it appears that Russian troops are prepared to go to war against Baku to defend its ally.

Despite its anti-Azerbaijani direction, the treaty did not provoke a harsh reaction from Azerbaijan. First, Armenia and Russia are already members of the Collective Security Treaty Organization (CSTO) that was established with the purpose of defending its members from an outside enemy. The new treaty did not add anything new to this existing commitment. Second, Azerbaijan did not and does not have any plans to attack Armenia. In the unlikely event that Azerbaijan did go to war with Armenia, all military action would be concentrated around Nagorno-Karabakh and would not spill into Armenia. Finally, the former lease on the Gyumri base was only going to expire in 2020 so Russia did not have to rush with its extension. Thus, the ceremonial signing of the new treaty served mostly political and symbolic purposes, including for Armenian domestic politics.

Meanwhile, on the eve of the signing, Russian mass media reported plans that the Russian government was selling S-300 Favorit air defense systems to Azerbaijan for \$300 million, making the deal the most expensive one-off armament purchase by a member of the Commonwealth of Independent States (CIS). Azerbaijan did not comment on the report, stating only that the country continues to strengthen its military capabilities, while Russia explicitly denied it. Local analysts argued that if the deal were to take place, it would be a foreign policy success for Azerbaijan. The deal would bring the Russian military industry to the Azerbaijani market, thereby placing economic interests above political ones. The sale would also secure the airspace of the country from possible intrusion and add security to Azerbaijan's vital infrastructure. Finally, the purchase of S-300s would send an additional signal to Iran, whose military jets violated Azerbaijani airspace back in 2001-2002.

Russian-Azerbaijani relations reached new heights during Russian President Dmitry Medvedev's visit to Baku in early September 2010. Six bilateral documents were signed by Aliyev and Medvedev; one of these defined the borders between Azerbaijan and Russia, something that had not been resolved since independence. Moscow even accepted the Azerbaijani version of the border delimitation, especially significant in the case of the Samur River, which supplies most of Baku's fresh water (the agreement allowed Azerbaijan to retain control over the Samur-Absheron hydropower station). A second agreement called for an increase in Russian acquisition of Azerbaijani gas, up to two billion cubic meters per year. A few other important statements were made by Medvedev in Baku. First, he did not criticize the Nabucco project. He also added that

⁷ The 102nd Russian military base was established in 1995 replacing the 127th division of the Soviet Army. It is under the direct command of the North Caucasian Military District of the Russian Federation. The base is equipped with S-300s and 18 Mig-29 fighters. There are approximately 5,000 Russian military personnel at the base. Around 100 T-72 tanks, 150 armored vehicles, and other military equipment are stored at the base.

the sides agreed to hold a separate summit where they could discuss issues on oil, gas, and energy resources. Analyzing Medvedev's statements, it is easy to see that Moscow is adopting a different approach toward Azerbaijan. Though Russia could use (and has used) its energy resources as levers against Belarus, Ukraine, Armenia, and some of the Central Asian states, Moscow seems to be trying to cooperate with Azerbaijan. Azerbaijan's active penetration into Georgian and, to a certain extent, Ukrainian energy markets, as well as its continued participation in the Nabucco pipeline project that bypasses Russia, no longer annoys Moscow. This last visit proved that Azerbaijan has been able to shift its relationship with Russia to a pragmatic, mostly economic, level.

Azerbaijan's Policy in the CIS

Azerbaijan's active foreign policy is also supported by its growing economic capacity. For the last couple of years, Azerbaijani businesses have increased their presence in Georgia; President Aliyev stated at an economic forum in Davos in 2008 that Azerbaijani companies have invested \$3 billion in the Georgian economy. SOCAR, already one of Georgia's main taxpayers in 2008 and 2009, is trying to gain a monopoly in the Georgian oil market and actively seeking to get into its gas market as well. In August 2010, media reports indicated that Azerbaijan had offered \$500 million to buy the Georgian-Armenian gas pipeline carrying Russian gas to Armenia through Georgia. Initially, Gazprom tried to buy the pipeline from Georgia for \$250 million, but Georgian authorities rejected the deal due to its low price as well as the security implications of selling the pipeline to Russia. With the possibility of the gas pipeline to Armenia ending up in Azerbaijani hands, coupled with the ongoing construction of the Baku-Tbilisi-Kars railroad, Azerbaijan continues trying to encircle and/or bypass Armenia with its projects, in the hopes of slowly compelling it to accept the terms of a final peace accord.

The Azerbaijani government made another strong move during the "gas war" between Belarus and Russia. Baku lent \$200 million to Minsk to settle its debts with Gazprom. Belarusian President Alexander Lukashenko could have asked any other leader in the region, or even his personal friend Venezuelan President Hugo Chavez, to lend the amount. Any other president, however, would have been afraid to interfere in the relationship between Moscow and Minsk. This episode demonstrated that if national interests require it, Azerbaijan can make a bold decision. And it proved to be the right choice. Azerbaijan was able to maintain friendly relations with Russia and help Belarus in its difficult time. For years, Azerbaijan tried to build and deepen relations with Belarus, an important CSTO member. A decade ago, Belarus was supplying military armaments to Armenia, which soured the relationship between Baku and Minsk. Now, Azerbaijan anticipates that this kind of assistance to Belarus will lead to Minsk's support of some key future Azerbaijani interests.

Conclusion

Despite the fact that some countries such as Ukraine, Armenia, Kazakhstan, and other Central Asian states have in fact adopted a kind of Finlandization scheme, Azerbaijan has managed to preserve an independent foreign policy. Nonetheless, a lack of progress

in the Karabakh conflict and the possibility of a resumption of war continue to make Azerbaijan vulnerable. The conflict remains the only factor limiting the actions of Azerbaijan's foreign policy, preventing it from intensifying its Euro-Atlantic integration plans. So far, Azerbaijan and (to a certain degree) Georgia remain among the few countries that can conduct independent policies in the post-Soviet space (along with the Baltic states). If the frozen conflicts of Azerbaijan and Georgia continue to remain the same (or worsen), both states will exhaust their foreign policy opportunities and fall prey to growing Russian influence in the Caucasus.

A Vicious Circle

THE SECURITY IMPLICATIONS OF RISING ANTI-AMERICANISM IN THE NORTH CAUCASUS

PONARS Eurasia Policy Memo No. 113

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While attending a conference on combating terrorism and extremism at the state university in Nalchik, Kabardino-Balkaria, in April 2010, one moment in particular made me feel as if I had been placed inside a time machine. Leaving behind the fancy monitors and big screen projections, I was thrust into the Communist Party and Young Communist meetings of Soviet times. The speaker, Kabardino-Balkaria's deputy interior minister, was accusing "the West" of masterminding instability in the North Caucasus in order to weaken Russia. It was surreal to hear that the U.S. government would risk supporting Islamist radicals in the name of undefined geopolitical goals in the North Caucasus, a region peripheral, at best, to core U.S. national security interests.

Yet, the deputy's assertion was notable not so much for the way in which it characterized U.S. policy toward Russia, but for how it reflected a sense of geopolitical vulnerability and frustration by Moscow and local leaders over the persistence of Islamist insurgency in Russia's mountainous and ethnically-mixed southern borderlands.

Suspicion of the United States' destabilizing role in the region is staple discourse among local elites in the North Caucasus, official Muslim leaders, and the public. Moreover, Moscow's military involvement in South Ossetia and Abkhazia, at a time when Georgia receives support from the United States and seeks membership in the North Atlantic Treaty Organization, adds to this sense of vulnerability. Fears of destabilizing foreign influences, in turn, help to perpetuate the continuing international isolation of the region—something that social research suggests can hamper efforts to increase tolerance and reduce social support for extremism and radical militancy.

Anti-Americanism among Local Political Elites

The strongest, most consistent, and most outlandish anti-American statements in the North Caucasus have come from two presidents: Yunus-Bek Yevkurov of Ingushetia and Chechnya's Ramzan Kadyrov. They have also been the most outspoken presidents throughout the region in expressing their loyalty to Russia's leaders. Notably, they are in charge of the two republics in the region that have seen the most devastating violence

over the past decade. Systemic violence persists in these republics despite major efforts to stamp it out by force and despite joint Chechen-Ingush counter-insurgency operations. These leaders' anti-American consensus transcends significant differences between them on how to reduce social support for militant insurgency and, by extension, on balancing security interests and human rights.⁸

Both presidents do not argue their cases using evidence. They appeal to generic fears that resonate in the local context. The core underlying logic is as follows. Violent upheaval began in the 1990s after the collapse of the Soviet state. Therefore, Putin's successful restoration of a strong state on a quasi-Soviet model – to a large degree contingent on peace in the North Caucasus – must unnerve the Soviet Union's erstwhile Cold War adversaries. As a result, one would expect these international actors to support any forces in the region – including radical Islamists – who are willing to fight Moscow.

Symptomatically, in a June 2009 interview on the official Chechen government website, Ramzan Kadyrov claimed that “the control center” of the militant Islamist insurgency is the United States. Rather than offer any facts supporting this claim, Kadyrov argued on the basis of the general contextual logic: “It is the United States that works to breakup the sovereign Russian state. It is not terrorists or Islamists. It is the United States who thought this up, and they cause problems for Russia. They failed in Chechnya, so now they want to do it through Abkhazia, South Ossetia, Dagestan, and Ingushetia.”⁹ Kadyrov rounded off his message by accusing the United States – again, without evidence – of training Arab nationals to fight in the North Caucasus, in part through U.S.-funded nongovernmental organizations.

In a July 2009 interview, Kadyrov made new accusations that “perfectly trained Western intelligence operatives working against Russia” supplied “some kind of pills” to young Chechen men making them follow commands like robots. Again, general assertions of the West's hostile intent stood in for factual evidence: “All foreign intelligence officers are working against Russia. And the Russian public blames us. They believe the war is still going on here because the Chechens are bandits and terrorists. Meanwhile, the Chechens are giving their lives to preserve Russia's territorial integrity. We have hundreds of thousands dead, thousands missing, thousands of police officers killed in battle. But the Russian public is not interested in that....”¹⁰

Ingushetia's Yevkurov argued in a February 2009 interview to *Novaya Gazeta* that agents of the U.S. and British “special services” were behind alleged *fatwas* by Arabs that promised residents of the North Caucasus “if one kills a policeman they will at once become holy martyrs.” Like Kadyrov, Yevkurov cited no evidence but appealed to generic fears rooted in post-Soviet turmoil. Jihadist leaders promoting the idea of an Islamist Emirate of the North Caucasus – Doku Umarov, Emir Magas, and others – had, according to Yevkurov, “a clear goal assigned to them from abroad.” That goal,

⁸ Yevkurov has emphasized persuasion and met in person with the families of rebel suspects. Kadyrov, instead, has emphasized punitive sanctions on rebel suspects' families unless they denounce their relatives.

⁹ <http://chechnya.gov.ru/page.php?r=126&id=5480>

¹⁰ <http://www.newsru.com/russia/08jul2009/kdr.html>

Yevkurov asserted, was to “break Russia apart, the same way the Soviet Union was broken apart.”¹¹ This echoed Putin’s conviction, reported by Russian refugee advocate Svetlana Gannushkina in mid-2009, that there was a “clear and present danger of [an] Islamic caliphate” in the region.

While other North Caucasian presidents were not reported as making such statements, the ex-president of Dagestan, Mukhu Aliyev, nevertheless opined in an interview while still in office that foreign intelligence services used funding for local NGOs to make the latter distort the state of events in the republic.

Anti-Americanism among Lower-Level Officials and Social Notables

At the conference in Nalchik that I attended in April 2010, the claim of local deputy interior minister Naurbi Zhamborov that Western governments were fostering an insurgency in the North Caucasus and were thus directly implicated in dozens of casualties among his men appeared to me more significant than the claims by Kadyrov and Yevkurov. Such statements by the presidents of Chechnya and Ingushetia, even if stated several times with conviction, could be written off as political propaganda (both to follow Putin’s lead and as an excuse for failing to completely defeat the insurgency). Zhamborov, on the other hand, bore no such level of responsibility. Moreover, Kabardino-Balkaria’s president was not reported as making anti-American statements similar to Yevkurov’s and Kadyrov’s. Yet Zhamborov felt that it would be expedient to voice allegations against the United States. Most likely, he felt obliged to repeat the claim that Kabardino-Balkaria’s minister of internal affairs, Yuri Tomchak, made in December 2008 that “external forces place their bets on the ethno-religious insurgency [in the region] whose actions could spread practically throughout the south of Russia.”¹²

Even more surprising to me was the anti-American statement at the same Nalchik conference by the imam of Nalchik, Nazir Akhmatov. He implicitly called on the local media not to try and interview insurgents in the woods, but to follow the example of Al Jazeera, which, according to the imam, effectively combats terrorism and extremism by interviewing respected Islamic scholars and showing “how the West’s intelligence services recruit people, train them to serve as rebel emirs, and place them among believers.”¹³

Suspicion of U.S. Motives in Russian Society

An opinion survey conducted by the All-Russian Center for Public Opinion Research (VTsIOM) in September 2008 suggests that these anti-American statements resonate strongly with the Russian public, particularly in the North Caucasus. Whereas it is unclear what causes what, it is plausible that Russian officials have shaped public opinion, while perceived anti-Americanism among the public gives an incentive to officials to blame their region’s problems on the West’s subversive designs. In the

¹¹ <http://www.novayagazeta.ru/data/2009/013/14.html>

¹² <http://www.kavkaz-uzel.ru/articles/145963>

¹³ <http://south-caucasus.kavkaz-uzel.ru/articles/168235/>

VTsIOM poll, when asked what U.S. goals were in the North Caucasus, about 60 percent of respondents throughout Russia (N=1,600) said “military and strategic interests, and deployment of military bases.” Forty-two percent said “global dominance.” These views were even more pronounced among government officials in the sample (65 and 50 percent, respectively) and among residents of the then Southern Federal District that embraced the North Caucasus region (66 and 46 percent).

Sources of Anti-U.S. Sentiments

The interaction of two factors is paramount – a defiantly persistent militant Islamist insurgency and Russia’s 2008 war with the U.S.-backed Georgia. The combined effect of these factors is larger than the sum of its parts. The failure to suppress insurgents from Kabardino-Balkaria to Dagestan or to compel Georgia to abandon its plans to join NATO means that any aid the United States provides to Tbilisi could be converted into assistance to the armed rebels north of the Greater Caucasus mountain range. Because Georgia has both the opportunity and motivation to do so, Moscow’s wariness is understandable.

Indeed, the violent insurgency has persisted – most notably in Chechnya, where Kadyrov has employed the harshest counter-insurgency measures. In a year since the lifting of the counter-terrorist operation in Chechnya in April 2009, the insurgents killed 97 police, FSB, and army servicemen and wounded 185 – compared to 52 killed and 150 wounded the year before. Federal and local police and security forces killed 189 alleged insurgents and arrested 186 during the year since April 2009 – compared to 136 and 90, respectively, the previous year.¹⁴ This data suggests that the number of armed insurgents fighting government forces has, at a minimum, not diminished despite Kadyrov’s repeated promises to eradicate the terrorists. Ingushetia and Dagestan witnessed similar trends. In Kabardino-Balkaria, levels of violence were lower until May 2010, when a large bomb blast at the hippodrome in the republican capital of Nalchik was followed by frequent attacks on police and security forces throughout the republic.

Meanwhile, suspicions that the Georgian government is instigating insurgency in the North Caucasus have been palpable on the Russian side. A Russian deputy interior minister, Colonel General Arkady Yedev, announced in January 2010 that Azerbaijan’s police killed one and detained two ethnic North Caucasians, residents of Australia and Poland, who were crossing into Georgia’s Pankisi Gorge where they were to be trained and shipped over the border into the North Caucasus.¹⁵ In 2009, Russian courts sentenced three ethnic Georgians and one other ethnic Caucasian serving in the Russian military to prison terms ranging from six to nine years for allegedly spying for Georgia. All stories were reported on the main national television networks. In order to prepare for repelling land and air attacks from hypothetical separatists and terrorists “based in neighboring countries,” the Russian military staged a large-scale “operational-strategic” exercise in the North Caucasus in June 2009.

¹⁴ <http://georgia.kavkaz-uzel.ru/articles/164059/>

¹⁵ <http://www.vesti.ru/doc.html?id=336094>

Persistent International Isolation

Anti-U.S. and anti-Western discourses unfold in a region that remains one of Russia's most isolated from a global economy in which the United States and its allies play leading roles. Symptomatically, local leaders continue to see financial support from the federal center as the principal source of local economic development. The absence of local initiatives visibly upset Russia's President Dmitry Medvedev at a meeting on regional economic issues in early August 2010. It is notable, however, that federal and local officials have so far failed to discuss publicly how to square the ostensible need to protect the region from Western political influence with economic development needs—a large component of which is the development of international tourism.

While Grozny's main bazaar recently featured some of the best imitation Adidas T-shirts and Calvin Klein underwear this author has ever seen in Russian markets, the North Caucasus remains isolated on key measures of economic internationalization. Foreign investment has been small and sporadic. From 2006 to September 2010, no foreign investment was reported in Chechnya, Ingushetia, Kalmykia, Kabardino-Balkaria, and Karachaevo-Cherkessia. Dagestan saw about \$3 million in 2007, \$13.7 million in 2008, and \$17.6 million in 2009, still relatively small amounts. No foreign investment in Dagestan was reported in the first half of 2010. North Ossetia offered the only partial exception from the trend by receiving \$52.2 million in 2007, largely from the Czech company Bohemia Torg for a timber-processing plant that created about 170 new jobs. But this level was not sustained as the amount of direct foreign investment into the republic dropped to \$4.1 million in 2008 and \$1.5 million in 2009. No portfolio investment has come to the region between 2000 and 2008 (the last year for which the data in this sub-category has been available); general data suggests this was still the case in mid-2010. This compares unfavorably with other ethno-territorial units with the same or smaller populations that are about equally removed from Moscow and St. Petersburg. For example, Mordovia received between \$25 and \$43 million and Chuvashia between \$15 million and \$94 million every year from 2004 to 2008.¹⁶

Bank deposits in hard currencies held by businesses and government agencies in the North Caucasian republics are negligible. In 2009, Russia's statistical agency reported no such deposits in Ingushetia, about \$400,000 in Kabardino-Balkaria, \$330,000 in North Ossetia, \$1 million in Dagestan, and about \$3,300 each in Karachaevo-Cherkessia and Chechnya. This is more the pattern of remote Siberian ethno-territorial units without large oil and gas deposits (like Tuva, Khakassia, and Chukotka) than typical central Russian provinces (\$9 million in Pskov, \$14 million in Tver, and \$18 million in Smolensk).

Barriers to travel are substantial. An international business traveler faces a shortage of hotels. One major travel planning and booking search engine (Kayak.com) lists no hotels in Grozny, Nazran, Makhachkala, Vladikavkaz, or central Nalchik (the only hotel in the vicinity is a converted eight-story apartment building). The border area

¹⁶ Official statistical data in *Regiony Rossii 2009*, Table 24.9; and *Regiony Rossii 2010*, Table 9, <http://www.gks.ru>.

exclusion zone prevents unimpeded access to the region's two top recreational and winter sports destinations, Karachaevo-Cherkessia's Teberda-Dombay and the area in Kabardino-Balkaria around Mt. Elbrus, a unique twin-peak volcano and the tallest mountain in Europe. To visit such areas, international travelers need to submit a request to Russia's border service 30 days prior to arrival.

It is hard to see how anti-U.S. and anti-Western political rhetoric and social sentiments may help improve access to the area for investors and travelers. While grand designs at the federal level are made, any prospective author of specific local proposals to reduce government restrictions on travel to the region would be immediately open to accusations of getting soft on security or, worse, of being an accomplice to foreign intelligence services and militant insurgents.

Intergroup Contact and Intergroup Hostility: Lessons from Scholarly Research

Isolating the North Caucasus from international contacts for security reasons, in turn, is likely to be counterproductive. Sociological research across multiple contexts strongly suggests that contact across racial, ethnic, and other social groups typically reduces pre-existing prejudices and hostility among groups (see, for instance, a 2006 study by Thomas Pettigrew and Linda Tropp in the *Journal of Personality and Social Psychology*). One independent study from 2008 extends the implications of this research to an area particularly important in the social context of the North Caucasus – the Hajj pilgrimage to the predominantly Wahhabi Saudi Arabia, where thousands of local residents have traveled every year since the early 2000s.¹⁷ Concerns are frequently raised that this pilgrimage will nurture social bases of support for militant jihadists in the region. However, the study in question (by Harvard University scholars David Clingingsmith, Asim Ijaz Khwaja, and Michael Kremer) found that the Hajj pilgrims from Pakistan returned with more tolerant views of other Muslims, other religions, and with more inclination to accept women in education and employment.

These studies suggest that precisely the kinds of contact that Russian and local authorities fear may open the doors to detrimental foreign influences are actually essential for the region if the same authorities hope to reduce extremism and promote inter-group peace and harmony over time. Breaking this conceptual and policy “vicious circle” will be hard, unless bold and imaginative decisions are taken. Low-key solutions are needed, such as the efforts to promote trade, tourism, academic exchanges, and mixed schooling undertaken by the government of Northern Ireland in the early 1990s, when that region was still in the grip of a systemic sectarian violence that fewer and fewer people remember today.

¹⁷ <http://web.hks.harvard.edu/publications/workingpapers/citation.aspx?PubId=5725>

The Terrorism-Corruption Nexus in the North Caucasus

PONARS Eurasia Policy Memo No. 114

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Two terrorist attacks have shaken Russia in the past year: the bombing of the Nevsky Express train en route to St. Petersburg in November 2009 and the double suicide explosion in the Moscow metro in March 2010. Both are directly related to the latest wave of terrorism in the North Caucasus, which has been on the rise since mid-2009 and is a transfiguration rather than a recurrence of the insurgency-terrorist campaign of 2002-2004. That series of attacks – from the hostage taking in Moscow’s *Nord-Ost* theatre to the school massacre in Beslan, North Ossetia – was a spillover from the second Chechen war, but now this subjugated republic is firmly controlled by a homegrown tyrant.

The Russian ruling “duumvirate” of President Dmitry Medvedev and Prime Minister Vladimir Putin acknowledge the escalation of conflict but prefer not to go into its driving forces, demonstrating instead their unity in staying the course toward restoring the stability of 2006-2007 by exterminating the “bandits.” That relative pacification was achieved by a combination of brutal military suppression of insurgents and massive disbursement of money amongst local elites. The problem now is not that the recession has rendered this strategy unsustainable but that it creates more problems than it solves. Terrorism that used to be a continuation of insurgency is now fueled and fostered by corruption that has acquired grotesque forms, even by Russian standards.

The Business Strategy Gone Astray

The aggravation of the chronic security deficit in the region had become an undeniable reality by the end of 2009, and President Medvedev sought to address this issue in the context of his new grand strategy of “modernization.” A new administrative unit, the North Caucasus Federal District, was established in January 2010 and a new type of conflict manager, the dynamic and ambitious Alexander Khloponin, was put in charge. A very successful governor of the Krasnoyarsk region, Khloponin believed that the key to stabilizing his new domain could be found in accelerating its economic development. His two commonsense methods of advancing this aim were tighter control over the allocation of resources provided by the federal center and a new (more fully committed)

effort at attracting investment; within half a year, however, both efforts failed demonstratively.

Despite Khloponin's rank of deputy prime minister, he is not able to overrule the heads of the republics who see the distribution of funds amongst their clientele as their main instrument of power. This system of "privatizing" the federal budget generates far greater profits for officials and their businesses than any investment, while the growth of small enterprises is suppressed by racketeering. Reporting to Medvedev on the situation in Dagestan in August 2010, Khloponin had to admit a net outflow of investment, on top of a total waste of spending on local projects that had been earmarked for federal funding. Magomedislam Magomedov, the recently appointed head of the republic, had no problem with these revelations and agreed wholeheartedly with Medvedev's point on eliminating clan corruption, himself being a scion of the largest clan.

It is difficult to suggest what sort of investors would put money in, for instance, tourism in Kabardino-Balkaria, knowing that their property rights are regulated by clan wars and knowing also that basic infrastructure makes an easy target for terrorists, as demonstrated by the recent attack on the Baksan hydropower station in July 2010. In fact, the key problem of the region may not be economic, since the real level of income is significantly higher than that reflected in official statistics (as any comparison of a village in Dagestan and in central Russia would confirm). It is the paternalistic political system based on administrative corruption that generates social discontent and fosters extremism. However, neither Khloponin nor Medvedev have any idea how to transform it.

Suppression Runs Out of Steam

There is no shortage of promises to exterminate terrorists and punish their associates, but such brutal discourse has lost most of its convincing power since the autumn of 1999, when Putin was elevated to the status of national leader by the strength of his commitment to the military solution in Chechnya. The application of armed force had been reasonably efficient until the mid-2000s. By now, however, it has become progressively haphazard, uncoordinated, and often counterproductive.

One key element in the erosion of the repression apparatus is the reform of the armed forces, which is aimed at increasing the flexibility and combat readiness of ground troops but instead has brought about a significant decline in their combat worthiness. The proposal for building a corps of professional sergeants has been postponed, the number of soldiers serving on contract has been slashed, and the newly-formed brigades have been brought-up to full numerical strength only by expanding the cohort of poorly-trained conscripts who are drafted for 12 months of service. Modernization of key weapons systems and communication equipment has been promised and planned but is yet to be seen. As a result, combat units based in the North Caucasus are rarely involved in counter-terrorist operations, while their bases are often targeted. Thus, in Buinaksk, Dagestan, in July 2010, three lieutenant-colonels were

gunned down near the gate of the brigade base while another soldier on guard was knifed to death.

The Ministry of Internal Affairs (MVD) carries the main burden of guarding, patrolling, and hunting down terrorists in the region. It also takes the most casualties in this war; most attacks involve improvised explosive devices or shootings at police cars and checkpoints. It is increasingly difficult for the MVD to sustain its pattern of rotating police units from various Russian regions to Dagestan, Chechnya, and Ingushetia due to mounting casualties and expanding tasks elsewhere. As for the local police, they are increasingly becoming instruments of corrupt clans and active participants in their infighting. Thus, the murder of Adilgeri Madomedtagirov, the former interior minister of Dagestan, was initially presented as a revenge killing carried out by terrorists. However, a further investigation revealed it to be a contract killing taken on by a lieutenant from the 33rd Mountain Brigade. This diminished capacity for enforcing order in the North Caucasus is part of a bigger trend related to corruption within the Russian law enforcement system, different parts of which are pursuing their own entrepreneurial agendas. The new law "On Police" introduced by Medvedev is hardly going to change this "business" of law-enforcement. Even the FSB (with its authority strengthened by another new law) cares more about converting its resources into economic assets than about eradicating terrorist networks. An interesting consequence of this transfiguration of the power structure is the disappearance from the Russian political arena of the cabal of *siloviki*, who are now all but indistinguishable from other special interest groups.

Chechnya Looms Large

Paradoxically, it is not the Chechen rebels that are now the gravest security concern for Moscow but the maverick, despotic regime that was installed there as a means to enforce peace, however it saw fit. Ramzan Kadyrov has emerged as a far more capable leader than his bandit background ever suggested and he now rules freely over Chechnya, paying scant attention to Russia's laws while securing massive funding from the federal budget. His personal control over numerous militarized units ensures against hypothetical intentions in Moscow to replace him, and he continues to subjugate the Chechen community in Moscow and intimidate the Chechen diaspora in Europe. Putin has to accept his *pro forma* expressions of loyalty while being perfectly aware of the fact that Chechnya under Kadyrov has effectively achieved greater independence than it sought back in 1992-2002, and at Russia's great expense.

In seeking to reduce the military and FSB activities in his domain, Kadyrov demanded the lifting of the so-called "regime of counter-terrorist operations" in the spring of 2009, after which the frequency of attacks in Chechnya and neighboring areas sharply escalated. The leadership of the Chechen resistance, meanwhile, is becoming increasingly divided and isolated; it is inconceivable that the escalation of attacks across the region is coordinated from some sort of "Emirate headquarters." What is particularly striking is the steady stream of suicide bombings: 22 attacks from May 2009 to August 2010 that have claimed 92 lives. Most of these attacks are carefully prepared,

which leads to questions about who is planning the operations and where they are training.

Funding for terrorist networks is a mystery, but even the FSB no longer claims that it comes from abroad; what is of prime importance here is the plain fact that Chechnya receives the largest per capita share of federal funds. This “generosity” has helped rebuild much of the infrastructure that was destroyed in the wars (except for the oil industry). Kadyrov is able to cut short any talk about cutting costs, and Moscow is about to discover that the old saying, “an Afghan cannot be bought but only rented for a short time,” holds true for the Chechens as well.

Conclusion

It may appear logical to link the recent escalation of instability in the North Caucasus to the sharp break in Russia’s economic fortunes, which has caused a contraction of budget revenues and disorganization within the whole system of power. The stabilization of the macroeconomic situation would thus help to restore relative normalcy just in time for the election cycle of 2011-2012. There are few signs of this happening, however. While the issue of separatism has been reduced to irrelevance, terrorist networks are now intertwined not only with religious extremists but also with the shadow structures of criminalized clans. Medvedev’s strategy of boosting economic development in real terms delivers more money into local “black holes.” Greater corruption only feeds high-intensity terrorism.

An additional driver is taking shape as Sochi prepares for the 2014 Winter Olympic Games. The North Caucasian leaders are perfectly aware of the colossal costs of construction and have raised their demands accordingly, blackmailing Moscow with security risks, while for terrorists, any threat at a high-profile event guarantees great resonance. As for Kadyrov, his despotic rule is deeply alien to Chechen society, which is gradually recovering from the traumas of war. It will be difficult to establish who, from among his many enemies, was responsible for the explosion or bullet that suddenly puts an end to his reign.

Russian authorities cannot be blamed for underestimating the threat or overreacting after any particular attack. Their “investment-and-shoot-to-kill” response follows the only available strategy, which is consistent with the general course of “modernization” but also signifies its fiasco. Modernization is indeed incompatible with Putin’s soft-authoritarian political system in which corruption is not a side effect but the *modus operandi*. Unfortunately, the crisis in the North Caucasus is likely to only get worse before it gets catastrophic, producing a set of failed provinces and quasi-states.

Major Terrorist Attacks in Russia, July 2009–August 2010

Date	Place and Region	Target	Type of Attack	Fatalities (Not Incl. Rebels)	Rebel Force
15.05.2009	Grozny, Chechnya	Police Station	Suicide: body bomb	3	1
05.06.2009	Mahachkala, Dagestan	Person	Sniper	2	1
04.07.2009	Arshty, Ingushetia	Police Column	Ambush	9	10-15
26.07.2009	Grozny, Chechnya	Theater	Suicide: Body Bomb	6	1
13.08.2009	Buynaksk, Dagestan	Police Station	Attack	11	10-15
17.08.2009	Nazran, Ingushetia	Police HQ	Suicide: Car Bomb	24	2
21.08.2009	Grozny, Chechnya	Police Patrols	Suicide: Body Bombs	4	2
27.11.2009	Bologoe, Tver Oblast	<i>Novsky Express</i> Train	IED, Railway Tracks	28	3-5
06.01.2010	Mahachkala, Dagestan	Police Station	Suicide: Car Bomb	5	1
29.03.2010	Moscow	Subway Stations	Suicide: Body Bomb	40	2
31.03.2010	Kizlyar, Dagestan	Police Patrol	Suicide: Car, Body Bombs	10	2
05.04.2010	Karabulak, Ingushetia	Police Station	Suicide: Body Bomb and IED	2	1
01.05.2010	Nalchik, Kabardino-Balkaria	Hippodrome	IED	2	Unknown
26.05.2010	Stavropol, Stavropol Krai	Concert	IED	7	Unknown
21.07.2010	Baksan, Kabardino-Balkaria	Hydro-Power Station	Attack	2	5-7
24.07.2010	Buynaksk, Dagestan	Checkpoint	Drive-by Shooting	4	3-5
17.08.2010	Pyatigorsk, Stavropol Krai	Café	Car bomb	1	Unknown

Local Chronicles vs. National History

THE SEARCH FOR RUSSIAN IDENTITY

PONARS Eurasia Policy Memo No. 115

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While Russia's federal government has paid close attention to the depiction of Russian history since Vladimir Putin's first administration began reshaping the symbolic landscape of the country in the early 2000s, regional authorities have been more reluctant to use history for political aims. In recent years, however, many have begun to fashion a unique historical identity for their regions in an attempt to attract federal resources. With their potentially controversial efforts, the prospect for serious historical feuding in Russia extends beyond the many debates concerning federal efforts to prevent "falsification" of national history or the leadership role of Joseph Stalin. Local interpretations of history in some cases undermine loyalty to the federal center and pose threats to Putin's program for the revival of Russian patriotism.

Modes of Using Local History

In Soviet times, it was normal for regional authorities to organize city jubilees or celebrations in honor of local revolutionaries in order to secure additional money from the state budget. There were many limitations to this, including, first and foremost, prior endorsement from Moscow. In some instances, planned celebrations failed due to the lack of such an endorsement and the ensuing funds. This happened in 1977, for example, when Kazan planned to celebrate its 800th anniversary but was refused on the grounds that the event coincided with national celebrations in honor of the 60th anniversary of the Great October Revolution.

In the 1990s, growing regional autonomy resulted in a mushrooming of regional identity-building schemes, which inspired new forms of local historiography, especially in ethnorepublics. Most of these countered national versions of history by highlighting past episodes of local resistance to Moscow's centralizing efforts. Meanwhile, while Boris Yeltsin's administration failed to create its own version of the national past, political forces opposed to reform used Stalingrad as a symbol for their cause, making the city the site of their conventions and calling for a "second Stalingrad"

for the reformers. Regional historical identity thus became the sign of a regional Fronde resisting central authority.

The Kremlin's quest for an alignment of political and legal terrains across Russia in the early 2000s led to the elimination of all regional identity-building efforts by local leaders. Stalingrad at the time was frequently used by Putin in his own symbolic landscaping of the past.

Regional Identity as a Resource

By the end of the decade, however, newly appointed governors felt comfortable on a now-leveled political terrain, and they again needed to highlight some regional differences in order to attract federal attention and funds. Indeed, with most of the money for regional development concentrated in the federal budget, the main task of the governors is to invent reasons for the allocation of bigger shares to their territories. These reasons may be varied: the region's geopolitical importance (Kaliningrad or the Far East), its role as a site for a national project (the Sochi Olympics), or some other kind of "special" identity.

The major prize sought by regional leaders is the Federal Targeted Program (FTP). There are now six FTPs with specific regional contexts and several more that also possess a regional dimension. Leading examples include:

- The Program of Development of the Kaliningrad Region (-2014)
- The Program of Economic and Social Development of the Far East and Transbaikal (-2013)
- The Program of Socioeconomic Development of the Kuril Islands and Sakhalin Region (2007-2015)
- The Program of the South of Russia (2008-2012)
- The Program of Socioeconomic Development of the Social Sphere of the Chechen Republic (2008-2011)
- The Program of Development of Sochi as a Mountain Climate Health Resort (2006-2014)

In addition, the Program of the State Border of the Russian Federation (2002-2010) provides some resources for border regions, while the Program "Germans in Russia" allocates some money for Saratov.

As we can see, regional development was singled out as a specific federal problem in Kaliningrad (it is surrounded by members of the European Union), Chechnya (unstable), the Kuril Islands (claimed by Japan), Sochi (future Olympic site), the whole south of Russia (impoverished and unstable), and the Far East (depopulated).

When President Medvedev met Daghestani authorities in early August 2010, he promised to either create a special federal program for the republic on its own or as part of the "South of Russia" program.

Given such programs, it should not be surprising that other territories have also lobbied for "their" federal programs. History has become a resource for these efforts. In

fact, almost every Russian region is creating its own local historical narrative. The relationship of these narratives to the all-Russian history is complicated; some appear innocuous while others pose a direct challenge.

Regional politicians use local historical narratives in two ways. First, they seek to attract more attention to their cities and regions in order to bring in tourists, pilgrims, and federal money to their territory. Second, they seek to create some local identity in order to use it in bargaining with the center for privileges. While these two strategies often supplement each other, they represent different political logics.

Regional Histories: Making a Name for Oneself

Although Kazan did not succeed in holding the celebration of its 800th anniversary, the city celebrated its supposed millennial jubilee in 2005. According to some estimates, the celebration cost about 50 billion rubles (\$1.6 billion), which came from the federal budget.

Kostroma discovered its own historical hero when local activists “found” the tomb of Ivan Susanin, a hero of the anti-Polish resistance in 1612, who allegedly served as a guide for a company of Poles and led them to their deaths in an impassable swamp. Despite the fact that the legend itself rules out the possibility of finding Susanin’s grave, it was made into a local celebration with the participation of then-governor Viktor Shershunov in 2001. The initiative coincided with the transformation of Russia’s main national holiday – from commemorating the 1917 October Revolution to celebrating the liberation of the Kremlin from the Poles in 1612.

Novgorod (“Great Novgorod”) is trying to base its contemporary political identity on the history of the medieval Novgorod republic, emphasizing a “republican” continuity between the twelfth and twenty-first centuries.

Several cities are also arguing for the right to call themselves “the first capital city of Rus,” including Novgorod, Old Ladoga, and even Kaliningrad, which are competing with each other as much as with Kyiv.

Several other cities have built their historical identities on an older history: regional politicians in the Chelyabinsk region call a local archaeological site (known as *Arkaim*) the “ancestral home of Indo-Europeans,” while local journalists and politicians look for the same motherland in such unusual places as the North Caucasus and the Far North’s Kola Peninsula.

These histories do not fit with national narratives and they have little in common with history as a scholarly discipline. However, they do not disturb federal authorities and their political implications are rather slim.

Regional Histories: Creating Controversy

The most developed version of a local historical narrative lies in what is called in the academic curriculums of Russia’s capital “*Moskvovedenie*” or “Moscow studies.” Unsurprisingly, this local narrative perfectly fits the national one. The development of some other local variants of history, on the other hand, pose greater challenges.

The attempt in the Rostov region to rehabilitate Pyotr Krasnov, a Cossack *ataman* during the Russian Civil War, who later allied with the Nazis and was executed in 1946, is perhaps the most striking example. Activists raised a monument to Krasnov on a private estate and created a full-scale private museum in Podolsk near Moscow, which featured anti-Bolshevik resistance figures such as Krasnov and General Andrei Vlasov of the Russian Liberation Army, who fought alongside the German Army. While in Moscow such personages are unacceptable, the Cossacks in Rostov maintain a different view. Influential politicians initially supported the move to rehabilitate Krasnov in 2008. The move ended, however, with a visit by then-President Putin and, allegedly, a stern dressing-down behind closed doors. Ultimately, the Rostov Cossack leaders repudiated their stance.

There are, however, other potentially conflicting versions of history being promoted in Russia's regions. Historians in Novgorod stress the 16th century "massacre" of local nobility under Ivan the Terrible following the medieval republic's annexation. Ryazan authorities erected a monument to Prince Oleg, who is traditionally portrayed in Russian textbooks as a traitor for siding with the Mongols during Moscow's fight for independence in the 14th century. While old arguments about medieval nobility may seem out-of-date, they represent alternative interpretations of the historical role of Moscow as a unifier of Russian lands and bring into question the basis of local loyalty.

The most visible challenges to national history come from Russia's ethnonational republics. While Tatarstan's politicians seem to be satisfied with their "millennium" celebrations, a history curriculum that includes teaching that the "seizure of Kazan" by Ivan the Terrible was a great achievement of the Russian state is still problematic for the local classroom.

In the Caucasus, local histories possess an even more explosive potential. The "official" Russian narrative suppresses many different histories of ethnic enmities, but these persist in local cultures and can gain credence in some circumstances. One of the more recent examples is the enlivening of the Circassian historical narrative after the decision was made to hold the Winter Olympics in Sochi. According to Circassians (*Adyghe*), Sochi was traditionally their territory. Some go so far as to blame the Russian imperial government for committing "genocide" against the Adyghean people around Sochi in 1864.

In September 2010, the Russian historical community was shaken by a huge scandal over a nationalist-leaning, inaccurate textbook written by Moscow State University professors Alexander Vdovin and Alexander Barsenkov. One section about the percentage of Chechens who defected from the Red Army during the Second World War was particularly controversial. The scandal reached its highest point when journalist Nikolai Svanidze raised the book's tone and flaws with Russia's Public Chamber. Svanidze also brought the book to the attention of Chechen leader Ramzan Kadyrov, who threatened to summon the authors to a Grozny court and charge them with slander toward the Chechen people.

Volgograd: History as Patriotic Education

Recently, a new initiative was born in a Russian region; its goal was clearly stated as a response to the challenges posed by emergent local histories. Volgograd Governor Anatoly Brovko, who was appointed on New Year's Eve 2009, revived the idea of Volgograd as being of special importance to Russian patriotism.

In office for only a few months, Brovko initiated a program called "Victory" in order to attract federal resources to Volgograd. The main idea is to create a "Federal Center of Patriotic Education," which is to become the nucleus for a system of patriotic studies that brings every Russian schoolchild to Mamayev Hill, the central site of the Battle of Stalingrad. His intention is to "reshape the image" of the region by making it more positive. His idea was presented to President Dmitry Medvedev in March when the president was visiting Volgograd for a session of the "Victory in the Great Patriotic War" Jubilee Committee. Medvedev bestowed his approval upon the project.

After the celebrations in Volgograd commemorating the 65th anniversary of V-Day, the governor proceeded with his project. "The whole world should know that Volgograd – Stalingrad – is the capital city of Victory. And its contribution to Victory today is to be the vanguard of patriotic education," Brovko said. Later the governor addressed the participants of the 14th World Russian People's Council with the same idea and garnered the support of Patriarch Kirill of the Russian Orthodox Church.

The governor realized that in order to be competitive on the national level, his project should be presented in a new way. As a "new-style" politician, Brovko followed Medvedev's example and started his own blog on the popular Livejournal website. He also met with Volgograd bloggers (as well as local religious leaders).

Brovko ordered the project to be designed by the Moscow-based Institute of Regional Development (IRP). IRP had already designed schemes of regional development for post-Olympics Sochi, the Asia-Pacific Economic Cooperation summit in Vladivostok in 2012, and other ambitious projects. During the summer of 2010, IRP met with many Volgograd activists who offered an alternative non-military understanding of patriotism. As a result, the new project is heavily based on the whole history of the Volgograd region, with a special emphasis on events of major significance for Russia and the world. The project includes the creation of new museums, archives, and academic and research institutes in Volgograd. It needs considerable federal funds to achieve its goals, but it also seeks to attract tourism and business investment. The ultimate aim, however, is to lobby for an FTP for the Volgograd-centered education initiative. If Volgograd receives its own FTP, the primary goal of the governor will have been reached.

Viewed from the perspective of center-periphery relations, the novelty of the Volgograd initiative is the linking of local history to national history, which would make Volgograd the "Capital of the Victory" and therefore the capital city of Russian history. It could also create an alternative narrative of historical events, moving away from a centrally planned history to an interweaving of diverse local histories into a larger canvas of "federal" Russian history. The stakes are high: if the attempt succeeds, the identity of Russia will shift toward federalism.

Russia, Chechnya, and the Sovereign Kadyrov

PONARS Eurasia Policy Memo No. 116

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Moscow has effectively granted sovereignty over the Republic of Chechnya to its appointed leader, Ramzan Kadyrov. Despite frequent claims in some media sources that Kadyrov's days are numbered, and despite Kadyrov's public confrontations with Alexander Khloponin, head of the new North Caucasus federal district, Moscow has no real levers left to use against him.

While in theory President Dmitry Medvedev could relieve him of his post or take away the hundreds of millions of dollars in subsidies that he receives each year from the federal budget, to do so would be unthinkable. Kadyrov and his militia would fight to retain their patronage networks, and the resulting instability would risk unleashing another round of civil war. The Caucasus is far from calm, but now in Chechnya, at least, unrest can be blamed by Moscow on Islamist terrorists, who elicit little sympathy anywhere. As long as Kadyrov remains in power, and employs his militia to coerce rebels to turn toward Moscow's side, there is no threat that a violent struggle for secular autonomy will reignite and raise uncomfortable political questions.

This begs the question, however, of why Russia let Kadyrov effectively escape its oversight. In the past, most analysts argued that Kadyrov needed President (now Prime Minister) Vladimir Putin as much as Putin needed him. For years, Kadyrov had been bargaining for more control over Chechnya's affairs. Why then give him what amounts to complete freedom from Moscow, rather than merely leaving him in place? The choice is especially surprising because Russian leaders did so even after having taken advantage of two similar cases in neighboring Georgia, where President Eduard Shevardnadze in the early 1990s grudgingly granted individuals and their militias effective sovereignty over particular regions. Russian officials used the de facto sovereignty of Aslan Abashidze in Adjara and Emzar Kvitsiani in the Upper Kodori gorge to sap Georgian state resources and pressure Tbilisi. Even knowing what the potential dangers were, Moscow has now awarded Kadyrov the same opportunity. What explains Moscow's choices and what are the likely consequences?

The Development of Kadyrov's Sovereignty

Putin first ensured that Kadyrov would emerge as the unchallenged leader of Chechnya following his father Akhmed-Hadji Kadyrov's assassination in 2004. Over the next six years, Russia slowly ceded legal command over most troops and security operations in the republic to Kadyrov. Using the classic definition of "sovereignty" developed by Max Weber at the turn of the twentieth century, Kadyrov now has a virtual "monopoly over the use of legitimate force" on Chechen territory.

As a young man, Ramzan Kadyrov was the leader of his father's private bodyguard militia, the *kadyrovtsy*, while the elder Kadyrov served as Moscow's handpicked leader to manage post-war Chechnya in 2000. Even before his father's assassination, Kadyrov's men began to be appointed as commanding officers in the regional OMON special forces of the Russian Ministry of Internal Affairs (MVD). In February 2006, a presidential decree declared that this regional MVD, through the auspices of the operational headquarters of a special counterterrorism task force, would be given "direct leadership" over all counterterrorist activities in the North Caucasus, as well as responsibility for "organizing the planning and use" of activities carried out by joint forces on Chechen soil (including federal troops under MVD command, sent in on contract from elsewhere in Russia). Even though this regional headquarters was still overseen by federal MVD forces in Moscow, the local forces assumed legal day-to-day command responsibilities. In August 2006, Putin went further. He signed a decree pulling most federal Ministry of Defense and MVD troops out of Chechnya over the next two years, while ordering the remaining federal forces to stay on their bases except when called upon for special operations. In other words, Kadyrov's men, at that point, attained not merely day-to-day command in Chechnya, but also operational dominance.

In April 2009, the counterterrorism operation was officially lifted. On October 1, command over the operational headquarters in Chechnya was transferred from the federal MVD to the regional FSB, led by an ethnic Chechen. According to Russian analyst Andrei Soldatov, this meant that command was now put in the hands of locals whom Kadyrov could select and control. Simultaneously, Medvedev announced that all federal forces would pull out of Chechnya by the end of 2011; regional Chechen MVD forces would at that time assume sole responsibility for security in the republic. In November 2009, the 33-year-old Kadyrov was named a major general in the MVD, the youngest man in the history of either the USSR or Russia to receive the rank. He was given not merely de facto but de jure command and control over the vast majority of security forces located on Chechen territory.

The Grozny Airport

Then Moscow did more. As part of the official end of federal counterterrorism operations in the republic, Russia's Interstate Aviation Committee recertified the Grozny airport for international flights. The airport would henceforth be managed by Kadyrov's private foundation, using its own planes for chartered trips. Medvedev also gave Kadyrov the legal right to manage customs operations at the airport. Prior to this decision, all international traffic out of Chechnya had to pass through other Russian

ports and airports, under Moscow's oversight (unless it transited the treacherous and federally patrolled mountain border into Georgia). In November 2009, the first Boeing 757 left Grozny with 200 pilgrims on the Hajj to Mecca in Saudi Arabia. Thirteen additional Hajj flights went out that winter, and it was announced that this would become an annual undertaking.

Soldatov called the opening of the airport a "smokescreen" and a publicity stunt, but the certification was in fact very significant. Kadyrov could now send or receive money and goods without Moscow's direct knowledge every time Russian air traffic controllers approved an international flight. This already had the potential to return the Grozny airport to its former status of the 1990s, when it served as a hub for organized criminal activities, but with a single local boss now heading the operation. Even more importantly, Kadyrov acquired the ability to establish connections more easily with foreign investors and governments independently of Moscow, welcoming visitors from anywhere in the world and sending his representatives abroad without Moscow's knowledge.

As of spring 2010, passport control at the Grozny airport appeared to still be conducted by federal security personnel. An officially produced video clip from April 2010 (featuring a controversial Canadian singer, Chrystal Callahan, who moved to Chechnya and appears frequently in propaganda videos) includes a shot of the airport's passport control desk. It is staffed by several apparently ethnic Russian employees wearing federal uniforms, rather than by fatigue- or leather jacket-wearing *kadyrovtsy*. Since the video was aimed at an internet-savvy, English-speaking audience used to finding hidden meanings in official Russian media reports, it was doubtlessly intended to send a message about Moscow's continuing control over the airport. Yet, it would be surprising if those few guards, stationed deep inside Chechnya, would be able to completely withstand either the temptation of corruption or threats by the *kadyrovtsy*. Unless the guards always gave Moscow completely accurate flight manifests, Russian authorities would have no way of knowing who was entering or leaving Grozny by air.

What the Georgian Comparison Reveals

The significance of this becomes clear when we remember Aslan Abashidze and Emzar Kvitsiani, the two provincial leaders who effectively became "middlemen" for Moscow in Georgia. Fearing to fight their militias, and hoping they would repay him with votes and other forms of political support, Shevardnadze looked the other way when they took over security functions within their regions and engaged in smuggling. This cost the Georgian state hundreds of millions of dollars in lost revenue and cemented Russia's foothold on Georgian territory.

Abashidze, in Ajara, cooperated with the local Russian military base. He obtained heavy Russian weaponry for his militia and appointed a retired Russian general to serve as his own militia commander. Meanwhile, Moscow Mayor Yuri Luzhkov, his billionaire wife Elena Baturina, and their friend and reputed crime boss Grigory Luchansky reportedly received sweetheart deals on property in Ajara while providing Abashidze with investment advice. It is rumored that Russian interests were

involved in the oil refining and smuggling transit trade through the region as well. In 2004, Georgian President Mikheil Saakashvili successfully removed Abashidze from power, with Russian cooperation (an outcome that remains somewhat surprising given the hostility between Saakashvili and Putin and begs the question of what Russia received in return). Abashidze now lives in exile in Moscow, where his son works with Luzhkov on construction projects.

Kvitsiani, in the effectively autonomous Upper Kodori region, ran a timber smuggling operation via separatist Abkhazia. He also controlled the electrical power lines running from Russia into Tbilisi, and his territory was used to shoot down the connecting wires at key political moments, plunging the Georgian capital into darkness. Saakashvili removed him in 2006. In the 2008 war, Upper Kodori was lost to Russian forces and came under the control of Abkhazia. Now there are credible rumors that Kvitsiani's network is once again in charge of the mostly depopulated region, but this time under Russian military protection.

While there are many differences between these cases and Chechnya, the key point remains: Russian state and private interests used these "middlemen" and their militias to weaken the Georgian state. When Abashidze and Kvitsiani took control over their provincial territories, they used their access to the outside world to line their own and others' pockets with Georgian revenues, while undermining Georgian sovereignty. Moscow seems now to have given Kadyrov a similar opportunity.

Explaining Moscow's Choices

Many conspiracy theories purport to explain the relationship between Putin and Kadyrov, but there is a simpler explanation for Moscow's choices. Like empires dating back to early modern Europe; like the United States, Great Britain, and France in their own empires at the turn of the twentieth century; and, arguably, like peace enforcement operations in places like Bosnia and Kosovo in the 1990s, as well as the unsuccessful U.S. effort to control the political futures of Afghanistan and Iraq under the administration of George W. Bush, Moscow has adopted a policy of indirect rule in Chechnya in order to save costs. It has effectively outsourced its own sovereignty.

Sometimes one hears the claim that Moscow's Chechnya policy is all about oil. However, Chechnya's oil fields are projected to run dry soon and the amount produced today is a tiny fraction of Russia's overall market. At one time, Chechnya served as an important transit link for oil from Azerbaijan, but the pipeline was rerouted during the first Chechen war in the mid-1990s. Now, the majority state-owned oil company Rosneft is scheduled to reopen and upgrade the Grozny refinery, but only after years of pressure by Kadyrov. The refinery will only serve to increase the resources at Kadyrov's disposal.

Despite two bloody wars, which were fought to retain and subdue Chechnya, the truth is that as long as Chechnya stays relatively quiet and remains within Russia's recognized legal borders, no one in the Russian political elite cares much about what happens there. In comparison to the rest of the North Caucasus, Chechnya looks like a haven of stability. This is not to say that Kadyrov has ended Chechen violence. He and

his minions are credibly accused of assassinations around the globe, the insurgency may have simply migrated to neighboring areas in Russia, and terrorist acts still occur regularly in Chechnya. Kadyrov himself is sometimes alleged to contribute to the continuing unrest, to make himself appear necessary. Yet allowing Kadyrov to take responsibility for controlling the territory relieves Moscow of both the political and economic costs of military occupation.

Potential Consequences

Like other empires pursuing policies of indirect rule, Moscow may have achieved short-term cost savings at the expense of long-term security interests. Indirect rule is notoriously hard to monitor and control. Kadyrov is a violent and unpredictable man who is known to love expensive toys (including his ever-changing fleet of luxury cars). By granting him effective sovereignty over Chechnya, Moscow has lost oversight of his choices. Kadyrov claims undying loyalty to Putin and recently surrendered the title of “president,” apparently on his own initiative, so as not to compete against his boss, Medvedev, in Moscow. Yet, no one knows what Kadyrov might do for money, or who might pay him to do it. Chechnya could very well become a haven for activities that Moscow regrets. At a prosaic level, this might mean drug smuggling or gunrunning. If Kadyrov’s loyalties are less firm than he claims, however, it could mean cooperating with foreign interests – be they states or other organizations – that contribute to the further weakening of the Russian state. Moscow has risked a very unpleasant future for short-term stability.

The Evolution of *Siloviki* Elites

FEDERAL “GENERALS” IN RUSSIA’S REGIONS

PONARS Eurasia Policy Memo No. 117

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Political and administrative elites in Russia’s regions have changed drastically in recent years. Specifically, Moscow’s management of regional (effectively “federal-regional”) positions has expanded. With fifty to seventy branches of different federal bodies now represented across the country, federal employees outnumber regional officials two to one.

This brief analysis focuses on major officials in the regions, namely those with the Federal Security Service (FSB), Ministry of Internal Affairs (MVD), Prosecutor General’s Office, SKP (investigative committee), heads of regional courts, and the GFI (chief federal inspectorate). These offices form a core of federal “bosses” in the regions and are officially recognized as such. The Kremlin’s “de-nativization” (“*dekorenizatsia*”) policies have been proceeding at a swift pace, increasing the control and manageability of regional politics by the power center in Moscow.

The Present Situation

The transition to a new system of de-nativization and intensive personnel rotation has been uneven in terms of both political offices and regions. The case of 26 ethnic units as seen in Table 1 serves as a good illustration of this phenomenon (the approach to ethnic republics used to be careful and balanced). Table 1 shows that among seven types of officials considered, judges are the most connected to particular regions – with a “regional connection” grade of 4.1 (5 being the highest) and an average of almost nine years in office. The head of a region has an office term three times as short (3 years), but with a similar grade of connection (3.9). The rest of the officials have similar terms in office – about 3 to 4 years – but their regional connections vary. The data for the SKP is less informative because the institution was introduced in 2007, with career deputies of the regional prosecutor occupying this position (providing for a higher level of connectedness). Among the remaining four, there are two poles of connectedness: the FSB chief who is not really connected to the region (1.3) and the GFI, which has a

moderate connection (3.0). The prosecutor (1.8) and minister of interior (1.9) are in the middle of this range.

Variation across regions is even more pronounced, ranging from 1.2 to 4 by grade of connectedness, and from 2 to more than 10 years in office. Among the leaders in terms of having roots in the regions are: Tatarstan (4.0 and almost 11 years), Dagestan (3.9 but approximately 2 years), Komi and Udmurtia (3.6 and more than 5 years), and Chechnya (3.4 and 3.5 years). The administrative and power elites are less rooted in the Nenets district (1.2 and 3.5 years), Ingushetia (1.9 and a little over two years), Bashkiria (2.1 and less than 3 years), Mari (2.2 and 4 years with something), and Khakassia (2.3 and a little more than 2 years).

Table 1. Major Federal Officials' Connections to Regional Elites (September 2010)

Region ↓	Head of region		Chief federal inspector		Federal Security Service		Interior Ministry		Prosecutor		Investigative Committee		Supreme Court		Average term in office without head of region (months)	Average connection to the region (new/old)	Average term in office (months)
	Term in office (months)	Connection to the region (new/old)	Term in office (months)	Connection to the region (new/old)	Term in office (months)	Connection to the region (new/old)	Term in office (months)	Connection to the region (new/old)	Term in office (months)	Connection to the region (new/old)	Term in office (months)	Connection to the region (new/old)	Term in office (months)	Connection to the region (new/old)			
Noth-West: total	10	3,0	51	3,7	22	1,0	40	2,3	31	1,0	35	3,7	157	3,7	56	2,6	50
Karelia	2	2	27	5	47	1	16	3	12	1	36	5	268	5	68	3,1	58
Komi	8	5	79	5	18	1	36	3	23	1	34	5	190	5	63	3,6	55
Nenets AO	19	2	46	1	2	1	69	1	59	1	36	1	14	1	38	1,1	35
South: total	38	4,0	36	2,6	28	1,3	27	2,0	24	2,1	32	4,4	118	4,3	41	2,9	40
Adygea	46	5	33	5	18	1	22	1	36	1	36	5	139	5	47	3,3	47
Kalmykia	0/2 09	5(2)	39	1	39	1	23	1	9	5	36	5	177	5	54	3,0	54
Dagestan	7	5	75	5	36	1	14	5	13	1	36	5	*	*	35	3,7	30
Kabardino-Balkaria	60	5(3)	12	1	42	3	55	1	40	5	36	5	141	5	54	3,3	55
Karachay-Cherkessia	25	2	32	1	47	1	4	1	20	1	36	5	30	1	28	1,7	28
North Ossetia	63	5	31	4	6	1	22	1	10	1	19	1	128	5	36	2,6	40
Ingushetia	23	2	40	1	12	1	6	1	43	2	36	5	*	*	27	2,0	27
Chechnya	42	5	29	-	25	1	69	5	23	1	21	-	90	5	43	3,4	43
Urals: total	7	2,5	27	4,5	90	3,0	33	1,0	36	1,0	36	4,5	31	4,0	42	3,0	37
Khanty-Mansi AO	7	1	26	4	115	3	58	1	44	1	36	5	24	3	51	2,6	44
Yamalo-Nenets AO	6	4	27	5	64	-	7	1	27	1	36	4	38	5	33	3,3	29
Volga: total	65	5,0	45	2,3	42	1,5	74	2,3	72	2,2	36	4,6	136	4,0	67	2,9	67
Bashkortostan	2	5	34	1	37	1	22	1	57	1	36	5	34	1	37	2,1	32
Mari	70	5(4)	11	1	18	1	31	1	107	1	36	5	124	-	55	1,8	57
Mordovia	182	5	40	5	12	1	61	1	56	1	36	3	147	-	59	2,7	76
Tatarstan	8	5	118	2	77	1	136	5	111	5	36	5	303	5	130	4,0	113
Udmurtia	124	5	12	1	64	4	49	1	30	4	36	5	146	5	56	3,6	66
Chuvashia	2	5	53	4	41	1	145	5	70	1	36	-	59	5	67	3,5	58

Siberia: total	40	3,5	30	2,0	22	1,0	33	1,0	41	2,0	34	5,0	50	3,8	35	2,8	36
Altai	58	5	57	5	58	-	95	1	12	1	35	5	17	1	46	3,0	47
Buryatia	39	1	13	1	5	-	3	1	47	5	36	5	34	5	23	3,0	25
Tuva	41	5	25	1	10	-	3	1	40	1	36	5	132	5	41	3,0	41
Khakassia	22	3	26	1	15	1	30	1	66	1	27	5	17	4	30	2,3	29
Far East: total	13	4,3	8	4,7	23	1,0	42	2,3	53	1,7	36	4,0	82	5,0	38	3,1	34
Sakha (Yakutia)	6	5	10	5	37	1	51	1	47	1	36	3	135	5	53	3,0	46
Jewish AO	7	5	3	4	10	1	58	1	39	1	36	5	28	-	29	2,8	26
Chukotka AO	27	3	11	5	21	1	16	5	74	3	36	-	-	-	32	3,4	31
Total	36	3,9	35	3,0	34	1,3	42	1,9	43	1,8	34	4,4	105	4,1	47	2,9	46

The ranking and associated description below (1 through 5) describes the “Connection to Region” quotient in Table 1 (highlighted columns).

1. **Total Outsider (“Varangian”)**: Those without connections to the region prior to appointment.
2. **Half Outsider**: Those connected to the region by birth or ethnicity (republics).
3. **Outsider**: Those rooted in the region; worked there for a while before being appointed.
4. **Insider**: Those coming from the region but worked in a different region prior to appointment; did not belong to core of political elite.
5. **Insider+**: Those from the core of a regional establishment.

Recent Dynamics

Since the onset of the financial crisis in 2008, the number of personnel replacements has increased in all 83 regions.

Table 2. Replacements of Key Federal Representatives in the Regions, Jan 2009- October 2010

	Governors	Prosecutors	SKP	MVD	FSB	Judges	GFI	United Russia	Total
2009	15 (4)*	13	7	6	23	9	25	13	111
Connection to region	3.2	1.6	2.1	3.1	1.1	3.0	2.8	4.2	2.5
2010 (Jan-Oct)	29(13)	4	4	17	10	0 (Jan-Jul)	9	3 (Jan-Jul)	76
Connection to region	4.6	1.8	1	1.4	1	NA	3.1	5.0	2.9

* The figures in parentheses refer to reappointed incumbents.

If six major federal representatives are examined (FSB, MVD, prosecutor, SKP, chairman of the regional court, and GFI), it appears that the intensity of “replacements” has risen by about a fifth: from 70 in 2008 to 83 in 2009. Keeping in mind that there are some 80 regions, a full cycle of these six federal replacements would have taken about seven years at the 2008 pace (an average replacement of 0.9 representatives per region). In 2009, however, the process was even faster: approximately one representative per region on average, with a full replacement cycle taking under six years.

What is the Regional Dimension?

There were no replacements at all in six regions (Leningrad, Kaluga, Kostroma, Lipetsk, Tatarstan, and Chuvashia), one replacement a year in five regions, two replacements a year in four regions, and three replacements in the Penza region.

Table 3. Replacements of Six Major Federal Officials in the Regions, 2008-2009

Number of replacements per region, 2008	Number of replacements per region, 2009				
	0	1	2	3	4
0	6	3	4	6	
1	8	5	12	2	1
2	4	13	4	3	
3	3	6	1	1	
5			1		

The two regions with the highest levels of replacements were Khakassia with five replacements in 2008 and two in 2009, and Khabarovsk with one replacement in 2008 and four in 2009.

If one looks at the types of federal officials, the GFI and United Russia functionaries stand out: 19 in 2008 and 25 in 2009 for GFI, and 31 in 2008 and 12 in 2009 for party bosses. FSB chiefs recently joined the movement, with an intensive rotation of 12 in 2008 and 24 in 2009.

Federal District Level

Looking at the federal district level, there are interregional contrasts as well.

- The highest number of replacements is seen in those districts that attract the federal government's greatest attention: the Southern and Far Eastern districts (3.7 replacements per region in course of two years), with the Northwestern district being far behind (2.1).
- There are three districts where replacements were more numerous in 2008 than in 2009: Northwestern (13/11), Southern (27/20), and Siberian (19/16).
- In the Volga district (20/21) and Urals district (8/7) there was almost absolute balance.
- In the Central (17/22) and, especially, Far Eastern districts (10/23) there was an increase of replacements in the course of the financial crisis.

Along with natural personnel movement due to age or duration of term in office, there are two general approaches to explain the high turnover. The first is a vertical approach consisting of intensive rotation in regions due to replacements of ministry and agency heads in Moscow or, in the case of GFI, of plenipotentiary envoys. The second approach is horizontal, when regional heads are either replaced or reappointed.

Changing Roles

There are two large-scale comparative studies of the most influential people in Russian regions, which was undertaken by the Institute of Situational Analysis and New Technologies (ISANT) in 2003 and 2007. Their results are summarized (by position) as follows:

Table 4a: 2003 Ranking of Major Positions Among Regional Political Elites (ISANT)

Position	Sum of scores	Average score (1-5)	Average rank	Range of rankings	Number of regions
Head of region	135	4.5	1.43	1–5	30
Deputy head of region	118	3.8	4.29	2–10	30
Speaker of regional legislative assembly	104	3.7	5.4	1–10	28
State Duma deputy	86	3.6	5.25	1–10	24
Mayor of regional Centre	84	3.8	4.77	1–9	22
Deputy of regional assembly	70	3.5	6.8	3–10	20
Mayor, head of district	63	3.5	6.6	3–9	18
Chief federal inspector	53	3.5	6.87	3–10	15
Member of Federation Council	46	3.5	6.8	2–10	13
Head of regional militia	39	3.5	7.5	4–10	11
Head of regional FSB	32	3.5	6	2–10	9
Prosecutor	29	3.6	8	1–10	8
Deputy of municipal council	23	3.3	8.29	6–10	7
Head of regional election commission	19	3.7	6	4–9	5
Chair of regional court	7	3.6	5	4–6	2

Table 4b: 2007 Ranking of Major Positions Among Regional Political Elites (ISANT)

Position	Sum of scores	Average score (1-10)	Average rank	Range of rankings	Number of regions
Head of region	303	8.9	1.1	1–3	34
Deputy head of region	264	5.5	6.5	2–10	48
Speaker of regional legislative assembly	195	6.3	3.9	2–9	31
First deputy governor	189	5.9	4.6	2–10	32
Mayor of regional centre	168	6	5	2–10	28
State Duma deputy	74	5.3	6.6	3–10	14
Chief federal inspector	53	5.3	6.5	2–9	10
Deputy of regional legislative assembly	53	4.8	7.7	4–10	11
Chief of governor's staff	52	6.5	4.4	2–8	8
Head of regional militia	41	4.6	8	5–10	9
Speaker of city council	31	5.2	6.7	5–10	6
Deputy speaker of regional legislative assembly	28	4.6	8.7	7–10	6
Mayor, head of district	28	5.5	8.2	5–10	5
Presidential envoy to federal district	24	6	3.7	2–5	4
Member of Federation Council	20	5.1	6.3	3–10	4
Head of regional FSB	20	5	6.8	5–10	4
Prosecutor	20	4.9	7.3	4–9	4
Chair of regional court	14	4.7	8.3	7–10	3
Head of regional election commission	9	4.6	6.5	5–8	2

Hierarchy of Regional Positions

According to ISANT-2007 the hierarchy of positions in the regions as ranked by specifically *political* influence (the chart above refers to general influence) is as follows:

- 1) Head of region – 8.5
- 2) Speaker of regional legislative assembly – 6.2
- 3) Mayor of regional capital – 6.1
- 4) Russian Orthodox Church bishop – 5.2
- 5) FSB director – 4.9**
- 6) Chief federal inspector – 4.9**
- 7) Speaker of the council of a region's capital city – 4.6
- 8) Prosecutor – 4.6**
- 9) Regional militia chief – 4.4**
- 10) Chair of regional court – 4.2**
- 11) Member of Federation Council – 4.0
- 12) Representative of big business – 4.0
- 13) State Duma deputy – 3.9
- 14) Mayor of municipality – 3.8
- 15) Representative of academia – 3.8

This list shows a large gap between governors and everybody else. There are a large number of law enforcement officials who occupy the middle of the list in rank order: FSB, chief federal inspector, prosecutor, internal affairs directorate, and chairmen of the regional courts.

2007-2010 Dynamics

The last ISANT survey was completed long ago and many changes have taken place since that time. The governors' appointments became very different starting from 2008 when a turn toward a "Varangian" model occurred. This shift toward the Varangian model diminished the role of governors. The Investigative Committee became an autonomous player, which added one more uniformed official and weakened the local prosecutor's office.

The role of the GFI continued to decrease for a number of reasons including functional doubling with appointed governors and weakening of the president and of his envoys. The center of gravity started to move in the direction of the party vertical led by the United Russia leader. What was achieved, in general, is the atomization of regional *siloviki* as a result of both their rotation and de-nativization.

Without large-scale comparative studies, it is possible to use different sources of evidence to illustrate this point. The list of influential politicians from the Nizhegorodskaya region fits this picture well.

The top ten influential politicians in 2010 of Nizhegorodskaya look similar to the ISANT-2007 political hierarchy to a certain extent, although it differs by a much bigger share for federal representatives. There are only three local institutions among the top

ten: the governor (3), mayor of regional capital (4), and bishop (5). All others are federal: plenipotentiary envoy (1), two United Russia deputies (2 and 6), prosecutor (7), FSB chief (8), tax service chief (9), and regional militia chief (10).

Conclusions

When considering regional political elites, major attention focuses on the fate of heads of regions, but this represents only the tip of the iceberg. The entire upper echelon of regional elites has undergone radical changes, which has both positive and negative effects. On the positive side, there is a formation of a unified elite space instead of eighty-plus separate cells, which has the effect of creative mixing and “cross-pollination.” On the negative side, there is the threat of the center losing control of situations due to weak institutions and increasing depersonalization of offices. There is also the real danger of alienation between citizens and their elites, who look more and more like occupying authorities. A governor who transforms into a federal official and part of a vertical hierarchy along with other officials not only loses the role of a connection between federal and regional elites, but also as a coordinator of regional elites. This is a reflection of the corporate governance model whereby regions are treated as territorial departments of the “corporation” called Russia.

The Circassian Question in Russian-Georgian Relations

PONARS Eurasia Policy Memo No. 118

Sufian Zhemukhov
NGO "Circassiada" (Nalchik)

Russian-Georgian relations have gone through many changes, but before August 2008 one constant in this relationship was the attitude toward Georgia's territorial integrity. In 1990-91, when Georgia made its first official steps toward independence, Soviet President Mikhail Gorbachev tried to stop the republic by approving of the various "separatist" declarations issued by the parliaments of Abkhazia and South Ossetia, both formally autonomous units within Soviet Georgia. In contrast to Gorbachev's policy, however, the first presidents of Russia and Georgia, Boris Yeltsin and Eduard Shevardnadze, tried to develop good relations between their states. When the Georgian-Abkhaz war began in August 1992, Russia expressed its support of Georgia's territorial integrity and even deployed military troops to the Russian republic of Kabardino-Balkaria (with its titular Circassian/Kabardian population) to prevent thousands of Circassian volunteers from joining Abkhaz in their fight against Georgia.

After some fifteen years, however, the situation has changed completely. The deterioration of Russian-Georgian relations culminated in the "five-day war" between Russia and Georgia and, subsequently, Russian recognition of Abkhazia and South Ossetia as independent states.

In response to Russian interference in its affairs, Georgia has recently turned its attention to the North Caucasus. In particular, it has taken an interest in the international Circassian movement, which seeks recognition of the genocide committed against Circassians by tsarist Russia in 1864. This issue is especially timely, as the 150th anniversary of the Circassian genocide coincides with the next Winter Olympics in 2014, which will be held in Sochi, the last capital of an independent Circassian state.

The Circassian Question in Georgian Foreign Policy

Georgia has always played an important role among the nations of the Caucasus. However, Georgia lost influence in the North Caucasus when, in 1992, it invaded Abkhazia in the midst of a dispute over the nature of their political ties and effectively forced Circassians to choose sides. Circassian nongovernmental organizations in Russia raised their voices against the war, including committees of women, journalists, and writers. Over 2,000 Circassian volunteers participated in the war under the command of

a Nalchik-born retired Soviet colonel, Sultan Sosnaliev, who became the commander of all Abkhaz forces during the Georgian-Abkhaz war of 1992-93 (Nalchik is the capital of Kabardino-Balkaria). Sosnaliev was later appointed minister of defense of Abkhazia after the war. Circassians in Russia and in the diaspora, scattered across 50 different countries, organized meetings internationally and sent humanitarian aid to the Abkhaz. The Circassian world continued to support Abkhazia after the war as well, raising the question of Abkhazia's independence and speaking often against Russia's postwar economic blockade of the republic. A celebratory demonstration took place on Abkhaz Square in Nalchik on the day Russia recognized Abkhazia's independence.

Despite this, Georgia never issued protests against Circassians. Partly, this was because Georgia wished to conduct state-to-state relations with Russia alone and not to "lower" its policy to the level of the "dependent" Circassians. Also, it appeared useless to try and stop the Circassian anti-Georgian movement if even the Russian government could not do so. Finally, there was no clear way for Georgia to approach the Circassian community as a whole.

Nonetheless, Georgia regarded Circassian support for the Abkhaz as a real political and even military threat. The new National Security Concept, adopted by Mikheil Saakashvili's government before the August 2008 war, considered threats by "non-state actors" more likely than "military aggression by another state." In point of fact, the only non-state actors to ever really threaten Georgia militarily were the Circassian volunteers during the Georgian-Abkhaz war. The August 2008 war represented more than a military defeat and loss of territory for Georgia. Having found itself in a situation where not even its closest allies supported it, Georgia's main loss was its dream for integration into the North Atlantic Treaty Organization and the European Union. Georgia was not able to form any kind of coalition against Russia. Georgia thus sought to shift the political tides by, among other strategies, rethinking relations with sub-state actors in the wider Caucasus region.

Georgia's New Interest in the North Caucasus

Accordingly, Georgia developed a policy toward Russia called by some analysts a "policy of symmetry" – aiming to intensify its efforts to engage with the North Caucasus more productively while trying to encourage an anti-Russian separatist movement in the North Caucasus. "Considering the lessons of history, we expect an explosion of a separatist movement in the North Caucasus in the near future," said vice speaker of the Georgian parliament, Levan Vepkhvadze. The broader notion behind this seemingly negative idea was to revive the leading role of Georgia in the region and make Tbilisi a political and intellectual center among the Iberian-Caucasian nations.

On January 2010, a new Georgian satellite channel called "First Caucasus" was established to reach out to audiences in the North Caucasus. It was announced that the main purpose of the channel was, as the Russian daily *Kommersant* reported it, "to supply the Russians, and especially the North Caucasians, with true information about what is going on in Georgia and in the North Caucasus." On February 2010, the Georgian parliament established a Group of Friendship and Cooperation with the

parliaments of North Caucasian republics. The Georgian parliament called on the North Caucasian parliaments to work jointly “to develop the Caucasian civilization” and “to save historical and friendly ties between the nations of the Caucasus in spite of the worsening of political relations between Georgia and the Russian Federation.” These initial steps did not have much impact in the North Caucasus because of the response from the Russian side: the television channel, while available on the internet, was ultimately not broadcast by the French company Eutelsat allegedly under Russian pressure, and the parliaments of the North Caucasian republics never responded to the appeal.

It was the next step in Georgia’s policy toward engagement with the Circassian world that proved to be most successful, setting off what one observer dubbed the “war of conferences.”¹⁸

The “War of Conferences”

On March 2010, the Washington-based Jamestown Foundation and Ilia State University’s International School for Caucasus Studies in Tbilisi organized a conference in Georgia titled “Hidden Nations, Enduring Crimes: The Circassians and the Peoples of the North Caucasus Between Past and Future.” The event brought together specialists on the Caucasus and Circassian activists from the diaspora (mainly from the U.S.), as well as members of the Georgian parliament. At the end, the Circassian participants signed an appeal to Georgia’s parliament to recognize as genocide the massacres and deportations of Circassians committed by Russia in the 19th century.

The Russian government reacted warily to the revival of the Circassian question by a foreign state. Traditionally, the Kremlin has pursued a so-called “policy of silence,” not officially recognizing or denying the Circassian problem. In response to an appeal for recognition of the genocide in 2006, for example, the Russian parliament dithered and eventually only concluded that Circassians were not among the people deported in Joseph Stalin’s time, thereby simply ignoring the key historical issue. This time, the Russian parliament quickly responded to the Georgian initiative, branding it as “support for separatism” in the North Caucasus.

With the Jamestown Foundation’s conference, Western media became more familiar with the Circassian issue, with the event even being referred to as the first genocide in modern history (followed by the Armenian genocide and the Holocaust).

The Russian government did not officially respond, allowing local NGOs to speak for it. In May 2010, a branch of the Russian NGO “In Georgia’s Name” was established in the Circassian town of Maykop to represent the Georgian diaspora. This obtuse approach suggested that that the Kremlin was in fact concerned by Georgia’s “Circassian initiative.” On May 27, 2010, the Russian news agency RIA Novosti hosted a roundtable and press conference devoted to the theme of the Circassian question. On the Georgian side, the Georgian parliament held a session the next month, where a paper on genocide in the North Caucasus was presented by Georgian scholars.

¹⁸ <http://www.7kanal.com/news.php3?id=274824>

Afterwards, the Jamestown Foundation held a second conference in Washington, D.C., titled "Sochi in 2014: Can an Olympics Take Place at the Site of the Expulsion of the Circassians 150 Years Earlier?" Some members of the Georgian parliament attended the event and discussed the Circassian issue from the Georgian perspective. Circassian participants called for the consolidation of the three Circassian territories in the North Caucasus into a single republic.

Conference participants and observers from all sides developed and shared a range of opinions and arguments on the subject. Georgian deputies, from the outset, expressed their readiness to discuss "the 19th-century massacres of Circassians." A member of parliament, Gia Tortladze, said that "the Circassian people's request is rather legitimate." Another member, Nugzar Tsiklauri, presented a paper entitled "The Sochi Olympics and the Circassians: The View from Georgia" and expressed his opinion that the Georgian parliament would make a just decision concerning the Circassian genocide.

Some Georgian analysts predicted a deterioration in Abkhaz-Circassian relations, as Abkhazia could be expected to follow Russia's own "policy of silence." Circassian representatives would thus accuse Abkhazia of being a Russian Trojan horse and of treason against all-Circassian interests. However, Abkhazian activists have already expressed their support for the Circassians: in an open letter to a Circassian internet site, one such activist, Irakly Bzhanava, wished his "kin nation" success in achieving recognition of the genocide and noted that "we want to be part of this struggle, since Abkhaz have suffered as a result of the Russian-Caucasian war no less than our brother Circassians."

For their part, Circassian organizations and activists were pleased that the Circassian question was making it to the international scene and that the Russian government would not be able to disregard the issue any longer. But they were divided in their attitude toward the fact that the issue was raised in Tbilisi, with some saying they would support genocide recognition by any country, while others were sceptical of Georgian intentions and approached the Tbilisi conference as simply Georgian propaganda. Some even said that the Circassian issue was not Georgia's business and should be solved only by Russia.

Russian analysts responded with a wide spectrum of arguments. The most positive was that of well-known Russian journalist Alexander Podrabinek, who argued in his article "Olympics in Memories of Genocide?" that Russians must come to terms with their past and express their condolences to the Circassian people. But other responses were rather negative, denying that there was a genocide. Another argument was that the Georgians themselves were to blame because they participated as members of the imperial army while driving the Circassian population from its land. The most negative responses even predicted an element of possible terrorism in Sochi at the hands of the Circassians and Georgians. Moscow analyst Alexey Malashenko declared the need to protect the Sochi games "from a terrorist attack," noting that "extremist groups in the North Caucasus, and in particular the ethnic Circassians, are opposed to holding the Olympics there." In addition, political scientist Mikhail Alexandrov pointed

out that “the most important thing now is that the Georgians not decide to make diversions and terrorist acts” and expressed his opinion that “the Georgian leaders have such thoughts in their heads.”

Conclusion

The unresolved issue of Abkhazia and South Ossetia will continue to spoil Georgian-Russian relations for the foreseeable future. If Georgia does in fact recognize that genocide against the Circassians took place in Sochi in 1864, it would put Russia in a difficult position. Legitimized by a UN member state, the Circassian question would become an international issue in the run-up to the 2014 Olympics. Georgia’s recognition of the Circassian genocide would also put Abkhazia in a difficult position – forcing it to choose between the Circassian nation, which supported Abkhazia in the war against Georgia and in its dreams of independence, and Russia, which made that dream come true.

Within the tangled web of Georgian-Abkhaz-Russian relations, the Circassian question has something to offer Georgia. Not only does it buttress Georgia’s support from the international community, which has already promised not to recognize the breakaway territories of Abkhazia and South Ossetia, it also gives Georgia an ally against Russia, even if it is a weak and stateless one within Russia itself. Russia remains a superpower in the Caucasus region and no state dares join the Georgian challenge against it. Even U.S. Secretary of State Hillary Clinton, while demonstrating clear support for Georgia’s territorial integrity while in Tbilisi in July 2010, did not say a single word that could be construed as directly anti-Russian or that would compromise the policy “reset” between the U.S. and Russia. The International Olympic Committee rejected Georgia’s request to reconsider its decision to hold the 2014 Olympics in Russia. Now, with the Circassian question, Georgia can ally with the Circassians in the anti-Sochi movement. The “symmetry” of this policy lies in the fact that Circassian support is as important to Georgia as the small number of states that recognized Abkhazia and South Ossetia were to Russia.

While the anti-Sochi protests have been gathering momentum, there are already two positive outcomes for the Circassians from this so-called “war of conferences” between Russia and Georgia. First, the Circassian genocide has become more of an accepted subject for discussion in Russia. Historians and analysts have come to consider the events of 1864 as a tragedy for the Circassian nation. This, in and of itself, is a massive improvement over the notion that dominated earlier discussions: that the Circassians were “predators” (*khishniki*) who attacked peaceful Russian troops at the border, were deceived by treacherous British and Turkish agents, voluntarily left their country, and, finally, suffered in the Ottoman Empire as a result of their own stupidity. Of course, the second positive outcome to note is, as they say in movie credits, no Circassian was hurt during these events.

Sources available from the author upon request.

Is a Junior Partner *Really* a Partner?

MAKING SENSE OF UKRAINIAN FOREIGN POLICY

PONARS Eurasia Policy Memo No.119

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There is a widely held belief among observers regarding the extent of change that has been implemented by Ukrainian President Victor Yanukovich and his team, particularly in the field of foreign policy. Indeed, Yanukovich has moved swiftly and decisively in the first months of his presidency. While agreeing on the scale of the new team's initiatives, however, analysts often disagree about everything else. Some observers say his new foreign policy is a kind of revolution altering much of what has been done by previous presidents and dramatically shifting the priorities of Ukraine. Others believe that the president is merely returning to the politics of the time before ex-president Viktor Yushchenko, rather than inventing an entirely new agenda. Some think that Yanukovich's policies are tactical, while others characterize them as strategic. Some believe that what the new team is doing is mostly caused by domestic political calculations; others hint about external pressures. All in all, there are numerous routes of explanation, none conclusive, and so Yanukovich's actions must be closely examined.

Relations with Russia

There is little doubt that the most dramatic shift has taken place in Ukraine's relations with Russia. Others might see the abandoning of the aspiration to join the North Atlantic Treaty Organization and the return of Ukraine's non-aligned status as the most dramatic move, but these developments are closely connected. Indeed, nothing has attracted more attention than the new tone in relations between Kyiv and Moscow. The "gas for fleet" deal, whereby Ukraine gets less expensive gas in return for agreeing to a long-term extension of the Black Sea Fleet's lease, clearly stands out. This was much more about the fleet than about the gas. Although it was reported by authorities that Kyiv had to go ahead with the deal because of the critical state of the Ukrainian economy, such official pronouncements were a smokescreen. The gas discount was introduced as a way to sell the prolongation of the base lease to both domestic and international audiences. One can be sure that if Ukraine's economy was not in critical condition, the deal would have anyhow gone through. Also, the two narratives – "this

was in Ukraine's interests" and "we had no other choice" – seem to contradict one another. Either it was a genuinely good thing for Ukraine, or it was a rather negative move done under the influence and/or pressure of something or someone.

Certainly, military concerns are not at the heart of Russia's willingness to keep its Black Sea Fleet at Sevastopol. Many consider that the military significance of this navy is limited. It can be used against Georgia, as in 2008, but that is all. Besides, if the fleet exists only for military purposes, then Russia can easily operate it from its own territory. There is also the appalling technical state of the fleet. Russia thus needs the fleet in Sevastopol for political and geopolitical reasons. It wants to be anchored in Crimea to maintain its influence there, to strengthen its presence in this volatile region, and ultimately diminish Ukraine's sovereignty.

Other complaints about the Kharkiv Agreement also existed. One is that the deal must have been in the works prior to Yanukovich's election (the signing of the deal happened very quickly indeed). At the same time, preparations were kept in unprecedented secrecy. Not only did the government not launch a public discussion on what they knew was a contentious issue, some top-ranking officials, like vice prime-minister Serhiy Tihipko, were not in the know. Such secrecy runs contrary to any notion of democratic decision making and clearly reveals that there were reasons to hide the entire process.

Certainly, the Kharkiv Agreement has not been the only "achievement" of Ukrainian-Russian relations in recent months. For example, Russian companies have been aiming to move aggressively into the most lucrative and strategic spheres of the Ukrainian economy. A new pro-Russian ideological discourse was implemented within the country, manifesting itself around the May 9 Victory Day holiday and also during Russian Patriarch Cyril's July 2010 visit. Were such moves made to signal the true attitude of the ruling party and the most loyal portion of its electorate, or simply to please Russia? It is not entirely clear whether the new team in Kyiv is ready to give Russia everything it wants or, instead, seeks to impose conditions on relations with the Kremlin.

One might think that Yanukovich and his inner circle believe they can give Russia some of the key items it desires and leave it at that; Russia would be satisfied and provide staunch support to Yanukovich for years to come. The case of Belarusian President Alexander Lukashenko has apparently not taught the current Ukrainian regime anything. The government has quickly discovered that Russia will never be fully satisfied and that it will continue to ask for (or demand) more.

And here the notion of drawing lines vis-à-vis Russia surfaces. Should such lines be drawn? Where should they be drawn? Who should deliver them to the Kremlin and how? There is a tendency to see some of Yanukovich's recent steps as an attempt to draw one such line. The president and his team have blocked a plan to merge Gazprom with the Ukrainian state oil and gas company Naftogaz, criticized the South Stream project, and made contradictory statements concerning recognition of South Ossetia and Abkhazia. So was all this an attempt to draw a line, or merely a sophisticated public relations game with the purpose of showing that the current rulers of Ukraine have not

sold out to the Kremlin? Perhaps it is too early to give a definitive answer to this question. After all, the ruling party itself is not monolithic and there is a certain power struggle going on within the executive branch.

However, one thing is clear: Ukraine has become a junior partner to Russia. While declaring a new era of pragmatism and stability in its relations with Russia, the new government has in fact allowed these relations to become very uneven. These relations are not problem-free. Perhaps in a way, this is a good sign, as relations could only become problem-free if Ukraine were to fall under Russia's total domination.

Western Relations

Yanukovich's personal history regarding relations with NATO is contradictory. He was a member of the government (even for a time serving as prime minister) when Ukraine's ex-president, Leonid Kuchma, proposed Ukrainian membership in 2002-2003. Yanukovich's Party of Regions parliamentary faction voted unanimously in 2003 in favor of a measure that declared NATO integration to be one of Ukraine's major priorities. During his ice-breaking visit to Washington in the fall of 2006, Yanukovich stated that he was personally in favor of Ukraine becoming a member of NATO, even though, unfortunately, public opinion in Ukraine was not ready for such a move.

In the first months of his presidency, Yanukovich moved quickly to discard the Euro-Atlantic integration project. A law on the "foundations of domestic and foreign policy," which passed in early June of this year, sailed through parliament without discussion— characteristic of how vital strategic decisions are now made in Ukraine. Furthermore, it is a vague document, and when it comes to foreign policy, it seems to have one function only: to take NATO membership off the table.

Euro-Atlantic integration has now been substituted with a doctrine of non-alignment. This concept remains ill-defined and confusing, especially when applied to the reality of Ukraine's foreign policy. Also, it falls short of providing an understanding of how Ukraine should provide for its national security, if not through the NATO-based system of collective security. There is a lot of talk now of Ukraine being able to play an active role in a new European security architecture, but such suggestions lack any concrete meaning or detail. Russia, in its turn, has welcomed the change in Ukraine's orientation. Russia now positions itself as an alternative security provider for Ukraine. As was to be expected, Moscow now calls Kyiv's attention to the possibility of actively cooperating with the Collective Security Treaty Organization (CSTO). It is not a secret that many pro-presidential forces view this idea with favor.

In the meantime, cooperation with NATO remains formally alive. The "Sea Breeze" military exercises over the last summer took place as planned. Only the most radical, anti-Western, pro-Russian party, Natalia Vitrenko's Progressive Socialists, actively protested against the exercises in Odessa. The fact that the very same parliamentary deputies who blocked such trainings in previous years now vote for them to take place is yet another manifestation of the cynicism and opportunism of the Ukrainian political class.

While the government makes all the right noises regarding its commitment to NATO cooperation, questions remain. A special NATO division within the Ministry of Foreign Affairs has ceased to exist. The interagency coordinating body on Euro-Atlantic integration has been dismissed. Staff in the Ukrainian mission to NATO have been cut drastically. Not to mention that the best experts in the field have been pushed out of the decision-making process and two leading government-related think tanks have been shut down. The problem thus becomes: Who in Ukraine is responsible for cooperating with NATO?

Rather than NATO, the European Union has become Ukraine's top foreign policy priority, based on the statements of the presidential team. Clearly, this is seen as a substitute for everything that was NATO-oriented. The EU is a safe topic for the president to speak about to Ukrainians. He knows that prospects for membership are remote, that the EU will not be ready any time soon to seriously talk about Ukraine's membership prospects, and that while public opinion is mostly supportive of integration with Western Europe, many Ukrainians tend to know very little about what the EU is and what European integration entails. What Yanukovich also knows is that Russia is not alarmed when it comes to Ukraine's "European choice." This is true, but only because politicians in Moscow do not see Ukrainian integration into the EU as a realistic option.

Apart from rhetoric, the task of European integration appears in only twelfth place in the above-mentioned law on the foundations of Ukrainian domestic and foreign policy. More importantly, the reforms needed to facilitate Ukraine's integration into the EU have stalled. There seems to be no progress on concrete tasks: opening a free trade area with the EU, signing an agreement of association, and introducing a visa-free regime for Ukrainian citizens to enter the Schengen zone. Symbolically enough, the position of vice-premier on European integration has been abandoned.

Finally, Ukrainian-U.S. relations have not seen as much change as have relations between Kyiv and Moscow. Some feared that with the advent of Yanukovich these relations would experience a downturn. Nothing of this sort has happened. On the contrary, the Obama administration seems to be quite content with Yanukovich. For one thing, a pro-Russian turn in Ukrainian foreign policy does not greatly alarm policymakers in Washington. Coupled with the United States' own reset of relations with Russia, Ukrainian-Russian rapprochement is seen in a favorable light. The administration understands that as Ukrainian-Russian relations continue to improve, the need for the United States to intervene and choose sides diminishes proportionally.

Another aspect that one should remember is that Obama's foreign and domestic agendas are quite full. When it comes to the administration's list of foreign policy priorities, Ukraine does not rank high. There is no acute crisis that would require Washington's action in the eyes of American decision makers. Moreover, Obama's team sees real value in the stability that the new government has presumably introduced in Ukraine. In the traditional dilemma of "democracy vs. stability," this administration seems to prefer the stability of the current Ukrainian administration over the messy and chaotic democracy of the recent past.

Rare expressions of concern over the situation in Ukraine and its government's policies have fallen on deaf ears. Instead, Yanukovich was congratulated on his decision to get rid of the piles of enriched uranium in Ukraine's possession. In a more general way, Washington has praised the new Ukrainian foreign policy as balanced. But there is a problem in understanding what is meant by balanced. Is it that Ukraine has given up on prospective membership in NATO, something that Washington has in the past supported? By saying that it is balanced, does the administration imply that it was once imbalanced? If so, does this mean that Ukraine was previously too pro-Western, pro-American? In other words, is Ukraine being criticized for once having been too close to the United States?

Finally, it is important that no one in Washington fool themselves concerning the current Ukrainian government's attitude toward the United States: Yanukovich sees no shared values or common strategic interests. He remembers well the trauma of 2004, when it was U.S. intervention, he is convinced, that prevented him from becoming president.

Ukrainian Teeter-Totter

THE VICES AND VIRTUES OF NEOPATRIMONIAL DEMOCRACY

PONARS Eurasia Policy Memo No. 120

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A successful, consolidated democracy requires all stakeholders to accept unalterable ground rules – when certain “points of no return” get crystallized and democratic, rational procedures are adhered to. Why are some polities successful in entrenching democratic practices while others fail?

Ukraine’s 2004 Orange Revolution, which culminated in Viktor Yushchenko’s victory, led to a certain democratization of political life and the acceptance by all political actors of new rules of political competition. In turn, Viktor Yanukovich’s return to power through the 2010 presidential election has been viewed by many analysts as a curb to democracy and a return to the semi-authoritarian methods of former president Leonid Kuchma.

This situation brings up a number of interesting puzzles. Why has democracy thus far failed to become deeply rooted in Ukraine? Will Yanukovich’s presidential term witness Ukraine’s return to the family of post-Soviet autocracies? Which factors determine the teeter-tottering of Ukraine’s political system between two poles of authoritarianism and democracy? What prevents Ukraine’s regime consolidation at either of these two poles, after the fashion of the democratic post-communist states of Central East Europe or the semi-competitive authoritarian regimes of post-Soviet Eurasia?

The Ukrainian political reality after 2004 can best be described as a peculiar hybrid regime of *neopatrimonial democracy*, which is neither a transitional nor interim form. This regime results from the constitutional reform of 2004 that transformed Kuchma’s super-presidentialism into a mixed premier-presidential one. In this context, neopatrimonial democracy is a standard modification of the premier-presidential regime in a clientelistic setting, in which rent seeking is the key motive of politics. Political actors compete through formal electoral mechanisms (for the presidential office and seats in parliament), but their goals still focus on state capture as the primary gain.

2004 Constitutional Reform and Its Consequences

For influential political and economic actors on every level (national magnates, regional bosses, and autonomous segments of the bureaucracy), the 2004 constitutional reform and the establishing of a premier-presidential regime became the vehicle for making partial changes to the political rules of the game and minimizing the role of the head of state as the principal veto-player and focal point in the neopatrimonial hierarchy. The 2004 constitutional reform made it more difficult to implement any kind of winner-takes-all politics and stimulated stakeholder cooperation to jointly distribute political dividends proportionate to voting results. This created the basis for a transition from a monopolistic to a power-sharing distribution of governing benefits.

The post-revolutionary Ukraine of 2005-2009 saw a division of neopatrimonial patron-client networks between two players – the president and the prime minister – and the formation thereupon of two autonomous competing power centers: Yushchenko's patronal presidentialism and Yulia Tymoshenko's patronal premiership. Two parallel power verticals persisted through the control of different apparatuses of the state machinery, including law enforcement, the security service, and the judiciary. This duality prevented one vertical from strong-arming the other. The fact that the rent-seeking political entrepreneurs from the Orange bloc failed to establish a broad and unified party of power (that is, to institutionalize and centralize patron-client networks solely around President Yushchenko) meant that a pluralistic political system could take shape in Ukraine, with none of the elite groups or social segments securing a majority stake in power.

How can the failure to establish this strong party of power be accounted for? Does it result from the 2004 constitutional reform, which guaranteed relative autonomy to the prime minister, who was legitimized not through co-optation by the president's patron-client network, but through voting outcomes of party-centric parliamentary elections? In other words, why and when does a prime minister enjoy autonomy under premier-presidentialism in a neopatrimonial framework? The answer is that this is possible only when one's own formal party structure is capable of gaining significant support during elections and, in particular, is stronger than the presidential party. In the absence of his own strong party and in order to counteract Tymoshenko's influence, Yushchenko was forced to co-opt representatives of the Party of Regions into governing structures, such as the National Security and Defense Council and even to the premiership (i.e., the 2006-2007 Yanukovych cabinet).

The 2004 constitutional reform thus provided an opportunity for a prime minister to develop his or her own patronal premiership, given a well-disciplined party structure that could compete with the presidential party and even prevail. However, opportunities to establish a full-fledged party by Tymoshenko were blocked both by Yushchenko's administrative and bureaucratic vertical and the impossibility of absorbing regional political machines that were controlled by the Party of Regions.

Two Phases of Neopatrimonial Democracy

The 2004 constitutional reform provided the basis for developing a curious institutional hybrid, capable of functioning in two different phases. The first, authoritarian-bureaucratic, exists when a president has control over both parliament and a prime minister from his own party and, hence, can potentially monopolize coercive and fiscal tools. The second, competitive-democratic, exists against the backdrop of a patron-client network divided between two centers and is based upon deficient executive control over parliament, weakness of the president's party structure, and a prime minister co-opted from a non-presidential party or alternative patron-client network.

The 2004 constitutional reform provided an institutional opportunity to alternate between these two phases. But what is the basis for curbing competitiveness in the first case and supporting it in the second? The answer appears to be less the formal premier-presidential system than the mode chosen to reproduce patron-client networks. These networks are reproduced through either formal parties or informal personal patronage and co-optation. The degree to which the controlled segments of the patron-client networks are institutionalized (by setting up powerful parties) is the key factor. Political parties become decisive factors for success in electoral competition and inter-elite bargaining for the office of prime minister. Insufficient party institutionalization became a major cause of Yushchenko's failure to form a government coalition through patron-client networks and limited his abilities to promote a prime minister.

Thus, the new crucial element of the neopatrimonial democracy and its principal agent is the political party, which aggregates the interests of several influential interest groups, wages an electoral campaign for votes and seats, and ultimately seeks access to distribution of rent-extracting positions in the state machinery. Parties, as aggregators of political and economic interests of various segments in the patron-client networks, replace the traditional practice of co-opting members to power structures via personal linkages and loyalty to the state leader.

Conceptualizing the Neopatrimonial Democracy's Teeter-Totter

The foundations for neopatrimonial democracy were laid by the constitutional reform of 2004. Taken alone, however, this reform was a necessary but insufficient condition to begin swaying the Ukrainian political regime between democracy and authoritarianism. The missing link is the ability of patron-client networks to become institutionalized as formal political parties. Depending on election outcomes, these parties share and colonize the state machinery and the executive vertical of power. In turn, the state machinery and executive hierarchy become resources of rent extraction and feudal "*feeding*" (*kormlenie*). If the president exercises control over parliament via parties, the system trends toward an authoritarian-bureaucratic form. If the president fails to do so, a competitive-democratic system takes shape.

In this respect, the competitiveness of the political regime during Yushchenko's presidency was predicated not only upon the features of the premier-presidential constitutional model, but rather (and predominantly) upon the weakness of his party structures. The triumph of the 2005-2009 competitive neopatrimonial democracy was

foreordained by several factors. The first was the split between President Yushchenko and Prime Minister Tymoshenko, and the consequent inability to form a dominant “Orange” party of power around the president. The second was a split between Tymoshenko’s premier vertical of power and regional political machines (i.e., the inability to integrate the latter into the prime minister’s party). An additional guarantee for playing by democratic rules during the post-revolutionary period of 2005-2009 was the division of coercive and fiscal state capacity between the president and the prime minister, which blocked the efforts of either side to implement a winner-takes-all strategy and/or to change the status quo.

However, the constitutional reform of 2004 can be viewed in the long term as part of a broader pendulum swing, from a super-presidential regime to a premier-presidential one but also potentially back toward restoration of the super-presidential model (in the event of an authoritarian-bureaucratic consolidation of the regime). Ukrainian political development demonstrates that constitutional rules in the neopatrimonial environment are typically retained only for one electoral cycle. The question of re-election emerges in any neopatrimonial system and is resolved through changes in constitutional rules that can ensure succession of power and security of elite privileges. The main problem facing neopatrimonial rulers is how to prolong their domination across several electoral cycles. Long-term rule depends on the ability of political actors to make the transition from ad hoc personal-patron coalitions to steady institutionalized structures that are capable of surviving several election cycles and insensitive to changes in leadership. The survival strategy of Ukraine’s political actors, from the parliamentary election of March 2002 to the political reform of 2004, was to neutralize the negative effects of personal rulership and institutionalize formal political competition via parties. It is the weakness of their own party structures that has always been the Achilles’ heel of Ukrainian presidents, and they have had to compensate for this weakness with strategies of co-optation, including the summoning of a prime minister from alternative political camps (Pavlo Lazarenko and Yushchenko under Kuchma; Tymoshenko and Yanukovich under Yushchenko).

Looking Ahead? Three Scenarios of Political Development Post-2010

A change in the status quo after the 2010 presidential election and the formation of a single vertical of power around Yanukovich will be good support for the suggested explanatory model of Ukrainian political regime transformation. The powerful party resources available to the Party of Regions and the control it exerts over parliament has allowed Yanukovich to appoint a technical-administrative prime minister, Mykola Azarov, helping him to avoid giving away the position to representatives of alternative networks (like Yuri Yekhanurov, Serhei Tihipko, or Arseniy Yatseniuk). The successful formation of a “one-and-a-half party” coalition allowed Yanukovich to reduce the number of coalition parties and distribute political benefits in his favor. Will Yanukovich continue investing resources in the expansion of the pro-presidential coalition, with a prospect of forming a dominant party of power (a strategy of dominant-party presidentialism), or will he try to buttress his position with

administrative-bureaucratic resources, in particular the coercive tools of state machinery (a strategy of patronal-bureaucratic presidentialism)? Or will he combine both? His decision will determine how Ukraine's neopatrimonial democracy further evolves. At least three potential outcomes exist:

- 1) **Electoral Caesarism.** A regime of personal rule based on the monopolization of coercive and fiscal state machinery; zigzagging between the interests of major financial-industrial groups; curtailing the institutions of electoral competition; developing the executive bureaucratic vertical based on personal loyalty; and resorting to coercive pressures (via law enforcement, the security service, and the judiciary).
- 2) **Consociational Oligarchy.** A regime based on power sharing between key players and their resultant control over patronal-social and regional actors in the political (and likely constitutional) realm, which eventually produces a transition to a situation in which parliament elects the president.
- 3) **Dominant-Party Presidential System.** A regime in which the executive strives to win over pluralities within most social segments rather than over the single largest group. This will involve incorporation into the ruling coalition of most of the remaining rent-seeking entrepreneurs from the camps of Tymoshenko, Yushchenko, and the parliamentary chairman, Volodymyr Lytvyn, and possibly a transition to a mixed electoral system characterized by internal competition among candidates from the ruling party in majoritarian constituencies.

The choice of future strategies (dominant-party vs. patronal-bureaucratic presidentialism) as well as scenarios for regime change will be determined by the outcome of the next election, which will demonstrate the balance of power between the Party of Regions and its antagonists. The first important test for the pro-presidential coalition will be the October 2010 local elections, which will determine the ability of the Party of Regions to establish control over regional political machines in Central and Western Ukraine. The crucial moment, however, will be the next parliamentary election, scheduled for the fall of 2012. Should the Party of Regions garner a relative majority of votes, the third dominant-party scenario becomes the most feasible one. In the case of approximate parity with its rivals and a situation of stalemate, the second scenario of consociational oligarchy arises. Finally, if the Party of Regions blatantly loses the election but retains the presidential office and premiership until 2015, the first scenario of electoral Caesarism becomes inevitable.

Conclusion

The Ukrainian teeter-totter under Yanukovich's presidency is swaying in the medium-term toward the formation of a monopolistic power vertical, especially after the recent restoration of Kuchma's 1996 super-presidential constitution. In the long term,

however, a situation of stalemate between political players, in which institutionalized autonomous patron-client networks still compete during parliamentary elections as rival parties, allows some space for democratic contestation and for blocking attempts of constitutional teeter-tottering on the part of any actor. Will competitive mechanisms of neopatrimonial democracy become the next counter-swing of the Ukrainian elite, or will they again return to the well-known practice of monopolistic control over the political sphere and its material gains once and for all? Will neopatrimonial actors come to an agreement on a transition to fair competition based on common transparent rules, or will they prefer to keep playing a teeter-totter game of winner takes all? These are the main dilemmas of Ukraine's political regime in the near future.

Is Yanukovych's Model of Governance Drifting Toward Russian Shores?

PONARS Eurasia Policy Memo No. 121

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In the second round of Ukraine's February 2010 presidential election, Viktor Yanukovych defeated Yulia Tymoshenko by a slim margin (49 to 45.5 percent). As Yanukovych's Party of Regions (PoR) did not have a parliamentary majority, most observers believed that the political situation in Ukraine would become a more or less balanced one (as the 2004 constitutional reform mandated that the president share power with the prime minister). If the PoR was unable to form a new parliamentary coalition with either Yulia Tymoshenko's bloc (BYuT) or the Our Ukraine bloc that supported outgoing president Viktor Yushchenko, Yanukovych had the right to push for early parliamentary elections. Such a move was considered too risky for the PoR, however, as it would mean the entrance of new players into parliament and, consequently, less mandates for the PoR. Instead, the Party of Regions opted to violate the constitution to form a new government and exerted direct pressure on the constitutional court to secure its approval. During Yanukovych's first official visit to Russia in early March 2010, he openly praised the Russian model of stability. Half a year into the Yanukovych presidency, it is clear that the democratic gains of the Orange Revolution have not been institutionalized and are instead fragile and at risk.

Original Sin: The Constitution Neglected

One month after the election, after bargaining with members of Our Ukraine, the PoR — with the support of two small factions, the Communists and the Lytvyn Bloc (headed by parliamentary chairman Volodymyr Lytvyn) — suddenly changed the law on parliamentary procedure to allow individual deputies from other factions to join a governing coalition. As a result, the PoR was able to create a new coalition with a slim majority (219 votes from the three factions, together with 16 defectors from opposition factions). Those who defected from the opposition were motivated by pressure, promises of positions, or business opportunities. The next month, the constitutional court ruled that this change to the law was legal, even though less than two years before

the same court had affirmed that only whole factions, not individual deputies, could join a coalition. The court had clearly lost its function as an independent arbiter.

After this, parliament began serving as a “rubber stamp” for the executive. A new law enacted by parliament on the judiciary contradicted the Ukrainian constitution by giving the Supreme Council of Justice the right to appoint and dismiss judges from their positions. Against precedent, parliament approved this law without waiting for a review by the Council of Europe’s constitutional advisory group, the Venice Commission.

Parliament also canceled local elections scheduled for the end of May, ostensibly for financial reasons. According to the constitution, parliament only has the right to set, not cancel, the date of elections. In reality, the PoR wanted to create a so-called “vertical of power” from among the new heads of local state administrations and change the electoral law. After managing these tasks, parliament set a new date of October 31, a date chosen for political reasons: the PoR was not sure what the economic situation would be like through the wintertime and hence did not want to postpone elections until spring 2011.

Instead of moving to open party lists, the new law on local elections created a mixed proportional-majoritarian system for district and regional councils. In the present narrowing political space, it can be expected that majoritarian seats will be tightly controlled by the ruling party. Analysts believe that the PoR will review what happens in local elections under the new system and, if the outcome is in their favor, introduce the system at the national level. Additionally, there are many provisions that create difficulties for the opposition. For instance, both council and mayoral candidates can be put forward only by parties (a change made just four months before the election); also, no bloc candidates are allowed. These changes constitute a blow to both political competitors and regional elites, who now are forced to join the PoR (or, in theory, another political party).

Having control over the cabinet, parliament, and judiciary, Yankovych is now more powerful than Ukraine’s last strong executive, Leonid Kuchma. To secure Yanukovych’s widening authority, his administration has been trying to enact new constitution changes through one of three ways:

1. Securing a two-thirds constitutional majority in parliament (in July 2010 the coalition had 252 of 300 MPs needed).
2. Changing the constitution via referendum (which contradicts procedure as defined by the constitution).
3. Canceling the 2004 constitutional reform in the constitutional court. Even though this seemed possible, however, independent experts stressed that such a decision would not automatically return the country to the 1996 constitution. To introduce the necessary changes in the constitution would require a constitutional majority in parliament.

Attacks on Freedoms

A string of developments after Yanukovich's inauguration showed how fragile the gains of a young democracy could be. The positive changes enacted after the Orange Revolution were not institutionalized. For example, public television was not created. Most of Ukraine's nationwide media are privately owned by oligarchs. Media is not their main business, and the opportunity always exists for the government to threaten their other businesses if media coverage is not deemed to be "correct."

Yanukovich promoted Valeriy Khoroshkovsky, an oligarch and owner of the most popular Ukrainian television channel Inter, to the position of head of the security service and then to the Supreme Council of Justice. Yehor Benkendorf, Inter's CEO, was appointed head of the National Television Company of Ukraine. Soon, Khoroshkovsky's Inter Media Group petitioned to the courts to revoke a significant part of the frequency licenses of two of Ukraine's most balanced channels, Channel 5 and RTVI. Two of the political talk shows on the popular Channel 5, which existed even under Kuchma, were cancelled (formally for financial reasons). When journalists appealed to Yanukovich regarding the issue of censorship, he naturally ordered Khoroshkovsky himself "to investigate."

Yanukovich also dissolved the National Commission for Freedom of Speech and Media Development, as well as the National Commission for Strengthening Democracy and the Rule of Law. Within the Ministry of Internal Affairs, a department for the monitoring of human rights was cancelled. The new minister of internal affairs even suggested that opposition rallies should be held only on the outskirts of Kyiv.

In parliament, the ruling coalition for half a year denied the opposition the right to chair certain committees like the committee for freedom of speech, something that was guaranteed to it via a law on parliamentary procedure from February. Even before this law existed, it was the PoR, while in opposition, that headed this committee. Now, both custom and legal requirements were ignored (only in late September was the opposition finally permitted to head up the committee). The opposition also has no representatives in the National Council for Television and Radio Broadcasting, something it enjoyed even under Kuchma.

Polarization of the Country

In the 2010 campaign, Yanukovich's team relied on slogans from the 2004 election in order to mobilize their regional electorate, such as anti-NATO sentiments and promises to make Russian the second official state language. As a result, the country was again polarized. Tymoshenko won in 16 regions plus Kyiv, while Yanukovich won in ten regions. Despite promises to cure divisions in the country, the new president polarized it even more.

In April, after negotiating with the Kremlin over reducing the price for gas, Yanukovich suddenly extended the lease of the Russian base in Sevastopol after 2017 for 25 more years, even though the constitution states that there should be no foreign military troops on Ukrainian soil on a permanent basis. Then there is Moscow Mayor

Yuri Luzhkov. No longer a *persona non grata* in Ukraine, he can be heard saying on visits to Crimea that Sevastopol is a "Russian city."

Such developments, however, do not benefit local Crimean elites. Although Crimea's prime minister, Vasyl Jarty, is formally subordinated to the Crimean parliament, he and his entourage all come from Makeevka in the Donetsk region and de facto control the peninsula. This has created resentment among local elites.

The appointment as minister of education of Dmytro Tabachnyk, notoriously known for his pejorative statements regarding Ukrainian intelligentsia, has polarized the country in the cultural sphere. He has called for revisiting the role of the Ukrainian national liberation movement during World War II in Ukrainian textbooks, returning to Soviet interpretations that cast the movement in a negative light. He has also reduced the role of the independent testing system given to school graduates. This testing system was one of the few successful steps taken by the Orange coalition that reduced corruption in the educational sphere.

Yanukovych himself has rejected the view that the 1933 famine in Ukraine was genocide. The new head of the Institute of National Memory, a member of the Communist Party, went even further, denying, contrary to the record, that the famine was artificially created by the Stalin regime.

In the end, the president appears to make concessions on the issues that are of greatest symbolic importance to Russia but which, to his mind, do not threaten his power. When the economic interests of the business elites of the PoR are threatened, on the other hand, the new administration declines offers from Moscow (e.g., to join the Customs Union or to merge Gasprom and Naftogas Ukrainy). It would be difficult for these elites to compete with Russian oligarchs and state monopolies.

Reforms Under Question

At first, the stable relationship of Yanukovych to his cabinet was appreciated, according to polls, by about 50 to 60 percent of the population, which was tired of the instability within the Orange team. The parliamentary majority can thus, in principle, secure support for unpopular reforms. While in 2009 the PoR undermined Ukraine's cooperation with the International Monetary Fund by helping to adopt a populist law that increased wages and pensions, the new government has agreed to IMF demands to increase gas prices for the general population and to gradually increase the pension age.

However, it appears as though the government has no genuine reform program, and by the fall of 2010 the popularity of the PoR had decreased almost by half (although it still leads in the polls). Prime Minister Mykola Azarov, a loyal supporter of the president and former head of the Kuchma tax administration, represents the old style of administrative methods. Both the reform-minded deputy head of the presidential administration, Iryna Akimova, associated with oligarch Rinat Akhmetov, and Deputy Prime Minister Serhiy Tihipko (who finished third in the presidential election and is now building his own party "Strong Ukraine") appear to have limited influence.

The government also continues to fight corruption only on paper. After Yanykovych's victory, lobbyists from the notorious natural gas middleman

RosUkrEnergo (RUE) received various positions: head of the presidential administration (Serhiy Liovochkin), minister of energy (Yuri Boyko), and head of the security service. Under Boyko, the state oil and gas company, Naftogas Ukrainy, agreed in a Stockholm arbitration court to return 12 billion cubic meters of gas to RUE.

The dismissals of three ministers in early summer 2010 were done without transparency and reflected power struggles between different groups operating within the PoR. Yanukovych is returning to Kuchma's methods of dismissing and reshuffling ministers at his will.

Checks and Balances?

The opposition did not prepare itself for such open violations of the rules of the game. Tymoshenko remains the strongest figure operating within the opposition, but after her 2010 defeat, BYuT faces the real prospect of further electoral losses if it fails to modernize and transform itself into a more programmatic force, especially as it comes under pressure from the government.

Yanukovych's party encourages the engagement of the "constructive" Arseniy Yatseniuk's Front of Change and Tihipko's Strong Ukraine, new parties that in reality are playing old games. They have not yet provided answers to central questions about team composition, political programs and ideology, and, importantly, funding. In contrast, Ukraine's former minister of defense, Anatoliy Hrytsenko (Civil Position party), enjoys a clean reputation and does not rely on oligarchic money. Unfortunately, he did not make a successful appeal to civil society (from where he originated) and received just 1.2 percent of the vote in the first round of the presidential elections. New forces like Hrytsenko need financial and managerial resources to become serious players in Ukrainian politics – resources, alas, that oligarchs are most qualified to provide.

In a situation where opposition parties are split and quarreling amongst themselves, the role of civil society could become greater. For example, journalists have already organized a visible campaign to counter media censorship. At the same time, even influential figures in the ruling coalition are unenthusiastic about concentrating power in the hands of one leader and one business group (i.e., RUE). No oligarch is eager to play the role of the Ukrainian Khodorkovsky. Moreover, by institutional logic, parliamentarians, including some groups within the PoR and their smaller allies (the Communists and Lytvyn's Bloc), are interested in keeping their autonomy while not reducing their roles. Indeed, several of the most criticized draft laws have been postponed, including:

- A new law on constitutional referendums that would allow changes to any law or constitutional provision without the approval of the parliament (it was approved only in the first reading);
- A new tax code developed by the cabinet but vigorously criticized by experts and opposition members;

- A draft law on the peaceful assembly of citizens, which actually restricts their rights.

These are partial victories against authoritarian trends. However, on October 1, 2010, the Constitutional Court declared the constitutional reform invalid and, contrary to what independent lawyers said, returned to the 1996 version of the constitution. The president once again received the right to dismiss at any time the prime minister, prosecutor general, and head of the security services. The opposition called it usurpation of power.

The West's Reaction

The European Union and the United States were correct in trying to involve the newly elected president in dialogue. For a certain time, the conformist trend prevailed: the West was happy that Ukrainian authorities started to speak with one voice, relations with Russia improved, and the issue of joining the North Atlantic Treaty Organization was put aside as Ukraine adopted a new "non-aligned status." However, a drift toward authoritarianism needs to be recognized and reacted to. A wait-and-see approach is detrimental. Conditionality from the EU and the United States in their relationship with the Yanukovich administration is necessary. Along with direct high-level interaction, international support to local civil society organizations could play a critical role in preserving the fragile democracy in Ukraine that is being dissipated by the itinerant winds of the PoR.

Can Ukraine Still Perform Its Balancing Act?

PONARS Eurasia Policy Memo No. 122

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Since 2008, Ukraine's status as an "in-between" state has solidified. On the one hand, the country has indicated little willingness to accede to Russian-centered schemes of post-Soviet reintegration, such as the customs union that Belarus and Kazakhstan have signed up for. On the other hand, Ukraine's road toward full integration into Euro-Atlantic institutions has been blocked by the European Union's reluctance to offer a membership perspective to Ukraine, as well as the 2008 decision by the North Atlantic Treaty Organization not to grant the country a Membership Action Plan. This situation emerged as a result of three factors:

- The failure of President Viktor Yushchenko's administration to implement domestic reforms and win popular support for Ukraine's NATO membership bid.
- Moscow's new policy of using economic pressure and even military force to remind the West about the risks that would emerge in the case of crossing certain "red lines."
- A readiness among several leading European states to make a deal with Moscow on the basis that their vital security interests in the East had already been accommodated during previous rounds of EU and NATO enlargement.

The election of Viktor Yanukovich in February 2010 brought Kyiv to reassess the situation it has found itself in. The reality as such, however, emerged prior to his arrival. True, Yanukovich's preferred choice might have anyway been a revision of the foreign policy course of the previous administration – abandoning NATO membership in favor of a so-called "non-bloc" status and viewing cooperation with Russia as no less important than relations with the EU. Yet, in the current situation, his logic has looked a lot more understandable and compelling. Instead of knocking on the essentially closed doors of the EU and NATO while facing an increasingly antagonistic Russia, Kyiv has chosen (to borrow from one scholar of contemporary Ukraine, Andrew Wilson) to return to the game it knows best which is the balancing act between East and West.

The question, however, is not the name of the game but whether Yanukovich's Ukraine can really play it. In this context, I argue the following. First, in the near future,

performing this balancing act will be more difficult for Ukraine than in the past. Second, somewhat paradoxically, forthcoming recognition of this fact may create new opportunities for a policy aimed at stimulating reform in Ukraine and eventually bringing it closer to the West. These opportunities should not be missed.

Dimensions of the Challenge

Three sets of issues can be raised to illustrate the first point: the general context of relations between the West and Russia, changes in the bilateral relationship between Russia and Ukraine, and domestic dynamics within Ukraine after Yanukovich's election.

First, Ukraine's ability to pursue a so-called "multivector" foreign policy, to lean on either Russia or the West when encountering strong pressure from the other side, was traditionally linked to the West's recognition of Ukraine's "pivotal" role to European security, which, in turn, stemmed from an explicit concern about having to face a potentially resurgent Russia. This premise is currently under revision. At a time of reset in U.S.-Russian relations and a hoped-for Partnership for Modernization between Russia and the EU, it would be naïve not to consider a scenario whereby new mutual understandings lead to tacit concessions by the West concerning earlier "contested territories."

Ukraine might seem to be a particularly "suitable" candidate for such concessions. After Yushchenko's administration failed to live up to its promises, "Ukraine fatigue" is a natural reaction in the West and especially in Europe. Short of membership, much was offered to Ukraine to promote incremental integration with the EU. However, Europe is no longer willing to convince Kyiv that Ukraine's task was – and remains – to make the most out of the offer. Even less is the EU eager to have this kind of dialogue with Yanukovich, whose reputation as a pro-Russian politician, despite the rhetoric of European integration still heard from Kyiv, may be used as a pretext to justify inaction. Furthermore, many in Europe are tired of Russian-Ukrainian disputes, not least in the energy sector, and they will be happy to see another bilateral rapprochement at any price, even when it comes at Ukraine's expense.

Second, Yanukovich's administration lost the opening round of its new chess game with Moscow. The April 2010 "gas-for-fleet" agreement in which Ukraine traded a lease extension for the Russian Black Sea Fleet until 2042 for discounts in gas pricing amounting to \$40 billion over ten years, was disadvantageous to Ukraine. Of course, it might well have seemed profitable to sell an asset for which there was no other buyer. And by agreeing to such a deal, leaders in Kyiv could secure a break for the country's economy, which shrunk by 15 per cent in 2009, and, more importantly, for the big business groups sponsoring Yanukovich's team.

But a brief analysis demonstrates that Russia did not pay all that much for such a geopolitical prize. First, the money will constitute a debt write-off only after 2017, which will make it difficult for future Ukrainian governments to withdraw from the agreement, otherwise the debt will have to be paid back some other way. Second, the discounted price is set at the 2009 level, which Ukraine had difficulty in paying; this

price is also likely to increase following the rise of global energy prices. Third, Russia's monopoly of gas supplies potentially makes the discount virtual, since in reality, the price level can be established arbitrarily, and in a non-transparent way, which has already resulted in the fact that Ukraine was paying a higher price for fuel than Germany. Finally, Russia did not assume any obligation to transit fixed amounts of gas through Ukraine. This is disadvantageous for Ukraine, as Russia may build bypass pipelines while the former is obliged to import higher amounts of gas than it may need and is given no clear right of re-export. All this makes Ukraine more vulnerable; if it fails to honor current commitments, Russian demands to pay for gas with national assets will be harder to resist.

Finally, developments in Ukraine after Yanukovich's arrival to power raise concerns that the political process in the country will not remain as democratic as it has been. Legal manipulations that allowed Yanukovich to easily form a governing coalition, self-censorship of journalists and media owners, and cases of alleged intimidation or bribery involving opposition politicians indicate that Ukraine's political system has not overcome the risk of reverting to a so-called "managed democracy." It is too early and too dramatic to say that the quality of the 2012 parliamentary elections is in jeopardy, but it would be equally wrong to believe that it will be inherently free and fair. And if elections are held that adhere to post-Soviet norms rather than democratic transparent ones, Russia's ability to affect the outcome and influence individual politicians will grow. Arguably, this ability did not reach beyond a critical threshold in the time of Leonid Kuchma, Ukraine's president from 1994-2004 and a master of "manual management," but Kuchma was dealing with a much less assertive Moscow.

Without taking the comparison too far, one can imagine Ukraine's new balancing act displaying certain elements of the "classical" Belarusian one: one-sided energy dependence instead of interdependence, limited possibilities to rely on Western support, and a growing affinity with the Russian political process.

Building a Response

However, the weight categories of Belarus and Ukraine are still different. Moreover, if Russian-Belarusian relations do not resemble a happy marriage, even less will Russian-Ukrainian relations. President Dmitry Medvedev's official visit to Kyiv in May 2010 provided good cause to revise evaluations of these relations based on the "gas for fleet" deal, which suggested that Ukraine's return to the Russian orbit was inevitable. During the visit, Ukraine rejected Moscow's proposal to merge two national gas companies that would give Russia control over its transit pipelines and access to the country's retail gas trade. A much-rumored transfer of assets in the aircraft industry and transport infrastructure did not take place. As well, a dispute over the countries' maritime border in the Strait of Kerch remained unresolved, with Ukraine showing no inclination to concede control over its navigable part. Even a joint statement on Transdnistria did not reveal a readiness by Ukraine to accept a further increase of Russian regional influence. True, the atmosphere of the relationship has changed; both sides now disagree in a friendly way. Yet, they still often disagree.

Yanukovich's team evidently realized that with the "gas for fleet" deal it had conceded as much as was politically feasible. Additional "compromises" implying transfers of property to Russian companies would threaten the vital economic interests of powerful Ukrainian business empires, weaken the fiscal clout of the government, and, most importantly, force the new government to directly confront a powerful national tradition. For Yanukovich, who became the first president of Ukraine without majority support, this all constitutes an unacceptable risk.

Kyiv can rely on a certain understanding in Moscow, whereby Russian leaders continue to demonstrate that they make a distinction between Yushchenko and Yanukovich. But this positive attitude may not last forever. Both Gazprom and the Russian government are in need of export revenues, whereas the Russian interest to gain control over Ukraine's "crown jewels," starting with its gas transportation system, remains as strong as ever.

In these circumstances, a renewed interest to cooperate with the West is likely. Successful negotiations with the International Monetary Fund, in the course of which Kyiv accepted painful conditions in order to receive a credit of \$15 billion over 2.5 years, is evidence of that interest.

What Can the West Do?

The West should respond to this interest pragmatically. Ukraine may or may not be "pivotal" to European security. However, unless it successfully completes its transition to democracy, becomes a functioning market economy, and eliminates the opacity of its energy trading system, then Europe will have to continue dealing with the soft security challenges posed by Ukraine, including disruptions of gas supplies and a wealth gap on its borders, rather than use the opportunities of this vast country. The arrival of the new Ukrainian administration should thus be a reason to re-confirm rather than revise the West's commitment to achieving and consolidating democratic change in Ukraine.

Ukraine's "balancing act" can serve as no less advantageous a paradigm for conducting this kind of Western policy than did its largely rhetorical "Euro-Atlantic integration." Conditionality policy may be made stricter, and sticks can come into play with the same transparency as carrots. Western taxpayers cannot be expected to contribute directly or indirectly to a policy that perpetuates economic inefficiency and corruption and enriches "friends" at the expense of the entire country. Most importantly, democracy promotion should continue. It ought to be made clear that backtracking from the standards achieved earlier will have consequences for relations with the West. At the same time, it is essential to continue interacting with Ukrainian civil society in order to prevent a strengthening of the sentiment that Europe and the United States no longer care about Ukraine.

Ultimately, addressing the long-term issue of Ukraine's integration into Europe cannot be avoided. Integration does not have to equate to EU membership, but a promise concerning both the potential forms of integration and their timeframe should be properly defined and conveyed.

Security Bridge or Vacuum in Post-Orange Ukraine

HOW OPERATIVE IS THE EURO-ATLANTIC INTEGRATION TOOLBOX?

PONARS Eurasia Policy Memo No.123

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The chronic political uncertainty in Ukraine has created a type of formal stability built upon a “play-with-the-rules” (instead of “play-by-the-rules”) archetype. This kind of stability may help consolidate national governance in the short-term. However, it is unable to provide long-term fundamentals for success, as it does not meet obvious challenges of institutional capacity-building, functional democracy, and rule of law.

The current question for the new Ukrainian leadership is: Can Ukraine change its foreign policy priorities without withdrawing from existing international commitments and related domestic policies (including security sector reforms), or will these changes lead to an increased stagnation of reforms and, if so, the further marginalization of Ukraine in the so-called “new European security architecture”?

Power Shifts and Foreign Policy Change

The change of political power in Ukraine in February 2010 led to a revision of official views on Ukraine’s prospective membership in the North Atlantic Treaty Organization. The shift toward a non-aligned policy was among the key slogans of Victor Yanukovich’s presidential campaign. Immediately after his inauguration, the newly-elected president promised a “non-bloc” policy that would replace the country’s eight-year-long bid for NATO membership. The reshaping of the parliamentary majority and the formation of a new government (there are serious legitimacy challenges regarding these moves) created a kind of institutional guarantee for a “new deal” based on a balanced foreign policy and a non-aligned security approach.

In July 2010, Yanukovich signed into law “On the Fundamentals of Domestic and Foreign Policy of Ukraine.” Article 11 of this law stipulates that “Ukraine pursues a non-bloc policy, which means non-participation in military-political alliances.” The law also gives priority to “the improvement and development of the European collective security system.” It also provides for “the continuation of a constructive partnership with NATO and other military-political blocs regarding all issues of mutual interest.” According to the final provisions of the law, a formula expressing NATO membership

as a goal was dropped from the Law on National Security Fundamentals, originally adopted in June 2003.

So the new leadership has declared its intention for Ukraine to be a bridge between the West and Russia and not to join any military alliances (namely NATO and the Collective Security Treaty Organization). However, if relevant reform-oriented commitments will also be abandoned, there will be a growing incapacity of the state to counteract actual security challenges while preserving an unaccountable and non-transparent system of governance.

Euro-Atlantic Integration as a Policy-Shaping Tool

The use of the term “Euro-Atlantic integration” conveys a wider sense than “accession to NATO” and reflects not only linguistic truisms of post-Soviet political vocabulary, but also a new, broader value for the overall process of country-NATO partnerships.

From the start, Ukraine-NATO relations have been a stimulating factor for systemic reforms in Ukrainian politics, economics, security, and military. For the first time, a mechanism has been introduced in Ukraine providing for public planning and accountability in the framework of international cooperation, allowing for effective support to internal reforms, and facilitating the public’s ability to be involved with government activities, including the traditionally closed segments of security and defense.

Since 2003, the Annual Target Plans (ATPs) were a mechanism for the implementation of objectives as set out in the NATO-Ukraine Action Plan in accordance with a 2002 decision by the NATO-Ukraine Commission (NUC). The Annual Target Plans included the following sections: political and economic, security and defense, military, information, and law. Timeframes and responsible agencies were also designated.

The NATO-Ukraine Action Plan, in turn, was developed in order to improve and intensify NATO-Ukraine relations and is based on the Charter on a Distinctive Partnership, signed in Madrid in July 1997, which continues to be one of the legal bases for NATO-Ukraine relations. The Action Plan contains principles and objectives agreed to by both sides and concrete internal measures to be undertaken by Ukraine or jointly by Ukraine and NATO. The objective of the Action Plan was to clearly determine strategic purposes and priorities for Ukraine in order to achieve integration into Euro-Atlantic security structures and create a strategic framework for current and future NATO-Ukraine cooperation in line with the Charter.

The Annual National Program (ANP) format, which was given to Ukraine and Georgia in December 2008, was previously used in the framework of NATO’s Membership Action Plan (MAP), introduced at NATO’s April 1999 Washington Summit as an instrument for preparing countries aspiring to alliance membership. While Ukraine did not receive an official MAP, it was given access to its main working component, the ANP.

The ANP consists traditionally of five chapters: political and economic, defense and military, resources, security issues, and law. NATO also provided Ukrainian

authorities with guidelines stipulating expectations and procedures for assessing progress. The overall objectives are for Ukraine to carry out key reforms in order to reach the standards of the Euro-Atlantic community. The ANP serves as a kind of internal guidance document for the government, helping to determine strategic priorities and mid-term objectives as well as priority tasks for the given year.

An important feature of the ANP is the fact that it is devised as a national program – not something jointly agreed with NATO – and thus has to take into account the country's own needs, domestic resources, and unique features in the spheres of politics, economics, defense, security, resources, and law. At the same time, the ANP offers political and expert consultations with NATO as well as feedback and assessment. By being a lead partner in the development of its ANP, a country can guide its own way forward for carrying out reforms and reaching NATO standards.

The Value of the Annual National Program

The development of the first ANP (for the year 2009) provided an opportunity to identify a number of issues that needed to be solved by Ukraine in order to meet the standards and requirements of the EU and NATO, and to determine the mechanisms and measures necessary for overcoming existing problems.

At the moment, however, there is no methodology accepted by all parties for assessing the quality of ANP implementation. This creates a high degree of subjectivity and the risk of overstated results in reports prepared by executive authorities.

According to official data, the ANP-2009 concludes the following about the program's 250 priority tasks:

- Fully implemented: 100 cases (40 %)
- Implemented in 2009, implementation will continue:
131 cases (52.4%)
- Not implemented in 2009, implementation will continue:
19 cases (7.6%)

The ANP Implementation Plan approved by the Cabinet of Ministers in September 2009 contained 458 actions, which Ukraine declared:

- Implemented: 314 (68.6%)
- Partially implemented: 115 (25.1%)
- Not implemented: 20 (4.4 %)
- Cancelled or postponed: 9 (1.9%)

An analysis of Ukraine's fulfillment of the Euro-Atlantic integration documents in previous years (ATPs from 2003–2008 and ANP-2009) demonstrates that the best results in terms of qualitative and quantitative indicators were achieved in the sectors of foreign policy and defense/military. Progress in the latter has demonstrated Ukraine's considerable attainment of Euro-Atlantic integration standards in that sphere.

The ANP impact on the implementation of domestic policies has been rather limited (in areas such as rule of law, governance, administrative and judiciary reform, and anti-corruption). Nonetheless, there were areas where visible progress was made in achieving objectives (e.g., reforms related to security and defense). Based on conclusions drawn in the course of the Strategic Defense Review, conceptual principles for the general structure of the Ukrainian armed forces through 2025 were adopted.

Ukraine continues to be a reliable participant in the NATO Partnership for Peace (PfP) program. A trilateral Ukrainian-Danish-U.S. supply operation for a Danish military outpost in Greenland, nicknamed “Cossacks on Ice,” lasted for over two weeks in March 2009. A follow-up operation, “Northern Falcon-2010,” was successfully conducted the following year.

Additionally, just over seventeen hundred Ukrainian service members honorably performed their duties in ten international peacekeeping missions in 2009.

Though insufficiently financed, the Ministry of Defense took measures to modernize and maintain the combat readiness of the armed forces. The Concept of State Defense Target Program for Development of Armaments and Military Equipment of the Ukrainian Armed Forces for 2010-2015 (adopted in September 2009) estimates state financing over the course of the program to be 1.7 billion UAH (about \$214 million).

Ukraine actively participated in discussions on NATO’s New Strategic Concept, confirming its role as a key security contributor in Europe.

Ukraine fulfilled its contractual obligations to provide air transportation services to EU and NATO partners within the framework of the Strategic Airlift Interim Solution (SALIS).

Following NATO-Ukraine expert consultations carried out under the auspices of the Joint Working Group on Defense Reform (JWGDR) in May 2009, a decision was made to launch a NATO-Ukraine Working Group on Cyber Defense. The protection of state information resources from internal and external cyber-threats is today one of the most urgent challenges to national security.

The Cabinet of Ministers of Ukraine issued in December 2009 a decree allowing the temporary fulfilment of an agreement between the Cabinet of Ministers and NATO regarding the transit of goods through Ukraine in support of NATO’s International Security Assistance Force in Afghanistan. This fact demonstrated to the international community Ukraine’s commitment to peacekeeping and international stability.

Important features of the ANP, which give the document obvious value among other normative documents, are the following:

- Special procedures for consultation with NATO in the preparation of the document; an assessment process, which gives the West a certain stake in Ukrainian national decision making; and the opportunity to enhance the understanding of necessary reforms among Ukrainian policymakers.
- Mandatory development of the implementation document (Implementation Plan), which determines concrete steps for fulfilling priority tasks for a given

year. Responsible persons, approximate timelines, and the sources and amounts of financing for each item are stated.

- Assessment of progress in implementing the ANP by a team from NATO's International Secretariat under the leadership of the deputy assistant secretary general of NATO for security cooperation and partnership. The assessment report serves as a basis for discussion in meetings of the NATO-Ukraine Commission and can be used by Ukraine for drafting new ANPs.

Policy Discrepancies of the New Government

Statements by the new government suggest that Ukraine is not going to move away from the ANP format, despite changing political goals. The new leadership has confirmed existing commitments and formally welcomed any available instruments that may help Ukraine approach European standards of democracy and rule of law, and to reform its security and defense sector.

Real policy, however, has proved to be more ambivalent. On the one hand, the new government terminated the overall coordination system in the area of Euro-Atlantic integration developed by the previous government. Through two decrees signed in April, Yanukovich abandoned the National Center for Euro-Atlantic Integration and Inter-Agency Commission on NATO Membership Preparation. By a regulation of the Cabinet of Ministers adopted at the end of March, the Coordination Bureau for European and Euro-Atlantic Integration at the Secretariat of the Cabinet of Ministers was liquidated and the Bureau for European Integration was established instead.

The overall trend in the spheres of democratic institution building, media freedom, and rule of law is rather negative. It is likely that the new leadership will abandon some important 2004 constitutional reforms and return to a Kuchma-like presidential political model with limited powers for parliament. As James Greene, former head of the NATO Liaison Office in Ukraine has put it, Yanukovich's apparent priority of "re-establishing a political and administrative command vertical...risks increasing tension and eventual confrontation with a society that has become accustomed to civic freedom."¹⁹

Yanukovich and his entourage obviously sympathize with the Putin-like model of "managed democracy" and will test Ukraine for the acceptance/non-acceptance of such a model. The outcome of this test is not clear in the short-term, especially taking into account the weakness of the political opposition and the general demoralization of civil society.

On the other hand, the formal commitments of the new government remain stable in comparison to the previous one. In June 2010, the new cabinet of ministers, led by Mykola Azarov, adopted the ANP-2010 Implementation Plan, which is considered to be the most comprehensive set of commitments currently existing between Ukraine and

¹⁹ http://www.razumkov.org.ua/eng/files/category_journal/NSD115_eng_5.pdf

Western institutions. Furthermore, in July 2010 planning for the next cycle, ANP-2011, was launched at various ministries under the coordination of the Ministry of Foreign Affairs.

Outlook

The main challenge of the current leadership of Ukraine is how to combine their multi-vector, non-bloc, foreign security policy with the vital need to continue reforms aimed at bringing Ukraine closer to Euro-Atlantic standards of the rule of law, transparency, and accountability. The development of a professional and apolitical civil service is vital for ensuring a sufficient supply of professionals capable of implementing reforms. In addition, the modernization of resource management methods is essential for ensuring that resources are used efficiently to achieve desired results.

Some might ask if Ukraine really needs to achieve “Euro-Atlantic standards” if NATO membership is no longer a Ukrainian objective. The answer is that if standards are not followed, Ukraine will not be able to become even a “security bridge” between the West and Russia but will instead find itself in a growing security vacuum, which is a perfect environment for the further marginalization of the country in regional and global politics.

Portions of this policy memo draw upon the author’s report, “Assessment of the Impact of ANP-2009 Implementation on Ukraine’s Policies,” Institute for Euro-Atlantic Cooperation, Kyiv (2010).

Russian-Chinese Oil Relations: Dominance or Negotiation?

PONARS Eurasia Policy Memo No. 124

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Russia and China are destined by geography and development to be linked. For its part, China needs to import large quantities of oil (and gas). Oil production in the country grew faster than consumption through 1986 and net production remained positive through 1992. In 1993, however, China became a net importer of oil. In 2009, it passed Japan to become the world's second-largest importer, trailing only the United States. Russia, meanwhile, is endowed with large oil reserves (and enormous gas reserves) and seeks to export much of what it produces to foreign countries, including China. No matter how much officials talk about the need to diversify Russia's economy, and no matter how much progress is actually made in that endeavor, energy will continue to serve as Russia's principal export for a long time. China is the fastest-growing importer in the world, and it would be foolish not to pursue that market.

Given these potentially complementary interests and the countries' proximity to one another, it is unsurprising that Russia and China have had ongoing negotiations over oil shipments, the construction of pipelines, pricing arrangements, and so on. The negotiations, however, have not been easy as each side has sought to obtain the best deal possible. This memo examines the negotiations over petroleum between the two countries and considers their political and economic implications.

Uncertain Negotiations: 2004 and Earlier

Before 2004, China's most significant and consistent oil purchases from Russia were through Mikhail Khodorkovsky's now defunct company, Yukos, and amounted to about 124,000 barrels a day. Yukos had also begun negotiations with China to build a pipeline from Angarsk in Siberia to Daqing in northeastern China. The line was to run south of Lake Baikal, making building an extension to the Pacific Ocean much more expensive than a northern route. In fact, the expanding role of Yukos, a private company, in foreign economic affairs was probably part of what caused Khodorkovsky to run afoul of President Vladimir Putin, leading to his arrest in October 2003. Consequently, 2004 was marked by uncertainty in Chinese-Russian oil relations. As the Khodorkovsky trial wore on and the future of Yukos's assets remained unclear,

production and exports declined. Another private company, Lukoil, was pressed into service to fill the gap in the short run, and the Russian government promised that the relationship would remain beneficial in the long run. Nonetheless, shipments shrank and the Chinese side could not even be sure whom to negotiate with, whether the government or the companies.

In addition, it seemed in 2004 that China might not be connected to any eastward pipeline. When Japan offered to finance most of the construction of the Eastern Siberia-Pacific Ocean (ESPO) line, Russia suggested that it preferred not to limit its sales options and thus would not build a dedicated pipeline to China. Under such a system, China would have to make do with oil shipments by rail or tanker, which were more expensive and more cumbersome transit options.

The First Major Deal: 2005-2009

In late 2004 and early 2005, a new regime began to take shape. As the Yukos affair progressed, it became clear that this was no simple shakedown or transfer of assets to another private company, but a re-nationalization. If the Chinese government wanted to replace, and even expand, the levels of oil once imported from Yukos, then it would have to negotiate directly with the Russian state. It did so and struck a long-term oil supply deal, making a \$6 billion down payment in February 2005 on approximately 48 million metric tons of Russian crude to be delivered over the course of several years. Given the timing of the deal, it seems likely that at least part of the money was lent to Rosneft to help pay for its purchase of Yukos's main production asset, Yuganskneftegaz.

The arrangement with Russia was part and parcel of China's strategic expansion of petroleum holdings around the world. This strategy included at least three main approaches. First, through direct purchases, China's major state-owned oil companies acquired shares in such oil majors as Total and BP, as well as 100 percent ownership of smaller companies, including Udmurtneftegaz and PetroKazakhstan. The Chinese National Petroleum Company (CNPC) also acquired a 4 percent stake in Rosneft for \$500 million (although it had hoped to buy a \$3 billion stake in the company). Second, joint ventures and production-sharing agreements (PSAs) gave China a role in the development and operation of fields in several countries, including Russia via the joint venture Vostok Energy. Finally, loans or down payments (similar to the one arranged with Russia) helped China secure long-term supply contracts for oil from Brazil, Venezuela, and Angola.

Although the deal with Russia was not unique, and although both sides were now clear whom they were negotiating with, the agreement did not always function smoothly. The main recurring issues were Russia's failure to deliver as much oil as was originally promised by a specified date and China's unwillingness to renegotiate the price it paid for the oil. Compiling data from various sources, Russian oil deliveries to China were as follows (all numbers are approximate, with 2005 being the first year of the arrangement):

2005	7.6 million tons	(10 million promised)
2006	10.0 million tons	(15 million promised)
2007	10.0 million tons	
2008	11.5 million tons	
2009	11.5 million tons	

Thus, Russia eventually met the overall target of at least 48 million tons, but it fell short of its annual targets each year.

Regarding oil prices, one source reports that the original contract set the price at \$3 per barrel less than Brent blend crude, a price determined in paper trading in London. This is not an uncommon mechanism for pricing in oil contracts; the negotiation is over the level of discount (or premium) from Brent. Russia argued that its oil was worth more than this price and in November 2007 convinced China to agree to a lesser discount of \$2.325 per barrel, but it was not able to move the Chinese any further.

Russia and China also continued to negotiate over the possibility of a pipeline spur from the ESPO line to China. During most of this period, China financed or performed the preparatory work. In particular, it paid \$37 million for a feasibility study and developed a plan to build the Chinese side of the pipeline, which is projected to be far longer (960 kilometers) than the Russian side (67 kilometers).

New Pipeline, New Contract: 2009-Present

The past year and a half witnessed some important new milestones in the Russian-Chinese relationship. In February 2009, China issued a new set of loans to Russia: \$10 billion to Transneft to help finance pipeline construction and \$15 billion to Rosneft as a down payment on 300 million tons of oil to be delivered over the course of 20 years, beginning in 2011. After a long negotiation period in which China asked for an interest rate of 7 percent or higher, the deal was finally concluded at 6 percent. Again, price and delivery schedules were sticking points, but for the moment it seemed as if these issues had been overcome. China will pay whatever price Russian oil is fetching at Kozmino Bay in the Russian Far East, and Russia will deliver 15 million tons a year via a pipeline spur to Daqing, a refining center in northeastern China.

In December 2009, the first phase of the ESPO pipeline opened. It carries oil from Siberian oil fields to the town of Skovorodino, located in the Amur region, still 2,100 kilometers from the Pacific Ocean, but 2,750 kilometers closer than was possible before. From there it is shipped by rail to Kozmino Bay. This was a major achievement for Russia, giving the country a significant opening to the Far East. It was also important to China for a number of reasons. First, it gave China's energy companies a chance to buy Russian crude shipped by tanker to any destination they desired, rather than by rail to a fixed location. Second, it created the spot market for Russian crude that would be used to determine the price China would pay for oil delivered through the ESPO pipeline spur. Finally, it made the spur itself feasible, as it brought oil out as far as Skovorodino.

The construction of the spur has proceeded relatively smoothly thus far. Both sides of the line were completed on time, and the link was dedicated at the end of September 2010. The system is still on schedule to begin full deliveries in January 2011. Disagreements and technical problems will continue to arise, of course, but the project has already proceeded further than many would have thought possible just a few years ago.

Successfully opening the spur will clear the way for another set of issues to take center stage: those of supply. The long-range plan for the ESPO line has always been that the line will be filled from newly developed fields in Eastern Siberia, rather than oil diverted from Western Siberia or the Urals. In principle, Russia could simply decrease shipments to Europe and send that oil to China or the Pacific, but that would raise technical and political problems that would be better avoided, including the fact that West Siberian and Urals crudes are of lower quality than East Siberian oil, so China would be unhappy with the delivered goods.

Even on this question, the forecast is better now than it was just a couple of years ago. Most notably, Rosneft's Vankor field has come on-line. This large field began producing oil in late 2009, and by mid-2010 it was producing over 260,000 bbl/day (13 million tons a year). It can thus nearly fill Russia's obligations to China on its own, even before production at the field reaches its peak. In addition, there are three other new East Siberian fields in operation – Verkhnechonsk, owned by Rosneft and TNK-BP, Urals Energy's Dulismin, and the Talakan field of Surgutneftegaz – and almost twenty more under development.

Implications

How are we to evaluate these developments? What do they mean for Russia, China, and the rest of the world? It is sometimes tempting to imagine an extreme interpretation – China is taking over Russia's (and the world's) hydrocarbon sector; Russia is marching eastward; or the two countries are forming an energy partnership that will become the basis for a deeper alliance against the West – and look for examples that seem to support it. The analysis presented in this paper, however, suggests a more nuanced interpretation than any of these.

China certainly plays an enormous role in Russian oil (and gas) policy in the Far East. It is expanding its ownership shares in Russia and it has achieved greater flexibility in the global energy arena by developing Russia as a supplier. (Likewise, the opening last year of the Kazakhstan-China pipeline, which runs from the Caspian Sea to northwestern China and has a capacity of 10 million tons per year, enhances China's power as a buyer.) Nonetheless, China did not get the pipeline it originally wanted, it had to pay for a large part of the new pipeline exporting oil from Russia, and China appears to be paying top dollar (or even overpaying) for the oil it will receive through that line. It is also hard to know how the decision to commit to a 20-year supply deal will work out. China's reach continues to expand, but it does not get everything that it wants.

For Russia's part, it has allowed China greater involvement in the energy sector than it originally intended but it has also built a pipeline system that gives it multiple options in the Far East, received considerable outside support for financing the project, and locked in a long-term customer at a more than reasonable price. In its relationship with China, Russia retains the ability to cut supplies in a price dispute or related disagreement (while China retains the ability to turn to other suppliers).

Overall, this appears to be a fairly normal negotiation and each side has generally made the best of its situation. China has a great deal of money and a growing number of supply options. Russia has significant oil reserves and a multi-option pipeline. True, the situation could worsen for either side. For Russia, petroleum reserves could disappoint, Rosneft's or Transneft's borrowing could come back to haunt it, or oil revenues could be spent unwisely. For China, its spending spree could leave it vulnerable in an economic downturn, its economic growth could finally exhaust itself, or its political situation could worsen. But neither country seems to have been forced into making an egregious negotiating error over oil.

As a final note, it is worth pointing out that a similar process to the one discussed here is underway in the area of natural gas. Russia and China have been discussing a natural-gas pipeline (actually two of them) for several years, but discussions have foundered on disagreements over pricing. As difficult as it has been to agree on a pricing formula for crude oil, the issue is even more troublesome with gas because there is no internationally recognized marker – such as the Brent contract in London or the Dubai contract in the Middle East – to which the price of gas might be tied. Nevertheless, Russia is losing leverage as China continues to explore other options. Most significantly, the newly opened Turkmenistan-China pipeline undercuts Russia's position and appears to have reignited discussions.

Russia's State Armaments Program 2020

IS THE THIRD TIME THE CHARM FOR MILITARY MODERNIZATION?

PONARS Eurasia Policy Memo No. 125

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For the first two years of the Russian military reform program that began in October 2008, the top priority of the Ministry of Defense was reorganization. This involved the transformation of the military's division-based structure into one based on brigades, as well as a shift in the ratio of officers to enlisted soldiers in favor of the latter. The last step of this reorganization was the replacement of military districts with four operational strategic commands, modeled on the U.S. military's regional commands. These are joint commands that control all of the forces on their territory, including naval and air force units.

As this organizational transformation was being completed, top defense officials increasingly focused on the need to rearm the newly streamlined Russian military. In several speeches last winter and spring, President Dmitry Medvedev called for large-scale rearmament. More specifically, in a March 5 speech to the Defense Ministry Collegium, he called for renewing arms and equipment at a rate of 9 to 11 percent per year for the next decade, in order to reach a target of modernizing 70 percent of military equipment by 2020.

This will be a difficult target to achieve. The current rate is less than two percent; even the Soviet military of the 1980s averaged only a 5-7 percent renewal rate. In order to achieve this plan, the Russian government is putting together a new State Armaments Program for 2011-2020 (SAP-2020). This program will replace two earlier programs enacted since Vladimir Putin came to power, the most recent for the period from 2007 to 2015. What the previous programs have all had in common is that in each case the government failed to achieve the program's stated goals.

SAP-2020: What We Know So Far

The SAP will not be announced until later this fall, but some information about its parameters has already begun to appear in the Russian press. The total size of the program is still under negotiation. Back in May, President Medvedev announced that total spending on armaments over the next ten years will be 13 trillion rubles, or

approximately \$425 billion at current exchange rates. This would be a significant increase from the previous armaments program, which allotted five trillion rubles over a nine-year period. However, Defense Ministry officials argued that this amount would not be sufficient to modernize the entire military. General Oleg Frolov, the acting chief of armaments, noted that for 13 trillion rubles the ministry would be able to modernize only the strategic nuclear forces, the air force, and air defenses. To modernize the ground forces, an additional 15 trillion would be necessary, while the modernization of the entire military (including the navy and the space forces, which operate Russia's military satellites) would cost a total of 36 trillion rubles (\$1.2 trillion).

The definitive program budget will not be announced for several more months, though it seems impossible for the Ministry of Defense to obtain anywhere near the full amount it seeks. In late September, Defense Minister Anatoly Serdyukov announced that total spending for the armaments program would equal 22 trillion rubles, of which 19 trillion would be allocated to the Ministry of Defense and 3 trillion to other power ministries. This would increase Russian defense spending to around 3.5-4 percent of GDP, up from the current 2.9 percent.

The Air Force

The full parameters of the armaments the Russian military will procure with this money have also not been announced, though some specifics are now available. The air force will be one of the main beneficiaries, while the navy and ground forces are considered a lesser priority. The Ministry of Defense believes it can modernize all of the country's military aircraft over the next ten years. The goal is to purchase 350 new fighter airplanes, 1,000 new helicopters, and a number of new transport aircraft. This is a high priority as most of the existing aircraft have reached or exceeded their original lifespan. Specific air force procurement plans include:

- T-50 fifth-generation fighter aircraft (PAK FA). Ten to be purchased in 2013-2015. An additional 50-60 to be procured in 2016-2020.
- Next-generation long-range bomber (PAK DA). Design began in 2010. Prototype to be built by 2015. First units scheduled to enter the air force in 2020.
- Su-35BM fourth-generation fighter aircraft. Forty-eight to be purchased in 2010-2015.
- Su-34 fighter-bomber. Thirty-two to be purchased in 2010-2015.
- MiG-35 fighter. Currently in development. First units expected to enter the air force in 2013.
- Yak-130 training aircraft. One hundred fifty to be delivered in 2010-2015. An additional fifty to be procured in 2016-2020.
- An-124 transport aircraft. Twenty to be purchased in 2015-2020. Ten to be modernized in 2011-2020.
- An-70 transport aircraft. Sixty to be purchased in 2011-2020.
- Mi-26 transport helicopters. Exact number unknown. Main focus of helicopter renewal program.

Air Defense and Strategic Rocket Forces

The armaments program also promises significant improvements in air defense and strategic rocket forces. For the former, Russia will continue to procure the S-400 air defense system. Two air defense regiments were armed with this system prior to 2010. An additional five were to be procured this year. The goal is to have as many as 23 regiments (of 8 to 12 missiles each) by 2015. It will then be augmented by the more advanced S-500 system, currently under development and expected to be ready for production by 2013. Both the S-400 and S-500 systems are superior to the U.S. Patriot PAC-3 in maximum speed, range, and accuracy. Russia will also continue to procure the Pantsir-S1 short-range surface-to-air missile, with at least 200 units expected to be added by 2016 to the 10 already in service in 2010.

The strategic rocket forces will continue to receive Topol-M (SS-27) and the new RS-24 ICBMs. The latter is a Topol-M variant with three or four multiple independently targetable reentry vehicles (MIRVed) that began to be deployed this year. These will gradually completely replace the older SS-18 and SS-19 ICBMs, as the service life of these missiles is scheduled to expire over the next ten years.

The Navy

The procurement plans for the navy seem quite extensive, but are likely to be carried out in full only if the Ministry of Defense succeeds in its effort to increase the government's total financial commitment to the State Armament Program. The strategic submarine force remains a priority for the military and will be funded no matter what. Financing for other projects, especially the larger and more expensive ships, is more uncertain, though the commander of the navy recently announced that the construction of a total of 15 ships and diesel submarines for the Black Sea Fleet will be part of the armament program. Specific plans include the following:

Submarines

- Borei-class ballistic missile submarine. First currently in sea trials. Five to seven more to be commissioned in 2010-2017. Three of these are already under construction. The project's success will depend on the military's ability to get the Bulava SLBM to fly successfully.
- Yasen-class multi-purpose attack submarine. First launched in June 2010. Two to five more to be commissioned by 2020.
- Lada-class diesel submarines. First commissioned in April 2010. Two to seven more to be commissioned by 2020.
- Improved Kilo-class submarines. If problems with the Lada-class submarines continue, as many as eight of these could be built instead, with at least three going to the Black Sea Fleet. There is also the possibility that a smaller number of these would be built to be used in conjunction with a small number of Ladas.

Surface Combat Ships

- Aircraft carrier. This summer, the navy announced that designs for a new aircraft carrier would be finished this year. It is likely that the construction of one or two carriers will be included in the State Armaments Program. Their actual construction is likely to take many years in the best of circumstances, and it is highly unlikely that the Russian navy will have a functioning aircraft carrier by 2020.
- Mistral amphibious assault ships. Two will be purchased from France, with another two to be built in Russia under license. Negotiations over the purchase are still ongoing, but they are likely to conclude successfully in the next few months.
- Ivan Gren-class landing ships. Three to five to be commissioned in 2012-2020.
- New destroyers. Press reports indicate that design of a new 10,000-ton destroyer is under way, with construction of the first ship to begin in 2013. The hope is to build 10 to 12 of these ships over the next 20 years, though it is unlikely that more than two or three could be completed by 2020 in the best of circumstances.
- Admiral Gorshkov-class frigates. Two currently under construction. Plans call for a total of twenty to be built over the next twenty years. Of these, three to six are likely to be built by 2020.
- Krivak IV-class frigates. Given the slow pace of construction for the Admiral Gorshkov frigate, the Russian navy is likely to build three or four of these frigates for the Black Sea Fleet. Previously, these ships have been built for the Indian Navy.
- Steregushchii-class corvettes. First commissioned in 2007. Second launched in March 2010. Three more are currently under construction, to be commissioned by 2013. In total, twenty are expected to be built, with ten likely to be completed by 2020.

In addition to these procurement plans, the navy has declared its intention to restore and modernize the various mothballed Kirov- and Slava-class cruisers that it owns. The Kirov-class Admiral Nakhimov (originally Kalinin) cruiser will be the first to undergo modernization. If this effort is successful, the Admiral Lazarev (originally Frunze) may also be modernized prior to 2020. The Admiral Ushakov (originally Kirov) could theoretically be modernized as well, though most sources believe it to be a pile of radioactive rusted metal, due to a combination of a 1990 reactor accident and a subsequent lack of repair or maintenance. The navy may also work with Ukrainian shipbuilders to finish the almost completed Admiral Lobov Slava-class cruiser. If this project goes through, the three active Slava-class cruisers in the navy may also be modernized over the next ten years.

Ground Forces and Other Equipment

Much less is known about procurement plans for the ground forces, in part because they are likely to receive the least amount of new equipment in the next decade. We do

know that the military has canceled plans to procure the T-95 battle tank and will instead continue to purchase T-90 tanks for the foreseeable future. The ground forces will also receive Italian light armored vehicles, probably instead of the BTR-90 armored vehicles that they had previously planned to purchase. They will also continue to purchase Iskander tactical ballistic missiles for its missile brigades, replacing existing Tochka (SS-21 Scarab) missiles in seven more brigades, in addition to the two that have already been rearmed with Iskanders in 2010. It is likely that sometime during the next decade, the design of a new generation of multiple rocket launcher systems will be completed, with some likely to enter service prior to 2020 in place of the currently used BM-30 Smerch systems.

In addition to platforms and weapons, the Russian military will focus on improving its communications capabilities by upgrading its GLONASS satellite system and procuring new digital communications and command and control systems, as well as other high-tech items such as night vision equipment and better IFF (Identify Friend or Foe) systems. Many of these items are likely to be procured abroad or developed with foreign assistance.

Limitations

Whatever the actual details of SAP-2020 turn out to be, if the Russian government carries all of them out, it will be the first time such a program is actually implemented in full. Past programs foundered due to three reasons: lack of financing, corruption, and the poor state of the Russian defense industry. All these factors are likely to play a role in limiting the Russian military's ability to modernize its weapons and equipment over the next decade.

The large increase in funding promised for SAP-2020 may not be sustainable, as it depends on a stable or rising price for oil and natural gas in coming years, which itself depends on the continuation of the current global economic recovery. If government revenues should falter, financing for the military will undoubtedly suffer as well. Even if revenue projections are met, the increase in financing being discussed right now will require a significant shift in government expenditures toward the military despite ever more pressing needs in the civilian sector.

Whether the government will be able to maintain such a plan if its popularity starts to erode in coming years is very much an open question, especially as it becomes ever more obvious to the population that much of the procurement money goes to line the pockets of senior military officials. Various press reports estimate that as much as half of all procurement money is spent on bribes and other forms of corruption. Last spring, the Audit Chamber announced that one billion rubles of military procurement money was lost to corruption in 2009. Analysts argue that, without corruption, 19 trillion rubles would be more than enough to finance the entire defense procurement wish list, rather than the 36 trillion that the Ministry of Defense requested.

However, the real question facing the armaments program is whether the Russian defense industry can actually build the weapons they are being asked to produce. The ability of the Russian defense industry to design and produce new

weapons has been declining for 20 years. The best workers – those left over from Soviet times when the industry was well funded and a highly prestigious sector in which to work – have retired or are about to do so. Few good people went into the field in the 1990s, when there was virtually no financing and the industry came close to collapse. At the same time, because there was no money for equipment modernization, the industrial plant began to deteriorate. By the start of the Putin presidency, even the allocation of additional financing was not enough to counteract the decline in the defense industry's ability to produce high quality products. This decline will have to be reversed if the Russian military is to be successful in producing new high-tech military equipment.

Can Brazil be a Model of Development for Russia?

PONARS Eurasia Policy Memo No. 126

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Can countries overcome the problems associated with natural resource management through the implementation of good policies? A comparison of Russia and Brazil shows that indeed policymakers can make a difference. These two countries started in relatively similar positions in the early 1990s, but they have now evolved to the point where Brazil is in a much stronger position than Russia.

Russia and Brazil began the 1990s facing great challenges, but with considerable opportunities for increasing their standards of living. Brazil was emerging out of a period of military rule that had left the economy in shambles, while Russia had dissolved the Soviet Union and was adopting a market economy and greater political freedoms. Both countries had industrialized but remained burdened by widespread poverty, deficient infrastructure (including roads, ports, communications networks, and healthcare), and extreme social stratification. Of course, there were important differences. For example, Brazil possessed a small but well-educated technocratic elite while Russia had achieved a higher level of education for its masses. This distinction is important since Brazil's policies were designed to favor its well-educated elite, while Russia had the potential to achieve greater levels of productivity gains based on its large, skilled work force, which would benefit from market competition.

Today, the prospects for Brazil seem much brighter than they do for Russia. Since Soviet times, Russia has been a major energy exporter, while Brazil has been quickly developing its extensive energy resources. While Russia's oil production has remained largely flat in recent years, Brazil is soon expected to reach petroleum independence and to become a major exporter within the next decade, thanks to its major investments and large energy reserve additions. Brazil's recovery from the global economic crisis has been robust, while Russia's appears more uncertain. The central factors in Brazil's relative success have been its treatment of foreign capital, the way in which it has defined the role of the state in the energy sector, its efforts to combat corruption, the successful implementation of an independent regulatory regime, and its efforts to stimulate innovation.

Foreign Capital

Brazil adopted macroeconomic reforms in 1994, and its economic situation has been relatively stable since then. Accordingly, it has become a magnet for foreign direct investment, attracting a strong portfolio of international partners. Property rights are considered relatively secure in Brazil.

In Russia, by contrast, international energy investors have faced a number of problems. The Russian government forced Shell to sell a stake in its Sakhalin-II liquefied natural gas project to Gazprom by exerting pressure on the company through numerous environmental inspections, a problem that disappeared once Gazprom became a key partner in the project. Similarly, Gazprom has prevented BP and its Russian partners from developing the Kovykta natural gas deposit in Eastern Siberia since it does not want to give up its pipeline monopoly, ultimately forcing them to declare the project bankrupt in the summer of 2010. Questions about property rights and the uncertainties of the natural gas market have also led to delays in the development of the offshore Shtokman reserves.

The Role of National Oil Companies

The two governments have treated their energy companies differently. Brazil has forced its state-controlled Petrobras company – of which the government has a 55 percent controlling interest but only 33 percent of total shares – to compete with foreign companies to develop upstream assets in the country. This exposure has forced the company to improve the way it operates and prevented it from relying on state protection. However, since it has intimate knowledge of the deposits located on Brazilian territory, Petrobras has an advantage over the international energy companies coming to work in Brazil. Beyond forcing Petrobras to compete, Brazil's technocratic elite defends company interests rather than state ones so the company does not serve as a cash cow for politicians worried about preventing domestic unrest. Much of its income is reinvested in energy development projects. Today, Petrobras is considered to be one of the best run oil companies in the world, and the company is a technical leader in areas such as deepwater offshore drilling.

In Russia, the national champions Gazprom and Rosneft are much less efficient than foreign competitors. Gazprom, for example, pays much more to build pipelines than do foreign companies while Rosneft is less efficient than Yukos, whose assets it took over when the Russian government put it out of business. Gazprom and Rosneft have a heavily favored position at home and do not face foreign competition on their own territory. Although Gazprom pays less in taxes to the Russian budget than do Russia's oil companies, it makes a significant contribution to the leaders' political interests by providing extensive natural gas subsidies to Russian industries and households. While gas prices for domestic consumers have risen in recent years, they still fall far short of international levels. Plans to force domestic consumers to pay international prices by 2011 have been put on hold to avoid inflicting pain on the population, which could potentially lead to political instability.

Corruption

In Transparency International's Corruption Perceptions Index for 2009, Brazil ranked 75th with an absolute score of 3.7 on a 1-10 scale. Russia ranked 146th with a score of 2.2. Brazil has had a long and difficult battle with corruption. The new democracy that emerged after years of military rule placed its hopes in a young, charismatic leader named Fernando Collor de Mello, who served as president from 1990 to 1992. Collor opted for a "centrist" approach, denouncing the abusive bureaucracy and massive corruption prevailing within government institutions. His administration was going to be a model of transparency and honesty. Collor's policies seemed to work in the beginning, but his early successes only masked deeper problems that the young leader was unable or unwilling to address. The practices and attitudes that had built up over the decades proved resistant to change, and most of the initial progress made under Collor collapsed in 1992 when he was impeached as a result of corruption and influence-peddling scandals.

The traumatic effect of the Collor impeachment had a positive impact. It forced the political elites to focus on reforming institutions and addressing the long-term ills that resulted in Brazil's inability to meet its economic and geopolitical potential. Business elites were reluctant to see the return of the military, which they considered economically unskilled and partially responsible for the massive debt burden that was affecting Brazil. The new president, Fernando Henrique Cardoso, the former finance minister, introduced key reforms that dramatically improved the situation: a new currency, opening the economy, and ending Brazil's import-substitution policy. Microeconomic reforms aimed to improve efficiency, foster market competition, and capture revenues from the sale of state assets. While the government did not privatize Petrobras, it set up strong institutions that could manage the industry. Cardoso's successor, Luiz Inácio Lula da Silva, largely preserved his policies.

In the area of corruption control, Russia has followed a much different path. During his eight years as president, Vladimir Putin never made much progress on the issue. Upon coming to power, Dmitry Medvedev announced that fighting corruption would be central to his administration, but after two years in office, he also recently admitted that he has made little progress. In contrast to Brazil, Russian policymakers have refused to institute fundamental institutional reforms, opting instead for half-hearted solutions such as poorly-enforced efforts to force bureaucrats to publish their incomes. Russia has also refused to implement the kind of democratic reforms that have accompanied Brazil's economic efforts: contested elections, a free media in the vital sphere of television, and an independent court system.

Regulation

Although Petrobras continues to possess extensive insider knowledge, the Brazilian government has set up an extensive regulatory system that is separate from the company. A key part of Brazil's success was establishing in 1994 the National Petroleum Agency, which had the authority to manage the country's oil assets. The

regulator made it possible to end Petrobras' monopoly and open Brazilian deposits to foreign bidders. Since the opening of Brazil's oil sector, the country's reserves and production levels have been increasing.

By contrast, the Russian government and its state-owned energy companies are deeply entangled in a web of conflicting interests. Gazprom is perceived as Putin's personal project, and the prime minister maintains a tight grip over its operations. Many of Putin's close associates and long-time friends have personally benefited from links to the gas monopoly. Deputy Prime Minister Igor Sechin, who is in charge of energy issues for the state, is also the chairman of the board of Rosneft. Before becoming president, Medvedev served as chairman of the board of Gazprom. Because of these numerous personal and informal ties between the state and energy companies, there is essentially no oversight or objective regulation of them.

Innovation

The Brazilian government has proven to be effective at innovation. In the mid-1970s, during the first energy crisis, it actively supported the development of sugarcane ethanol as a substitute for gasoline in order to reduce its dependence on Middle East exports. This program continued during the 1990s (a period of low oil prices) as a source of employment and income support to the powerful sugar lobby. In recent years, the ethanol program has become even more important. Demand for ethanol surged due to increases in oil prices, but also due to technical developments in the automobile industry, which allows drivers to use either gasoline or ethanol in locally manufactured cars. Additionally, concerns about climate change are offering the opportunity for exports of ethanol and Brazilian ethanol technology to international markets.

In addition to Brazil's ethanol capacity, the national oil company Petrobras developed its ability to explore and produce resources in deepwater areas where many of Brazil's resources are located. The keys to the company's success were its strong financial position supported by a fast-growing domestic market, a technocratic elite with international experience, significant levels of financial independence from politicians, and in-house technical capabilities.

Since Tsarist times, the Russian government has sought to implement policies that would stimulate innovation in the country. Medvedev has enacted the latest version of this strategy through his efforts aimed at modernization. So far, however, his policies have resulted only in a new buzzword for the elite. Efforts to develop new technologies, such as in the nanosphere or sponsoring a Russian version of Silicon Valley, are just getting started. In relation to energy, Shell has brought new liquified natural gas technology to Russia and BP has been successful in spurring production at old oil wells, but it is not clear if this technology transfer will be enough to help modernize the Russian energy sector. At the same time, domestic energy consumption is extremely inefficient, but there has been little effort to implement new energy-saving technologies.

Challenges for the Future

While Brazil could serve as a model for development in Russia, it faces many challenges today. The government must overcome pressure to use the funds generated from its growing energy wealth for populist purposes. Another risk is that the country could become overly dependent on fossil fuel production and succumb to the “Dutch Disease” (the notion that exploiting natural resources leads to a decline in other export sectors). As Petrobras’s economic weight increases in the economy, the added responsibilities will put enormous pressure on the company. In particular, maintaining the delicate balance between its cherished strategic independence and risk-averse politicians’ desire for control will become more challenging.

The key lesson that Russia can take from Brazil is the need for improved institutions, both for controlling its energy wealth and using it in effective ways. Russia has yet to find an effective model for working with foreign companies over the long-term. While many countries have state-owned energy companies, Russian companies work in a manner that does not meet competitive levels internationally. Similarly, Russia has not put in place the kind of reforms that would allow it to regulate its energy sector so the benefits accrue to the state rather than to powerful individuals. The results of its well-publicized efforts to fight corruption have been anemic, as have efforts at innovation so far. The Brazilian example shows that better policies in Russia could help the country achieve results that are more in line with its potential than is currently the case.

Russia's Mortality Crisis

WILL WE EVER LEARN?

PONARS Eurasia Policy Memo No. 127

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We do not hear about it often, but the phenomenon is truly unprecedented: the transition to a market economy and democracy in the 1990s in Eastern Europe and post-Soviet Eurasia caused dramatic increases in mortality rates and shortened life expectancies, which led to a depopulation trend throughout the entire region. In particular, the steep upsurge in mortality and decline in life expectancy in Russia were the greatest ever recorded anywhere in peacetime and in the absence of catastrophes such as wars, plague, or famine. Between 1987 and 1994, Russia's mortality rate increased by a degree of 60 percent – from 1.0 to 1.6 percent – a level that has not been seen since the first half of the twentieth century. Even during the last years of Stalin's rule (1950-53), the mortality rate was nearly two times lower than in the 1990s. Meanwhile, in the same period, life expectancy declined from 70 to 64 years (see Figure 1).

The increase in mortality rates in post-communist states is truly exceptional, with only a few analogues in history. One is the transition from the Paleolithic to the Neolithic age from about 7000 to 3000 B.C., when life expectancy fell by several years – possibly due to changes in diet and lifestyle (i.e., the transition from hunting and gathering to horticulture and husbandry). Another comparable case is the increase in mortality during the time of Britain's Enclosure Acts and the Industrial Revolution from the sixteenth to the eighteenth century, when life expectancy fell by approximately 10 years (from about age 40 to slightly over age 30) because of changes in lifestyle, increases in income inequalities, and the impoverishment of the masses (see Figure 2). Other cases of reduced life expectancy due to social changes are rare and do not involve a fall in life expectancy by 6 years for the entire population of a large state.

The implications of Russia's mortality crisis are far reaching. Even the average official forecast envisages a reduction in the Russian population from the current 142 million to 139 million by 2031, whereas a more pessimistic forecast, which independent experts consider reasonable, predicts that the population will decline to 127 million. Attempts to replenish these losses through immigration would mean adding to ethnic tensions that are already quite high.

Another implication of the crisis is that it is relevant not only for Russia, but for the world as a whole. It has revealed, like nothing before, the role of social stress on life expectancy. In a sense, it has been a natural experiment that happens only once in a thousand years, and it has showed us how much stress a society can take without dying out.

What explains Russia's mortality crisis? Of course, there was a transformational recession in the 1990s, output fell by 45 percent from 1989 to 1998, and the crime rate, murder rate, and suicide rate all sharply increased as well. However, the staggering increase in mortality – most pronounced among middle-aged men and caused mainly by cardiovascular disease – cannot fully be explained by “material” factors. A change in diet from meat and milk products to bread and potatoes cannot cause an increase in cardiovascular disease. Emissions of pollutants actually decreased with the collapse of industrial output. The major impacts of the deterioration in health care, as well as of smoking and changes in diet, could result in an increase in mortality but with a lag of at least several years, which was not the case here.

Whereas most experts would agree that a deterioration in diet, degradation of the health care system, and an increase in deaths from external causes (like accidents, murders, and suicides) contributed to the general rise in mortality in Russia and many other post-communist states, they would mostly not regard them as primary factors. Instead, two major alternative theories compete to explain the mortality crisis. One is that it was generated by stress factors. Another attributes the rise in mortality to alcohol consumption.

Stress factors are associated with the transition to a market economy and are created by a rise in unemployment, labor mobility, migration, divorce, and income inequality. It has been shown that a stress index constructed out of the aforementioned variables serves as a good predictor of changes in life expectancy in post-communist economies. Men in their 40s and 50s who lost their jobs (or had to move to another job or region), whose country or region encountered increased inequality, and who divorced their wives were the first candidates to die prematurely in the 1990s.

This helps explain a paradox of mortality change across Russia. The largest increases in mortality occurred in resource-rich regions (Northern and Eastern), which were relatively successful in terms of the dynamics of output. Resource industries were relatively more competitive than secondary manufacturing. Agriculture and production did not fall in these regions in 1989-98 during the transformational recession as much as they did in Southern and Western Russia.

But there was probably a tradeoff between performance and employment downsizing/restructuring. In absolute terms, the levels of unemployment in the better performing regions were very close to the national average despite their more favorable dynamics of output. Another “price of success” was higher labor outflows, and also growth in income inequalities (regions with smaller declines in industrial output in the 1990s did not exhibit lower income inequalities). As a result, it turns out that relatively better-off regions in terms of output change were relatively worse off in terms of stress factors leading to higher increases in mortality and greater reductions of life expectancy.

The major alternative explanation for the mortality crisis attributes it to the increased consumption of alcohol that occurred in the early 1990s (see Figure 3). Some put forward the “demographic echo” theory, whereby the increase in mortality between 1989 to 1994 was a mere echo of the decrease that occurred during Mikhail Gorbachev’s anti-alcohol campaign of 1985-87. The problem with this theory is that the echo in this case turns out to be several times larger than the initial shock.

Nonetheless, at first glance, it does appear that alcohol consumption is closely related to deaths from external causes (murders, suicides, and accidents) as well as to the general mortality rate (see Figures 1 and 3). Death rates per 100,000 inhabitants due to alcohol poisoning increased from 10 in 1990-91 to nearly 40 in 1994, exceeding the number of deaths due to suicide and murder (see Figure 3). Increased intake of alcohol, in turn, is attributed to a decline in the relative prices of spirits in the early 1990s.

But there are problems with the alcohol explanation. First, there are some periods when per capita alcohol consumption and the overall death rate were moving in opposite directions. Between 2002 and 2009, death rates from external causes, including murders, suicides, and poisoning, fell against the background of rising or stable alcohol consumption levels. Also, already by 2007, deaths from alcohol poisoning fell to late Soviet-era levels even though the overall mortality rate remained considerably higher (see Figures 1 and 3). This is to suggest that there were other reasons for high mortality.

Second, according to official statistics and alternative estimates, the levels of per capita alcohol consumption in the 1990s were equal to or lower than the early 1980s (before Gorbachev’s anti-alcohol campaign), whereas the death rate from external causes doubled and the total death rate increased by half. It appears, therefore, that what occurred was a simultaneous increase in variables in the early 1990s (total death rate and death rate from external causes, as well as alcohol consumption) all driven by another factor, very likely to be stress.

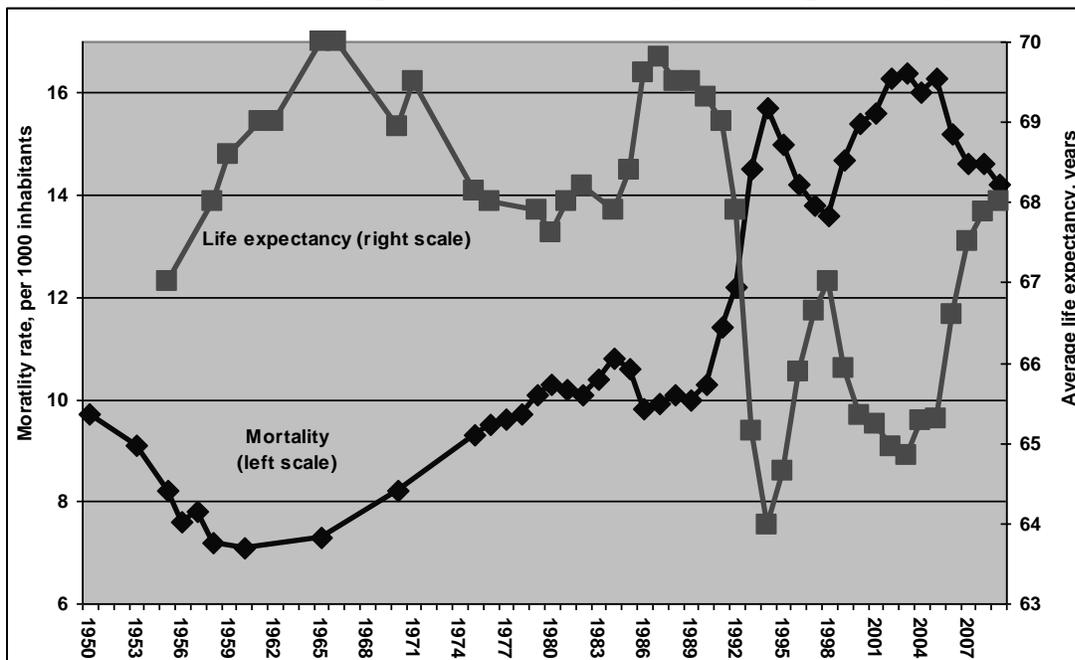
Third, there is abundant evidence that stress factors played a role in influencing mortality irrespective of alcohol consumption, when one compares Russia with other communist and post-communist states. Research indicates that a stress index (composed of the above-mentioned variables: increases in unemployment, labor turnover, migration, income inequalities, and divorces) is a good predictor of cross-country differences in mortality growth in the first five years of a transition. Some post-Soviet states that proceeded with more gradual reforms (Uzbekistan and Belarus, for example) managed also to preserve their institutional capacity and to mitigate a collapse of output and increase in mortality. In Central Europe, both the reduction of output and the increase in mortality was less pronounced than in the post-Soviet states. In Asia, China and Vietnam did not have any transformational recession during their transitions. Life expectancy in these countries grew constantly (although in China, it was slow compared to previous periods and to other countries with similar levels of GDP per capita and life expectancy). And there is at least one case, Cuba, where a reduction of output (about 40 percent in 1989-94) did not translate into a mortality crisis: life expectancy in Cuba increased from 75 years in the late 1980s to 78 years in 2006.

To summarize, the Russian mortality crisis of the 1990s was caused by a shock-therapy-type marketization of the economy, which led to a dramatic rise in stress factors. These included income inequality, unemployment, labor turnover, migration, crime, and divorce. Such factors were mostly responsible for the unprecedented 60 percent increase in Russia's mortality rate. Alcohol consumption, although strongly correlated with the mortality rate, was most likely not the core cause but a symptom of the same stress factors.

For further details see:

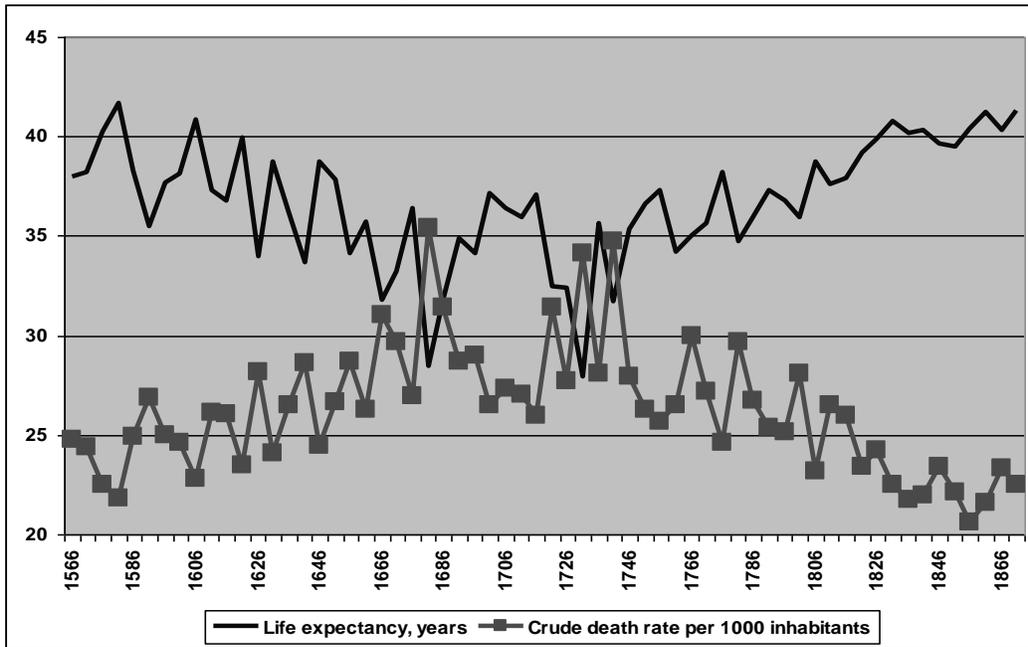
- Vladimir Popov, "Mortality Crisis in Russia Revisited: Evidence from Cross-Regional Comparison," MPRA Paper No. 21311, March 2010.

Figure 1. Mortality Rate (per 1000) and Average Life Expectancy (years).



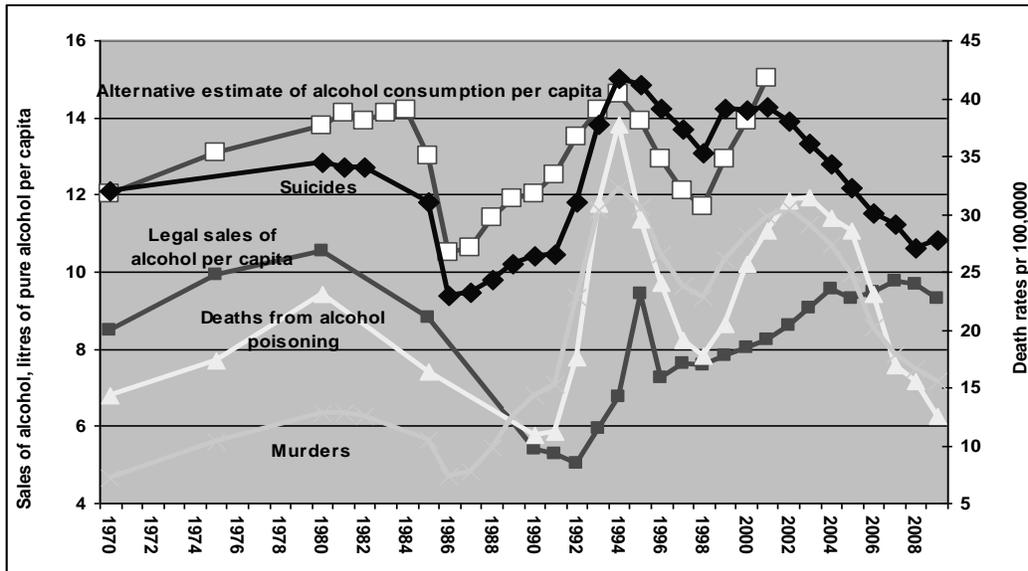
Source: Goskomstat.

Figure 2. Mortality Rates and Life Expectancy (at Birth) in the Course of Early Urbanization in England Between 1540-1870.



Source: E. A. Wringley and R.S. Schofield, *The Population History of England, 1541-1871: A Reconstruction*. London: Edward Arnold, 1981.

Figure 3. Sales of Alcohol, Liters of Pure Alcohol per Capita, and Death Rates per 100,000 from Alcohol Poisoning, Murders, and Suicides.



Source: For death rates, WHO database and *Goskomstat*. For legal sales of alcohol, *Goskomstat*. For alternative estimates of alcohol consumption, *Demoscope*, No. 263-264, Oct. 30-Nov. 12, 2006

Russia and the Eastern Partnership States in a New European Security Architecture

PONARS Eurasia Policy Memo No. 128

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President Dmitry Medvedev's European security initiatives of 2008-2009, culminating in his draft European Security Treaty of November 2009, sparked considerable debate regarding the potential and desirability of a new European (really Euro-Atlantic) security architecture. Generally, a rising cooperative mood in Russian-Western relations has set the tone for such deliberations. Still, formal progress has not really been achieved and the most difficult issues of Euro-Atlantic security have not been seriously addressed. Outstanding issues mainly involve the states of post-Soviet Eastern Europe, currently members of the European Union's Eastern Partnership (EaP) program. What progress has been made on issues of Euro-Atlantic security cannot be regarded as irreversible, unless: a) cornerstone components (like the new strategic arms control treaty, New START) are finalized and b) a road map for resolving difficult issues is established. Progress on these issues requires two things: political goodwill and new proposals for rational, realistic, and legitimate solutions to the challenges of the Eastern Partnership states.

New European Security Architecture in 2010

Initiated by Russia, the discussion on Euro-Atlantic security architecture has been given new scale and depth by some recent ideas in Europe and in the United States, which, in some respects, are bolder than the Russian one. A proposal by influential and respected German politicians regarding Russian membership in the North Atlantic Treaty Organization²⁰; French scholar H el ene Carr ere d'Encausse's suggestion of a special privileged status for Russia in its relationship with the European Union (*Le Figaro*, March 11, 2010), and even U.S. Secretary of State Hillary Clinton's January 2010 ideas on joint security cooperation²¹ – all were either unimaginable or seen as liberal wishful

²⁰ <http://www.spiegel.de/international/world/0,1518,682287,00.html>

²¹ <http://www.america.gov/st/texttrans-english/2010/January/20100129153002eaifas0.2912409.html>

thinking just a year before. Today, however, these and other proposals are topics of substantive dialogue and even political-military bargaining.

The discussion on a new Euro-Atlantic security architecture is far more substantive than Medvedev's European Security draft treaty. That document itself is criticized in Russian expert circles for its lack of concrete substance and is deemed unlikely to be realized in its present form. Key phrases of the draft (e.g., "significantly affecting security") need further clarification. It contains no suggestions on how to provide transparency and trust. Still, the draft has some merit: its emphasis on the indivisibility and inclusiveness of Euro-Atlantic and European security must indeed be the foundation of a Euro-Atlantic security architecture

At the same time, the position of the six states of post-Soviet Eastern Europe (Ukraine, Moldova, Belarus, Armenia, Azerbaijan, and Georgia) in this security architecture is more uncertain than ever before. Near- to mid-term prospects for their membership in NATO and in the EU are not realistic. However, preserving the status quo does not enhance European security, nor does it correspond to the security interests of Russia. These days, the states of post-Soviet Eastern Europe are not failed states strictly speaking, but they definitely have lost their way, which recently seemed so clear-cut and simple: to follow the path of Central Europe. Now, local leaders are hedging their bets between the West and Russia. This balancing game is always being recalibrated. Ukrainian President Viktor Yanukovich is playing the game closer to the Russian pole. Belarus is moving crablike in the opposite direction. Moldova tries to play the game along the lines of "preemptive implementation," introducing things like biometric passports and tighter border controls (initiatives welcomed by Brussels), but with no promise of anything in return. Meanwhile, the states of the South Caucasus have little incentive to make pre-accession reforms, equivalent to strenuous warm-up exercises that risk injury before the start of the actual game.

Despite its much heralded introduction in the spring of 2008, the EU's Eastern Partnership has already lost much of its significance. European (and especially German) observers stress that the financial crisis has once again re-focused the EU's "Eastern policy" on Russia, putting on the back burner both the Eastern Partnership and post-Soviet Eastern Europe more generally. Cornelius Ochmann of the Bertelsmann Foundation writes that internal developments in the EU (specifically the Greek crisis and the teething problems of the EU External Action Service) have minimized internal resources and are diverting attention from foreign policy.²² This has been compounded, according to Ochmann, by internal developments in EU partner states, especially Ukraine, which make it difficult to implement the Eastern Partnership. Under these circumstances, it is hardly surprising that Russia is once again at the forefront of Germany's Eastern policy. Frank-Walter Steinmeier, the former German foreign minister and current chairman of the Social Democratic Party, restated the significance of Russia in Germany's Eastern policy in a March 2010 parliamentary motion bearing the title "Modernization partnership with Russia: Joint security in Europe through

²²http://www.alieuropa.ru/filesserver/2010/46/The_Future_of_the_EasternPartnership_Seen_from_a_German_Perspective.pdf

greater cooperation and interaction.”²³ In an April 2010 foreign policy speech, Germany’s foreign minister, Guido Westerwelle, did not even mention the Eastern Partnership.

To include post-Soviet Eastern Europe into European and Euro-Atlantic developments, therefore, it is necessary to make up for the failure of the. One of the most natural and timely ways to do so is via the security domain.

Prerequisites for a Breakthrough

Progress in discussions over a new Euro-Atlantic security architecture is due to a remarkable coincidence of factors and interests: objective and subjective, internal and external, and political and security. Of special significance is a renaissance of pragmatism and *realpolitik* in world politics. This is partly a compensatory phenomenon. The countries of Central and East Europe are seeking to make up for ten to fifteen years of illusions and neglect. They are compensating for delays and distortions in their own nation-state and national identity building projects.

This *realpolitik* is also of a geo-economic rather than a geo-political nature. One of the basic reasons for the shift to *realpolitik* is a U.S. strategy toward sharing global responsibilities, which is likely to strengthen. The scale of new global threats, risks, and challenges has already made transatlantic partners overcome their discord and foster a new, coordinated, and more effective approach to sharing the burdens involved in balancing the rise of new world powers.

Transatlantic allies need cooperation with Russia in order to provide, first, for Euro-Atlantic security and coping with instability in potential conflict regions and, second, for sustainable economic development in the face of the rise of Asian powers. With Russia included in the Euro-Atlantic space, Russian policy may become much more predictable and the space for geopolitical rivalry may diminish. The end of the financial-economic crisis and the eventual large-scale use of alternative energy resources (like solar energy and shale gas), combined with new revolutions in energy-saving technologies, may weaken the competition for resources and transit routes or transform it into a technological competition. This latter eventuality could have a ruinous impact on the Russian economy; it is thus not by chance that Russian authorities are focused on modernizing through cooperation with advanced economies.

Thus, a new beginning in the Euro-Atlantic security realm is due to sensible selfishness and pragmatism both in the West and in Russia. Because of these aligning motivations, there may appear a structure, or rather a *network*, by which Russia will become closely associated with NATO. This process will not be revolutionary but evolutionary: no expansion, no enlargement, and probably no new organizations. Its format may focus less on structure and more on action, with the aim of building trust. Of crucial importance in the initial and interim stages of this process are the cornerstone elements involving traditional arms control matters: ratification of the New START

²³ <http://dip21.bundestag.de/dip21/btd/17/011/1701153.pdf>

treaty in the nearest future, but also joint ballistic missile defense and the rehabilitation of the Conventional Forces in Europe treaty.

In this new situation, the post-Soviet states of the Eastern Partnership are de facto in one boat with Russia and the West. With closer cooperation between the West and Russia, the countries between them lose both levers and incentives for political maneuvering. The experiences of the last 20 years are likely to strengthen their pragmatic approach toward political, security, and economic policy (witness, for example, the recent Polish-Russian rapprochement and Ukraine's drift toward Russia). Both the states with official policies or goals of neutrality or non-alliance status (Ukraine, Moldova, and Belarus) and the states of the South Caucasus (with their conflicts and non-recognized territories) require the special attention of Euro-Atlantic partners (including Russia) and guarantees of security.

What Is To Be Done?

To make up for the failure (or at least weakness) of the Eastern Partnership program, the EU could instead offer a partnership for modernization, which would include Russia as well as the Eastern Partnership members. This could provide more options for socioeconomic transformation throughout the region while simultaneously strengthening the stimulus for Russia's own sociopolitical modernization.

It will not be by a cardinal restructuring of existing institutions or through spectacular breakthroughs that the difficult challenges of the Eastern Partnership states will be resolved. It is far more preferable, rather, to improve upon existing institutions and the quality of their interaction. Specific recommendations are as follows:

- Elaborate a balanced and comparatively unified mechanism of conflict resolution and peacemaking in the wider Euro-Atlantic region to provide for more effective results and to avoid domination of particular states or regional institutions in different regions (e.g., Transnistria, the former Yugoslavia, and Afghanistan).
- Establish a South Caucasus mission of the Organization for Security and Cooperation in Europe (OSCE) headed by representatives of relatively neutral European member states, which will make the mission's mandate regarding the status of Abkhazia and South Ossetia also neutral.
- Strengthen the mandate of the OSCE to take concrete measures to prevent conflict even without a consensus among the organization's members, in order to be able to take timely steps and avoid escalation of conflicts.
- Form joint peacekeeping forces that would be made available for United Nations operations and would include NATO, EU, and CSTO (Collective Security Treaty Organization) rapid-reaction forces.
- Provide for equal participation of the EU, NATO, and the OSCE in the settlement of conflicts over Transnistria, South Ossetia, Abkhazia, and Nagorno-Karabakh, providing at the same time equal participation for Russia on further negotiations over Kosovo.

- Establish regular and close cooperation between the CSTO and NATO in preventing drug trafficking from Afghanistan.
- Establish regular and close cooperation for emergency situations.

Hard, Soft, or Human?

SECURITY DISCOURSES IN THE EU, NATO, AND RUSSIA

PONARS Eurasia Policy Memo No. 129

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How do Russian President Dmitry Medvedev's proposals for a new security architecture resonate in the foreign policy discourses of Russia's two main security partners: the European Union and the North Atlantic Treaty Organization? This memo analyzes several expert reports that grasp the wider context of security issues in the "Euro-Atlantic space." The documents focused on are the "Helsinki Plus" report of the EU-Russia Working Group, which was presented to the government of Spain in May 2010 when the country held the rotating presidency of the Council of the European Union; "A Project for Europe," which was issued by the Barcelona Center for International Affairs (CIDOB) in October 2009; and the "NATO-2020" report, which was chaired by Madeleine Albright and issued in May 2010.²⁴

These documents, to my mind, reveal deep gaps between Russia and the West in how they understand the nature of security and seek to strike balances between "hard" (military and state-centered) and "soft" (non-military and not necessarily state-centric) security dimensions. Russia buttresses the split between hard and soft security as supposedly two separate spheres, while the EU and NATO are in favor of a more comprehensive vision of security with no strict borders between hard and soft aspects. In the meantime, Russia appears to be skeptical about a value-ridden understanding of security, thus running up against the dominant logic within the EU and NATO.

European Departures

The "Helsinki Plus" report was issued with the explicit purpose of formulating a response to Medvedev's November 2009 proposal for a new European security architecture. The purpose of this text was to create a basis for more deeply engaging Russia in security dialogue, in spite of the obvious shortage of fresh and innovative ideas in the Russian president's proposal. This is why the report contains a number of

²⁴ "Helsinki Plus: Towards a New Security Architecture in Europe," EU-Russia Study Group, LSE Global Governance and CIDOB, May 2010; "A Project for Europe. Reflections and Proposals for the Spanish Presidency of the Council of the European Union," CIDOB and Circulo de Economia, October 2009; and "NATO 2020: Assured Security; Dynamic Engagement," May 2010.

points that visibly deviate from the dominant portrayal of the EU as a source of positive impulses for neighboring countries. The document admits that both the EU and Russia have inconsistent foreign policy stances. More specifically, the EU veers among being a soft normative power, a collection of sovereign states, and a junior partner of the United States. Russia, for its part, oscillates between a commitment to multilateralism and pluralism on the one hand, and a preoccupation with hard power and the principle of non-interference in internal affairs on the other. In politically correct terms, the “Helsinki Plus” report posits that both the EU and Russia are engaged in experimentation with their identities (post-national in the case of the EU and post-imperial in the case of Russia). By the same token, both Moscow and Brussels see themselves as security providers, but they also need to understand that other countries sometimes perceive them as sources of insecurity. The report does recognize that there is a need for new security arrangements on the European continent, which is justified by a lack of mutual recognition and confidence between Western and Eurasian security organizations.

What then follows in the report is a series of multiple language games. The basic strategy of the “Helsinki Plus” report is to juxtapose some of the concepts seemingly close to the Kremlin discourse with those that reflect more of a European approach to security. Thus, the document states that “we live in a more multipolar and multilateral world.” Arguably, the first adjective corresponds to the Russian vision of international relations, while the second one invokes the European vision. The same goes for the peculiar interpretation of the idea of indivisibility of security, which is deeply embedded in the Russian discourse: the report assumes that “European security is indivisibly linked to global security.” This statement can be unpacked as an explicit signal sent to Moscow; if Russia wishes to seriously discuss security matters with the EU, it has to develop a more pronounced global security agenda and therefore address issues of resource depletion, transparency, sustainable development, transborder migration, environmental protection, climate change, infectious diseases, and the like.

There is another overt message in the text: that cooperation in security is a precondition to cooperation in the economic sphere, including modernization. In other words, if Medvedev expects to receive EU support in his cherished – yet still hollow – project of modernization, he should understand that this support will be contingent on Russia’s cooperation with the EU on security issues. It is at this point that the concept of human security, which is not very popular in the Kremlin, comes into play. Again, the introduction of this concept in the report was done in a way that cannot be dismissed by Russia in its capacity as the successor to the Soviet Union: human security was implicitly presented as encompassing the “three baskets” of the Helsinki Accords (1975), signed by the Soviet Union. More specifically, the baskets are currently defined by the report as follows. Human security is about the security of individuals and the communities in which they live (the third basket of the Accords). It is about material and physical security, about life-threatening risks that emanate from poverty or from natural disasters and require economic cooperation (the second basket). And it is about the extension of rule-governed as opposed to war-based security (the first basket).

The explicit linkage to the Helsinki Accords constitutes a good platform for deepening Russian–EU relations on the basis of a European understanding of human security that blurs the difference between “internal” and “external,” and “hard” and “soft.” Against this backdrop, human security features as a less politicized type of security, as compared to its military-strategic forms, since it stands for the protection of the universal rights of people everywhere. It is about the right to be protected, not about the right of outside powers to interfere in the internal affairs of other states under the guise of humanitarian concerns – a declaration meant to avoid accusations of egoistic interests against the strongest states that presumably stand behind humanitarian interventions. In an attempt to reconcile the most acute disagreements between Russia and the West, the report admits that neither the 1999 Kosovo war nor the 2008 Georgia war can be described in human security terms. In an even more explicit effort to establish a common post-conflict communicative terrain, the report suggests that in the Caucasus, security remains elusive not because breakaway territories remain unrecognized, but because people in the region are isolated, suffer from dysfunctional governance, and cannot earn a living.

In addressing energy relations, the “Helsinki Plus” report recommends a basket of different approaches. What could be of some interest to the Russian side is the appeal to de-politicize and, presumably, de-securitize energy relations, by dropping their articulation in politically divisive categories that entail security effects. Yet it is hard to expect that the idea of “universal access to energy” might find a warm reception in the Kremlin. Some sort of resistance from the Russian side can be expected as soon as attempts emerge to look at energy relations through the prism of transparency mechanisms, which necessarily entail addressing profit flows and their use for sustainable economic development.

The CIDOB’s “A Project for Europe” report echoes some of the points mentioned above. It claims that the European center of gravity is gradually shifting toward the East, thereby implying recognition of the importance of Russia as a key partner in the EU’s security strategy. Another CIDOB argument – that the idea of a “neighborhood” is unsatisfactory since it places all adjacent countries in one category – may also please the Russian government, which for many years has argued that it deserves special treatment by Brussels.

However, “A Project for Europe” also strikes another tone. It reiterates a vision of the EU as a global player, arguing that “human security is European security.” This statement seems to be of crucial importance for the future course of EU–Russian relations. It suggests that the EU’s support for Russia’s attempts to restructure the Euro-Atlantic security space is conditioned upon Moscow’s embrace of a more human-oriented perspective on security and a stronger cosmopolitan worldview.

NATO’s Conceptual Horizons

The “NATO 2020” report gives a good perspective on the dynamics of the Alliance’s security perspectives for the next decade. It clearly states that NATO is an organization that lends muscle to democratic ideals – a thesis that Russia seems to question. Mainly

in line with the above mentioned EU discursive strategy, the NATO report tries to combine assumptions welcomed by countries like Russia with more restrictive and potentially exclusive conditions. While a “rule-based international order” is exactly what Medvedev seeks to achieve, the “NATO 2020” report argues that this order has to be grounded in institutional links between “partners of values,” which makes Russia’s deep participation in it very much in doubt. The NATO text also delineates an extended vision of security that includes disruptions to energy and maritime supply lines, assistance in constructing more stable societies, dealing with environmental decay and climate change, addressing minority protection and gender equality, and demographic changes that aggravate problems of hunger, migration, and large-scale epidemics. This explicit and arguably deliberate mixture of hard and soft security arrangements raises the question of whether NATO and Russia actually share a common understanding of security.

Policy Implications

Both the “Helsinki Plus” report, which situates human security across (and above) hard and soft dimensions, and the “NATO-2020” report, which sees little point in drawing lines of separation between the two facets of security, consent to increasingly murky and fuzzy borders between hard and soft security. Yet this way of reasoning, dominant in the West, stands in sharp contrast to Russia’s intentional re-actualization of their separation. According to the logic of Russian Foreign Minister Sergei Lavrov, soft security already has its institutionalized forms and therefore does not require new approaches, which allegedly is not the case with the hard security (military and strategic) domain.

What stands behind Lavrov’s logic is a motivation beyond simply pushing aside a soft security agenda as something supposedly already settled. Specifically, Russia deems that in the hard security terrain, it possesses critical material resources and is a powerful player, while in the soft security realm, it is considered as either a source of destabilization in environmental, migration, and human trafficking matters or as a nascent and therefore unreliable practitioner of soft power. Consequently, the acceptance of soft power as a viable security platform, in contrast to hard security, necessitates deep domestic change in Russia. A commitment to a soft security policy presupposes Russia’s willingness to adapt to a series of international norms, the effects of which may be painful – if acceptable at all – to the governing elites in Moscow.

Presumably, at this juncture the West does have its own arguments. It is exactly because of its convincing experience in tackling soft security issues that the West may share it with Russia, thus testing the Kremlin’s intentions to comprehensively change obsolete practices of governance. Additionally, as many European experts deem, the problem of security in the Caucasus does not concern the lack of legally binding agreements that hypothetically could prevent Georgia from undertaking military action against separatist territories, as Medvedev claims, but in the gap between hard and soft security mechanisms and procedures that has to be bridged on the basis of recognizing the primordial importance of human security.

It is at this point that Russia's disadvantage in entering into a security debate with the West becomes clear. By unleashing discussions about the revision of Euro-Atlantic security arrangements, Medvedev has opened up a Pandora's box of different interpretations of security, not all of which are necessarily welcome to the Kremlin. The EU and NATO are taking the opportunity to reframe the debate by promoting an extended vision of security, thereby testing Russia's resolution to think comprehensively about it.

Modernizing Sovereign Democracy?

RUSSIAN POLITICAL THINKING AND THE FUTURE OF THE “RESET”

PONARS Eurasia Policy Memo No. 130

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“We have changed,” was the main message of President Dmitry Medvedev’s speech at the June 2010 St. Petersburg Economic Forum (SPEF). Trying to persuade foreign governments and investors alike to provide support for his policy to modernize Russia, Medvedev created an image of his country as open and dynamic – a society that has taken a big step forward, in no small measure thanks to the actions of the government.

The language of this and other speeches made by the current Russian president stand in sharp contrast with the rhetoric of Vladimir Putin’s second presidential term, when the motto was “sovereign democracy.” Although Putin never formally endorsed this concept, he frequently relied on it in both policy choices and statements – most prominently in his February 2007 speech at the Munich Security Conference.

Experts across the globe are trying to determine whether this visible change in rhetoric really signifies a new era in Russian foreign policy vis-à-vis the West. As always, policy developments are contradictory and provide enough evidence to prove that the glass is both half empty and half full. This memo relies on a broad range of sources to analyze Russian foreign policy thinking and tries to determine whether a change has really taken place at the conceptual level. My conclusion is that there remains in place a fundamental continuity. As a result, a continued improvement in relations with the European Union and the United States is bound to be limited to “pragmatic” cooperation. Any greater transformation will require a re-opening of dialogue on contentious political issues. This, however, must be done in a way that does not repeat the mistakes of the early post-Cold War era, when most Russians came to associate democracy with economic hardship and social disorder, and liberal values

Dear friends,

We are truly modernizing Russia. Change does take time, but you can rest assured we will keep moving forward. The main decisions have already been made and a substantial number of projects are already launched.

Russia understands the tasks ahead in its development, and it is changing, changing for itself and for the entire world.

Thank you.

*PRESIDENT OF RUSSIA DMITRY MEDVEDEV
June 18, 2010, St. Petersburg*

were seen as being imposed from the West, which, especially after the 1999 Kosovo conflict, often made them look suspiciously like an effort to undermine Russia's sovereignty.

The Technocratic View of Democracy

A careful analysis of President Medvedev's statements postulating the need for and outlining the plans of modernization suggests at least one significant observation: they extensively rely on precepts of economic liberalism while mentioning only in passing the need to protect the political rights and freedoms of Russian citizens. The most radical manifestation of Medvedev's liberal political views, his Internet-based speech on the Day of Memory of the Victims of Political Repressions (October 2009), stressed the moral imperative to remember the tragic past rather than the need for political reform at present. While this declaration was intrinsically important, it hardly compared to the highly detailed descriptions of proposed economic, administrative, and legal reforms that Medvedev has put forward.

In a much-publicized address to senior Russian diplomats in July 2010, which had a strong emphasis on cooperation with the West, Medvedev mentioned the need to "consolidate institutions of democracy and civil society" only once, as a second priority after economic modernization. The remaining part of the speech, which offered more detailed guidelines for diplomats, focused exclusively on issues like technological cooperation, innovation, and investment.

Similarly, Medvedev's SPEF statement emphasized the importance of the "technological expansion of safeguards for freedom of speech, of web-based technologies in the functioning of the political and electoral systems for the development of the political system and political institutions." There is nothing wrong in linking information technology and democracy, but in the absence of a more far-reaching strategy of political reform, this statement revealed a technocratic approach to politics characteristic of both neo-liberalism in general and of the "liberals" in the Russian government in particular.

This way of thinking presents democracy not as the result of a resolute effort and critical re-evaluation of political reality, but as a by-product of "correct" technological and institutional solutions, free markets in particular. Being by no means exclusive to Russia, it creates a prerequisite for a possible rapprochement with like-minded political forces in the West. Yet at the same time, it also sets limits to mutual understanding, because the historical experience and political context in which this technocratic thinking operates are substantially different.

The Resilience of the Doctrine of Multipolarity

This de-politicized technocratic approach is especially conspicuous in how foreign policy priorities are set. It first emerged as far back as the early 2000s, when then-President Putin stated that the key aim of Russian foreign policy must be the well-being of Russia's citizens. This principle found its way into the foreign policy doctrines adopted in 2000 and again in 2008. It is also manifest in the title of the most recent

strategic document: *Program for the Effective Use of Foreign Policy Factors on a Systemic Basis for the Long-Term Development of the Russian Federation*. Such an approach suggests – and this is unambiguously stated in all key recent documents and statements – that the threat of a geopolitical confrontation with the West is a thing of the past. It has been replaced by competition between – to quote the 2008 foreign policy doctrine – “different value systems and developmental models, within the framework of universal principles of democracy and markets.”

Focusing foreign policy on pragmatic economic goals, however, is not enough to give it a sense of mission and direction. The result is that the old concept of multipolarity continues to dominate foreign policy thinking and practice. The *Program for the Use of Foreign Policy Factors* – even more than the foreign policy doctrine – abounds with references to traditional foreign policy goals inherited from both imperial Russian and Soviet times. The first target is to ensure “the long-term development of the Russian Federation” so as to protect its (real or imagined) great power status. This goal is phrased as the “preservation of sovereignty and territorial integrity, Russia’s solid and authoritative position in the world community,” and the “neutralization of any attempts to radically reform the UN Security Council to the detriment of the prerogatives of the current permanent members.” The document continues the old tradition of criticizing the “expansionist activism” of the North Atlantic Treaty Organization and “imbalances in the work” of the Organization for Security and Cooperation in Europe (code phrase for too much emphasis on political freedoms and the status of democratic institutions). Russia’s traditional spheres of influence in post-Soviet Eurasia are another priority. The document recommends that Russia counter American “attempts to work toward disintegration, fragmentation, and separation from Russia of our geostrategic environment.” Also, “access to the Arctic by non-regional players, including NATO and the European Union” is to be prevented, while the Black Sea Fleet must be stationed indefinitely in Ukraine.

The Pseudo-Politics of Common Sense

At first glance, it might seem that these foreign policy documents simply represent a different trend in contemporary Russian politics than that reflected in presidential addresses. Inconsistency between, and even within, key strategic texts is nothing new for Russia. The foreign policy documents pay lip service to modernization, but this in and of itself is not proof of conceptual affinity.

What really links the two approaches is the attempt to present political decisions as self-evident by employing the language of common sense, thereby subordinating politics to technocratic management. In Medvedev’s rhetoric of modernization, the correct solutions are always already there. The challenge lies in implementing them by overpowering corruption and bureaucratic inertia. In a similar vein, Russia’s struggle for multipolarity in the international arena is presented by foreign ministry documents as a no-brainer. The main obstacle to universal harmony is the selfish and shortsighted policies of the West, in particular the United States, which struggles in vain to dominate the world.

Since his appointment in 2004, Foreign Minister Sergei Lavrov has been the leading advocate of “great power pragmatism” (a term utilized by Russian-American scholar Andrei Tsygankov). In his opening letter to the *Program for the Use of Foreign Policy Factors*, Lavrov does his best to present the decline of Western hegemony and the arrival of the multipolar world as an objective reality. “The material basis of Western supremacy in global politics has been shaken” by the world economic crisis; this, according to Lavrov, is a welcome fact because the “unipolar, U.S.-centered configuration of the contemporary world financial system is a powerful source of instability.” The “imperatives of modernization,” he continues, “have become common to all states with no exception,” but it seems that some have difficulty reconciling themselves with this fact. “Right-wing conservative forces” in the United States are trying “to return to the confrontational policies of the previous administration” by pushing President Barack Obama toward expanding the “war on terror,” confronting Iran and China, and unilaterally developing an anti-ballistic missile defense system. In the long run, these policies have no chance of success because they run counter to the most fundamental trends in global politics and economics. In the short term, however, the risk of serious destabilization exists.

Prime Minister Putin goes even further by effectively accusing the West of neo-colonialism. Most importantly, he takes the next step by explicitly using these accusations to legitimize the current Russian regime: “Europeans came [to the colonies] with their regulations, their rules, to educate and civilize the natives. I have the feeling that this old tradition has transformed itself into a democratization drive in places where Europeans and our Western partners would like to secure a greater foothold.” While “there is much in the Russian political system that requires correction, change, and improvement,” such imperfections are, according to Putin, found everywhere and do not justify Western interventionism.

Democracy as a Global Challenge

Technocratic modernization cannot be accepted as a self-sufficient policy. By replacing politics with management, it tends to reduce reforms to improving the investment climate and bringing the Internet into every Russian home. A perverse example of where this leads in terms of freedom and justice is the move to protect entrepreneurs from imprisonment when charged with non-violent crimes. While a welcome step, this presidential initiative smacks of prioritizing the haves over the have-nots. Arguably, the rationale is that when business people suffer from their rights being violated, this does more harm to society as a whole than when “commoners” do. Fortunately, in this particular case, the negative effects seem to have been recognized; a more thorough revision of criminal procedure is now under consideration.

It is also quite characteristic that in his July 2010 speech Medvedev asserted that the key goal of Russia’s foreign policy is to “promote the material well-being of our citizens and their cultural development, [...] protection of their health and human dignity.” As usual, Russian leaders prefer to highlight the state’s role in “securing”

citizens' rights while never encouraging the people to stand up for their rights themselves at the grassroots level.

This logic is undoubtedly flawed and needs to be exposed as such. In a worst case scenario, it could lead today's reformers to repeat the mistakes their predecessors made in the early 1990s, when pro-market reforms took precedence over the need to consolidate Russia's fragile democracy. Similarly, the apparent de-politicization of the international agenda, manifest in the "forget about values, let's talk business" approach, in effect leaves in place old geopolitical thinking and action. The consequences of this are particularly detrimental in the post-Soviet space where Moscow is trying hard to counterbalance the West – apparently without any clear idea of why this is necessary, let alone how this helps achieve the declared goal of modernization.

If nothing is done about this predicament, it is bound to produce yet another confrontation at the next sharp turn on the international political scene. Big political issues, such as democracy, human rights, and the future of the international order, must therefore be returned to the agenda. At the same time, one probably can agree with Lavrov that a return to the pro-democracy interventionism of the George W. Bush years is not an option. Western haughtiness repeatedly alienated Russia over the last 15 years, and there are no grounds to believe that it will not lead to the same result a second time around.

Instead of preaching, which only encourages phantasms like "sovereign democracy," emphasis must be placed on persuading Russia to move from technocratic modernization to full-scale political reform. This can only be done, however, if Russia's Western partners are ready to agree that no democracy is perfect and are able to combine their criticism of Russia with self-critical reflections on their own democratic records.

Viewed in this light, the most significant foreign policy innovation in Medvedev's July 2010 speech was his offer to start working together with the West to formulate common standards of democracy. In a September 2010 speech in Yaroslavl, Medvedev tried to formulate what these standards might be. Even if some of his ideas sound controversial, the invitation to debate should not be ignored.

New Actors, Old Obstacles

SECURITY COOPERATION IN EURASIA

PONARS Eurasia Policy Memo No. 131

Mikhail Rykhtik

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The main obstacle to developing an appropriate security architecture for post-Soviet Eurasia are the number of perceptual and conceptual gaps that exist among the actors involved. Major states and regional organizations have had inconsistent and conflicting foreign policy stances. Formerly peripheral states seek patrons but also influence in shaping their own security environment. New approaches are needed to establish a security architecture for the region that takes into consideration the interests of all actors and also positions the region in a broader European-Eurasian security framework.

The Changing Role of Major Actors

We are constantly witnessing changing coalitions, partners, and agendas in the region. Even Russia has been constantly changing its priorities. Russia has traditionally viewed post-Soviet Eurasia as its “sphere of privileged interests,” vital for reestablishing itself as a regional power. Due to a new list of Russian priorities, however, the region is losing its importance. It was a real surprise, for instance, when President Dmitry Medvedev, during his latest traditional meeting with diplomats (July 2010) in Moscow did not mention Russia’s interaction with the Commonwealth of Independent States (CIS) as a foreign policy priority.

Medvedev instead insisted that Russia’s focus is on sources of innovative technologies and knowledge, which are in the West. The president asked Russian diplomats to be active in developing partnerships with leading technologically and economically developed countries. Obviously, the states of the CIS do not meet these criteria. However, as a partner in energy and security, as well as a direct neighbor, Russia still has an interest in promoting stability and predictability in the region. In essence, Russia pursues two main regional goals: keeping its allies and partners close (to secure access to natural resources and pipelines) and continuing military cooperation within the CIS (through the Collective Security Treaty Organization). This

implies the expansion of Russia's military presence and influence in the region but the exclusion of the region as a partner for modernization.

As many observers have noted, post-Soviet Eurasia is an area of peripheral interest to the United States in its global fight against terrorism and pursuit of energy security. Nonetheless, there are two main driving factors making this region "vulnerable" for the current U.S. administration. Objectively, the region has significance (for derivative reasons) because of the importance of China and Russia; subjectively, U.S. policy in the region has been "personalized" by President Barack Obama's promises during the election campaign to withdraw forces from Iraq and complete his country's mission in Afghanistan. Obama has made himself hostage to success in these efforts.

The EU has never developed a coherent policy toward the region. In contrast to the United States, however, the EU does have clear, direct, and immediate strategic interests in the region. Some states are on its doorstep and Central Asian countries (and Azerbaijan) are a major source of alternative (i.e., non-Russian) energy. A greater European footprint in the region – including a military presence via NATO – is thus logical. In the medium-term, however, one can expect the EU to be ever more active in the region through its various aid and development programs.

Finally, China has long-term interests in the region that it believes it can secure through economic policies. It has been actively investing in Kazakhstan, Kyrgyzstan, and Uzbekistan. China is currently conducting the most coherent and deliberate policy in the region as it seeks to consolidate its presence in the "neighborhood."

The Rise of the Periphery?

Meanwhile, many formerly "peripheral" Eurasian states are creating their own security and development strategies. States like Kazakhstan, Azerbaijan, Armenia, Georgia, and Uzbekistan have lost their "passive" roles and are increasingly conducting their own rational, flexible, and pragmatic foreign and security policies. Effectively having reinvented themselves, such actors now help to frame the new context within which security co-operation in the region will evolve over the next decade. To mention but one example, during the August 2010 visit of acting Moldovan President Mihai Ghimpu to Georgia, he and Georgian President Mikheil Saakashvili declared the necessity of reinvigorating the regional organization GUAM (Georgia-Ukraine-Azerbaijan-Moldova).

This new context presents opportunities and challenges for the major regional powers, specifically in two distinct areas:

a) Intensification of multilateral negotiations and institutions

The increasing importance of formerly "peripheral" states in the global economy is evident in the level of involvement of some of these states in regional integration processes (such as the Russia-Belarus-Kazakhstan customs union, the Nabucco pipeline, and railroad lines from Turkmenistan and Kazakhstan to, respectively, Iran and China). One can also expect countries like Turkey, India, Iran, and Pakistan to increase in

regional importance and to even become members of existing institutions, such as the Shanghai Cooperation Organization (SCO). Such enlargement would benefit “smaller” states by decreasing their reliance on traditional major powers.

b) Bilateral aid and development programs

As “smaller” states have become more influential in defining and operating their own cooperation programs, key players have become more influenced by the security concerns of these states. In return for their cooperation, these states expect major powers to assume concrete obligations for maintaining stability and order in the region, including more programs aiming to reestablish robust socioeconomic systems (health care, education, and agricultural development). Whoever makes the best offer wins. Since the two “biggest” players (Russia and the United States) have limited resources to carry out such programs, “Europeanization” or increasing the role of multilateral institutions might be considered an alternative (the latter taking into account the strong position of China, as well as the active role of “new” players, India, Iran, and Turkey).

Too Many Security Frameworks?

The number of international institutions and organizations working on security and stability in the region has created overload and confusion. There have been no overarching factors or agendas that demand the greater coordinated involvement in the region of all these organizations. The EU is mainly interested in oil and gas. NATO’s priority is Afghanistan. The CSTO aims to create a unified special rapid-reaction force “capable of repelling any external threat.” The SCO has an interest in preventing the region from becoming an arena for geopolitical and ideological competition. The list of fragmented policies goes on.

Perceptual and conceptual gaps between these actors do not help to promote security cooperation in the region. Russia has proposed that the principle that security is indivisible should apply to the entire European and Eurasian space. However, current members of NATO, already enjoying amongst themselves the benefits afforded by the implementation of this principle, will hardly agree to extend this principle to Russia and other non-NATO members. No NATO member is willing to confront the myriad of claims of “threatened security” that would arise within a community spanning Europe and Eurasia.

Another gap refers to different perceptions of existing security institutions. NATO is becoming more of a political organization, but the image of NATO in Russia remains militaristic. The CSTO is supposedly a military organization, but in reality it is also more of a political one. The CSTO was criticized by some experts in Russia for being unwilling to interfere in the latest events in Kyrgyzstan, which was seen to reflect the organization’s ambiguous mission.

Russia’s foreign policy priorities under Medvedev appear to be moving in two different directions: preserving traditional ties with the countries of the CIS and deepening integration in the framework of the SCO, while simultaneously making Russia a full-fledged member of the developed world. On the one hand, Russia is less

concerned than NATO and EU members with ideology and democratization in Eurasia, preferring to pay more attention to political stability and predictability in its neighborhood. At the same time, Russia sees the EU and the United States as its key economic partners and seeks to promote intensive, sustained, and long-term technological cooperation with them. Unfortunately, as evidenced in recent years by a variety of asymmetric dialogues, neither the EU nor the United States have displayed little interest in putting economics at the center of their relationship with the Russian Federation. As a result, Russia pursues bilateral relations with individual European states, particularly Germany and Italy, as a substitute for EU-Russian relations and, furthermore, is ready to intensify its relationship with countries outside the West.

The Promise of a European-Eurasian Security Framework

Those close to President Medvedev share an understanding that Russia is not able to achieve its interests in Eurasia alone. It needs more than cooperation and partnership; it needs the active participation of other actors in and outside the region to make existing and potential projects and structures effective and reliable. There remains the question, however, of who that reliable and predictable partner will be. Russia's foreign policy doctrine does not specify that partnerships should be based on common values. Unlike many Western states, Russia does not seek to partner only with like-minded countries but to create broad coalitions with a diverse set of states and institutions. Such a multi-directional Russian foreign policy is a natural consequence of the country's position at the crossroads of Europe and Asia. The fact that Russia has security interests that are not identical to those of the United States, NATO, or the EU is not an obstacle to security cooperation. Russian officials have demonstrated a willingness to pursue common gains, even if they seek at the same time the best possible deal through hard bargaining. Russia-NATO military cooperation occurs *de facto*, but it is time to find a way to "formalize" or institutionalize this cooperation. One possibility to consider is associated NATO membership for Russia.

Security institutions, like any others, can be a source of both systemic stability and systemic change. Eurasia needs both. All interested actors should discuss mechanisms to push both "smaller" states and "bigger" ones to contribute more to collective security. "Big" players should take seriously the fact that "small" states have independent and pragmatic foreign policies, driven by their own national interests. They are subjects (not objects) of regional policy. Russia, for its part, has to pay more attention to the soft security agenda. And the United States, together with its NATO partners, should reconsider the role of the OSCE as a major forum for the European and Eurasian space that can enhance prospects for all-inclusive security cooperation and further the notion of the indivisibility of security.

The current atmosphere is favorable for starting a new round of discussion and negotiations on a new European-Eurasian security framework. Many experts agree that a new security agreement should reflect "post-post" Cold War realities, namely the rising role of "smaller" countries. Western states will also continue to resist Russia's hard security emphasis, reflective of a realistic approach still popular in Russia, as the

foundation for a new security architecture. However, we can see new possibilities emerging from Medvedev's security initiatives, which makes us relatively optimistic that a consensus will eventually be found.

Averting Central Asian Rwandas

PONARS Eurasia Policy Memo No. 132

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With the May 2010 pogroms in southern Kyrgyzstan, the semi-forgotten specter of ethnic violence and state disintegration has returned to Central Asia with a vengeance. In the two decades since Soviet collapse, commentary on Central Asian affairs has focused mainly on measuring how near or far the so-called “Stans” have come in embracing the standards of Western countries. This intrinsically optimistic vision has translated into measurements along three principal scales: authoritarianism vs. democratization, corruption vs. free market entrepreneurship, and Islamist fundamentalism vs. moderation or secularism.

For the sake of argument, let us accept these highly stylized measurements. Advanced Western democracies are presumably then located at the high end, African examples might perhaps be on the lower end, and post-Soviet states would be spread over the middle and lower-middle sectors. The critical question for Central Asia concerns its emerging vector of development: Are the region’s indicators moving Central Asia toward Central Europe or Central Africa?

The Perversely Protected State

In the 1970s, a leading Western scholar of African politics famously observed that Zaire’s dictator, Joseph Mobutu, might be a pompous and vindictive despot, but so was Louis XIV, which evidently did not prevent the political modernization of France. Missing from this cheerful comparison, however, is a difference in world-historical context. The French king, along with his ministers and generals, continuously faced two huge challenges: external war and domestic taxation. Taxation was, in fact, the overriding concern of early modern states. Inherently fraught with the threat of rebellion, it required an extensive bureaucratic apparatus capable of both enforcing political bargains with provincial nobles and squeezing individual taxpayers while preventing open discontent. Historians have demonstrated that status competition in maintaining lavish lifestyles was not the main expense for royal courts; that honor goes to military spending for artillery, navies, and standing armies, extraordinarily resource- and skill-intensive inventions without which a state would be absorbed by hostile neighbors, as attested to by the examples of Burgundy, Scotland, and Poland. The dual

task of surviving the secular arms race and increasingly taxing subjects and eventually citizens without causing wholesale rebellion and revolution lay at the core of the evolutionary logic that led to the emergence of modern bureaucratized and mostly democratic states in the West.

In our age, the typical risks and challenges facing the “pompous and vindictive” despots of the Third World (or, for that matter, democratic politicians) seem surprisingly minor. Even the “sickest men” of our day, unlike the erstwhile Ottomans, might not fear foreign conquest and dismemberment (Saddam Hussein, whose rate of militarization was a throwback to the absolutist monarchies of the eighteenth century, is an exception). True, Mobutu faced an almost continuous series of domestic rebellions and border conflicts. But he never really had to create a strong army that could become a political and financial dilemma of its own. Instead, Mobutu relied on buying the acquiescence of his subordinates with piecemeal bargains – essentially tacit and revocable licenses to indulge in corruption – and, when necessary, on foreign paratroopers and mercenaries. In short, the dictator did not have to concern himself with the significant cost and headache of maintaining an effective army and bureaucracy as his security and finances had external origins in, respectively, geopolitics and mineral export.

Such parasitical behavior could continue for several decades thanks to the Cold War and also because Mobutu had much to squander. Remember that at independence, the former Belgian Congo boasted impressive literacy rates, industrial employment levels, and infrastructural development. This was mainly due to the country’s natural wealth and the anxiety of Belgium after 1945 to show something impressive for her domination.

Demographic Pressure: Redundant Elites and Paupers

This brings us back to Central Asia. Even if the Soviet legacy of development is more substantial than the imperial Belgian one, this still does not mean it cannot be undone. Such “de-modernization,” however, will not mean a return to a stable traditional order. One realistic scenario is lasting violent chaos, reminiscent of another historical case: the Western religious wars that followed the Reformation. In both Central Asia and post-Reformation Europe, demographics seem to be a major destabilizing factor. The “Malthusian squeeze,” (i.e., population growth outstripping available resources) is a well-known mechanism of social breakdown in agrarian societies although its effects are not as direct as often assumed. Historical sociologists have found that the greatest political threat to governing regimes almost never comes from the rioting starving masses, whose protests are often disorganized, short-lived, and local, but rather from the overgrowth of disestablished elites who emerge in successor generations but fail to find social niches commensurate to their aspirations. The presence of alienated upper-class youths might be the key indicator of forthcoming state breakdown.

Historically, European elites tended to export their troublesome offspring to overseas colonies. Today, the international circuit of nongovernmental organizations, business education, and consultancies arguably helps to relieve some pressure. Today

we all know the highly educated ambitious and mobile Central Asians who became experts in exploiting such opportunities. But at least potentially, this creates elite factions who might be tempted to return home as liberators, in one or another revolutionary capacity. A crisis in globalization that suddenly reduces the international opportunities of the elite could reveal hidden tensions.

Also relieving tensions, at a more popular level, are the labor and commercial migrations to Russia from Central Asia's rural reservoirs of poverty. In Tajikistan and parts of Kyrgyzstan, this has become part of the male socialization cycle. But again, international migration generates its own contradictions. At least to some degree, the ethnic targeting in Osh appears to have been related to the fact that local Uzbek sub-proletarians institutionalized their migrant capital into a panoply of small businesses more thoroughly than did their neighboring Kyrgyz sub-proletarians. Such disparity in itself is not explosive, which explains why two decades could have passed in relative peace since the last major outbreak of ethnic violence in 1990. The trigger is always political and found within elite rivalries. This recent bloodshed has confirmed what we know from detailed studies of Soviet disintegration—ethnic violence originates in uncertainty regarding the distribution of patronage resources.

Hopeful Warnings

Written in the wake of the horrific massacre in Osh, this memo nonetheless carries a hopeful message. Ethnic violence in Central Asia has emerged only sporadically and is related (even more clearly than in the Caucasus) to revolutionary situations and the resulting political volatility among local elites. Neither poverty nor demographic pressures (and least of all religion) serve as its main causes. If we have learned something in the last twenty years from the tragic examples of Rwanda, Somalia, Bosnia, and the Fergana Valley, it is that the process leading to ethnic violence is always political and starts with elites. Therefore, the key to prevention lies within politics, not in the sense of who wins over whom but rather in how a political system is constituted over time.

But if a strong state is the answer, does this also mean a despotic state? Not necessarily. The majority of the strongest states today are democracies, which should not, however, lead us into the ideological syllogism that democracy equates to a strong state. Some of the weakest states (Jamaica, for instance) are democracies, too. State strength varies not according to the type of political regime but to the bureaucratic logistics of power. A successful democratization becomes possible only when there exists a structure of governance to be placed under the collegiate controls of democracy.

But what makes a state strong in the first place? Scholars are still debating the merits of competing theories and empirical examples. The emerging consensus, however, seems to point to the historical evolutionary logic of warfare, taxation, and revolution that shaped the Western experience. This organizational experience has become, for better or for worse, irreproducible in the contemporary world.

What Remains?

First of all, we must soberly acknowledge that at the present juncture state collapse for Central Asia is no less a possibility than democratization. Central Africa serves here as a major warning: the process of state erosion there became particularly pronounced after a few decades of independence. For a while, corruption, chiefly through client-patronism and tribalism, was a familiar chronic ill. Chronic, however, turned into lethal with the end of the Cold War and the passing of the generation of charismatic founding presidents. Once successor elite factions and emergent warlords unleashed processes of uncertain and violent bargaining, the process turned into a vicious circle destroying the very basis for more stable arrangements. It is at this point that demographic pressures, ecological degradation, and ethno-religious tensions become massively aggravating factors.

However, even though at least part of Central Asia shows similarly worrying tendencies, all these states remain defined by their Soviet institutional legacies. These legacies are usually seen by Western commentators as burdens. Yet, responsibly considering the present situation in Central Asia, some Soviet legacies might acquire positive salience simply because they are so deeply engrained and still help to support the structures of modern society in the region.

The name of the game here is differentiating pragmatism. Political centralization around despotic presidents is one thing, but reminding post-Soviet rulers that a creatively productive national intelligentsia is central to their own prestige and legitimacy is another. Likewise, petty bribes at every judicial, administrative, or medical office are one thing, but the expectation that on September 1 children must go to school is another. These are the non-political bases of politics, or the “civilizing processes” in the seminal expression of historical sociologist Norbert Elias, whose main challenge lay in understanding how European states emerged in the seventeenth century out of the strife of religious wars.

Translating historical sociology into policy recommendations means reminding ourselves not only what makes a democracy, but also what makes modern societies at all possible.

A Return to Tradition?

ASPECTS OF POSTWAR POLITICAL CULTURE IN NAGORNO-KARABAKH

PONARS Eurasia Policy Memo No. 133

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In the late 1980s, Mikhail Gorbachev's promotion of democratic liberties and values, including freedom of speech and pluralism of opinion, provided a basis for the development of a number of ethnic conflicts on the territory of the USSR. The succession of events that led to war between Armenians and Azerbaijanis began with a dispute over the jurisdiction of the historically contested Nagorno-Karabakh autonomous region of Soviet Azerbaijan. In February 1988, the population throughout the region flooded the main square of its capital, Stepanakert, demanding unification with Armenia. Crowds of people roared, chanting: "*Miatsum-Karabakh-Hayastan!*" [Reunification-Karabakh-Armenia].

This national celebratory spirit soon faded after war broke out. In fact, the Karabakh war became a tangible breaking point in the people's construction of time and identity, in which the shape of a new post-communist political culture was born. An extremely romanticized notion of national brotherhood served as the catalyst arousing new social energies. The components of the new political culture that emerged consisted of a combination of reinforced neo-traditionalism and neo-liberal discourse and practice.

Specifically, the renewal of older, patriarchal models of communal relationships became an optimal strategy for resistance and victory. The reinstatement of a philosophy that valued a "return to the village" and reliance on extended family became the primary formula for survival. The transgression of gender roles, including the rise of female fighters, was a second, opposing, strategy by which all resources were mobilized for victory. Paradoxically, however, such practices also served to reinforce traditional ideologies of male domination.

Transformations of Family Structure

Despite the urbanization and modernization that occurred during the Soviet era, the Karabakh Armenian population maintained throughout this time a special and respectful attitude toward historical and rural tradition. During the war, however, this respect for tradition became a simple survival formula.

While the war and ensuing social disaster provided the residents of Nagorno-Karabakh with a different perception of the world and a heightened sense of their ethnic roots and unity, there emerged an acute need for a strict adjustment of life strategies aimed at long-term survival. Individual interests were shoved aside in the pursuit of group survival. The constant conflict between individual interests and the ethics of duty was resolved in favor of the latter.

In this environment, kinship-based relationships of responsibility and dependency were endowed with almost mystical significance. In Soviet times, the existing patriarchal system in Nagorno-Karabakh, like elsewhere, had been marginalized as state ideology promoted female emancipation and industrialization. The war pushed Karabakh Armenian society back toward its pre-Soviet patriarchal order. When the region's towns were bombarded by Azerbaijani artillery and aircraft, whole families escaped to half-deserted mountainous villages, which were difficult targets. The Karabakh Armenian urban population, which had come to take pride in its urbanized lifestyle, was forced to re-group into extended family units and revert to the peasant traditions of the mountain village. By doing so, they managed to achieve a maximum economy of resources.

As a result of the pressures of the Karabakh war, family structures changed, reflected in a shift from small nuclear families to large patriarchal ones with several men in charge, who collectively cared for these extended families when not away for military action or guard duty. Wartime chaos and post-war disorganization put such strains on the institution of the nuclear family that such structures were almost impossible to sustain. In their stead arose blood ties, and the functional social networks based upon them. Within a discourse of nationalism, all the Armenians of Nagorno-Karabakh became coherently tied to one another.

Postwar Empowerment of Women?

At the same time, the women of Nagorno-Karabakh took on multiple roles during the Karabakh war. While the war shifted the social structure of the community toward traditionalism, some women did acquire new, non-traditional female roles either by choice or by force, in both cases justified by the discourse of national defense and unity. For some, the national battle developed into a romantic concept. According to official and unofficial data, some one hundred women were directly involved in the Karabakh war, of which 17 were killed and 16 disabled. Some women after the war also came to hold positions in national government, including as minister of health.

Despite this sense of progression, women who violated stereotypical roles were considered dangerous upstarts. Even though they swore and drank like men (and with men), and were given high praises such as being called a *tyghamard-kyneg* (literally, "man-woman"), these women were ultimately rejected. They were considered as "one of the men," but only temporarily and not completely.

In such cases, the woman pays too heavy a price for the honor of being accepted into a male brotherhood. From a sexual object and the role of a caregiver that is socially recognized and protected by traditional culture, she turns into a non-systemic semi-

component. This constitutes a dual marginalization of women. In the traditional role, women are bound to, and marginalized by, domesticity. Fighting side by side with men counteracts this marginalization and domesticity, but it still does not result in the coveted social status of equality. On the contrary, counteracting the patriarchy actually marginalizes these sorts of women even more. In the end, female soldiers were tolerated during the war, only to be denounced again afterward.

The war led to a transgression of conventional relationships between the sexes, but an essentialized system of thought about gender roles persisted. Extreme emotional tension and constant risk and danger, coupled with the idea of the nation as a horizontal brotherhood fighting for national survival, made possible unusual male-female relationships and role inversions. Still, the direct inclusion of gender policy on the national agenda was deliberately avoided. This was justified by the claim that addressing the consequences of war on gender relations would put a strain on national unity, based as it was on patriarchy.

Thus, nation-building in Nagorno-Karabakh – a process that resumed with vigor after the passing of socialism – has been accompanied by conflict at the intersection of ethnicity and gender or, rather, a clash of tradition/patriarchy and modernization/feminism. This conflict is reflected very clearly in a statement by Zhanna Galstyan, presidential adviser on cultural issues. In response to a question about what she thinks of women’s solidarity in the region, Galstyan, with a poorly concealed indignation, replied with another question: “Why divide the nation into men and women?”

Civic Identity

Ultimately, post-Soviet political action, protest, and even warfighting, so different from the experiences of political reality in the USSR, created a sort of activist model of civic culture in Nagorno-Karabakh. The features of that culture are a high motivation among citizens to work with local authorities; a relationship with those authorities characterized by trust; a belief that the local political structure is not foreign or hostile but formed by those who fought for independence along with the rest of the population; and, in general, emotional investment in political life. The social “lift” that raised the entire Karabakh Armenian community to a higher level within the national Armenian community on the basis of victory in war has promoted heightened political and civic identities, as well as a commitment to democracy and modernization. At the same time, this new reality must compete with another. Due to Nagorno-Karabakh’s unrecognized status, real opportunities for industrialization, modernization, and the development of a free market will remain limited for some time to come.

Back cover images (clockwise from top left).

Georgia's President Mikhail Saakashvili, right, with his Dutch wife Sandra Roelofs, left, welcome visiting Azerbaijani President Ilham Aliyev, second right, and his wife Mehriban, second left, in the Georgian Black Sea port of Batumi, Sunday, July 18, 2010. (AP Photo/Irakly Gedenidze, Presidential Press Service, Pool)

Russian President Dmitry Medvedev and President Barack Obama talk during a meeting at the United Nations Climate Change Conference at the Bella Center in Copenhagen, Denmark, Friday, December 18, 2009. (AP Photo/Susan Walsh)

Ukrainian President Viktor Yanukovich, left, shakes hands with European Council President Herman Van Rompuy, during a meeting in Kiev, Ukraine, Friday, July 9, 2010. (AP Photo/Sergei Chuzavkov)

Wearing traditional costumes of the Caucasus' people, Chechen President Ramzan Kadyrov, right, applauds during the Chehchen Language Day celebration in Chechnya's capital Grozny, Sunday, April 25, 2010. (AP Photo/Musa Sadulayev)

NATO Secretary General Anders Fogh Rasmussen speaks during a forum regarding 'Security Architecture in Europe' at the Conrad Hotel in Brussels, Saturday, March 27, 2010. NATO's head on Saturday said Europe should commit itself to an-anti missile system if it wants to remain relevant in defense issues. (AP Photo/Virginia Mayo)

In this Friday, August 20, 2010, photograph Kyrgyz President Roza Otunbayeva, left, and Russian President Dmitry Medvedev meet on the sidelines of the informal summit of leaders of the countries/members of the Collective Security Treaty Organization, or CSTO, in the Armenian capital Yerevan. (AP Photo/RIA-Novosti, Mikhail Klimentyev, Presidential Press Service)

Russian Prime Minister Vladimir Putin arrives for the meeting with motorbikers at their camp at Gasfort Lake near Sevastopol in Ukraine's Crimea Peninsula, Saturday, July 24, 2010. Putin rode a Harley Davidson and roared into an international biker convention in southern Ukraine. Around 5,000 bikers from Europe and beyond gathered in Sevastopol for the annual festival on Ukraine's Crimea peninsula. (AP Photo/RIA-Novosti, Alexei Druzhinin, Pool)

From left, European Parliament President Jerzy Buzek, United Kingdom's House of Commons Speaker John Bercow, French President of the National Assembly Bernard Accoyer, German President of the Bundestag Norbert Lammert, Canadian House of Commons Speaker Peter Milliken, U.S. House Speaker Nancy Pelosi, Italian President of the Chamber of Deputies Gianfranco Fini, Japanese Speaker of the House of Representatives Takahiro Yokomichi and Russian First Deputy Speaker of the State Duma Oleg Morozov pose for a group photo prior to the Meeting of the Speakers of the Lower Houses of the G8 in Ottawa, Canada, Friday September 10, 2010. (AP Photo/The Canadian Press, Adrian Wyld)

Russian Gazprom CEO Alexey Miller, right, and Electricité de France (EDF) CEO Henri Proglio shake hands as Russian President Dmitry Medvedev and French President Nicolas Sarkozy look on during a signing ceremony after the end of the annual International Economic Forum in St. Petersburg, June 19, 2010. (SICHOV/SIPA/Sipa via AP Images)

From bottom left clockwise, Kyrgyz President Roza Otunbayeva, Tajik President Emomali Rakhmon, Russian President Dmitry Medvedev, Armenian President Serge Sarkisian, Secretary General of the Collective Security Treaty Organization (CSTO) Nikolai Bordyuzha, Belarusian President Alexander Lukashenko, and Kazakh President Nursultan Nazarbayev attend an informal summit of members of the CSTO in Yerevan, Armenia, Friday, August 20, 2010. (AP Photo/RIA-Novosti, Mikhail Klimentyev, Presidential Press Service)



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