



WASHINGTON, D.C. March 3, 2008

TO: NCSJ Leadership and Interested Parties

**FROM: Edward B. Robin, Chairman;
Lesley Israel, NCSJ President;
Mark B. Levin, NCSJ Executive Director**

In Brief: Post-Election Reactions in Russia and Armenia

Dear Friend,

We have put together a special edition of the weekly update on yesterday's presidential election in Russia, and the ongoing furor in Armenia over last month's presidential election. As expected, Dmitry Medvedev was overwhelmingly elected to succeed Vladimir Putin. We have included a couple of interesting stories about the election process as well as analysis pieces on what to expect from the new administration. In our conversations with Russian Jewish community representatives there is nothing unusual to report.

The situation in Armenia is far more complicated. Since the election last month, the opposition, led by former president Levon Ter-Petrossian, has refused to recognize President Robert Kocharyan's victory. There have been demonstrations on almost a daily basis, and yesterday, the Armenian government declared a state of emergency. There are no indications that the small Jewish community is at risk.

We will keep you informed as developments warrant.

Sincerely,

A handwritten signature in black ink that reads 'Mark B. Levin'. The signature is written in a cursive, flowing style.

Mark B. Levin
Executive Director



Advocates on behalf of Jews in Russia,
Ukraine, the Baltic States & Eurasia

NCSJ SPECIAL NEWS BRIEF
Washington, D.C. MARCH 3, 2008

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Election Monitor Calls Russian Vote Unfair
By Peter Finn
Washington Post, March 3, 2008

The head of the only major Western vote-monitoring group that sent a team to Russia to observe Sunday's presidential election severely criticized the process Monday, and drew a furious rebuttal from the country's Central Election Commission.

Officials in Washington and Western European capitals, meanwhile, expressed muted disappointment with the way the vote was conducted, but hope that the new presidency will bring a shift in ideas and better relations with their governments.

"We think there is not freedom in this election," said Andreas Gross, after Dmitry Medvedev, President Vladimir Putin's hand-picked successor, scored an officially tabulated win of more than 70 percent of the vote.

Gross, heading a delegation from the Parliamentary Assembly of the Council of Europe, the continent's leading human rights organization, cited media bias and failure to register some candidates, among other shortcomings. In a statement, the group said the result reflected the "will of the electorate" but its "democratic potential was unfortunately not tapped."

Vladimir Churov, head of Russia's Central Election Commission, ridiculed the criticism. "What should I do, should I make CEC members work naked?" he said in televised remarks. "I am unaware of a document which would outline a procedure for the use of democratic potential."

His commission reported a record turnout of 69.7 percent of Russia's 109 million voters.

A independent Russian monitoring group echoed the European criticism and argued that Medvedev didn't need overwhelming media coverage and the use of state resources, including ballot-stuffing and the pressuring of state workers, to ensure victory. "Medvedev could have calmly and honestly won this election . . . albeit with a more modest result," said Alexander Kynev of the Russian group Golos.

One of his colleagues, Andrei Buzin, said: "Russia's new political system, born in 1989, is now in a state of degradation and has been thrown back to Soviet times. We've now come to a point whereby it's not election commissions that prepare and hold elections but the executive power, as it used to be the Communist Party in Soviet times."

Europe's leading election watchdog group, the Organization for Security and Cooperation in Europe, didn't send observers, citing severe restrictions that the Russian authorities planned to place on its work.

Riot police Monday detained dozens of opposition activists protesting the election and calling Medvedev's overwhelming victory a "farce." The rally was banned by the Moscow authorities. Among those detained were Nikita Belykh, leader of the small Union of Right Forces party, and Lev Ponomaryov, a well known human rights activist.

Medvedev, 42, will assume the presidency on May 7. At a government meeting in the Kremlin Monday, Putin said the two would begin working immediately on the handover.

"Esteemed Dmitry Anatolyevich, I congratulate you again on your confident victory in the presidential election," said Putin. "In early May, in accordance with the law, the president-elect will be inaugurated. Prior to this, as we agreed, we'll jointly prepare the structures of the executive authority."

U.S. State Department spokesman Tom Casey noted Monday that American officials have previously expressed concerns about Russia's democratic direction. "I don't think those concerns were in any way changed by these elections," Casey said. "We'll have to see what new politics or ideas he brings to office."

"Dmitry Medvedev is now the president-elect of Russia, will soon be the president of Russia," said National Security Council spokesman Gordon Johndroe, speaking to reporters. President Bush "looks forward to working with him."

British Prime Minister Gordon Brown congratulated Medvedev Monday and expressed hope for a repair of relations that sank to a new low after the Kremlin refused to hand over the suspect in the 2006 poisoning death of ex-Russian security officer Alexander Litvinenko in London, the Associated Press reported.

European Commission President José Manuel Barroso, meanwhile, said he hoped that under Medvedev's leadership, Russia and the European Union could develop a relationship based "on respect for the values to which we both declared our commitment."

#2

Putin Protégé Secures Election Victory

By CLIFFORD J. LEVY

New York Times, March 3, 2008

His election choreographed by the Kremlin, Dmitri A. Medvedev secured a predictably commanding victory on Sunday to become Russia's next president.

Still, though the results were never in doubt, Mr. Medvedev's future role very much is, given that the man who anointed him, President Vladimir V. Putin, intends to remain in the government.

Mr. Medvedev (pronounced med-VEHD-ev), an unassuming aide to Mr. Putin who has never before held elected office, portrayed himself during a relatively listless campaign as something of a reformer, vowing to crack down on endemic corruption and promote the rule of law.

He also seemed to take a less strident stance toward the West than Mr. Putin. Mr. Medvedev's success at adopting this platform early in his tenure will represent an important indicator of whether Mr. Putin will allow him to be more than a figurehead.

Mr. Putin has pledged to serve as Mr. Medvedev's prime minister, and he has already indicated that he will broaden the responsibilities of that position, which since the Soviet Union's fall has typically been administrative.

At a news conference early Monday morning, Mr. Medvedev offered assurances that he and Mr. Putin would govern Russia well together, saying that they had long known and trusted each other. Their relationship, Mr. Medvedev said, "will become a rather positive factor in the development of our country."

He said he did not envision changes in the structure of the two posts. Asked who would run foreign policy, he said: "That is perhaps the simplest question. Foreign policy, according to the Constitution of the Russian Federation, is determined by the president."

Nonetheless, from the time of the czars, Russia has never had this kind of joint leadership. Even if Mr. Medvedev and Mr. Putin get along, as they have promised, the very fact that there will be two centers of power could stoke conflicts in a Kremlin that under Mr. Putin has often been the scene of internecine feuding.

"There is much talk about the possibility of big contradictions between the two, but I don't think there will be any serious ones," said Aleksei Makarkin, an analyst at the Center for Political Technologies, a Moscow think tank. "If there is a confrontation, it could blow up the regime. But it's not an issue of only the personal relations between the prime minister and the president, but also the problem of rivalries between the teams around them."

The election of Mr. Medvedev, 42, a first deputy prime minister, is the culmination of Mr. Putin's efforts to consolidate control over the government, business and the news media since taking office eight years ago. Vowing to restore stability to Russia after the upheavals of the 1990s, Mr. Putin has increasingly used his authority and popularity to create what is in many respects a one-party state. Mr. Putin, who could not run for a third consecutive term under the Constitution, will leave office with Russia far stronger economically but with far less political pluralism.

On Sunday night, Mr. Medvedev and Mr. Putin celebrated their triumph at an outdoor rock concert on Red Square in Moscow that was attended by thousands of cheering young people and shown on national television. To the kind of rock ballads favored by Mr. Medvedev, the camera followed the two men as they strode across an empty part of the square to the stage, as if in a music video.

"Despite this quite unpleasant snow falling from the skies, this is a very special day in the life of our country," declared Mr. Medvedev, who wore a black leather jacket and blue jeans. The election, he said, "means we will be able to maintain the course suggested by President Putin."

Mr. Putin said, "I thank all our citizens who came to the polls today. It means that we live in a democratic state, and our civil society is becoming efficient, responsible and active."

With 98.78 percent the vote counted on Monday morning, Mr. Medvedev, of the United Russia Party, had 70.21 percent of the vote, followed by Gennadi A. Zyuganov, of the Communist Party, with 17.77 percent. Vladimir V. Zhirinovskiy, an ultranationalist who leads the Liberal Democratic Party, received 9.37 percent, and Andrei V. Bogdanov, a little-known candidate whose Democratic Party is considered a creation of the Kremlin, had 1.29 percent.

Officials said turnout was 69.61 percent.

Mr. Medvedev declined to debate his opponents, and his campaign was conducted largely through staged public events that were widely broadcast on the Kremlin-controlled television networks. His opponents on the ballot received far less coverage.

Throughout the campaign, the Kremlin, having essentially prevented any meaningful opposition, focused on getting enough people to the polls to allow the vote to be depicted as legitimate.

As during the parliamentary election in Russia in December, the leading group of Western election observers refused to monitor the balloting on Sunday, saying the Russian government had placed too many restrictions on their work.

On Monday, a small group of observers from the Parliamentary Assembly of the Council of Europe cited numerous flaws in the voting, saying that it was not fair. In an official statement, the group said candidates did not have equal access to the media, and that the process of registering candidates to run was flawed, so some were not allowed on the ballot.

The statement did say that despite its problems, the results of the election reflected the will of the people.

Golos, a Russian nonprofit voting-rights watchdog, also criticized the voting. "There has been intimidation, people have been forced to take absentee ballots and vote at their work places," said Lilia Shibanova, the group's executive director. "It has been done exactly the same way it was during the parliamentary election. It has already become the norm, unfortunately."

With the election a foregone conclusion, debate has instead revolved around what will be the goals and governing style of Mr. Medvedev, a lawyer who does not have Mr. Putin's background in the security services.

Andrei A. Piontkovsky, a political commentator and Putin critic, said Mr. Putin chose Mr. Medvedev for fealty and little else.

“He is chemically conditioned to obey Mr. Putin,” he said. “This artificial construction of two czars creates a real factor of instability. But Putin is a clever guy. He chooses the person with minimal potential damage for him.”

#3

An ugly victory

The Economist.com, March 2, 2008

THREE hours before the close of the presidential election on Sunday March 2nd, in which voters massively endorsed Dmitry Medvedev as Russia’s next president, a bull-necked security guard (radio in hand, legs apart) barred the entrance to polling station number 3065. The station had been set up in a vast and heaving electronics market, apparently for the convenience of traders. But the few who turned up to vote were told that the station had closed, either because of a terrorist threat or as a result of some obscure “technical” problems. A brief look inside suggested that, although almost empty, it was in fact functioning.

Outside of the polling station stood a large group of men in black leather jackets. These were the same characters your correspondent saw casting multiple votes in the December parliamentary elections. They were soon led away and a four-wheel-drive vehicle arrived. Men emerged carrying a white plastic ballot box and were allowed into the station by a guard, who then shut the door tightly. A young policeman who came to inquire was instructed to leave by figures in plain clothes and promptly did so.

These latter men (one identified himself as a “representative of the international community”) glowered, then lunged, violently throwing your correspondent and another foreign journalist on to the nearby street, with a warning never to come back. One offered a piece of advice: “Go back to England, you can ask [the self-exiled opponent of Vladimir Putin, Boris] Berezovsky and Prince Harry your questions. We’ll manage here without you.” Your correspondent and his colleague were then forced into a taxi, and the bemused driver was ordered to drive to the British Embassy.

The incident—most probably the stuffing of a ballot box—spoke volumes of the system that Mr Medvedev inherits from his former and (likely) future boss Mr Putin. (Mr Putin has promised to be Russia’s all-powerful prime-minister.) It illustrated the thuggery and brazenness of the state machine. The Kremlin did away with niceties a long time ago. Foreign observers were told to stay away and not to meddle in Russia’s domestic affairs.

The polling station, and the country, have been hijacked by security men who do not even pretend to follow the law. The location of this incident, a busy shopping area, was also symbolic. Overwhelmed by the cornucopia of foreign goods, Russian consumers have so far been distracted from the Kremlin’s shenanigans. (“Come into our shop,” suggested a tanned 20-year-old beauty in a tight scarlet dress with giant butterfly wings.)

Even so, this election has made many Russians, including those who voted for Mr Medvedev, feel uncomfortable. “There was no election,” said a young, middle-class Muscovite. “I voted for Medvedev, because there was no choice.” Opposition candidates who might have proven more of a challenge to Kremlin, such as Mikhail Kasyanov, were banned from running. Those candidates allowed to compete by the Kremlin included the Communist Gennady Zyuganov, the clownish nationalist Vladimir Zhirinovskiy and a Kremlin clone, Andrei Bogdanov.

In an election with no real opposition, Mr Medvedev was guaranteed a victory even without machinations. The fact that the Kremlin went further to massage the figures may not be so much a sign of its insecurity, but of its sense of invincibility and disregard for law. Mr Medvedev has pledged to fight legal nihilism. Yet Sunday’s election was a prime example of precisely that.

The Kremlin did not just fix the elections in favour of its candidate, it made a mockery out of the process. Russia's slavish state television reported Mr Medvedev's convincing victory: he won perhaps as much as 70% of votes; the turnout was nearly 70% too. The nature of the victory may not matter as long as the oil price is high and people are broadly satisfied with their living conditions. But Mr Medvedev enters into office without, in the eyes of many, legitimacy. If the economy sours, that would be a handicap indeed.

#4

Russia pushes for turnout in vote

By Matt Siegel and Grant Slater

JTA, March 2, 2008

As Dmitry Medvedev swept to a widely anticipated landslide in Russia's presidential elections Monday, Russian Jews greeted the outcome with sentiments ranging from overwhelming support for the Medvedev-Putin team to anger and frustration at the lack of real choices in the vote.

Even before the official tally was released, preliminary results from the Central Election Committee showed Medvedev, whom President Vladimir Putin anointed as his successor, taking more than 66 percent of the vote. Medvedev's closest competitor, Communist Party leader Gennadiy Zhuganov, captured less than 20 percent.

"I wouldn't call it an election. It's really important not to use that word," said Sarah Mendelson, a Russia expert at the Center for Strategic and International Studies in Washington. "An election implies a competitive process that is transparent to the voter. That's not what this is."

Under gun-gray skies and amid a massive presence of more than 23,000 police, soldiers and special forces, Muscovites slogged to the polls Sunday in an election widely derided by observers both in the West and domestically for its bias and lack of competition.

The government employed varied means to combat low voter turnout.

Polling stations in Khabarovsk offered voters shopping discount cards, according to a report on state-controlled Channel 1 television.

In Tver, a city of nearly 500,000 at the confluence of the Volga and Tvertsa rivers 100 miles northwest of Moscow, city officials tried a carnival atmosphere. Two fireworks shows cast the banks of the Volga in a red-and-blue glow Saturday night. Banners strung above the streets and posters in nearly every store window stressed to voters how vital their participation was to Russia.

At a local Jewish cultural center run by the Congress of Jewish Religious Communities and Organizations of Russia near the center of Tver, Vladimir Spivak, a community leader and retired military officer, said it was easy to recognize that this election was all about turnout.

Spivak and several other adults at the center said they planned to vote, and for Medvedev.

"Stability is important, and while we have it, it's better to leave the power be, as it is," he told JTA.

Spivak noted that vandals twice in the past five years had attacked a Jewish cemetery in the city and that the local government, which he associates with the current regime, provided funds for the cleanup. He also said the government had offered future grants for a Jewish museum.

One of Russia's chief rabbis, Rabbi Berel Lazar of the Chabad-led Federation of Jewish Communities of Russia, echoed Spivak's assessment.

"I was extremely surprised to hear how many people were excited to go and cast their vote. Why were they even interested in voting when it was so clear what the outcome would be?" Lazar asked rhetorically. "I think they want to show appreciation for what was done for the Jewish community."

Lazar declined to say which way he cast his vote.

"I think it's more important that we voted than who we voted for," Lazar said. "I think it's important that the Jewish community shows active involvement in the future of our country."

Though state media reported high voter turnout, how many voters actually came out could not be independently confirmed due to the absence of election monitors. The Organization for Security and Cooperation in Europe, or OSCE, which has monitored elections here in the past, refused to send monitors citing restrictions placed on the number allowed and the duration of their stay.

The OSCE refused to monitor Russian parliamentary elections in December for similar reasons.

Golos, the last independent vote-monitoring agency operating in Russia, reported multiple cases of fraud and intimidation throughout the day. In the weeks leading up to the elections, many cases of voter intimidation and coercion were reported in the media here and abroad.

One university student in a Tver coffee shop told JTA he planned to "hide out" all day Sunday to avoid casting his vote. He said he had skipped school one day last week to avoid his professor, who planned to bring absentee ballots to class to ensure that his students voted.

The student asked that his name not be used to avoid retribution.

"I wouldn't vote for any of these guys," he said, "but I was told that they'd hit me on my grades on Monday if I didn't vote this weekend."

Intimidation aside, those who did vote said they didn't have much of a choice.

Irina Ivashchenko, a business manager and young mother, said her friends laughed when she told them her grandmother planned to vote for the ultranationalist Vladimir Zhirinovsky.

"I'm voting for Medvedev; he's an educated man, a working man," Ivaschenko said. "I'm not ecstatic about it, but it's not like there is another choice."

Despite a driving snow in Tver that blanketed sidewalks in a brown slush on Sunday, a parade of pop singers and children's choirs shuffled across a stage in the city's main square urging citizens to the polls.

Between acts, the emcee told audience members that at the polls they would be entered in a drawing for new cars, home theater systems and motorized scooters.

"Vote for stability! Vote for the future of your children," he said in an implicit endorsement of Putin's preferred successor.

Even state media struggled to make this election seem compelling.

Artyem Vosnyov, a young Channel 1 reporter, stood alone in a cavernous polling station and nervously informed the anchor that in his opinion, the excitement for this election was far higher than it was during the Duma elections in December.

The loose clan of opposition groups operating under the Other Russia umbrella organization, which includes such disparate groups as Eduard Limonov's far-right National Bolsheviks and the leftist youth movement

Oborona, called for massive protests across the country Monday to protest election fraud and the repression of the opposition.

Eduard Glezin, Oborona's acting head since party leader Oleg Kozlovsky was forcibly conscripted into the army more than three months ago, talked about the harassment he and his group faced the night before the election.

Glezin, who is Jewish, detailed cyber attacks on the group's Web site, arrests and constant surveillance. Before agreeing to talk with a reporter, he asked that nearby cell phones be turned off.

"I know I'm being listened to -- at home, in my office," he said. "Our group members get visits all the time from the FSB," Russia's KGB successor organization.

Yet community leaders like Lazar, who is close to the Putin administration, defended the administration and the electoral process. Like many here, Lazar said judging Russia by Western standards is a flawed approach.

"I've been here for 20 years and I've seen elections in the States and I've seen elections here; there's no question that they're very different," he said.

But, Lazar added, "The countries are quite different, and the people are quite different."

#5

Now Comes the Tough Part in Russia

By STEPHEN KOTKIN

New York Times, March 2, 2008

DMITRI A. MEDVEDEV will be anointed president of Russia today thanks to the political handiwork of Vladimir V. Putin. But maybe the real winner is economic globalization.

From December 1999 to the end of 2007, a period overlapping the presidency of Mr. Putin, the value of Russia's stock market increased from \$60 billion to more than \$1 trillion. When John F. Welch Jr. ran General Electric, from 1981 to 2001, the value of the company's stock rose from around \$14 billion to more than \$400 billion.

Fortune magazine named Mr. Welch "manager of the century" in 1999. No one is suggesting that Fortune give Mr. Putin the same title — except, perhaps, all those Russians who have consistently backed his strong-arm policies.

Most Russians do not love Mr. Putin per se, but they love Mr. Putin's Russia. They love being middle class. They love planning for the future. It is no comfort to the politically persecuted, but average wages in Russia are leaping 10 percent a year, in real terms.

The growing millions of Russian homeowners, vacationers and investors may seem inclined to authoritarianism or just apolitical. But they certainly value a strong ruble, moderate inflation, affordable mortgages, access to higher education, satellite television, Internet connections, passports, foreign visas and — above all else — no economic shocks.

If Mr. Medvedev, 42, a former legal counsel at a Russian pulp conglomerate, can continue all that, and occasionally make a show of standing up to the West, he'll be a hero, too. Still, a gigantic question mark hangs over this succession — and not solely because Mr. Putin may stick around in an ambiguous capacity.

Russia stands at a crossroads bigger than the one it faced in 1998, when it drastically devalued the ruble and defaulted on its debt. That searing debacle turned out to be the prelude to a spectacular resurgence, built in part on newfound fiscal restraint and the boom in the price of oil and other natural resources. But it

also was built on a relentless, China-driven rise in overall global demand that, with the cheaper ruble, helped indirectly call back from the dead Russia's vast unused capacity inherited from the Soviet era.

So after nearly 10 years of robust growth, the Kremlin faces a quandary. Expectations have been raised, and now many Russians, though wary of upsetting social stability, want not just high growth, but also a new modernization driven by innovation and broader entrepreneurialism. They want their whole country to reach a Western European standard of living — a standard that, historically, very few countries outside the region have attained.

THAT Mr. Putin's Russia should be seen not as a failed democracy but as a triumphant market economy with a "very rough, brutal, and cheerful capitalism" is the argument of "Getting Russia Right" (Carnegie Endowment, \$19.95), a short, handy book by Dmitri V. Trenin. (It is also the position argued publicly by this reviewer for more than a decade.)

"There is," adds Mr. Trenin, a Russian analyst in Moscow, "a Russia beyond Putin's." True enough, though Mr. Trenin does not detail that Russia. Almost no one does. Russia's dynamism is spurred not only by greedy cronies at all levels operating in an unaccountable political system, but also by an explosion of consumers.

Mr. Trenin advises American policy makers to drop what he sees as their attempt to form a "Democratic International," which he defines as a mirror image of the old Communist International, or Comintern, but which seeks to unite all the world's democracies. Instead, he advises banking on a new global capitalist club, which includes Kazakhstan and China as well as Russia.

How in the world did it happen that Russia, still a country grappling with problems like relatively low life expectancies and alcoholism, is also, for the first time in its history, a land of widespread property ownership and of consumers brimming with confidence and pride?

In "Russia's Capitalist Revolution" (Peterson Institute, \$26.95), Anders Aslund, a Russia analyst (and a former colleague of Mr. Trenin's), argues that zero credit should go to Russia's most popular politician, Mr. Putin. On the contrary, Mr. Aslund, who is from Sweden and based in Washington, insists that Russia's economic breakthrough should be credited to Anatoly B. Chubais, who oversaw the government's privatization program in the 1990s, when the country lost about 40 percent of its gross domestic product.

It's a bold thesis.

But Mr. Aslund's beloved "young reformers" were in government only briefly — by the way, he worked as their consultant — and they seem to be all of three people, one of whom, Mr. Chubais, became an industrial oligarch.

Still, as in his earlier books on the same subject, whose *idée fixe* is the supposed superiority of hyperfast and hyperradical reform, whatever the circumstances, Mr. Aslund can claim two important achievements.

First, he again demonstrates that it was not the privatizations under Boris N. Yeltsin that set in motion Russia's egregious insider enrichment. Instead, he shows, it was a process begun under the Soviet president Mikhail S. Gorbachev, and subsequently continued, to grant lobbyists preferential access to commodity export licenses at a time when there was a gap between world prices and very low regulated domestic prices — allowing them to pocket a windfall.

This important corrective is then overshadowed by Mr. Aslund's repeated assertions that even half-baked privatization is still wonderful and that Russia's "was close to ideal."

Second, and more fundamentally, Mr. Aslund explodes the myth that Russia's economic growth is reducible to fossil fuel prices. (Ask Nigeria about the economic boom that is supposed to follow from a prolonged oil-price surge.)

Further, he suggests that the so-called oligarchs “do not own that large a share of the economy” (he identifies 30 groups accounting for one-quarter of the G.D.P.) and that they “face severe market competition.” No fan of Russia’s state-owned companies, Mr. Aslund notes that they, too, “are remarkably focused on their stock prices.”

Such realism about Russia’s state-owned companies is refreshing, as are the reminders that a broad private sector continues to dominate Russia’s gross domestic product.

Still, Mr. Aslund’s grinding morality tale pitting the supposed forces of light (Russia’s “young reformers,” as well as the jailed tycoon Mikhail Khodorkovsky) against Mr. Putin, as the prince of darkness, cannot explain the extent or timing of Russia’s boom. Huge factors that can explain it receive inadequate treatment. These include the global economy and the country’s macroeconomic stability.

GLOBALIZATION continues to be the great opportunity for Russia. But it is an opportunity that doesn’t allow for complacency.

Even if oil prices stay high, Mr. Medvedev, with or without Mr. Putin, does not have the luxury of kicking back into a bygone Soviet era when the oil-soaked elite gorged on the spoils as China still faced inward.

At home, the Kremlin may be sovereign and super-controlling, but that doesn’t work globally. Even companies owned by the state are borrowing money abroad and issuing stock on international capital markets, becoming subject to investors and regulators outside Russia. And then there are those really treacherous phenomena, like credit default swap derivatives.

Book after book piles up about Mr. Putin, the Kremlin and the oligarchs, but a definitive book about Russia and globalization awaits an author. It has been more than two years since Jonathan P. Stern published his ponderous but indispensable work “The Future of Russian Gas and Gazprom” (Oxford, \$125), which shows that Russia’s gas monster is compelled to take global market considerations into account.

When it comes to China and globalization, new books shoot out the assembly line like those bon-bons in the “I Love Lucy” episode; workers can’t box them fast enough. Though Mr. Putin and Russian elites, no less than their Chinese counterparts, grasp the power of market barometers and fiscal discipline, it is China that American analysts typically offer as an example of world-transforming economic success. Russia is portrayed almost exclusively as an authoritarian menace.

So here’s a trick: A first step toward understanding Russia would be to read the press and academic accounts on China — and then substitute the word “Russia” for “China.” (This works in reverse as well.)

China, which unlike Russia remains under Communist Party monopoly, is certainly no less an authoritarian challenge than Russia is. And, like it or not, Russia, too, is something of a world-transforming economic success.

Expect Kremlin foreign policy to become even more focused on easing the acquisition of prime assets abroad, whether for Russia’s private companies or its state-owned ones. The Russian government itself, which accumulated more than \$150 billion in a stabilization fund, will be getting into the game with the newly created Reserve Fund and National Prosperity Fund.

Did advocates for free trade and global integration foresee that states would end up controlling so much global wealth, especially states ruled by strongmen and sheiks? Sovereign wealth funds, the highest stage of capitalism, as Lenin might have said.

Mr. Aslund asserts that “Russia is simply too wealthy, educated, open and economically pluralist to be so authoritarian.” He refers vaguely to a possible new revolution. Mr. Trenin hopes that Russian oligarchs will

want to permanently institutionalize their property rights, so that “the greed of the powerful few could eventually pave the way for the rule of law.” Fat-cat chance.

Today’s awkward two-leader situation in Russia is not without precedent: think back 40 years to the era of Leonid I. Brezhnev, leader of the Soviet Communist Party, and Aleksei N. Kosygin, the prime minister. But that tandem failed to adapt to a changing world. By contrast, the historic reputation of their Chinese contemporary, Deng Xiaoping, who achieved market transformation and global integration under centralized authoritarian rule, is likely to endure.

Mr. Putin, using a similar centralizing, marketizing, globalizing playbook, has helped put Russia in a position to win big. But if Mr. Medvedev — with or without Mr. Putin’s guidance — fails to capitalize by taking the difficult next reform steps, the two Russian presidents will fade from history.

Mr. Medvedev’s first presidential term, just like Mr. Putin’s, will furnish a window for important, long-stalled reform measures to sustain Russia’s rise. He’ll need to cut some taxes and red tape and shore up the legal system. Someone will also have to ride herd over Russia’s warring business clans, which are trying to devour one another and everything else in their paths. (Mr. Medvedev’s mushrooming entourage has even been eyeing choice properties coveted by Mr. Putin’s people.)

A bit of economic liberalization, and some brazen asset redistribution or consolidation: that’s Putinism, and a picture of continuity.

But if Russia is to make the transition to a more innovative, entrepreneurial economy, as Mr. Medvedev has stated, it must make other farsighted, complex investments in Russia’s human capital: education, health care, better conditions for private enterprise. It also requires a promised \$1 trillion in new infrastructure investments — something that could lead to colossal waste and that even a well-governed country would be hard-pressed to get right.

What Mr. Medvedev’s Russia needs above all, but what Russia has never had, is the one thing that distinguishes all the most highly productive and innovation-driven countries: good governance.

#6

Press Conference of the President

White House Press Secretary, February 28, 2008

Q Sir, I'd like to ask you about Russia. The Democratic candidates, when asked about the new Russian leader, Dmitry Medvedev, didn't appear to know a great deal about him. I wonder what you can say about him, how much power you think he's really got, with Putin still in the picture? And critics would say you badly misjudged Vladimir Putin. So what would be your cautionary tale to your successor about the threat Russia poses, and how to deal with this new leader?

THE PRESIDENT: I don't know much about Medvedev either. And what will be interesting to see is who comes to the -- who represents Russia at the G8, for example. It will be interesting to see -- it will help, I think, give some insight as to how Russia intends to conduct foreign policy after Vladimir Putin's presidency. And I can't answer the question yet.

I can say that it's in our interests to continue to have relations with Russia. For example, on proliferation matters, it's in our interest to be able to make sure that materials that could cause great harm aren't proliferated. It's in our interest to work together on Iran. As I said I think in this room the last time I was here, I appreciated the fact that Vladimir Putin told the Iranians that they will provide -- they, Russia -- will provide enriched uranium to run the Bushehr power plant, thereby negating the need for the Iranians to enrich in the first place. I thought that was a constructive suggestion, and we need to be in a position to be able to work with Russia on Iran.

There's a lot of areas where -- yesterday, for example, with the Prime Minister of the Czech Republic, I talked about a missile defense system in Europe, but I believe it's in our interests to try to figure out a way for the Russians to understand the system is not aimed at them, but aimed at the real threats of the 21st century, which could be a launch from a violent regime -- a launch of a weapon of mass destruction.

So there's areas, David, where we need to cooperate and -- let me finish -- and so it's -- I'm going to try to leave it so whoever my successor is will be able to have a relationship with whoever is running foreign policy in Russia. It's in the country's interest. That doesn't mean we have to agree all the time. I mean, obviously we didn't agree on Kosovo. There will be other areas where we don't agree. And yet it is in the interest of the country to have a relationship, leader to leader, and hopefully beyond that.

Q But first of all, are you suggesting, or are you worried that, in fact, Medvedev is a puppet for Vladimir Putin? And --

THE PRESIDENT: No, I wouldn't say that. That's your conclusion, not mine.

Q No, I'm asking the question about whether you're concerned. But isn't there something you took away that you can offer to your successor about how it's risky in the process of sizing up your Russian counterpart? Don't you think that you learned something from your time with Putin?

THE PRESIDENT: Here's what I learned -- here's what I learned: I learned that it's important to establish personal relations with leaders even though you may not agree with them -- certain leaders. I'm not going to have a personal relationship with Kim Jong-il, and our relationships are such that that's impossible.

But U.S.-Russian relations are important. It's important for stability. It's important for our relations in Europe. And therefore my advice is to establish a personal relationship with whoever is in charge of foreign policy in Russia. It's in our country's interest to do so.

Now, it makes it easier, by the way, when there's a trustworthy relationship, to be able to disagree and yet maintain common interests in other areas. And so we've had our disagreements. As you know, Putin is a straightforward, pretty tough character when it comes to his interests. Well, so am I. And we've had some head-butts, diplomatic head-butts. You might remember the trip to Slovakia. I think you were there at the famous press conference. But -- and yet, in spite of that, our differences of opinion, we still have got a cordial enough relationship to be able to deal with common threats and opportunities. And that's going to be important for the next President to maintain.

#7

Emergency Order Empties Armenian Capital's Streets

By SABRINA TAVERNISE

New York Times, March 3, 2008

Tanks blocked central streets in the capital of this tiny mountain country on Sunday, a day after Armenian authorities clashed with demonstrators in a violent confrontation that left at least eight people dead and more than 130 wounded.

The government imposed a state of emergency, and for the first time since a contested Feb. 19 presidential election, the streets and central squares of this ancient city were empty of the crowds of protesters.

Any attempt at demonstrating "will immediately result in adequate and strict reaction by the armed forces," Gen. Seyran Ohanyan, Armenia's top military commander, said in a statement.

Levon Ter-Petrossian, the opposition leader who has led the crowds, and whose failed candidacy was the reason for the protests, said that he would not encourage his supporters to defy the curfew, and that the government had won by closing down his only outlet to the public.

“They’re happy with themselves,” said Mr. Ter-Petrossian, speaking to reporters in his 1930s mansion on the edge of Yerevan. “They got what they wanted.”

Lines of military police officers moved in on the demonstration late Saturday night, firing rubber balls and tear gas canisters, and shooting bullets into the air. It was not clear how many of the deaths were caused by bullet wounds.

Mr. Ter-Petrossian blamed the Armenian government for what he described as a “slaughter.” Seven civilians were killed and only one security officer, according to the Foreign Ministry. Of the 131 injuries, 72 were police officers and 59 were civilians, Agence France-Presse reported, citing the Health Ministry.

The casualties prompted statements of concern by the State Department, the European Union and the United Nations High Commissioner for Human Rights.

It was clear by early afternoon Saturday that after 10 days of peaceful protests, the demonstrators, who had been beaten by police officers in the morning, were spoiling for a fight. Men were yanking bricks out of sidewalks, barricading streets with city buses, and assembling gasoline bombs. By evening, a four-or-five-block area had become an encampment run by agitated young men wielding metal poles and bricks.

Even before police officers moved in, a group of protesters set fire to a police jeep after it bumped into a woman, and when a fire truck arrived to put out the blaze, someone pitched a rock through its windshield.

Mr. Ter-Petrossian accused the government of sneaking provocateurs into the crowd. “It’s their people,” he said. But he acknowledged that some of his supporters might have joined in. Looters who dragged cognac, cakes, fruit and even food scales from the Yerevan City grocery store on Saturday seemed to strongly support him.

“I’m fighting for honesty,” said a man in his 50s, holding a stolen beer in one hand and a lemon in the other. “Levon Ter-Petrossian is for the people.”

Fifteen people were arrested.

The emergency decree dealt a particularly paralyzing blow to the opposition because local television stations, controlled by Prime Minister Serge Sargsyan and President Robert Kocharian, virtually ignored the daily rallies, which often drew tens of thousands of protesters. “Losing the square means losing the connection to the people,” Mr. Ter-Petrossian said. “Now they have taken this away from us.”

According to the emergency decree, local news media are barred from disseminating information given by any source other than the government.

CNN segments about Armenia were clipped from television programming, and many Web sites were closed. Only journalists from foreign news organizations could attend Mr. Ter-Petrossian’s briefing.

Mr. Ter-Petrossian’s state-financed security detail had orders not to allow him out of his house, but Armenia’s foreign minister said he was free to leave if he agreed to forgo the security.

Armenian authorities have used violence against political opposition several times over the past 13 years. In 1995, for example, during Mr. Ter-Petrossian’s tenure as president, at least one opposition figure died in police custody after his political party was shut down, according to Human Rights Watch.

On Sunday afternoon, city workers swept shards of glass and towed burned shells of cars off central streets, still sticky from looted food and gasoline fires, as passers-by came to gape at the damage.

“It’s shameful,” said a 27-year-old economist surveying the wreckage. “They did it for themselves. Not for the people.”

#8

No sign of negotiations in Armenia standoff: OSCE

By James Kilner

Reuters, March 3, 2008

Armenia's main opposition group and the government are unlikely to start negotiations soon to end a standoff which triggered rioting that killed eight people, a European envoy said on Monday after he met both parties.

Soldiers patrolled Yerevan's streets after President Robert Kocharyan imposed emergency laws on Saturday following clashes between police and protesters -- the worst civil violence in Armenia since independence from the Soviet Union in 1991.

The protesters accuse Kocharyan's ally and Prime Minister Serzh Sarksyan of rigging a presidential election last month. Opposition leader and former President Levon Ter-Petrosyan blamed police brutality for the violence.

"In all likelihood this kind of dialogue between Ter-Petrosyan and the government at the moment is not possible," Heikki Talvitie, a special envoy for the Organization for Security and Cooperation in Europe (OSCE), told reporters after being asked if the two sides would start negotiations.

"But let's not exclude it from the future," he added.

Armenia is a country of around 3.2 million people on the edge of the Caucasus -- an oil transit route to Europe from the Caspian Sea where the United States and Russia have been vying for influence.

Talvitie flew into Yerevan on Sunday night and met Kocharyan and Sarksyan for talks that resumed on Monday before meeting the opposition groups.

Neither side has shown much willingness to back down and analysts and diplomats said Armenia was heading for a period of uncertainty.

A U.S. State Department spokesman said Washington was sending Deputy Assistant Secretary of State Matt Bryza to help "facilitate discussions" between the government and opposition. But he stressed Bryza would not carry out "formal mediation."

"This is a situation where we need to see both the parties work with one another, engage in dialogue, not violence," the spokesman said.

EMERGENCY LAWS

Ter-Petrosyan has told his supporters not to rally during the 20-day emergency laws which ban meetings but he has also said he is prepared to continue the protests afterwards.

"He's very determined, very charismatic," a Western diplomat said. "He'll find it difficult to step back from this now."

Kocharyan and Sarksyan have presided over a period of economic growth, but detractors accuse their government of corruption and nepotism.

Ter-Petrosyan was Armenia's first president after it broke away from the Soviet Union, and although street demonstrations forced him to resign in 1998 he is still loved by many who want an alternative to the current government.

Witnesses saw police fire tracer rounds above the heads of protesters and lob tear gas into the crowd on Saturday. Protesters armed with metal bars and petrol bombs torched cars and looted shops.

The emergency laws ban public meetings and restrict media reporting. Armoured personnel carriers were still guarding the main square on Monday, but traffic has returned to the streets and shops were open.

"It was very bad on Saturday," Sahak, a 25-year-old unemployed man, said as he watched workers hammer together a broken metal shelf in a looted supermarket.

"But we now really hope that is all over."

Sarkysyan officially won 53 percent of the vote and Ter-Petrosyan won 21.5 percent, in an election the OSCE described as flawed but sufficient for Armenia to fulfil its international obligations. Diplomats expect a harsher follow-up report from the OSCE this week.

#9

Armenia declares state of emergency as riots rage

By Hasmik Mkrtchyan

Reuters, March 2, 2008

Armenian President Robert Kocharyan today declared a state of emergency in the capital as riot police battled opposition protesters, in which at least one person was killed.

Witnesses said many people were injured in the clashes, which flared up when police tried to disperse demonstrators protesting at a presidential election they say was rigged.

Footage shot by a freelance cameraman showed police shooting tracer bullets into the air from behind a line of buses. Demonstrators, armed with metal rods and sticks, pelted police with Molotov cocktails, setting cars ablaze.

Television pictures also showed a body being driven from the scene on the roof of a car, held in place by demonstrators hanging on to the side of the vehicle.

"They attacked peaceful demonstrations in parts of Yerevan," opposition official Alexander Arzumanian said. "But the people are very resolute and they will struggle for their rights... There are a lot of wounded people".

One demonstrator said one person was killed by a tracer bullet "which must have ricocheted as police were shooting in the air to disperse an opposition rally being held nearby".

A statement from the presidential press service said Kocharyan had signed a decree declaring a state of emergency until March 20 "to prevent a threat to constitutional order". The measure bans all rallies and protests and imposes censorship on the media.

Several thousand opposition supporters had been protesting daily in Yerevan's Freedom Square since former premier Serzh Sarkysyan, a Kocharyan ally, was elected president on Feb. 19. Official results declared Sarkysyan the winner in the first round but the opposition alleged ballot-stuffing and intimidation.

The main challenger, former president Levon Ter-Petrosyan, was put under house arrest in the capital on Saturday.

The crowd of at least 5000 opposition supporters massed in an area near the mayor's office after a 10-day sit-in was broken up by baton-wielding police in the early hours.

Later sporadic shooting erupted from the area and this correspondent saw red and yellow tracer rounds in the sky.

A protester in the crowd, reached by mobile telephone, said: "They (the police) shot in the air to scare us. They have fired tear gas. But people are standing firm. There are thousands of people standing here with us."

Hundreds of policemen in full riot gear cordoned off the area where several embassies are located.

Some protesters near the mayor's office held crowbars and metal rods. Some decanted fuel from the buses into bottles.

Disputed presidential elections sparked mass unrest in two other former Soviet republics, Georgia and Ukraine, that ultimately toppled two long-serving leaders.

The unrest risks destabilising Armenia, an ex-Soviet republic of 3.2 million people in the Caucasus mountains that is now emerging as a key transit route for oil and gas supplies from the Caspian Sea to world markets.

Armenia, a poor, landlocked and ancient Christian nation, is Moscow's closest ally in the volatile Caucasus region.

The Organisation for Security and Cooperation in Europe, referring to police action against the earlier sit-in, said it "condemned the use of force against peaceful demonstrators" and urged the authorities "to use maximum restraint."

Police said they moved in after receiving information a coup was being prepared. They said they had seized pistols and grenades. The opposition denied the charges and said it was using only peaceful means.

"I am deeply convinced that even if Sarkysyan stays on, he won't be a legitimate president," Ter-Petrosyan said.

Police said they had used force after protesters started throwing stones and metal rods at them. "Calls for a violent coup were heard," the police statement said.

Armenia's Health Ministry said 31 people, including six policemen, had been admitted to hospital after the clashes.

Armenia is still officially at war with its Muslim neighbour Azerbaijan over the territory of Nagorno-Karabakh. Oil and gas pipelines operated by a BP-led consortium run through Azeri territory a few kilometres from the conflict zone.

#10

Armenian riot police break up election protest

By Hasmik Mkrtchyan

Reuters, March 1, 2008

Armenian riot police used truncheons on Saturday to break up a 10-day protest in the capital Yerevan by opposition supporters who say last month's presidential election was rigged, witnesses said.

Several thousand opposition supporters had been protesting daily in Yerevan's Freedom Square since Prime Minister Serzh Sarkysyan was elected to replace his ally Robert Kocharyan as president in a February 19 vote.

The riot police moved into the square early on Saturday after authorities had said they were losing patience with the protests, led by Levon Ter-Petrosyan, Armenia's first president after independence from the Soviet Union.

"We were asleep," said one of the protesters who had been keeping an overnight vigil in the square.

"They came and they started to beat us up. They had truncheons," said the man, who showed Reuters a broken finger. He declined to give his name.

The protests had risked destabilising Armenia, a former Soviet republic that lies in a Caucasus mountains region now emerging as an important transit route for oil and gas supplies from the Caspian Sea to world markets.

Armenia is still officially at war with neighboring Azerbaijan over the territory of Nagorno-Karabakh. Oil and gas pipelines operated by a BP-led consortium run through Azeri territory a few kilometers (miles) from the conflict zone.

"STOLEN VOTE"

Ter-Petrosyan, who ran in the election, launched the protests after alleging Sarkisyan had used ballot-stuffing and intimidation to steal victory. Sarkisyan denied the charges, and Western observers have called the vote broadly fair.

At their peak the protests attracted tens of thousands of people, though numbers had fallen off in the past few days.

A spokesman for Ter-Petrosyan said riot police moved in at 7.30 a.m. (0330 GMT) on Saturday. "They came, they beat people up and they removed everyone," said Arman Musinyan.

Ter-Petrosyan was not detained and had returned home, he said, adding the opposition planned to attempt a further protest later on Saturday.

But a Reuters correspondent at Freedom Square said it was now surrounded by several hundred police with riot shields and that they were not allowing anyone access.

A group of about 15 people began shouting "Levon! Levon!" near the square. Police quickly moved in to disperse them, the correspondent said.

Observers from the Organization for Security and Cooperation in Europe said the February 19 election broadly met Armenia's commitments on democracy, though there were some flaws.

#11

**OSCE chairman condemns use of force in Armenia, calls for dialogue
Ria Novosti, March 1, 2008**

The OSCE chairman-in-office, Finnish Foreign Minister Ilkka Kanerva, has condemned the use of force against peaceful demonstrators in Yerevan earlier on Saturday.

Armenian riot police broke up a protest rally in the capital Yerevan by several thousand people protesting the results of the February 19 presidential election in the Caucasus republic.

"I urge the authorities to use maximum restraint. I am troubled that there are reports of casualties. I urge the authorities to release those detained, and I again call on the government and the opposition to engage in dialogue," the minister said.

He said the OSCE was ready to continue helping the country as it attempts to consolidate its democracy and address shortcomings noted by OSCE and other observers during the presidential election process.

"The OSCE considers dialogue central to stability. At this important stage in Armenia's development, everything should be done to avoid any escalation of tension," Kanerva said.

Police used truncheons, tear gas and electric stun guns to disperse the crowd.

According to some reports, police have detained opposition presidential candidate Levon Ter-Petrosyan.

Armenian Prime Minister Serzh Sarkisyan won with 52.82% of the vote. His nearest rivals, Armenia's first president Levon Ter-Petrosyan and ex-parliamentary speaker Artur Bagdasaryan received 21.5% and 17.7%, respectively. Six other candidates gained less than 10% of the votes.