

**WASHINGTON, D.C. May 8, 2009**

**TO: NCSJ Leadership and Interested Parties**

**FROM: Richard Stone, NCSJ Chairman;  
Alexander Smukler, NCSJ President;  
Mark B. Levin, NCSJ Executive Director**



In Brief: Remembering Jack Kemp

Dear Friend,

Our country and community lost a great patriot and friend when Jack Kemp passed away earlier this week. He was a true champion of human rights and a passionate believer in creating a more tolerant and pluralistic society.

In this age of highly charged partisan politics, Jack was different. He had the unique ability to cross ideological and party lines to work with just about everyone. Don't get me wrong, Jack was as strong a supply-side conservative, Republican as you would find. But, he believed that given enough time he could convince anyone of the merits of his argument – with humor and good-will.

Jack and his wife Joanne were leaders in the Soviet Jewry movement. He was a co-founder of the Congressional Coalition for Soviet Jews, at one time the largest caucus on Capitol Hill, and Joanne was a co-founder of the Congressional Wives for Soviet Jews. They met with relatives of refuseniks, wrote letters, and traveled around the world advocating for the right of Jews to leave the Soviet Union. No task was too small if it meant that someone could gain their freedom.

Although it had been some time since we last spoke, I always enjoyed my conversations with Jack. We would discuss everything from U.S.-Russia relations to the latest economic theories to pro football.

I will miss not having these opportunities again.

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 WEEKLY NEWS BRIEF  
Washington, D.C. May 8, 2009

-----INDEX OF ARTICLES-----

1. *Fire destroys wooden synagogue in Lithuania; Remarks by President Obama and Russian Foreign Minister Sergey Lavrov After Meeting; Ukrainian-Israeli delegations meet*  
Briefs, May 5-7, 2009
2. *Jack Kemp, longtime Israel friend, dies at 73*  
By Ron Kampeas  
JTA, May 2, 2009
3. *Spring break in Moscow: Stanford students take a tour*  
By amanda pazornik  
jweekly.com, April 30, 2009
4. *Counting Votes, Kremlin Style*  
New York Times, May 2, 2009
5. *The rise and rise of Russian nationalism*  
By Shaun Walker  
Independent, May 3, 2009
6. *A Puzzle Over Intentions of Russia's President*  
By Clifford J. Levy  
New York Times, May 3, 2009
7. *Lithuania considers IMF lifeline to slow economic collapse*  
By Nathan Greenhalgh  
Christian Science Monitor, April 30, 2009
8. *IMF forecasts 'severe shock' for Tajikistan*  
Reuters, May 1, 2009
9. *Latvia Premier Sees Deeper Recession on Planned IMF Budget Cuts*  
By Leon Mangasarian and Aaron Eglitis  
Bloomberg, April 30, 2009
10. *Lukashenko visits pope after EU travel ban lifted*  
By Nicole Winfield  
AP, April 27, 2009
11. *No More Berlin Walls*  
By Aleksander Kwasniewski  
Wall Street Journal, May 5, 2009

12. *E.U. Looks East With Increasing Anxiety*  
By Stephen Castle  
New York Times, May 5, 2009
13. *Georgia Opposition Accuses Saakashvili of Staging Coup Plot*  
AFP, May 5, 2009
14. *Medvedev hints at easing Putin-era political restrictions*  
AFP, May 5, 2009
15. *Weak Russia Economic Outlook Will Test Ruble*  
By Katie Martin  
Wall Street Journal, May 5, 2009
16. *On Eve of NATO Exercise, Georgia Says It Foiled Mutiny*  
By Oleysa Vartanyan and Ellen Barry  
New York Times, May 6, 2009
17. *Dozens Injured in Georgia in Protesters' Clash With Police*  
By Oleysa Vartanyan and Ellen Barry  
New York Times, May 7, 2009
18. *One year on, Medvedev leaving Putin's shadow: press*  
AFP, May 7, 2009
19. *Medvedev Steps From Putin Shadow to Share Foreign-Affairs Power*  
By Lyubov Pronina  
Bloomberg, May 7, 2009
20. *Amnesty says rights in Russia remain weak*  
By Peter Leonard  
AP, May 7, 2009
21. *Razing Russia's 4th Estate*  
By Christopher Walker  
Moscow Times, May 7, 2009
22. *World Bank May Lend Russia 'Several Billions' of Dollars*  
By Meera Louis and Paul Abelsky  
Bloomberg, May 6, 2009
23. *EU Offers Russia's Neighbors Perks for Energy*  
By Anatoly Medetsky  
Moscow Times, May 7, 2009
24. *Creating Good Neighbors in Russia's Backyard*  
By Andrew Wilson and Nicu Popescu  
Moscow Times, May 7, 2009
25. *Protesters, police clash in Georgia amid NATO exercises*  
AFP, May 7, 2009
26. *A Friend To Georgia And Russia*  
By John F. Kerry and David Dreier  
Washington Post, May 7, 2009

27. *A Russia Test*

By Denis Corboy, William Courtney, and Kenneth Yalowitz  
New York Times, May 7, 2009

28. *Synagogue destroyed by Tajik government rededicated elsewhere*

By Audrey Hoffer  
JTA, May 7, 2009

---

**#1a**

**Fire destroys wooden synagogue in Lithuania  
JTA, May 5, 2009**

ROME -- Fire partially destroyed a historic wooden synagogue building in Lithuania.

Sunday's blaze seriously damaged the roof, ceiling and walls of the former synagogue in the village of Pakruojis, destroying about one-third of the building. The cause of the fire was not immediately known, but news reports said arson was suspected.

Townsppeople were reported as saying that the bench outside the building was a drinking hangout for local youths, and that this was the third time that local youths had attempted to set fire to the building in the past two years.

The synagogue, built in about 1801, was the oldest of the dozen or so wooden synagogues to survive in Lithuania. Long abandoned, it was used as a cinema and sports hall in the 1950s. Originally it had an ornate interior, with colorful wall paintings and a richly carved ark and central bimah.

Last year, art historians raised an alarm about the building, noting that planking had been removed from one wall and that fire was a danger as homeless people frequently sheltered there.

Many ornate wooden synagogues stood in Eastern Europe before World War II, but all were destroyed by the Nazis. The only ones to survive were a few outwardly simple buildings, such as that in Pakruojis.

To see video of the damage, go to [www.balsas.lt/video/250621](http://www.balsas.lt/video/250621) .

**#1b**

**Remarks by President Obama and Russian Foreign Minister Sergey Lavrov After Meeting  
The White House, May 7, 2009**

PRESIDENT OBAMA: I just want to make a brief statement. I just had an excellent conversation with Minister Lavrov. He and Secretary Clinton and the rest of our foreign policy teams have been meeting throughout the day. This caps off many of these conversations, all in preparation for a visit that President Medvedev and I have discussed to take place sometime this summer.

As I've said before, I think we have an excellent opportunity to reset the relationship between the United States and Russia on a whole host of issues, from nuclear weapons and nuclear proliferation, the situation in Afghanistan and Pakistan, how we approach Iran, how we approach the Middle East, commercial ties between the two countries, and how we address the financial crisis that has put such a strain on the economies of all countries around the world.

And President Medvedev has an excellent representative in Minister Lavrov. We very much appreciate his strong work in trying to move the relationship forward, and I am hopeful that the meetings that we've had so far and the meetings that we expect to have throughout the course of this year will be of mutual benefit to both countries. So thank you very much for taking the time.

FOREIGN MINISTER LAVROV: Thank you, Mr. President. And I just would like briefly to relate that we indeed working very hard developing the documents which you and President Medvedev authorized us to do when you met in London. I think we work in a very pragmatic, businesslike way on the basis of the common interest whenever our positions coincide, and on the basis of respect to each other whenever we have disagreements, trying to narrow the disagreements for the benefit of our countries and the international stability. And I can convey to you once again that President Medvedev is really looking forward to meeting you in Moscow in July.

PRESIDENT OBAMA: Thank you, everybody.

## **#1c**

### **Ukrainian-Israeli delegations meet JTA, May 7, 2009**

KIEV, Ukraine -- Israeli and Ukrainian delegations met in Kiev to discuss developing ties between the countries and the Middle East situation.

In talks Tuesday, the delegations discussed political, economic and humanitarian issues in order to further develop bilateral relations, according to the Ukrainian Foreign Ministry Web site. The officials also spoke about how to boost bilateral trade and attract Israeli investment to implement Euro 2012 projects.

The officials also looked at liberalizing visa rules between Israel and Ukraine.

The Israeli delegation, led by Pinhas Avivi, the deputy director general of Israel's Foreign Ministry, was to work in Ukraine through Friday. Ukrainian Deputy Minister of Foreign Affairs Aleksandr Gorin led the Ukrainian delegation.

## **#2**

### **Jack Kemp, longtime Israel friend, dies at 73 By Ron Kampeas JTA, May 2, 2009**

WASHINGTON -- Jack Kemp, the one-time Republican vice-presidential candidate known for his affection and activism for Israel, has died.

He died of cancer at home Saturday in Bethesda, Md., reports said. He was 73.

Kemp, a star quarterback in the 1960s with the Buffalo Bills of the American Football League, was elected from upstate New York to the U.S. Congress in 1970 and early on forged ties with the pro-Israel movement.

He was close to Benjamin Netanyahu, Israel's current prime minister, and addressed a symposium on terrorism Netanyahu convened three years after his brother Yoni was killed leading the 1976 raid that freed a plane held hostage in Entebbe, Uganda. In that speech, Kemp likened Israel to the early United States, "a city on the hill, a place where it was important to protect, defend and display the light of freedom even if you never made it personally to the citadel."

Kemp served nine terms as a congressman before making an unsuccessful bid for the 1988 Republican presidential nomination.

Kemp also was a vocal advocate for Soviet Jewry. He was a co-founder of the Congressional Coalition for Soviet Jews, his wife, Joanne, was a founder of Congressional Wives for Soviet Jews, and Kemp was one of the first co-sponsors of the Jackson-Vanik amendment, a law designed to pressure the Soviet Union to allow Jewish emigration by denying the Soviets trade privileges with the United States.

"He was someone who made a real difference in making sure that this issue was in the forefront of the U.S. foreign policy agenda," said Mark Levin, executive director of NCSJ, which advocates on behalf of Jews in the former Soviet Union.

Kemp became housing secretary in the first Bush administration. In that role he became known as the approachable Cabinet secretary who stood out from a remote and elitist administration and insisted on cultivating minorities, particularly among Jews and African Americans. Kemp called himself a "bleeding heart conservative," and led unsuccessful efforts to increase home ownership among minorities.

In 1991, Kemp defied James Baker, then the powerful secretary of state, and met with Ariel Sharon, his counterpart as Israel's housing minister and the godfather of the settlement movement that Baker saw as an impediment to peacemaking.

Kemp was Bob Dole's running mate on the 1996 GOP ticket. His presence helped assuage Jewish concerns about Dole, who had had a number of bitter clashes with Israel advocates during his career as U.S. senator from Kansas.

Out of politics, Kemp remained close to Israel and was active in the America Israel Friendship League, a group that took pro-Israel messages to non-Jewish communities.

He maintained a reputation for integrity. In the last election, Kemp campaigned hard for Sen. John McCain (R-Ariz.) but berated conservatives who depicted Barack Obama as allied with black radicals.

### **#3**

#### **Spring break in Moscow: Stanford students take a tour**

**By amanda pazornik**

**jweekly.com, April 30, 2009**

In March, the beaches of Miami and Cancun were packed with college students trading the harsh light of lecture rooms for bright sunshine during spring break.

Then there were the eight students from Hillel at Stanford, who spent their time off soaking up more knowledge than sun during a weeklong trip to Moscow from March 23 to 30.

"This was an opportunity to explore a vastly different Jewish community," said Sam Shonkoff, Hillel's Jewish student life coordinator. "We wanted to break out of that Israel/U.S. duo and go back to the old country, yet unfamiliar territory."

It was the first time Stanford and the Washington, D.C.-based NCSJ: Advocates on Behalf of Jews in Russia, Ukraine, the Baltic States and Eurasia coordinated the exchange program, which this year received support from the Koret Foundation, the Taube Foundation for Jewish Life and the S.F.-based Jewish Community Federation.

Paired with students from Hillel Russia, the cohort experienced a week full of activities. One day, they met with representatives from the United States embassy; the next, they embarked on a nighttime tour of Moscow, including Red Square and the surrounding areas.

BAstanford1

Hillel at Stanford students listen intently as a guide takes them on a walking tour of Moscow.

It wasn't exactly sightseeing for Ukrainian native Julia Greenberg, but more returning to a place she hadn't seen since she was 9.

"I was unsure how I would feel, whether I would feel connected to my Russian roots," the 19-year-old senior said. "But being there was great. The people were very warm and welcoming."

A majority of their trip was spent discussing with Jewish community leaders and government officials the topics of anti-Semitism, the organized Jewish community and media freedom in Russia. The group had anywhere from five to seven meetings in one day, sophomore David Kessler noted.

Outside the educational setting, the students ate dinner at the Russian participants' homes, cooked meals for the elderly and visited a Jewish orphanage. They even squeezed in a bit of free time to wander the city.

For Kessler, Moscow, for the most part, was a place of extremes. "I was so overwhelmed by the size of the city," he recalled. "It seemed like it was by far the largest one I'd ever been to. I never saw traffic like I saw there. I never saw such a disparity in wealth. There were expensive cars, but also people who lived in places that looked much worse than anything I'd ever seen in America."

A history major at Stanford, Kessler attributed his interest in Russia to growing up in an area of Los Angeles heavily populated with Russian Jewish immigrants. Also, his grandmother's brother, who was presumed dead during the Holocaust, was adopted by a family in Moscow.

Visiting Moscow changed Kessler's perception of Jewish life in Russia, which was largely shaped by conversations he'd had with neighbors back in Los Angeles. "They made it seem like it was impossible to continue traditions during the Soviet Union," he said.

Greenberg was "shocked by the Jewish revival" in Moscow. She said before her family left Russia, Jews worried about observing their religious practices.

"Today it was so much more open. People were connecting with their Jewish heritage."

Still, students noticed many of Moscow's Jewish buildings, with the exception of the very old ones, lacked a Star of David, Hebrew writing or any decorative expression of Judaism. Entering those buildings was like "going through airport security," Kessler said.

But that didn't detract from his experience.

"I've never seen Judaism practiced outside of America or Israel," he said. "I always thought those were the primary places where Jewish life existed in the world. It was interesting to see Jews living in a different environment, feel connected to them and care about their welfare."

#### **#4**

#### **Counting Votes, Kremlin Style New York Times, May 2, 2009**

It's hard to prove election fraud when the federal government, the election commission, the secret police, the courts and the media are working together. But let's say for argument's sake there were some irregularities in the Sochi mayoral race in Russia, where the man anointed by the Kremlin to win, Anatoly Pakhomov, did so with 77 percent of the vote.

Why not all of the vote, as in Soviet times? Or a clear but less suspicious victory, like 55 percent?

These are things we are not likely to learn, just as we are not likely to find out whether Alexander Lebedev, the oligarch, really messed up his registration papers when he was thrown off the ballot, or whether Boris Nemtsov, one of the political wunderkinds of the 1990s, really got a third of the votes his exit polls showed.

What we know is that Vladimir Putin needed his man in Sochi to prepare for the 2014 Winter Olympics. And what the Kremlin wants, the Kremlin gets.

At least it does most of the time. In a delightful counterpoint to Sochi, there is St. Petersburg and one Anton Chumachenko, a 23-year-old loyal member of Mr. Putin's United Russia party who won a seat on the local

legislative council in March. Three weeks later, the Washington Post reported, Mr. Chumachenko suddenly sent out an open letter to his voters renouncing his seat. "I don't want to begin my political career with a cynical mockery of rights, laws and morality," he said.

On election night, it transpired, Mr. Chumachenko saw that he was sixth in a race in which the top five vote-getters won seats. But when the election commission announced the results, presto, he was fifth. Four days later, Mr. Chumachenko renounced his own election.

An official of the election commission initially said the letter was probably a fake, but United Russia eventually was compelled to confirm Mr. Chumachenko's action — terming it "emotional" but "noble" — and prosecutors are investigating. We'll see where that goes.

The Post quoted a political scientist who said the Kremlin sets vote goals for local officials that are far too high to achieve without tampering, just like the old Soviet-era factory quotas. At the same time, though, there are tough laws against tampering with elections. In other words, the expert said, do what you have to do, but don't get caught. So somebody may have to get slapped in St. Petersburg.

In St. Petersburg, by the way, the Kremlin's vote goal was said to have been 70 percent. United Russia got 77 percent. Which brings us back to Sochi.

## **#5**

### **The rise and rise of Russian nationalism**

**Long tolerated by authorities, right-wing groups now being seen as serious threat to national security.**

**By Shaun Walker**

**Independent, May 3, 2009**

There have been a number of threats to Russia's security in recent years, from Chechen terrorism to the country's worrying demographic decline. But according to sources close to the Russian security services, what the authorities fear most in these times of economic crisis is the very thing that many Russians see as the country's saviour – nationalism.

Amid a dizzying array of May Day marches, featuring various groups from across the political spectrum, all eyes were on the nationalists. They gathered around a metro station in north Moscow, as well as in other cities across the country, calling for all immigrants to be deported and a "Russia for the Russians". In the event, the Moscow meeting passed off peacefully; police arrested a few demonstrators for the possession of knives, and the rest dispersed without incident. But with a huge migrant population, poverty and unemployment among locals, and with the high oil prices that fuelled the economic boom of the past few years a fast-receding memory, many feel the time for Russia's nationalists to take the political initiative is coming soon.

Then there's Alexander Belov, Moscow's answer to the BNP's Nick Griffin. Dressed in a sharp black suit, the light of a Bluetooth receptor constantly winking over his left ear, he fingers a set of Orthodox Christian prayer beads and sips a freshly squeezed orange juice, looking like one of the thousands of well-to-do businessmen who have made decent money as Russia boomed over the past decade. But as well as being successful in the construction industry, Mr Belov is also Russia's most famous racist. He believes that the time for the nationalists to take the limelight is coming soon.

"What I want is very simple," he says, in a quiet and measured voice. "I don't want parts of Moscow to be ghettos. This city is already full of places where Russians aren't welcome, and it's unacceptable. This is a Russian city and should remain that way."

An erudite and self-assured man who heads a group of skinheads with a reputation for violence, he leads the Movement Against Illegal Immigration – the DPNI, as it's known by its Russian initials – one of Russia's largest far-right groups. One of its main policies is that Russia should introduce a visa regime for migrants from the former Soviet republics, sending most of the millions of Gastarbeiters (Russians use the German term to refer to guest-workers) back home.

Talking to Mr Belov and his DPNI associates is alarming. One minute they are complaining that the Russian government is corrupt, and that under Vladimir Putin civil society has been muffled and the people should be given more chance to express their democratic will (words that could come straight from the mouths of liberal opposition politicians such as the former chess grandmaster Garry Kasparov). The next minute, they are suddenly talking about cleansing Moscow of anyone who doesn't have white skin, and ranking races according to their "cultural level".

"Migrants should only be allowed if they are in the interests of society; if they have a particular skill that no locals possess, which is very unusual," says Viktor Yakushev, a giant man with a shaven head, who claims to have two higher degrees and is the DPNI's chief ideologue. "There's no denying the fact that different races have different cultural levels. You just have to look at how many black people are in prison in America, and that's after all these years of positive discrimination. Here, take Azerbaijan, for example, from where we have a lot of migrants. The society is feudal. They are unsophisticated people; they don't understand European civilisation."

The rhetoric is unpleasant, but it finds resonance among great swathes of Russian society, which is notoriously racist towards anyone with non-Slavic features. These xenophobic leanings can manifest themselves in an ugly and tasteless way, such as the tanning salons that employ African students to stand outside wearing grass skirts and holding signs that read: "I got my tan here." There is also a more sinister side to Russian racism, as evidenced by the multitude of attacks on immigrants in Moscow and across Russia.

According to Alexander Brod, the director of the Moscow Bureau of Human Rights and one of Russia's leading anti-racism campaigners, racist attacks have risen fourfold in the past five years, and may increase more sharply as the economic crisis deepens. His organisation monitors hate crimes in the country, keeping a log on its website that makes for scary reading. For one randomly selected week in April, the data shows that a Tajik citizen was murdered, citizens of Azerbaijan and Kyrgyzstan were attacked, graves were vandalised at a Jewish cemetery, and a swastika was found freshly painted on to the wall of an apartment block.

In 2008, there were 293 racist attacks, according to official statistics, including 122 deaths, but as Mr Brod points out, those that make it to the record are just the tip of the iceberg. Given that many migrant workers are in Russia illegally, they are afraid to report attacks, and indeed many see the police as more of a threat than the skinheads. Nobody knows how many attacks there really are, but most immigrants have stories of being threatened, at the very least, during their time in Russia.

Russia has more than 10 million immigrants by some estimates, giving it the second-largest immigrant population in the world, after the United States. Most of them are from the impoverished former Soviet republics of central Asia and the Caucasus, who come to Russia to earn cash to send to their families back home. Now, with the financial crisis bringing Russia's economic boom to a grinding halt, hundreds of thousands of migrant labourers who were the engine behind the construction frenzy that overtook Moscow and other Russian cities find themselves out of work. At the same time, unemployment and anger are on the rise among ethnic Russians. Analysts say it could be a dangerous combination, and people such as Mr Belov believe their moment is nigh.

He has come to the interview straight from a hearing in a court case, where he stands accused of inciting racial hatred and faces up to a year and a half in prison if convicted. It seems to be one of many signs that the Russian authorities, who for a long time have at the very least turned a blind eye to nationalist movements, are beginning to get worried. Whereas the DPNI and groups such as the Slavic Union used to have powerful backers among members of Russia's Duma, and according to rumours, even within the presidential administration, it now seems that the word has gone out that the nationalists should be muffled. While nationalist posturing towards the West and Nato is a mainstay of Russian foreign policy, there is now a growing realisation that nationalism within the country could be a dangerous force if it gets out of control.

"There is mass unemployment in the country, and the economic crisis is getting worse," Mr Belov says. "The authorities are scared of people who find a common language with the masses and tell the truth." He claims that he preaches an ideology of non-violence: "By trying to sideline me, they will only promote a real wave of violence," he says.

"I've heard from sources in the Moscow FSB [Federal Security Service] that they have been told that in this time of economic crisis, nationalism is a bigger threat to national security than terrorism," says Andrei Soldatov, one of the leading experts on the Russian security services.

A recent mockumentary film called Russia 88, which so far has failed to find a cinema chain in Russia willing to show it, highlights the issue. Shot using grainy footage from handheld cameras, the film follows a group of Russian skinheads as they beat up immigrants in the metro and on the street. The skinheads are played by actors, says the director, Pavel Bardin, but all the neo-Nazi clothing and paraphernalia was bought from real Russian online shops, many of the words are taken from internet forums, and the on-street vox pop, where many people are seen voicing racist statements and declaring that "Russia is for the Russians", is real.

While genuine neo-Nazis will remain on the periphery and never gain widespread popularity in a country that still feels immense pride in its role in the defeat of fascism during the Second World War, the casual racism and hatred of immigrants that could provoke a nationalist uprising are certainly there in abundance. Indeed, some surveys show that up to 60 per cent of Russians agree with the slogan "Russia for the Russians", the catchphrase of Russian nationalists.

"There is no legal way for people to express their dislike for immigrants," Mr Yakushev says. "This means there will be increasing street violence. There will be killings and bombs."

The latest attempts by the authorities to silence people like Mr Belov are overdue, but are unlikely to be effective, rights campaigners say.

"Racism is like a dragon, where you cut off one head and another simply grows back in its place," Mr Brod says. "The authorities are trying to fight xenophobia with punitive measures, but the only way to do it properly is to combine this with solutions to the root causes of nationalism – poverty, unemployment, and young people who have no prospects."

## **#6**

### **A Puzzle Over Intentions of Russia's President**

**By Clifford J. Levy**

**New York Times, May 3, 2009**

MOSCOW — Vladimir V. Putin once characterized liberals and leaders of human rights groups as jackals who scavenged for handouts at foreign embassies. His protege and successor, Dmitri A. Medvedev, recently met with some of those very people, praising their work and saying that they had been treated unfairly.

Yet Mr. Medvedev then left it at that. No new policies or aid.

About a year after becoming Russia's third president, Mr. Medvedev remains something of a puzzle, and the financial crisis has only deepened the questions about his intentions. Is he the affable front man for the business-as-usual hard-liners in the Kremlin, a puppet president who offers soothing remarks, but little else? Or is he a genuine reformer who is edging Russia away from the more heavy-handed practices of Mr. Putin, but needs time to make his mark?

Mr. Medvedev lately seems to have gone out of his way to showcase his supposed liberal leanings and to distinguish himself from Mr. Putin, who is now prime minister. Mr. Medvedev first gave an interview to a fiercely anti-Kremlin newspaper, Novaya Gazeta, whose reporters have been killed and harassed in recent years.

He then convened the meeting with human rights and related advocacy groups, on April 15. They have long complained of government harassment and are now operating in such a climate of intimidation that some of their leaders have hired bodyguards.

"It is no secret that there is a seriously distorted perception of human rights activities in our country," Mr. Medvedev said at the meeting, issuing the kind of apology rarely, if ever, heard from Mr. Putin.

“Many officials are now under the impression that all nongovernmental organizations are enemies of the state and should be fought, so that they do not transmit some sort of disease that may undermine the foundations of our society,” Mr. Medvedev said. “I think such an interpretation is simply dangerous.”

If his statements were heartening to the groups, they were, as often is the case, not accompanied by action. (Maybe the most notable idea that he raised was a vague proposal to create a speakers’ corner in Moscow akin to Hyde Park in London.) And in general, it is difficult to discern even a minor shift in how the Kremlin wields power under Mr. Medvedev.

The recent mayoral race in Sochi, host of the 2014 Winter Olympics, appeared to have been orchestrated using the same techniques honed in the Putin era. Opposition candidates were kicked off the ballot or subjected to intensely hostile television coverage. The Kremlin’s favorite won 77 percent of the vote after barely campaigning.

“For now, Medvedev is just pronouncing nice words,” said Aleksei K. Simonov, who is president of the Glasnost Defense Foundation in Moscow, which promotes media freedom, and was at the meeting. “And he has done a lot of that. But there has been a complete lack of deeds.”

Mr. Medvedev’s comments are regularly parsed for signs of discord with Mr. Putin, who is considered Russia’s paramount leader, and it is perhaps possible to glean from them a rebuke to Mr. Putin’s style.

But it seems far more likely that Mr. Putin has chosen to let Mr. Medvedev adopt his own tone as long as he does not alter the government’s course.

Mr. Medvedev is a former law professor who appears to have sympathy for the difficulties of human rights groups. Even so, the groups’ leaders could point to only one move by the government recently that indicated a thaw: a court-ordered release from prison of a lawyer, Svetlana P. Bakhmina, who was a minor figure in the crackdown by Mr. Putin on the Yukos Oil company and its head, the former oligarch Mikhail B. Khodorkovsky.

At the same time, though, prosecutors are pursuing new charges against Mr. Khodorkovsky, who was once Russia’s richest man and was imprisoned in 2003 after angering Mr. Putin by getting involved in politics. The new charges, which could keep Mr. Khodorkovsky behind bars for two more decades, have been widely seen as a sign that the Kremlin has no intention of loosening the reins.

“We so want to believe that things are getting better that we sometimes confuse our expectations with what is really happening,” said Irina Y. Yasina, an analyst at the Institute for the Economy in Transition in Moscow, who was at the meeting with Mr. Medvedev. “We so want to believe that there is a big difference between Putin and Medvedev. And sometimes our hopes prevent us from seeing the reality.”

Beyond the debate about whether Mr. Medvedev is sincere, there is another issue: does he have the power to carry out significant changes in civil liberties, political pluralism and related matters, especially during the financial crisis?

Mr. Putin, of course, is still in office. As in Soviet times, there are competing groups of senior officials in the Kremlin — some liberal, some decidedly not. Some have signaled that it would be a mistake to consider ceding control, now that Russia is facing widespread unemployment and fears of disorder in regional centers.

In March, Vladislav Y. Surkov, often described as the Kremlin’s chief political strategist, publicly mocked calls for reform. “The system is working,” he said. “It will cope with the crisis and get through it.”

In truth, it is not at all clear that most Russians care about Mr. Medvedev’s gestures. A majority of the population is primarily concerned with what the government is doing to preserve stability and the strong economic gains of the last decade.

What is more, the government in the Putin era has mounted such a sustained campaign against liberals and advocacy groups that they have become widely discredited.

“Most people don’t trust these organizations, which have been brought in from abroad,” said Yevgeny A. Fedorov, a prominent member of Parliament from Mr. Putin’s party. “They carry out lobbying, involving the political, economic or other interests, of those who have sent them here and financed their activities.”

For now, the liberals say they have not given up on Mr. Medvedev, though they have grown very discouraged.

Mr. Simonov, the leader of the media advocacy group, recalled that when he left the meeting with Mr. Medvedev, he ran into a group of executives who were arriving for their own consultations with the government.

They were the heads of the national television networks, which have come under stiff official control. And Mr. Simonov said he realized that while he was not a frequent visitor to the Kremlin, those executives most definitely were.

## **#7**

### **Lithuania considers IMF lifeline to slow economic collapse**

#### **Workers being sent home, construction stopped; leaders of 'Baltic Tiger' fear growing social unrest.**

**By Nathan Greenhalgh**

**Christian Science Monitor, April 30, 2009**

Vilnius, Lithuania - Spurred by easy credit from Western banks, foreign investment, and local entrepreneurship, Lithuania was only last year among the fastest growing economies in Europe.

Today, its economy is plunging – pulled downward by the burst of a real estate bubble, the tightening of global credit, and a loss of export markets.

To avoid an unmanageable budget deficit and painful cuts that could deepen an already severe economic downturn – not to mention kindle further protests – the government is considering a step many want to avoid: joining neighbors Latvia and Belarus as a recipient of an International Monetary Fund (IMF) loan.

If Lithuania qualifies, one option could be a new flexible credit line program unveiled by the IMF in March. The program gives developing countries credit to help them strengthen their currencies against possible collapse.

Poland has already decided to participate. The country recently asked for \$20 billion from the IMF to halt the decline of its currency.

Lithuania hopes to avoid the devaluation of the lita so it can stay on track for eurozone accession, as well as prevent the defaults of mortgages taken out in euros but paid in litas, a common practice before the crisis.

Lithuania's finance ministry says that the government will try to stabilize its finances before seeking IMF funds.

"While such an option remains, it's not something that we should treat as not possible. But currently there is no such need," says Giedrius Sniukas, a spokesman for the finance ministry.

The conservative government is keen to avoid a large deficit that could lower its credit rating and also delay the country's eurozone entry. In December, it increased value-added and excise taxes and cut public employee wages. However, the plan was passed when the official prediction for Lithuania's 2009 GDP decline was 4.8 percent, and the economy has deteriorated faster than expected.

Data released Tuesday shows that the nation's gross domestic product plunged at a faster-than-expected 12.6 percent in the first quarter.

## Collapse of a 'Baltic Tiger'

Government revenue did increase over the first two months of the year, but was also below target. Meanwhile, Standard & Poor's lowered the country's credit rating on March 24, and unemployment is skyrocketing, as businesses lay off employees and close doors.

Some who have kept their jobs now work from home because their employers can no longer afford an office. Newspapers and magazines are shrinking and disappearing as ad revenue drops.

In the capital, Vilnius, the skeletons of abandoned construction projects stand idly, bereft of workers. The tap of credit that spurred the flurry of growth during the "Baltic Tiger" years has run dry.

"Companies badly need cash from the bank for their day-to-day business, but the banks, they have their own rules and are much more restrictive now," says Aldas Kikutis, director of the Association of Lithuanian Chambers of Commerce, Industry, and Crafts.

How much more can economy bear?

Hanging in the balance are the Western European bank subsidiaries that financed Lithuania's boom – as the recession continues, they could face more and more loan defaults. Banks like SEB, Swedbank, and Unicredit have seen their share prices plummet over the past six months. Unicredit requested a \$5.2 billion bailout from the Italian and Austrian governments on March 18.

Lithuania's ruling coalition is considering implementing a progressive income tax, a real estate tax increase, and further government wage reductions. Some economists fear that additional austerity measures will only drag the economy down deeper, though, and say IMF assistance could avert this.

"The government will then be forced to keep expenditure strictly within the limits of its diminished revenue and the limited amount of funds it can raise from other sources. This would help to sharpen the slowdown in the Lithuanian economy," says Roger Wessman, an economist for the Swedish-owned Nordea Bank.

Weighing potential stigma against social unrest

Wage and service cutbacks could also stir social turmoil. Vilnius was rocked with a violent protest in January that left the windows of its parliament building riddled with holes from bricks.

"They can resort to lowering salaries and lowering benefits, but that would be very unpopular and could spark social unrest," says Nerijus Udrenas, an economist at SEB, Lithuania's largest bank.

Lithuanian Prime Minister Andrius Kubilius has said that the stigma associated with accepting IMF funds could deter future foreign investment. Timothy Ash, an economist at The Royal Bank of Scotland, disagreed.

"That would be a mistaken view," Mr. Ash says, noting the long list of European countries that have already accepted IMF aid. "We're in an exceptional situation."

Prime Minister Kubilius also bemoaned the policy restrictions that often come with accepting IMF money. But Lithuania's current economic recovery plan, funded by the European Investment Bank, private lenders, and EU structural funds, would be unaffected. The plan will provide microcredit to small businesses and commission construction jobs in June.

**#8**

**IMF forecasts 'severe shock' for Tajikistan  
Reuters, May 1, 2009**

Tajikistan faces "a severe external shock" because the global economic crisis will cut remittances and depress exports this year, the International Monetary Fund said.

Most of Tajikistan's hard currency earnings come from aluminium and cotton exports as well as remittances.

It said transfers from Tajiks working abroad, mostly in Russia, are projected to decline by 30 percent this year, "threatening the livelihoods of many poor households that depend on remittances for basic income".

Economic growth is set to slow to 2 percent this year from 7.9 percent in 2008. The value of exports is seen shrinking 7 percent to \$756 million. The fund urged reforms in the agricultural sector and at state-run companies.

"...Tajikistan is facing a severe external shock from the global economic crisis, the effects of which are compounded by domestic rigidities," the IMF said in a statement.

"Continued heavy state influence over markets and poor energy infrastructure put prospects for faster growth at risk," the IMF said. "Poverty remains widespread, and could increase as the economic outlook deteriorates."

Some analysts have expressed concerns over the social stability in the former Soviet republic bordering Afghanistan. The United States plans to transit non-military supplies for its Afghan troops through the impoverished Central Asian state.

"(IMF directors) stressed the need to push forward with agricultural sector reforms to remove rigidities and secure macroeconomic stability and growth," it said. "Efforts will also be needed to enhance transparency and accountability in state-owned enterprises."

## **#9**

### **Latvia Premier Sees Deeper Recession on Planned IMF Budget Cuts**

**By Leon Mangasarian and Aaron Eglitis**

**Bloomberg, April 30, 2009**

Latvia's proposed spending cuts risk exacerbating the Baltic state's recession as the government struggles to abide by the terms of its International Monetary Fund-led bailout, Prime Minister Valdis Dombrovskis said.

"There are certain fears of moving ahead with substantial budget cuts in 2009," Dombrovskis said in an interview in Berlin yesterday after meeting German Chancellor Angela Merkel. "This will only trigger a deeper recession because it will reduce salaries and we're talking on average of a 20 percent reduction of public sector salaries on top of 15 percent which has been done already by the previous government."

The country, which is already the worst hit by the global economic crisis in the 27-member European Union, is still waiting for IMF approval to run a budget deficit of 7 percent of gross domestic product this year. That compares with the 5 percent gap accepted by the IMF in December. The Fund still hasn't "agreed or committed" to a 7 percent deficit, following talks in Washington last week, Dombrovskis said.

"Certainly we need to agree by June," said Dombrovskis, 37, a former finance minister and chief economist of the Latvian central bank, who became prime minister on March 12. "It's important for us to receive the next tranches."

Dombrovskis said in a March 9 interview the country risked bankruptcy in June if it didn't get the next IMF-loan installment.

## **Euro Prospects**

The IMF delayed a 200 million-euro (\$266 million) transfer in March after the government failed to rein in expenditure. The Baltic country received a 7.5 billion-euro bailout from a group led by the IMF and the European Commission in December after its economy contracted 10.3 percent in the fourth quarter and the state took over its second-biggest bank.

Latvia, which is a pre-euro exchange rate mechanism member, will probably need to run a budget deficit of 5 percent of the economy next year, and won't reach the 3 percent limit required to become a euro member until 2011, Dombrovskis said. Still, he expects his country to meet the euro criteria by 2012 and join the euro-region by July 1, 2012, at the latest.

"Now we're looking if it is possible for us to fulfill the Maastricht criteria in 2010," he said. "But this still needs some additional analysis. If that would be possible we would be happy to speed this procedure up."

He declined to give further details.

### Growth Prospects

Latvia's international bailout calls for keeping its currency peg to the euro and re-establishing competitiveness by cutting wages and lowering government expenditure, which will be followed by private businesses and prices.

The Latvian economy, which the IMF says will shrink 12 percent this year -- the deepest contraction out of more than 150 countries in the IMF's world economic report, may return to growth in the second half of 2010, Dombrovskis said.

"Somewhere in the range of 1 to 2 percent. But to be sure that's for the second half," he said, adding that for 2010 "annually we still expect some recession, maybe 2 percent."

## #10

### **Lukashenko visits pope after EU travel ban lifted**

**By Nicole Winfield**

**AP, April 27, 2009**

ROME— Belarus' authoritarian president met with the pope Monday on his first trip to Western Europe since the European Union lifted a travel ban imposed a decade ago over his dismal human rights record.

President Alexander Lukashenko, condemned in the West for stifling dissent, met with Pope Benedict XVI at the Apostolic Palace and later met the Vatican secretary of state.

He was to dine Monday night with Italian Premier Silvio Berlusconi at Palazzo Chigi, the premier's office said.

The Vatican said talks were conducted in a "positive" climate. A statement said some "internal problems" were discussed, though it didn't specify human rights.

Lukashenko arrived in Italy on Sunday, his first trip to Western Europe since the EU slapped a travel ban on him in 1999 and froze his assets to punish him for a crackdown on Belarus' opposition.

The EU lifted the ban to allow Lukashenko to attend an East-West summit in Prague, Czech Republic, in May. The summit is to launch an EU program of trade and aid benefits for Belarus and five other former Soviet republics.

Italian Foreign Minister Franco Frattini defended the decision to welcome Lukashenko in an open letter Monday to *Corriere della Sera*, Italy's leading daily, which over the weekend had criticized the government for hosting someone who "imprisons dissidents and gags unaligned newspapers."

Frattini said the EU had suspended the travel ban precisely to encourage Lukashenko to take a "gradual path of democratic" reforms, and that Italy was merely helping push the process forward by hosting him.

"The message that the Italian government will send to President Lukashenko is one founded on the European principle defending the law-based state and the fundamental rights and liberties for the men and women of Belarus," Frattini wrote.

The EU is keen to accommodate Belarus to ensure stability on its eastern doorstep; the region is crucial to the flow of energy to the EU.

During the Vatican audience, which lasted 25 minutes, Lukashenko invited the pope to visit Belarus "God willing," witnesses said. The president's 5-year-old son, Nikola, gave the pontiff his ABCs book from school.

The Vatican said the two discussed the role of the Catholic Church in Belarus and relations with the Russian Orthodox Church.

Lukashenko is hoping to play the role of intermediary in relations between the Vatican and the Russian Orthodox Church and help bring about the first meeting between the pope and Patriarch Kirill in Belarus.

Roman Catholics make up about 15 percent of the Belarusian population of 10 million. Many of them are ethnic Poles, who are among the strongest proponents in Belarus for democratic reform and closer ties with Europe.

Analysts and opposition leaders said Lukashenko's visit was important to his image at home and abroad.

"The catastrophic situation in the economy is compelling Lukashenko to repair ties with Europe and the United States, and a meeting with the pope opens the door to the West for him," said political analyst Alexander Klaskovsky.

Opposition leader Anatoly Lebedko said the papal audience was particularly important ahead of the Prague summit.

"Lukashenko's main goal is to improve his image and to receive absolution from the pope ahead of the EU summit in Prague, where many European politicians will not extend a hand to the Belarusian dictator," he said.

*Associated Press reporter Yuras Karmanau contributed to this report from Minsk, Belarus.*

## **#11**

### **No More Berlin Walls**

**Europe won't be 'whole and free' until Ukrainians can pursue their chosen path.**

**By Aleksander Kwasniewski**

**Wall Street Journal, May 5, 2009**

It will be 20 years later this month since President George H.W. Bush delivered his historic call for a "Europe whole and free" in Mainz, West Germany. The context in which he spoke was one of optimism and change made possible by Mikhail Gorbachev's reforms. Four days later, Poland held its first competitive, multiparty elections in more than half a century. By the end of the year the Berlin Wall lay in ruins and a surge of people power had dismantled one-party rule from the Baltics to the Black Sea. The Soviet Union survived for another two years, but its fate had effectively been sealed.

The old Europe of Great Power rivalry, machtpolitik and spheres of influence was to become a thing of the past. There would be no more Yaltas, no more Berlin Walls. The prospect of European Union enlargement helped to sustain former communist countries in the difficult task of political and economic reform. Ten of them are now full members, contributing to the EU's vitality. More controversially, NATO has also expanded to the east. In countries accustomed to the benefits of security and territorial integrity, this is often dismissed as a second-order issue. For the countries that have joined NATO more recently, it is anything but. It is an affirmation of their identity as part of the democratic world and the ultimate guarantee of their sovereign independence. As Madeleine Albright, U.S. secretary of state at the time, told the foreign ministers of Poland,

Hungary and the Czech Republic when their countries joined: "Never again will your fates be tossed around like poker chips on a bargaining table."

Despite these achievements, the process of making Europe "whole and free" is incomplete -- and will remain so as long as there are Europeans denied the opportunity to pursue their chosen path. That was the tragedy of the Western Balkans for much of the 1990s. Today, the area of greatest concern is Ukraine. This country of 46 million is too large and too important to be left out of our vision of the Continent's future. Yet the West's approach to Ukraine has been hesitant and confused, while the early momentum of the Orange Revolution seems to have stalled in the face of political and economic crisis.

European leaders lament the political divisions and slow pace of reform often found in Ukraine. Many of these criticisms are justified and need to be addressed by the leaders in Kiev. But that lack of progress is, to a considerable extent, a reflection of our failure to embrace the country in a way that endorses its ambition to play a full role in European affairs. There is a reason why reform and accession to the EU and NATO usually go hand in hand. It's because the prospect of membership makes painful decisions electorally acceptable where they would otherwise be impossible. It isn't realistic to expect European outcomes without a full European commitment.

Our policy toward Ukraine is thus a question of whether we remain faithful to the idea of a Europe whole and free. This raises problems when dealing with a Russian government that regards neighboring countries as part of what Russian President Dmitry Medvedev has described as its area of "privileged interests." But while sensitive handling is certainly called for, it would be wholly wrong to treat Ukraine as a disposable asset in negotiations between Russia and the West -- a poker chip, as Madeleine Albright put it. Ukraine is an independent European democracy entitled to the same rights and opportunities we claim for ourselves.

It is right for Barack Obama to give Russia the opportunity to set aside recent tensions and make a fresh start in relations with the West, just as it is understandable that German Chancellor Angela Merkel should want Russia to be a reliable partner and energy supplier. But it is vital that European and American leaders pursue the aim of a better relationship with Moscow in ways that honor the basic values on which the new Europe has been built. Undermining the principle of self-determination for any European country should not be considered a price worth paying for closer ties to Russia.

EU or NATO membership for Ukraine is not on the immediate agenda, so there is no point in turning it into an issue of division today. The real test is whether Ukraine will be given the same opportunities extended to other European countries. It needs a structured partnership with both organizations and a firm signal that membership is attainable if it meets the conditions. This is not a question of altruism. The recent energy agreement between the EU and Ukraine, for which President Viktor Yushchenko deserves real credit, is a good example of what Europe stands to gain from encouraging closer integration.

Europe has been transformed since the days of the Cold War, but it is not yet whole and it is not completely free. It cannot be either of those things if 46 million Europeans are denied the right to take part. It is time for Europe and America to embrace Ukraine and renew the promise of 1989.

*Mr. Kwasniewski was president of Poland from 1995 to 2005.*

## **#12**

### **E.U. Looks East With Increasing Anxiety**

**By Stephen Castle**

**New York Times, May 5, 2009**

BRUSSELS — Once seen as a means of drawing countries away from Russia's sphere of influence, a European Union plan to strengthen its bond with six former Soviet republics now has a more urgent purpose: to stabilize a volatile region.

On Thursday, Prague will play host to a summit meeting designed to embrace the six states — Armenia, Azerbaijan, Belarus, Georgia, Ukraine and Moldova — under a plan called the Eastern Partnership. The

original goal was to present the 27-nation European Union bloc as an alternative to Moscow as a regional power center by offering greater engagement on economic and political issues.

But political instability and deteriorating economies in some of these states has alarmed powers in the West, especially Germany, and intensified concern that the East-West divide will only deepen if troubled countries fall back into alignment with Russia.

“There are new priorities on the agenda which were not so obvious last year,” said Nicu Popescu, a research fellow for the European Council on Foreign Relations, “including the need to stabilize these countries, which are moving from one crisis to another. The focus is less on structural adjustments or institution-building and more on crisis management.”

In a sign of how seriously Germany views the situation, its chancellor, Angela Merkel, has decided to attend the summit meeting. Her presence gives vital political heft to hopes that the E.U. can shape events in the region.

Neither Nicolas Sarkozy, the French president, nor Britain’s prime minister, Gordon Brown, have yet confirmed their attendance and both are likely to send ministers rather than traveling to Prague.

Last week the German foreign minister, Frank-Walter Steinmeier, highlighted the deteriorating conditions in Ukraine, noting that “the economic situation is worsening on a daily basis.” There is, he added, a “blockade at the top of level of the government” and the deadlock is “heightened by tensions between Ukraine and Russia.”

Moldova is another country in turmoil. After riots last month, President Vladimir Voronin ordered mass arrests and accused Romania — an E.U. member — of trying to overthrow his government.

The organizers of the summit meeting have scheduled a discussion of the impact of the financial meltdown on Eastern Europe, said Jan Sliva, a spokesman for the Czech government.

But even the Czechs’ role as host has complicated the E.U.’s efforts to embrace its eastern neighbors. It was the Czech Republic, which holds the rotating E.U. presidency, that pushed the initiative, but the country’s credibility is undermined by the fact that its government has fallen, and its prime minister, Mirek Topolonek, will be chairing his last E.U. event before he loses his job.

The Eastern Partnership was conceived as a response to critics of the E.U.’s foreign policy who argue that the bloc devotes too much of its diplomacy and economic resources to areas of the globe where it has little clout, notably the Middle East. They say the E.U. has better prospects of exerting influence in a region on its borders that includes several nations, including Ukraine, that have ambitions to join the bloc.

Watching from the sidelines is a wary Russian government that has grown steadily more skeptical about the E.U.’s intentions. Last week its foreign minister, Sergey V. Lavrov, said he was concerned that the E.U. may be about to meddle in a region that Moscow considers its backyard.

As Russia’s opposition to the scheme has become more vocal, its close ally Belarus has become more cautious about the Eastern Partnership. Over the last nine months the E.U. made several efforts to engage with Aleksandr G. Lukashenko, Belarus’s president, despite his poor human rights record, and even lifted a ban against his obtaining a visa. But, in March, Mr. Lukashenko postponed a meeting with a senior E.U. official and he is unlikely to attend the summit meeting Thursday.

President Voronin of Moldova is not expected in Prague either.

Though nations like Belarus stand to gain from more favorable trade or visa policies, the Eastern Partnership offers little new to Ukraine, which is already negotiating closer economic and political ties with the E.U. The total budget for the partnership program is modest, €600 million, or about \$800 million, and only €350 million of that is new cash.

Aside from being an anchor for the meeting, Ms. Merkel's presence underlines Germany's growing alarm at the deteriorating political situation on Europe's eastern borders.

The rivalry in Ukraine between President Viktor A. Yushchenko and Prime Minister Yulia V. Tymoshenko had a direct impact on the E.U. in January when it complicated a dispute between Moscow and Kiev that disrupted gas supplies to European countries.

Mr. Popescu, of the European Council on Foreign Relations, said that even if the E.U. scales down ambitions to dilute Moscow's influence, it certainly wants to avoid a situation where Russia ends up exerting greater power in the region.

Despite Ukraine's stated desire to join the E.U., it remains a divided country politically, with many voters in the East looking more toward Moscow than to the West.

"If Ukraine joins with Russia's sphere of influence," added Mr. Popescu, "we are also more likely to see a bipolar Europe rather than one trying to integrate with the EU."

### **#13**

#### **Georgia Opposition Accuses Saakashvili of Staging Coup Plot AFP, May 5, 2009**

TBILISI-- Georgia's opposition Tuesday (5 May) accused President Mikheil Saakashvili of staging an alleged coup plot in order to distract from domestic political troubles.

"I have the impression this is nothing but a theatrical show staged by Saakashvili to distract people from the ongoing protests against his rule," opposition leader David Gamkrelidze of the New Rights party told AFP.

He said the opposition had temporarily cancelled plans to start a new campaign of blocking key highways in the country Tuesday.

"We have postponed our plan to block highways. But we will continue protests and the planned action to block traffic on highways across Georgia will certainly take place," he said.

Georgian officials said Tuesday that troops at a base outside Tbilisi had briefly mutinied on the eve of NATO exercises and accused Russia of backing an attempted coup.

Officials said the incident ended without violence after most mutineers surrendered.

Georgia's opposition had on Monday vowed to block key highways in the country in an effort to step up pressure on Saakashvili after nearly a month of anti-government protests.

The protests have been the biggest and longest demonstrations against Saakashvili's rule since last year's war with Russia, but the number of participants has steadily dwindled after peaking at 60,000 when protests started on April 9.

### **#14**

#### **Medvedev hints at easing Putin-era political restrictions AFP, May 5, 2009**

BARVIKHA, Russia - President Dmitry Medvedev signalled Tuesday support for easing political restrictions imposed by his predecessor, Vladimir Putin, that were slammed in the West as a rollback of democracy.

In a meeting with top bosses of the pro-Kremlin Just Russia party, Medvedev described the current threshold of seven percent voter support that any party must win to gain representation in parliament as a "circumstantial" rule.

"This does not mean it will be forever," he said in the meeting at his residence outside Moscow. "In certain circumstances, we can move to lower this barrier. The question of when is a separate matter and should be discussed."

His comments were the latest sign that the 43-year-old president, Putin's hand-picked successor, was beginning to take an increasingly independent and liberal line from his stern mentor.

The seven-percent threshold was one of several political reforms pushed by Putin in the wake of the 2004 Beslan hostage massacre that he said were needed to preserve the integrity of the state but that critics blasted as oppressive.

Medvedev first suggested easing the rules in his state of the nation address last November.

Last month, the lower house of parliament, the State Duma, passed amendments to the election law under which a small number of seats would be granted to parties who garner between five percent and seven percent of the vote.

In the last parliamentary elections in Russia, in December 2007, only four political parties -- none of them opposed to Putin -- surpassed the seven-percent threshold.

## **#15**

### **Weak Russia Economic Outlook Will Test Ruble**

**By Katie Martin**

**Wall Street Journal, May 5, 2009**

LONDON -- Russia's grim growth outlook suggests the coming months will see a fresh wave of ruble selling, economists say.

Earlier this year the Russian central bank won widespread praise for halting a sharp slide in the ruble, and right now both the economy and currency are enjoying a spell of relative stability.

But as the country's fiscal and credit conditions worsen, renewed currency weakness could lie ahead.\

"We're not looking for the currency to slide right now. It's most likely by the end of the year, and it will be a gradual process," said Elena Loukoianova, a strategist at Barclays Capital in London.

"We will see more strains in the real economy over the coming months, mainly from the middle of the third quarter," she said.

The ruble bobbed around the 30 rubles level against a measuring basket of dollars and euros for much of last year, before an oil price slump and political concerns sparked a capital flight of some \$200 billion.

As investors pulled out, the ruble tumbled, hitting a low of 41 rubles against the dollar and euro basket by January this year.

But with large chunks of Russian borrowing tied to repayments in increasingly expensive foreign currencies, the central bank intervened, pumping reserves back into the ruble and helping it recover to around 37 rubles against the basket by April.

Ruble Outflows Slow

The authorities haven't claimed that the ruble's problems are over. But outflows have clearly slowed. And speculative funds, which already find it expensive to sell rubles as they're pricey to borrow, have shied away from betting on the currency to weaken further, leaving the ruble's level steady in recent weeks.

"The central bank has managed to defend the currency successfully," analysts at Bank of America Merrill Lynch said in a recent note. While some broad dollar strength may pinch the ruble in the coming months, "the risk of a further ruble devaluation against the basket has totally disappeared," they said. The bank sees a moderate 2.1% contraction in Russia's economy this year, followed by a swift rebound.

But that confidence may prove to be misplaced. Having recently returned from a trip to Russia, Ms. Loukoianova and her colleague Eduardo Levy-Yeyati at Barclays Capital say the ruble might well fall a further 15%.

The problem is that, although the central bank has engineered a period of currency stability, ordinary people and businesses in Russia still face serious economic stress.

### Economy Likely to Shrink

The official line in Russia is that the economy will likely shrink by 2.2% in 2009, although the minister for economic development has recently conceded that the International Monetary Fund's projection of a 6% slide could be closer to the mark.

Barclays Capital thinks the economy will shrink even faster, by almost 7% this year. Weaker domestic consumption, higher unemployment, rising nonpayment on loans by companies and stress in the country's banking sector all lie ahead, Ms. Loukoianova said. A series of "disruptive and contagious bankruptcies" could also be coming later this year, she said.

In addition, as the central bank has steered many company loans out of dollars and back into rubles, a "critical obstacle to rapid depreciation" has vanished, she said.

All this points to a renewed outflow of foreign capital, possibly with limited opposition by the central bank.

The weak growth outlook already prompted the central bank to cut its lending rates for the first time in two years at the end of April. The half percentage-point cut took rates to 12.5%.

Fresh data Tuesday showed that inflation is slowing faster than most economists had predicted, raising the possibility of a series of further rate cuts in the months ahead. UniCredit expects 200 basis points of further cuts by the end of the year.

If the cuts don't help boost demand, it's even conceivable that the central bank could shift direction and help the ruble to fall.

"Policymakers will look for other levers to engineer growth later this year, and a weaker currency or move to a float would likely be one of those," suggested Tim Ash, head of European emerging markets research at Royal Bank of Scotland in London.

### #16

#### **On Eve of NATO Exercise, Georgia Says It Foiled Mutiny**

**By Oleysa Vartanyan and Ellen Barry**

**New York Times, May 6, 2009**

TBILISI, Georgia - Georgia announced Tuesday that it had put down a brief military mutiny that aimed to disrupt NATO military exercises, ratcheting up tensions a day before the exercises are scheduled to begin over Russian objections.

According to the Georgian account, 25 miles from Tbilisi, the capital, government forces during the day surrounded a tank battalion whose leaders were planning the uprising. A few hours later, most of the unit's 500 soldiers surrendered, and several of their commanders were detained.

President Mikheil Saakashvili said Russia was hoping to derail the NATO exercises, which he called a "symbolic event."

"We are asking our northern neighbor to refrain from any provocations," he said of Russia, in a televised interview.

Russia immediately denied any role in the unrest.

"This is not the first time we have been accused of interference without evidence," a statement from the Ministry of Foreign Affairs said. "We would like to reiterate that Russia, as a matter of principle, doesn't interfere in Georgia's domestic affairs."

The exchange raised the already high temperature of regional relations in advance of the exercises, run by NATO's Partnership for Peace program, which includes nonmembers of the alliance. NATO has described the plan as routine and small-scale – around 1,000 soldiers will take part in field exercises – but Russia complains that, less than a year after its war with Georgia, any NATO training there is provocative.

Armenia, Serbia and Kazakhstan have said they will pull out of the exercises in solidarity with Russia. Foreign Minister Sergey V. Lavrov of Russia notified NATO on Tuesday that it was pulling out of a long-anticipated NATO-Russia Council meeting scheduled for May 19 in Brussels, in protest of the exercises and of NATO's expulsion of two Russian diplomats on suspicion of spying.

Carmen Romero, a NATO spokeswoman, said Secretary General Jaap de Hoop Scheffer regretted Russia's decision and hoped to reschedule the meeting soon. She said the exercises would go on as scheduled.

Dmitri O. Rogozin, Russia's envoy to NATO, warned that the exercises might "significantly affect the stability of the entire South Caucasus."

"How can one insist on these exercises with such stubbornness and persistence?" he said, in comments broadcast in Russia. "If these exercises were held at NATO's insistence in some psychiatric hospital, it would be a much more adequate decision than holding them on the territory of the Georgian state."

Details of the Georgian mutiny emerged throughout the day.

Shota Utiashvili, a top official in Georgia's Interior Ministry, said authorities learned at 6:30 a.m. that a tank battalion stationed at Mukhrovani – five miles from the site of the planned military exercises – had publicly announced a mutiny. He said the unit's 500 soldiers had sealed off the base and would not allow Defense Ministry officials to enter.

"What happened is that battalion commanders told the soldiers that the Russians were attacking them and they had to take combat positions," Mr. Utiashvili said. Around noon, he said, the soldiers learned from news reports that their commanders had misled them and surrendered. Authorities were relieved to discover that the mutiny was small and isolated, he said.

In the morning, officials confidently asserted a Russian hand in the plan, but by afternoon they were more cautious. Mr. Utiashvili said it was "not exactly clear" whether the accused plotters had Russian support.

"To have a legally sound case we need more information," he said. "This morning we had some evidence, and from that evidence one would follow that Russia was involved."

Incriminating surveillance footage was broadcast all day on Georgian television. In one video, which had been edited, Gia Ghvaladze, a former major in the Georgian special forces, is shown describing plans to overthrow

Mr. Saakashvili's government on behalf of Russia. Major Ghvaladze says the plan is to approach Tbilisi with a column of 250 troop carriers and backup from 5,000 Russian troops, and he talks about killing six of Mr. Saakashvili's closest advisers.

He was arrested Monday night on charges of organizing a mutiny. By Tuesday evening, the police had arrested 13 suspects, according to the Interior Ministry.

The unfolding events left much of Tbilisi spellbound – or paralyzed. Traffic thinned out on the city's streets, and when a professor named Natia Kuprashvili, 29, tried to teach her class at Tbilisi State University, her students' cellphones began to ring so wildly that she gave up and went in search of a television.

But in the end, she said, "it is very hard to understand what really happened here."

A Georgian named Roman Apakidze, 30, concluded that a mutiny had taken place, but that the government was distorting it for political purposes.

"I just don't like the way the government is handling this information – it is real information terror against ordinary people, what they do," he said. "It is better not to turn on the television at all."

*Olesya Vartanyan reported from Tbilisi, Georgia, and Ellen Barry from Moscow.*

**#17**  
**Dozens Injured in Georgia in Protesters' Clash With Police**  
**By Olesya Vartanyan and Ellen Barry**  
**New York Times, May 7, 2009**

TBILISI, Georgia — Opposition activists clashed with Georgian police officers in Tbilisi on Wednesday night, leaving dozens of people injured, in the first outbreak of violence since widespread antigovernment protests began on April 9.

The fray began when activists climbed a barricade surrounding a police station, demanding the release of three young members of an opposition group accused of assaulting a television news anchor. Police officers with clubs beat the protesters, who responded with sticks and stones.

Twenty-two protesters, one journalist and six policemen were treated for injuries, said Shota Utiashvili, an Interior Ministry spokesman. He said police officers were under orders not to attack, and denied opposition reports that they used rubber bullets to disperse the protesters.

"As soon as they backed off, no force was used against them," Mr. Utiashvili said.

Opposition leaders reconvened about 3,000 people outside the Parliament building, demanding that President Mikheil Saakashvili resign. Riot police officers were stationed inside to protect the building, Mr. Utiashvili said, adding that the crowd appeared "very, very agitated."

Former parliamentary speaker Nino Burjanadze displayed a handful of rubber bullets, telling the crowd that Georgia could not wait for elections to change the government. "This is not a democratic country," she said to roars of applause. "We deserve democracy, and that's why we're here. No one will go until this government leaves."

Early Thursday, Patriarch Ilia II of the Georgian Orthodox Church issued a statement urging the government to release the three activists to ease tensions. The statement said the situation "is in danger of exploding" and discouraged the opposition from "anticonstitutional measures."

Nerves have frayed in Georgia this week, as NATO military exercises have gotten under way against Russia's objections. On Tuesday, authorities disarmed a mutinous tank battalion headquartered a few miles from the site of the planned exercises.

The violence on Wednesday night began after protesters gathered outside the police station. Officers and protesters confronted one another across a barricade, and Giorgi Gachechiladze, a well-known singer and the star of the anti-Saakashvili talk show "Cell No. 5," was the first to jump over. He told Maestro television that after he jumped the barricade, officers beat him with clubs, breaking some of his ribs.

Police officers could be heard chanting "Misha, Misha," referring to the president, while demonstrators responded with obscene insults about him.

The clash followed a month of protests demanding the resignation of Mr. Saakashvili, who came to power six years ago in the so-called Rose Revolution. Opposition to him has grown since last year's war with Russia, with critics calling him autocratic.

When the protests began in April, they drew around 50,000 people, but the crowds have dwindled to about 1,000. Some activists have been camping in the streets, blocking traffic, and picketing the public television station. On Tuesday, three young protesters outside the station scuffled with Nika Avaliani, a news anchor, and were arrested.

*Olesya Vartanyan reported from Tbilisi, and Ellen Barry from Moscow.*

## **#18**

### **One year on, Medvedev leaving Putin's shadow: press AFP, May 7, 2009**

MOSCOW -- Russian papers on Thursday heaped praise on President Dmitry Medvedev as he marked one year in office, saying the youthful head of state was now stepping out of the shadow of his mentor Vladimir Putin.

Since Medvedev was inaugurated last May 7 as the third president in the Russian Federation's 17-year history, the tandem between Medvedev and his powerful predecessor, now prime minister, has held strong, the papers said.

"Russia has a president, responsible, capable, ready to make decisions, who is unlike his predecessor" but can jointly work with Putin, said Alexander Budberg, writing in the mass-circulation Moskovsky Komsomolets.

"That is the main result of the past year," said Budberg, whose articles are keenly watched as he is the husband of Medvedev's spokeswoman Natalia Timakova.

Budberg cautioned, however, that pro-Kremlin "analysts" and liberal opposition had tried to drive a wedge between the two men.

"Obvious are the constant provocations, attempts to inflame jealousy and mistrust" on the part of Putin, he said.

Izvestia termed Medvedev's first year "a beautiful beginning," saying the president's cautious approach to reform did not necessarily mean he has a "puppet status."

"After 1991, does any leader wants to become a Gorbachev?" it asked. Medvedev's apparent quest for reform has been compared to that of the Soviet president Mikhail Gorbachev who resigned as the Soviet Union broke up in 1991.

The Vedomosti business daily provided a rare sarcastic note however, saying the tandem was successful.

So successful in fact, said an editorial dubbed "Augustus and Caesar" that the experience of "the ancient Roman practice" should be multiplied and two people should staff each senior government post to boost efficiency and fight corruption.

Kommersant newspaper said Medvedev, 43, had managed not only to "remain loyal to the course of the Russian second president" but also chart his own path.

The paper praised Medvedev for emulating Putin's macho style and flying a fighter jet in March. "The Russian president must love the true joys of a man," it added.

Medvedev came to power amid hopes from activists he would take a distinctly more liberal approach than his tough predecessor but his cautious policies appeared to dash these expectations.

However several analysts have said he is now growing in confidence and are detecting small but significant hints of a different style of governance to Putin.

## **#19**

### **Medvedev Steps From Putin Shadow to Share Foreign-Affairs Power**

**By Lyubov Pronina**

**Bloomberg, May 7, 2009**

Russian President Dmitry Medvedev took office a year ago dogged by perceptions he was a placeholder for predecessor Vladimir Putin. He marks his first anniversary today having carved out some zones of influence within Putin's power structure.

Medvedev's presence in foreign affairs, anti-corruption efforts and promoting legal and political transparency gives him a foothold that may allow him to extend his authority, and his time in office, as he looks to the 2012 presidential election.

"Putin holds most of the levers, but Medvedev has identified his patch and is cultivating it," said Dmitry Oreshkin, an independent political analyst in Moscow. "He demonstrated a lot of activity in the international arena and then moved on to deal with regions."

Medvedev, 43, visited more than two dozen countries including China, the U.S. and Venezuela, arguing for a greater Russian say in global regulation, a comprehensive international security pact and a new energy accord.

He and Barack Obama agreed last month to "re-set" Russian-U.S. relations, which hit a post-Cold War low during the George W. Bush administration, and work to cut nuclear arsenals. Medvedev praised his "new comrade" for a readiness to discuss alternatives to a U.S. missile-defense shield in Eastern Europe.

#### **Putin's Lead**

Constitutionally, the president has the final say on domestic and foreign policy. Still, it was Putin, 56, now prime minister, who took the lead in a five-day war with Georgia in August and a gas dispute with Ukraine that left Europe freezing for almost two weeks in January.

Putin also kept himself in the public eye by touring Russian regions, fighting the effects of Russia's worst economic crisis in a decade by handing out bailout money. That stokes speculation about his future political ambitions.

While the Constitution prevented Putin from running for a third consecutive term last year, that doesn't mean he can't regain the presidency when Medvedev's term is up, said Olga Kryshtanovskaya, a political analyst from the Russian Academy of Sciences.

"If I am right in supposing that Putin will return to the Kremlin in 2012, then there is no need for Medvedev to make changes, to cultivate his own elite that will confront Putin's elite," she said. "This is simply a transitional period."

Putin's popularity still eclipses that of his successor. According to an April 24-27 poll of 1,600 people by Moscow-based Levada Center, Putin had an approval rating of 76 percent against Medvedev's 68 percent.

That may be changing as Medvedev finds his footing, said Alexander Rahr, a Russia expert at Berlin's German Council on Foreign Relations.

#### 'Division of Competence'

"There is a division of competence," Rahr said. "Putin has given away foreign policy to Medvedev and I think he will give Medvedev more and more chance to control macroeconomics, banking and finance."

Medvedev pushed anti-corruption laws through the parliament, following his inauguration promise to fight "legal nihilism." He also shook up regional leaders, in one day replacing four governors after pledging to tighten state control in tackling the economic crisis.

Medvedev obliged top government officials and his own administration to publish their and their families' income and property statements and did so himself. He also promoted laws to aid political parties by eliminating an election bail and ensuring equal access to state mass media.

Last month, he gave his first Russian newspaper interview to Novaya Gazeta, which has criticized the government and the presidential administration. Medvedev also met human-rights activists, out of favor during Putin's presidency, and offered cooperation with non-governmental organizations.

#### 'Emancipating'

Last year, he started a monthly blog on the Kremlin site to promote direct communication with citizens and last month took it to the social network LiveJournal. He also denounced the centralized decision-making system hinging solely on the president, which Putin fostered.

"Medvedev is gradually emancipating himself from Putin," said Fyodor Lukyanov, an analyst at the Council on Foreign and Defense Policy in Moscow. "So far it brings no political changes, but these are obvious heralds of such changes."

Not everyone is convinced. Boris Nemtsov, a first deputy prime minister under former President Boris Yeltsin, said Medvedev will only become a full-fledged president when he fires the prime minister, as he can under the constitution.

Nemtsov, a Putin critic, lost to the premier's chosen candidate in mayoral elections in Sochi last month. The slandering and threats of the use of force against opposition campaigners showed "the practices of Putinism are still in place," he said.

Anatoly Chubais, who served as head of administration and first deputy prime minister under Yeltsin, sees more continuity than change.

#### 'A Tandem'

"What we have today is a tandem," said Chubais, who heads state-run, Moscow-based Nanotechnology Corp. "It would be wrong to expect that on the day after Medvedev assumed power he would lead the country in an opposite direction."

The Levada poll showed 48 percent believe Medvedev and Putin share power equally. Thirty percent said Putin wields the most power and 12 percent said Medvedev. A year earlier, 17 percent said Medvedev would have control, while 32 percent favored Putin. Forty percent said they would share power.

The economic crisis may pose Medvedev's biggest challenge. After a decade of average annual growth of 7 percent, the economy may shrink at least 2.2 percent this year, the government predicts. Unemployment reached 10 percent in March, the highest in eight years.

Medvedev's future, and his ability to distance himself from Putin, may hinge on his response, said Chris Weafer, chief strategist at Moscow-based UralSib Financial Corp.

"It is only then that we will get a sense of whether Medvedev will be a two-time president or whether Russia's second president will also be its fourth," Weafer said.

## **#20**

### **Amnesty says rights in Russia remain weak**

**By Peter Leonard**

**AP, May 7, 2009**

MOSCOW → Rising attacks against rights activists and journalists in Russia as well as ongoing violence in southern regions show little has been done to improve human rights since President Dmitry Medvedev came to power a year ago, Amnesty International said Thursday.

The advocacy group said in a statement timed to coincide with the first anniversary of Medvedev's inauguration that human rights have deteriorated in some areas despite initial positive signals.

"In the course of the last year, President Medvedev set several goals. However, no significant changes are yet visible," Amnesty Secretary-General Irene Khan said in the statement.

Medvedev has made tentative efforts to focus greater attention on human rights and political freedoms since he took over the presidency from his predecessor and mentor Vladimir Putin. Earlier this year, he revived a presidential advisory council on human rights and committed to giving non-governmental organizations more freedom to operate.

But critics say Medvedev has not diverged significantly from Putin's policies.

"Concrete actions are needed to prove that he is doing more than paying lip service to reforms, that his statements amount to more than window dressing," Khan said.

The Kremlin could not immediately be reached for comment. Russian officials have previously admitted flaws in the human rights sphere, but have bristled at Western criticism, calling it unfair.

Amnesty said violence against lawyers, journalists and opposition activists is on the rise and often goes unpunished.

Prominent human rights lawyer Stanislav Markelov and a journalist who was critical of the Kremlin were shot dead in broad daylight in central Moscow in January. Nobody has been arrested for the killings.

And one of Russia's top human rights activists, Lev Ponomarev, was beaten outside his Moscow home last month in another unsolved case.

"Investigations into such attacks remain ineffective, creating a climate of impunity and preventing the development of a strong civil society," the statement said.

Amnesty said kidnappings and torture remain widespread in the North Caucasus region, despite the recent end of a federal counterterrorism operation in Chechnya, which has been scarred by two bloody wars in the last 15 years.

"Normalization is not possible without full accountability for the grievous human rights violations that have taken place in the region," Amnesty said.

Amnesty also criticized the Russian armed forces for reportedly launching indiscriminate attacks on civilian housing during last year's conflict between Russia and Georgia.

## **#21**

### **Razing Russia's 4th Estate By Christopher Walker Moscow Times, May 7, 2009**

In 1993, the United Nations General Assembly designated May 3 as World Press Freedom Day in order "to celebrate the fundamental principles of press freedom." But in Russia, there is little to celebrate.

Using a range of restrictive measures and methods, the authorities have continued to shrink the space for independent journalism. The repressive methods used by the Kremlin has made the country an exceptionally dangerous place for journalists to work.

Last week, an unknown assailant beat Yaroslav Taroshenko, editor-in-chief of Korruptsiya i Prestupnost based in Rostov-on-Don, into a state of unconsciousness. In April, Sergei Protazanov of Grazhdanskoye Soglasie, was killed in Khimki, in what some believe may have been a pre-emptive strike to silence him from producing critical reporting on election misconduct earlier this year. In January, Anastasia Baburova of the weekly Novaya Gazeta was gunned down with human rights lawyer Stanislav Markelov in broad daylight on a Moscow street. While we are only five months into 2009, it has already been a brutal and bloody year for journalists.

If recent history is any guide, it is unlikely that any of the perpetrators of these crimes will be brought to justice. Of a string of journalists' deaths, including notable cases such as Paul Klebnikov, editor of Forbes magazine in Russia, Anna Politkovskaya of Novaya Gazeta and Ivan Safronov of Kommersant, none has been solved.

The impunity with which these crimes have been committed is telling. This dysfunctional arrangement creates a chilling effect that extends to all corners of Russia's media landscape.

Beyond the violence and intimidation there are other examples in which the independent media are squeezed. Freedom House's 2009 Russia media freedom report said the government owns two of the 14 daily newspapers, more than 60 percent of the 45,000 registered newspapers and periodicals and holds partial or full control of all six national television stations and two national radio stations.

The power of the state exerts its most important influence through control of television. This dominance allows the government to shape the news and the perceptions of those who consume it. Most Russians rely on television as their prime source of information, and they don't hear the criticisms of Kremlin opponents because networks, with Kremlin prodding, have placed these opponents on their blacklist. At a time when critical analysis of government policies is sorely needed, it is worrisome that media oriented toward entertainment and propaganda has gained such a foothold.

True, the Internet has become an increasingly important alternative outlet for informing and engaging Russian audiences, but as Internet penetration has increased, so have the authorities' measures to interfere with users' rights. These were among the principal findings from Freedom House's recently released study, "Freedom on the Net."

The authorities have also sought to muzzle foreign media outlets, including the programming of Radio Free Europe/Radio Liberty, the BBC and Voice of America. The Kremlin has undertaken a systematic intimidation

campaign in which RFE/RL's Russian partners have been subjected to harassment. In a span of eight years, a total of 26 RFE/RL affiliates have been knocked off the air. Today, only seven remain.

While the slide is unambiguous in our findings, one of the distinct features of Russia's modern authoritarian model is that, unlike the Soviet model, it does not attempt to control every medial outlet. Instead, the authorities have adapted their approach and now seek to prevent or disrupt only what its politically consequential, either through direct control or indirect interference. Where the state does not have direct control, proxies like government-controlled Gazprom Media -- which owns television networks, radio stations and newspapers -- perform a similar function, with the possible exception of Ekho Moskvyy radio.

By using and abusing the law, the authorities have despoiled the environment for independent media. Today, independent reporting on sensitive issues occurs as an exception to the rule. When it does occur, it often comes at a great cost. The courageous journalists at Novaya Gazeta can attest to this harsh reality.

Christopher Walker is director of studies at Freedom House, a Washington-based nongovernmental organization and research institute.

## **#22**

### **World Bank May Lend Russia 'Several Billions' of Dollars**

**By Meera Louis and Paul Abelsky**

**Bloomberg, May 6, 2009**

The World Bank may lend "several billions of dollars" to Russia in the next two years to bolster social programs as the international body forecasts a sharper economic contraction in the country this year.

"We can easily project several billions of dollars in terms of the headroom we have for Russia, in terms of our own financial reserve policies," Klaus Rohland, the World Bank's chief representative in Russia, said in an interview in Brussels today.

Russian officials told the World Bank during meetings in Washington last month that "they want to borrow again," Rohland said. The country may seek loans from the lender to cover the expected budget shortfall of at least 3 percent in the next three years, Finance Minister Alexei Kudrin said.

The world's biggest energy exporter is sliding into a recession as slumping prices for its oil and gas lead to its first deficit in a decade. The budget gap may be wider than the official estimate of 7.4 percent of gross domestic product, Kudrin said on April 24.

The Washington-based lender would now "agree" with the International Monetary Fund's forecast for a 6 percent contraction in Russia this year, Rohland said. The World Bank predicted in March that Russia's economy will shrink 4.5 percent, which was based on macroeconomic indicators at the end of the first two months of the year.

#### **IMF Projection**

"If we had done this today we would agree with the 6 percent that the IMF has projected, and the Russian government also agrees with this," Rohland said today.

Last month, Deputy Economy Minister Andrei Klepach described the IMF's estimate as "realistic" and said the economy probably contracted 9.5 percent in the first quarter, more than the 7 percent previously expected.

The World Bank, whose last major loan to Russia was for \$1.5 billion on Aug. 6, 1998, wants to see the money used for social needs, including pension reform, the health-care system and improving housing and community services, Rohland said.

The lender will "move fast" in its talks with Russia and expects to begin disbursing money before the end of this year, he said.

## #23

### **EU Offers Russia's Neighbors Perks for Energy**

**By Anatoly Medetsky**

**Moscow Times, May 7, 2009**

The European Union will offer better trade ties and easier visa rules to six of Russia's neighbors on Thursday as it seeks their support for oil and gas pipelines bypassing Russia.

The Eastern Partnership — as the EU plan to build closer ties with the six countries is known — kicks off with an inaugural meeting in Prague on Thursday, followed the next day by a separate event focusing on Nabucco, the planned gas pipeline to bypass Russia.

"It's a sort of challenge to Russia," said Boris Shmelyov, director of the Center for Comparative Political Research at the Russian Academy of Sciences. "If it wants to keep these countries in its orbit, it has to come up with a good neighborhood policy of its own."

The Eastern Partnership will embrace the former Soviet republics of Armenia, Azerbaijan, Georgia, Moldova, Ukraine and Belarus — countries that Russia regards as its area of influence. Foreign Minister Sergei Lavrov already criticized the meeting last week.

European Commission President Jose Manuel Barroso and German Chancellor Angela Merkel will offer improved trade ties, simpler visa rules and 350 million euros (\$466 million) in aid over four years as part of the Eastern Partnership. The plan also seeks to promote democracy in the six countries.

The EU names as a flagship project to pursue with the eastern partners the development of the "southern energy corridor" — a term that describes all pipelines needed to bring Caspian Sea and Central Asian gas to the EU. The main part of the corridor is Nabucco, said Ferran Espuny, an EU energy spokesman.

Talks to secure commitments to supply gas and build pipelines for Nabucco are progressing well, Espuny said Wednesday.

The EU will hold a separate meeting Friday — dubbed the Southern Corridor Summit — to discuss potential deliveries with natural gas-rich Azerbaijan, Turkmenistan and Kazakhstan and transit countries Georgia and Turkey.

Russia now imports almost all the gas that Turkmenistan produces and is interested in maintaining as tight a grip as possible on supplies from the Central Asian nation. Moscow is also holding talks with Baku to buy Azeri gas starting next year.

As part of the Eastern Partnership, the EU will support Ukraine in improving its aging energy networks, the bloc said in a memo Wednesday. Russia is likely to feel upset about the prospect because it is proposing an alternative scenario to deal with the problem. Prime Minister Vladimir Putin last week suggested resurrecting the idea of creating a consortium consisting of the Russian and Ukrainian national gas companies and European private gas majors to modernize and operate Ukraine's gas transit pipelines.

An investment conference that the EU held in March to help Ukraine upgrade the pipelines, which wasn't part of the partnership, irritated Russia because it ignored its role as the principal user of the system.

Russia initially came down harshly on the Eastern Partnership but later toned down its rhetoric. Foreign Ministry spokesman Andrei Nesterenko struck out at the partnership in March, calling it a "threat" because it made Russia's neighbors choose between Russia and the EU.

Lavrov, however, said last week that Russia was "concerned" over some unspecified comments about Thursday's gathering. He said Russia wanted to believe the EU's assurances that the partnership didn't seek to counter Moscow's influence.

Foreign Ministry spokespeople declined further comment for this article.

"This is not at all an anti-Russian initiative," the EU said in the memo Wednesday. "Russia remains a crucial partner for the EU."

The EU's most senior representatives at the talks will include Barroso, Merkel and Czech Prime Minister Mirek Topolanek, whose country is holding the rotating EU presidency. Armenia, Azerbaijan and Georgia will be represented by their presidents, while Ukraine is sending both the president and prime minister. Belarus will have a lower-level delegation headed by a deputy prime minister, and Moldova, which accused EU member Romania of instigating recent post-election riots, named its foreign minister as delegation chief.

Repeated calls and an e-mail to Jiri Potuznik, the Czech government spokesman for the country's EU presidency, went unanswered Wednesday.

The Eastern Partnership has the potential to make the EU a more formidable rival for Moscow than NATO in the race for influence over the former Soviet republics and their energy resources, Shmelyov said. "It's part of the big geopolitical struggle that has oil and gas at its heart," he said. "Europe is heavily dependent on Russia for energy. We must understand that it cannot and will not last long."

## **#24**

### **Creating Good Neighbors in Russia's Backyard**

**By Andrew Wilson and Nicu Popescu**

**Moscow Times, May 7, 2009**

European Union policy toward its neighbors to the east is in trouble, despite the launch of its new Eastern Partnership. European public opinion is increasingly introspective and sporadically protectionist. So what is to be done about the "gray zone" to Europe's east -- the six countries that now lie between the EU and Russia? Inaction is unacceptable. The region has been badly hit by the economic crisis, made all the worse by internal political turmoil and serious security dangers.

The idea for the Eastern Partnership came from a Polish-Swedish initiative early last summer. So, by EU standards, it has been rushed through on a very fast track. The new initiative is exclusively for the region to the union's east -- Ukraine, Moldova, Belarus, Georgia, Armenia and Azerbaijan -- and is designed to complement the European Neighborhood Policy. It has few new resources and a limited budget for technical projects. The idea is that the Eastern Partnership will provide a positive signal to these countries, change the climate in which the region is discussed in the EU and slowly help pull it into the EU's orbit.

The offer has annoyed Russia. But the EU has its own problems with the initiative. For example, it had a lot of trouble persuading leaders to turn up in Prague on Thursday. And those who agreed to come are not a good advertisement for the region.

Ukrainian President Viktor Yushchenko's popularity ratings are below 5 percent after steering his country from crisis to crisis since the Orange Revolution in 2004. Georgian President Mikheil Saakashvili is dealing with domestic protests after his disastrous military misadventure in August. Armenia also faces protests, following the controversial election of President Serzh Sargsyan in February 2008, which led to the killing of 10 people. In March, Azeri President Ilham Aliyev staged a constitutional referendum that opened the way for his lifetime presidency. Most controversial of all has been "Europe's last dictator," Belarussian President Alexander Lukashenko. Previously, Belarus was not even in the European Neighborhood Policy.

Five years after the EU's "big bang" expansion took in eight former communist countries to its east, the union is in danger of losing the hearts and minds of its eastern neighbors because of its complacency and long-

winded approach to crises. The eastern neighbors are not like the Central European states that negotiated EU accession in the 1990s. Their statehood is weak, their leadership often weaker, and they lack the consensus about their European destiny that enabled difficult reforms in Poland, Slovakia and the Baltic States to be pursued.

By an accident of bureaucratic timing, the Eastern Partnership is seen by many in the east as merely the EU's response to the global economic crisis, not as a strategy tailored for the region. Indeed, Moldovan President Vladimir Voronin dismisses it as "candies."

To be sure, the EU's technocratic focus on structural reforms is having some effect in the region. All six states, except Belarus, now trade more with the EU than with Russia. But the political relevance of these changing economic realities is close to nil. If anything, the region has been moving in the wrong direction, with security tensions and even war (in Georgia) increasingly frequent. Fake elections are rapidly become the norm. The six states do not have the time or the inclination to swallow the EU's bureaucracy in one gulp.

Russia has managed to revamp the way it operates in the region since it got its fingers burned by interfering so crudely in Ukraine in 2004. It now uses a broad range of hard and soft power, some incommensurate to that of the EU -- for instance, the military bases that it has managed to secure in each of the six states. Moreover, it does things that the EU does and does them better, a notable example -- until recently -- being its more open labor market. Russia is also using less coercion and more carrots, offering economic assistance, security guarantees and an ideology of "sovereign democracy" that appeals to many post-Soviet elites.

The Eastern Partnership is a typical long-term EU technocratic instrument. The EU pledges to help set up "Western-type public institutions" and to transform the Eastern economies through comprehensive free-trade agreements.

That's all good, but the EU needs to be quicker. It needs to show that its mission is to build up weak states, help them overcome short-term crises and nurture democracy rather than treat them as empty vessels for the export of EU policy. As a follow-up to the Eastern Partnership summit, the EU must initiate lower-level meetings of interior ministers to discuss migration, visas and counterterrorism and should seek to integrate Ukraine and Moldova into the European energy market.

The alternative is a wall of instability in what is, after all, Europe's neighborhood. As with the United States and Mexico, the consequences of growing gaps in living standards, good governance and the rule of law will inevitably flow across borders. The EU's eastern policy should not be seen as philanthropy but as a strategy promoting clear-cut pan-European interests.

*Andrew Wilson and Nicu Popescu are policy fellows and experts on Eastern Europe at the European Council on Foreign Relations.*

## **#25**

### **Protesters, police clash in Georgia amid NATO exercises AFP, May 7, 2009**

TBILISI-Political tensions intensified in Georgia Thursday after clashes between police and protesters rocked Tbilisi at the start of controversial NATO military exercises in the ex-Soviet state.

The clashes late Wednesday marked the first major outbreak of violence since opposition protests against President Mikheil Saakashvili began a month ago and came a day after Georgia said it had peacefully put down a mutiny.

Officials accused opposition supporters of trying to storm a main police station and said police had used truncheons to repel protesters trying to climb a fence into the building.

The opposition said police had attacked the protesters and opened fire with rubber bullets, which officials denied. Police said 29 people were injured in the clashes, including six officers.

Interior Ministry spokesman Shota Utiashvili told AFP that there had been no further incidents overnight.

The protesters had been demanding the release of three opposition activists who had been detained on Tuesday for allegedly attacking a television reporter. Opposition supporters have staged rallies since April 9 to demand Saakashvili's resignation.

Utiashvili said the three activists had been released on bail following an appeal by the Georgian Orthodox Church.

The government said in an overnight statement that protests would be allowed to continue as long as they were peaceful.

"Peaceful protest is a right in any democracy and the government will continue to protect this right with all its power," the statement said.

Opposition leaders have called on supporters to resume rallies Thursday afternoon outside parliament, which has been the focal point of the demonstrations.

A few dozen protesters were gathered outside the parliament building on Thursday morning, where the opposition had set up dozens of mock jail cells and blocked Tbilisi's main street, Rustaveli Avenue.

Georgia and NATO had on Wednesday kicked off a month of military exercises in the ex-Soviet state, a move which Russia has furiously condemned as a provocation amid renewed tensions between Moscow and the alliance.

The exercises involve at least 1,100 soldiers from more than a dozen NATO countries and partners in command and field exercises.

Moscow, which fought a brief war with Georgia in August, earlier this week announced the expulsion of two Canadian diplomats working for NATO in Moscow.

Russia fiercely objects to Georgia hosting the month-long NATO exercises and is also opposed to Georgia's bid to join the alliance.

Georgia said Tuesday it had peacefully put down a mutiny at a military base outside Tbilisi aimed at disrupting the NATO exercises. Tbilisi initially accused Russia of backing an armed coup but later backed away from the claims.

"I think this is yet another provocation and am convinced that it is not accidental that this provocation has been contrived on the eve of the NATO war games," Russian Foreign Minister Sergei Lavrov told Euronews in an interview.

The protests have been the biggest against Saakashvili's rule since the war with Russia in August, but the number of participants has steadily dwindled after peaking at 60,000 when protests started.

Opponents accuse Saakashvili of having mishandled the five-day war with Russia and of having become increasingly autocratic since coming to power after the peaceful 2003 Rose Revolution.

Tensions have increased in recent days but officials have vowed there would be no repeat of events in November 2007 when riot police used water cannon, tear gas and rubber bullets to disperse thousands of protesters.

**#26**

**A Friend To Georgia And Russia  
By John F. Kerry and David Dreier  
Washington Post, May 7, 2009**

As the Obama administration seeks a fresh start in our strained relationship with Russia, the case for cooperation with Moscow on everything from nuclear terrorism to global finance is clear and compelling. So, too, is the case for protecting the freedom and sovereignty of the fledgling democracies on Russia's borders. We must do both.

Part of the way we can continue to support allies such as Georgia even as we do more to pursue vital national interests alongside Russia is by focusing on areas that can deliver real benefits to one side without hurting ties to the other. That's why we believe we should sign a free-trade agreement with Georgia and why we plan to introduce a resolution to this end today.

While some mistakenly view constructive relations with these two countries as mutually exclusive, we see no inherent contradiction in offering Russia a fresh start while maintaining our commitment to ensuring that its neighbors have the right to choose their own destinies. Yes, sometimes Russia and its neighbors see the world in zero-sum terms -- and sometimes their interests collide violently, as when Russian tanks rolled into Georgia last August. But we need not define our relationships with these countries the same way.

Georgia, as the scene of recent tensions, is an important place to find better approaches. It is suffering from the economic impact of two catastrophes: Soon after Russian missiles stopped falling last summer, Georgia was hit by the global economic crisis. It is vital that we help Georgia weather the economic crisis -- and doing so should not be threatening to Russia. In the past year we have largely fulfilled our pledge of \$1 billion in postwar reconstruction aid to Georgia, but in the long term, increased trade and foreign direct investment would have far greater and more sustainable benefits. In the year before the war, trade between the United States and Georgia amounted to \$580 million -- a total with significant room to grow.

A trade agreement with a small country half a world away would not have negative consequences for workers here at home, but it could mean a great deal to Georgians far beyond the trade it directly sparks. First, even the act of launching negotiations may increase investor confidence in Georgia and attract badly needed foreign direct investment. Our pact with Jordan shows how an American trade agreement can attract international businesses, even in volatile regions and even before the deal takes force. An agreement between the United States and Georgia could also create momentum for a similar deal between Georgia and the European Union. Building economic ties between Georgia and the West, particularly the neighboring European Union, is the least strategically costly way to significantly bolster the Georgian people's democratic and economic aspirations.

Second, bilateral trade negotiations would provide impetus for greater economic and political reform in Georgia. The Georgian people have committed themselves wholeheartedly to democracy, but the path to stable, effective and fully representative democracy is not an easy one. Greater economic engagement would provide a tremendous opportunity to hold Tbilisi accountable in its efforts to enshrine the rule of law and build the institutions that are the foundation to both democratic governance and economic prosperity.

Geography cannot be denied; Georgia and Russia should eventually restore strong trade relations. Today's standoff hurts both nations. Even two years before the conflict last summer, Russia severed transportation links and blockaded Georgian exports of mineral water, fruits, vegetables and wine. It would be a positive step if Russia removed these restrictions. It is notable that despite the rising tensions before last summer's war, the Georgian government had accepted Russian investment in Georgia, even in its infrastructure, an area in which other countries are often reluctant to allow even their friendliest neighbors to invest. Russian and Western investment should ultimately co-exist in the healthy atmosphere of a democratic Georgia whose sovereignty is respected.

Of course there will be times when we must stand on principle in the face of real disagreement -- and we certainly will. The 2008 Russian-Georgian war was a tragedy that cannot be repeated. We have both been to

Georgia and met with its leaders. Georgia's people deserve praise for their impressive democratic and economic accomplishments, and America should support Georgia's undeniable right to its territorial integrity and independence.

In addition, Russia should fully implement its cease-fire agreement and adopt a more constructive attitude toward the full deployment of international monitors to help preserve peace.

But the challenges of a new moment demand a commitment to creative solutions. Economic prosperity has a way of spreading throughout both sides of a trading relationship and may offer the best long-term solution to forging some form of reconciliation between Georgia and Russia. Over time, increased trade and a higher quality of life may also help to heal wounds between Georgia and its alienated separatist regions.

History has shown that, when done right, trade brings benefits to all sides. Diplomacy can do the same. We need to use both to build closer ties with Russia even as we continue to support our friend and ally Georgia.

*John F. Kerry, a Democrat from Massachusetts, is chairman of the Senate Foreign Relations Committee. David Dreier, a Republican from California, is the ranking minority member of the House Rules Committee and co-chairman of the House Democracy Assistance Commission.*

**#27**

### **A Russia Test**

**By Denis Corboy, William Courtney, and Kenneth Yalowitz  
New York Times, May 7, 2009**

Reports of military mutinies and Russian plots in Georgia, while still unclear, have heightened tensions which were already building this spring. The U.S. should lead preventive diplomacy now, underscoring to Russia the high costs of intervention in Georgia while seeking to engage Moscow in a broad security dialogue.

The West's stake in Georgia is high. The United States and the European Union have made support for the independence of former Soviet states a hallmark of their foreign policies. In January, Washington elevated Georgian independence to a "vital" interest.

Already before the latest developments, the E.U. mission monitoring the cease-fire between Russia and Georgia registered extra Russian forces at the boundary between Georgian-controlled territory and the separatist regions of South Ossetia and Abkhazia. Reports of gunfire across the cease-fire lines have increased. The Russian Black Sea Fleet is undertaking a large exercise, including amphibious ships of the kind already on patrol off the Abkhazia coast.

The Russian president, Dmitri Medvedev, has asked NATO to cancel a long-planned NATO "Partnership for Peace" exercise scheduled for this week in Georgia. And in Luxembourg recently, the Russian foreign minister, Sergei Lavrov, expressed misgivings about the E.U. Eastern Partnership, which he characterized as "meddling in the region." After Presidents Obama and Medvedev met on April 1, a senior U.S. official said they had "real disagreements" about Georgia.

Russian leaders probably see a good deal of unfinished business in Georgia. President Mikheil Saakashvili is still in power. Georgia continues to seek membership in NATO and control over the export of Caspian oil and gas through Georgia still eludes Moscow.

Russian leaders might think the U.S. and its allies have higher priorities than Georgia, what with the economic crisis and NATO's problems in Afghanistan and Pakistan.

Moreover, Russian leaders think they got away with a slight price for the August war — a short delay in their dialogue with the E.U. and NATO and some capital flight. Moscow may also misjudge ongoing political demonstrations in Georgia as a sign of weakened national resolve.

In fact, bitterness about the occupation of Georgia's territory is the most unifying factor in its politics. And the costs to Russia of intervention in Georgia would be high. With an economy in free fall, Russia would lose access to needed international capital. The West would impose financial, technology and political sanctions. Western participation in the 2014 winter Olympics in Sochi would be unthinkable.

Russia might also overestimate its leverage with the West. It sees Europe as dependent on Russian energy, and the West needs Russia's help on Iran, North Korea and Afghanistan. Important as these interests are, an intervention in Georgia would create a political firestorm in the West with pressure for sanctions.

What is urgently required is exactly what did not happen prior to the August war — vigorous preventive diplomacy.

The U.S. must signal to Moscow that steps to take over Georgia, including any plotting to overthrow Saakashvili, would kill any "restart" of relations. At the NATO-Russia Council meeting scheduled for this month in Brussels, and at the Obama-Medvedev summit set for July in Moscow, U.S. and NATO leaders should make clear the likely costs of any aggression. At the same time, they should offer to engage Moscow in a broad security dialogue on regional security, NATO and the OSCE in which mutual interests and intentions could be clarified and potential disputes averted.

Preventive diplomacy with Georgia is also important. The U.S. and Europe should firmly warn Tbilisi against overreacting to Russian provocations. Last summer's foolhardy actions caused Tbilisi to squander international support. The West should also intensify efforts to foster political dialogue between Saakashvili and the opposition. In the long term, the development of Georgia as a stable and prosperous democracy is its best guarantee of security.

A year ago, Russian-Georgian tensions resulted in war. The signs now are not yet clear. What we do know, however, is that Georgia is weak and a real risk exists that Russia could again overreach. America and Europe ought to do all they can to lessen the chances of a new tragedy.

*Denis Corboy is director of the Caucasus Policy Institute at Kings College London and was European Commission ambassador to Georgia. William Courtney was U.S. ambassador to Kazakhstan and Georgia. Kenneth Yalowitz is director of the Dickey Center for International Understanding at Dartmouth College and was U.S. ambassador to Belarus and Georgia.*

**#28**

**Synagogue destroyed by Tajik government rededicated elsewhere**

**By Audrey Hoffer**

**JTA, May 7, 2009**

DUSHANBE, Tajikistan -- Nearly a year after the small Bukharan Jewish community in this Central Asian country lost its only synagogue, Tajikistan's Jews got a new one.

The local government demolished the country's synagogue in Dushanbe, the capital, last June to make way for a new presidential palace and national park. Some in Tajikistan's 250-member Jewish community had protested the demolition order, saying it would halt both prayer services and a food aid program for infirm and poor Jews.

But the government went ahead with the demolition, offering the Jews a plot of land elsewhere to build their synagogue.

On May 4 the community, which is mostly descended from Persian-speaking Bukharan Jews who have lived in Central Asia for centuries, dedicated their new synagogue in a residential neighborhood about 10 minutes by car from central Dushanbe.

“We didn’t want to lose our old synagogue,” said Mikhael Abdurahmonov, head of the Tajik Jewish community. “That synagogue was historical and precious to us because it was a prayer center and a social gathering spot. But this place is much nicer and bigger.”

Tajik businessman and philanthropist Hasan Assadullozoda presented the synagogue compound as a gift to the Jewish community.

Abdurahmonov said Assadullozoda, the owner of Orient-Bank Tajikistan and the brother-in-law of Tajik President Emomali Rahmon, said a Jewish friend of Assadullozoda’s in New York persuaded him to donate the structure to the Jewish community for use as a synagogue. It had been a private home.

“Now we can put up a sign that this is a Jewish synagogue. We will name it Jewish-Tajik Friendship,” said Abdurahmonov, who thanked “the Tajik nation for letting us have a synagogue here.”

The two-story structure, which will serve as a synagogue and community center, consists of a carpeted glass-walled hallway along one side, multiple rooms of varying size and an adjacent courtyard with patio and grass.

The building will include a Hebrew school classroom, a conference room for Jewish visitors from overseas, a bedroom for guests and a sanctuary. Meals will be served to the poor and elderly in a room with two rows of tables and chairs.

The interior of the house is mostly unfurnished for now.

“The situation of the Jewish people depends on the condition of their synagogue and their lifestyle,” Abdurahmonov said when asked about the future of the Jewish community here. “If we can make this new cultural center and synagogue better, the Jewish people will stay and maybe we will get bigger.”