

WASHINGTON, D.C. July 31, 2009

TO: NCSJ Leadership and Interested Parties

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



In Brief

Dear Friend,

Below is the weekly update.

Sincerely,



Mark B. Levin
Executive Director



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

NCSJ WEEKLY NEWS BRIEF
Washington, D.C. July 31, 2009

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#1a

Financial woes spur Ukrainian group to cut programs JTA, July 27, 2009

KIEV, Ukraine -- The Ukrainian Jewish Committee is cutting a considerable number of its programs due to dwindling financial support.

"The UJC got into serious financial difficulty; that's why we should cut down our programs," Eduard Dolinsky, executive director of the Ukrainian Jewish Committee, told JTA.

The cuts to the Jewish lobby's programs, announced last week, surprised Jewish activists in Ukraine.

"This is curious and especially amazing in the light of upcoming presidential and parliamentary elections campaigns in Ukraine," said Mikhail Frenkel, a journalist and president of the Association of Jewish Mass-media in Ukraine who works closely with the committee.

Prominent Ukrainian lawmakers and businessmen formed the group last year to lobby on behalf of Jews in Ukraine and Israel, as well to prevent the infringement of civil and religious rights of Jews and religious and ethnic groups. The group, headed by Jewish lawmaker Aleksandr Feldman, also aims to ensure Jewish continuity and deepen the ties between Ukrainian and Israeli Jews.

It has organized rallies to support Jews and Israel and to protest against Iranian nuclear development, held scientific conferences, and issued statements and published articles on issues of concern to Ukrainian Jews.

#1b

Court ignores calls for hate crimes charges JTA, July 28, 2009

KIEV, Ukraine -- The Jewish Community of Ukraine is outraged by a court decision not to charge a man found guilty of attacking a rabbi with hate crimes.

A Sevastopol court on July 21 found Roman Shvedov, 41, guilty of "hooliganism" and gave him a suspended sentence of four years in prison for a September 2007 attack on Rabbi Benjamin Wolf. Wolf, the chief rabbi of Sevastopol, was on his way home from synagogue on a Friday night, dressed in traditional Chasidic garb, when Shvedov began shouting anti-Semitic threats at the rabbi and then beat him. The rabbi suffered a broken nose and concussion. The attacker also deliberately ripped up the rabbi's clothes before fleeing the scene.

On Oct. 1, 2007 local police arrested Shvedov and routinely classified the attack as a case of "hooliganism."

In spite of local Jewish community appeals to add to the indictment a hate crime charge, punishable under Ukrainian law by additional prison time, the Sevastopol court on July 21 convicted Shvedov of "hooliganism," but agreed that he could remain out of prison on condition that he not perpetrate any new crime during the next three years and that he remain in the area. The court also ordered Shvedov to pay the victim 5,000 Hryvnia, or about \$ 625.

According to the court, Shvedov pleaded guilty and repented sincerely.

Wolf told JTA that the Jewish community is outraged by the court's decision and insists that the suspect be charged with interethnic and interfaith incitement because

Shvedov was motivated by hatred of Jews, focusing on the rabbi's external appearance. Hate crime legislation is still very rarely applied in Ukraine.

#1c
Historic Torah scrolls buried in Ukraine
JTA, July 29, 2009

KIEV, Ukraine -- The Jewish community in a western Ukrainian city buried the fragments of 221 damaged Torah scrolls recently returned by the state.

The fragments and damaged Torah scrolls were buried Tuesday in accordance with Jewish law in the Zhytomir Jewish cemetery.

The items were returned in late March from the local state archive to the Jewish community two years after they were confiscated by Ukrainian authorities.

Activists in the Jewish community, representatives of local authorities and journalists took part in the ceremony on the eve of 9th of Av near the local synagogue building, after which all the Torah fragments were buried at the Jewish cemetery.

Ukraine's rabbis have been pressing for all Torah scrolls and fragments being held by the Ukrainian State Archives to be returned to their Jewish communities.

Ukrainian President Victor Yuschenko signed a decree in 2007 ordering the restoration of Jewish religious objects to the country's Jewish communities.

Yuriy Reshetnikov, chairman of the Ukrainian State Committee on Nationalities and Religions, told JTA that the religious objects must be used to help revitalize Jewish religious life in Ukraine.

Ukraine is home to the third-largest Jewish community in Europe, with 150,000 to 250,000 Jews.

Local rabbis say Jewish communities need many of the Torah scrolls languishing in state archives, which can be restored and used during services.

#1d

**Chabad files motion against Russia in U.S. court
JTA, July 31, 2009**

WASHINGTON – Chabad-Lubavitch filed a motion against Russia in U.S. District Court for the District of Columbia.

Wednesday's move, first reported on the blog of Legal Times, comes in response to the country's withdrawal from a long-running lawsuit over the recovery of sacred books and manuscripts. Chabad alleges that Russia broke international law and can therefore be tried in U.S. courts.

Russia had already brought the matter to court with a motion to dismiss and an appeal to the U.S. Court of Appeals for the D.C. Circuit, which then ruled that Chabad's claim could go forward.

#2

**New Biden Criticism Surprises Russia
By Andrew E. Kramer
July 26, 2009, New York Times**

MOSCOW — Just weeks after a summit meeting intended to show a thawing in relations between the United States and Russia, Vice President Joseph R. Biden Jr. made blistering references to Russia's failing economy, loss of face and a leadership that is "clinging to something in the past," in an interview published on Saturday.

Speaking on the heels of his trip to Georgia and Ukraine, Mr. Biden said flatly that the Obama administration would make no deals and accept no compromises with the Kremlin in exchange for better relations.

Russia itself, he said, should find it in its own interest to repair relations.

The Kremlin immediately responded to the comments, made in an interview with The Wall Street Journal, with a demand for a clarification of the administration's intentions toward Russia, saying essentially that it was receiving a mixed message so soon after President Obama had visited Moscow for the summit meeting.

Calling the criticism "perplexing" in light of the diplomatic overtures initiated by the United States and described as "pressing the reset button," the chief foreign policy adviser to President Dmitri A. Medvedev told the Interfax news agency, "The question is: who is shaping the U.S. foreign policy, the president or respectable members of his team?"

The adviser, Sergei Prikhodko, said the atmosphere between the countries had improved since Mr. Obama's visit early this month.

"If some members of Obama's team and government do not like this atmosphere, why don't they say so?" Interfax reported him as saying. "If they disagree with the course of their president, we just need to know this."

In the interview, Mr. Biden set aside diplomatic finesse and offered an unflinching analysis of the state of affairs in Russia.

With falling oil prices, a corruption-ridden banking system and failing courts, Russia has seen the steepest swing from growth to recession of any major economy in the financial crisis.

Mr. Biden has a reputation for speaking volubly, and sometimes going beyond official policy. It was not immediately clear if he was sending an officially sanctioned message.

The White House did not back away from the vice president's remarks on Saturday, but attempted to smooth over the frayed relations with Russia.

“The president and vice president believe Russia will work with us not out of weakness but out of national interest,” Robert Gibbs, the White House press secretary, said in a statement on Saturday night.

“The president said in Moscow that the United States seeks a strong, peaceful and prosperous Russia — one that will be an even more effective partner in meeting common challenges, including reducing nuclear arsenals, securing vulnerable nuclear materials, contending with nuclear programs in North Korea and Iran, defeating violent extremism and advancing global security and economic growth,” Mr. Gibbs said.

Mr. Biden spoke after visits to Ukraine and Georgia intended to reassure those countries that American support for their independence would not be weakened by the administration’s efforts to improve ties with Russia.

“The reality is the Russians are where they are,” Mr. Biden told The Wall Street Journal, according to excerpts posted on the newspaper’s Web site. “They have a shrinking population base, they have a withering economy, they have a banking sector and structure that is not likely to be able to withstand the next 15 years, they’re in a situation where the world is changing before them and they’re clinging to something in the past that is not sustainable.”

Mr. Biden rejected recent Russian assertions of a restored sphere of privileged interests in the former Soviet Union, made after the war in Georgia.

In the most frank discussion yet on Russian expectations of the new diplomatic exchanges, Mr. Biden said the Russians anticipated that the United States would enter into diplomatic bargaining.

Mr. Biden said: “They think we’ll be duplicitous and say, ‘Yeah, O.K., we got it. We’ll make a deal with you on something else we need in return.’”

He referred to the absence of strong American criticism of Russian military operations against separatists in the republic of Chechnya. “Some argued the last administration made a deal on Chechnya in return for no response on Iraq,” he said. “We’re not going to do that. It’s not necessary to do that.”

The Russian retort had its own reference to the previous administration, albeit an oblique one.

After noting the ambiguity of who was shaping policy for the administration, the president or his deputy, Mr. Prikhodko said, “We have been there already.”

#3

Kyrgyzstan: At the Crossroad of Empires, a Mouse Struts

By Clifford J. Levy

New York Times, July 26, 2009

BISHKEK, Kyrgyzstan — The first high-level customers to arrive at this stop on the Silk Road in July were two of Vladimir V. Putin’s confidants. Got some land for stationing Russian troops — say, something with a nice long runway? Soon after, a senior American diplomat dropped by. Can we put the final touches on that deal to keep our own military base here? (Oh, and by the way, anything else we can do for you?)

Kyrgyzstan, a mountainous nation in Central Asia that has long been a contender for the title of most obscure former Soviet republic, has suddenly become prime real estate, like a once-homely neighborhood that all the A-listers now covet.

Its unexpected emergence onto the international stage says much about how the war in nearby Afghanistan, the struggle for political influence in the former Soviet Union, and the competition to control Central Asia’s bountiful oil and gas reserves are reshaping priorities of the world’s military and economic titans.

Kyrgyzstan is the only country in the world that hosts separate military bases for the United States and Russia, and both major powers are bent on sustaining or deepening their presence. That in part explains why neither has

publicly condemned the heavy-handed tactics of the Kyrgyz president, Kurmanbek Bakiyev, who easily won another term last week in an election that his opponents said was rigged.

The United States believes that it must have a sizable military base in Central Asia to support the NATO mission in Afghanistan, especially now that supply routes through Pakistan are perilous. The American installation on the outskirts of the Kyrgyz capital is crowded with C-17 cargo planes and KC-135 tanker planes that readily reach the Afghan skies for mid-air refueling of fighters. As many as 30,000 military personnel cycle through the base monthly.

Those troops and planes have stirred deep unease in the Kremlin, which tried to persuade Mr. Bakiyev to oust the Americans, in the end unsuccessfully. Central Asia is Moscow's former territory and current backyard, and the Kremlin evinces a sense of entitlement here, not to mention a desire to dominate natural resources.

At the same time, the Russians seem torn over the American venture in Afghanistan. They understand that failure could threaten even Russia, which has grappled with Islamic extremism in its south, so they have allowed American military goods to flow across Russia. The Kremlin also can sympathize with Washington's plight, given painful memories of the Soviet involvement in Afghanistan.

Still, the Kremlin fears that the United States is setting down lasting roots in Central Asia.

Russia's role in the former Soviet republics has been a constant source of friction between the two sides. Just last week, Vice President Joseph R. Biden Jr. visited Ukraine and Georgia and rebuked Russia for its "19th-century notion of spheres of influence."

The other major player in Central Asia is China, which is also wary of the spread of Muslim fundamentalism. The Chinese concerns were underscored in recent weeks by the uprising by Uighurs, a Muslim ethnic group, in the Chinese region that borders Central Asia. Chinese companies are also investing billions of dollars in Central Asia.

The Chinese do not have a base here, though rumors have abounded that they want one. The French, Germans and Indians all have small installations in Central Asia.

"Everyone, all these powers, have a vital interest in this region," said Andrei V. Fedorov, an analyst at the Council on Foreign and Defense Policy in Moscow. "It is not just economic. It is also stability. If something goes wrong in Central Asia, it will hit everyone around — Pakistan, Afghanistan, China — and will have great repercussions."

Major nations have long skirmished in Central Asia. But the current state of affairs is more than an update of the Great Game, that 19th-century battle for regional supremacy between Britain and Russia. This time, the dynamic is more complicated, with more players and arguably more at stake.

In recent months, Kyrgyz military bases have been the point of contention, especially the American one on the outskirts of the Kyrgyz capital, which was established in December 2001 after the American incursion into Afghanistan.

The Russians have regularly insinuated nefarious doings at the base, which is at Manas International Airport; state-controlled news media in Russia have aired rumors that the base is a hub for smuggling heroin, prostitutes, babies and even body parts. "The main thing is to instill fear in occupied territory," said the narrator in a recent documentary on Russian television that insisted that the base was a massive espionage complex.

American military officials in Kyrgyzstan roll their eyes in response to these charges. They do say they have polite, if sparse, contact with their local Russian counterparts, who are concentrated at a Russian base not far from the capital.

Kyrgyzstan has turned into a preferred location in part because its society is considered relatively open and its government, while authoritarian, is somewhat less so than those of its neighbors.

The president, Mr. Bakiyev, seems quite aware that his country is the place to be. In February, while he was in Moscow to receive a roughly \$2 billion package of loans and aid from Russia, he vowed to close the American base.

The move was seen as a master stroke by the Kremlin. In retrospect, Mr. Bakiyev was working both sides.

He wanted more money from the Americans, as well as face-saving measures so it would look as if he had not caved, and in June, he got both. The rent on Manas will rise to \$60 million annually from \$17.4 million, and Kyrgyzstan is to receive more than \$100 million in other grants.

Mr. Bakiyev also received a warm letter from President Obama, as well as a visit this month from William J. Burns, the senior American diplomat.

Under the new arrangement, Manas is rebranded a "transit center," and American officials no longer refer to it as a "base," apparently to avoid implying that it is permanent.

"The cynic could go, 'Well, that's just eye wash,'" said Col. Blaine D. Holt, director of the base — er, transit center. "But there is some good rationale behind why some of those actions were taken."

Whether or not the Kremlin was angered by Mr. Bakiyev's turnabout (there is a conflicting evidence), it reacted swiftly.

Earlier this month, Mr. Putin sent two loyalists, Deputy Prime Minister Igor I. Sechin, and Defense Minister Anatoly E. Serdyukov, to see Mr. Bakiyev. The message: Russia wants another base.

A deal is expected soon. The military need is not entirely clear, but that is perhaps beside the point.

"It is a symbolic action — symbolic of Russia's presence, symbolic of its greatness, symbolic of its getting up off its knees," said Sergei A. Panarin, a prominent Central Asia specialist in Moscow. "It's nostalgia for an empire."

#4 OSCE Revising Karabakh Proposals For Armenia, Azerbaijan Leaders RFE/RL, July 25, 2009

The Organization for Security and Cooperation in Europe (OSCE) Minsk Group cochairs met in Krakow on July 24 to update the proposals for a solution to the Nagorno-Karabakh conflict, called the Madrid Principles, RFE/RL's Azerbaijani Service reports.

Matthew Bryza, U.S. cochair of the group, told RFE/RL that it has been nearly two years since "we presented our suggestions in November 2007 in Madrid."

He said there has been "significant progress between the presidents" since that time, adding that "[Armenian President Serzh Sarkisian and Azerbaijani President Ilham Aliyev] are getting deeper and deeper into the basic principles and have come up with some ways to bridge the differences that they encountered when they first met in June of 2008."

Bryza said the Minsk Group cochairs "are going to take our best shot at presenting what we believe are fair and constructive ways to bridge the differences on these last few elements of basic principles that need to be agreed to."

He said the negotiations between the Armenian and Azerbaijani presidents are "moving forward more aggressively" than ever before. But Bryza said it is difficult "for both presidents to convince their populations to take on the risks that both sides must take on if there is ever to be a settlement."

He listed the most fundamental issues in the Karabakh negotiations as: "the interim and final status of Nagorno-Karabakh; the return of territories to Azerbaijan and the safe return of displaced persons; the safety and security of people living in Karabakh; and the opening of transportation links through the Caucasus."

#5

Clinton Reassures Moscow on 'Reset'

By Peter Spiegel and Alan Cullison

Wall Street Journal, July 27, 2009

U.S. Secretary of State Hillary Clinton said the Obama administration considered Russia a "great power" and wanted it to be a strong and prosperous country, in an apparent effort to reassure Moscow that the White House remains committed to efforts to "reset" bilateral relations.

Mrs. Clinton made the remarks in response to a question about Vice President Joe Biden's suggestion, during a Wall Street Journal interview published on Saturday, that Russia's weakening economy was likely to make it more amenable to cooperate with the West on national security issues.

"We view Russia as a great power," Mrs. Clinton said on NBC News's "Meet the Press" on Sunday. "Every country faces challenges. We have our challenges, Russia has their challenges. There are certain issues that Russia has to deal with on its own."

She said the Obama administration didn't believe it has an upper hand in its ties with Moscow, and noted that Mr. Biden had been the first senior administration member to publicly call for a "reset" in the two countries' relationship, in an address in Munich, Germany, in February.

Mr. Biden's comments to the Journal raised concerns in Moscow, which questioned whether he was speaking for the U.S. government. "The question is: Who is shaping the U.S. foreign policy -- the president or the respectable members of his team?" asked Russian presidential aide Sergei Prikhodko. He said it was "perplexing" that Mr. Biden delivered the comments just as the U.S. was talking about a reset in relations.

With its numerous special envoys and foreign-policy czars -- Mr. Biden was recently tapped to oversee Iraq strategy -- the Obama White House is facing a similar question: Can the administration speak with one voice on foreign-policy issues?

Ms. Clinton said she believed such concerns were unwarranted, arguing that with the U.S. fighting two wars and facing a growing number of international crises, it would be "diplomatic malpractice not to have people of stature and experience handling some of our most difficult problems on a day-to-day basis."

She said that without such division of labor, the Obama administration risked repeating mistakes of the Bush White House, in which countries other than Iraq and Afghanistan "felt that they were kind of second tier."

On Sunday, Russian President Dmitry Medvedev criticized the U.S. over its continued support of membership in the North Atlantic Treaty Organization for the former Soviet republics of Ukraine and Georgia, saying the alliance "is not ready" to absorb them. Mr. Biden visited both states during his trip through the region last week, and reaffirmed U.S. support for both to join the alliance.

"We don't think it's right to drag certain countries into military and political alliances against the will of their people," Mr. Medvedev said on Russia's NTV television.

Mrs. Clinton reiterated the administration's view that the countries have a right to join any alliance they choose. She said differences with Moscow over the issue wouldn't halt White House efforts to reach out to Russia.

"The Russians know we have continuing questions about some of their policies, and they have continuing questions about some of ours," she said.

#6

Senate warns against concessions on nuclear treaty

By Jim Abrams

AP, July 26, 2009

WASHINGTON - The Senate is making it clear to the Obama administration that it will look askance at concessions, particularly on missile defense, that the United States might make to conclude a new nuclear arms reduction treaty with Russia.

In several resolutions included in a defense budget bill passed late Thursday, the Senate went on record endorsing a missile defense system being considered for Eastern Europe that Russia detests, and warning against any arms treaty with Russia that puts limits on that system.

President Barack Obama and Russian President Dmitry Medvedev, meeting in Moscow earlier this month, set a goal of reducing strategic warheads by about a third, to a range of 1,500 to 1,675. The intent would be to come up with a nuclear arms reduction pact to replace the Strategic Arms Reduction Treaty (START), which expires Dec. 5.

But treaties must be ratified by 67 senators or two-thirds of those present, giving the Senate's 40 Republicans, with their traditional advocacy of a strong nuclear deterrent, rare leverage.

Sens. Jon Kyl, R-Ariz., and Jeff Sessions, R-Ala., won voice approval Thursday of a nonbinding "sense of the Senate" resolution that the START follow-on treaty not include limits on ballistic missile defense, space capabilities or advanced conventional weapons. It also called on the president to report on the administration's plans to enhance the safety, security and reliability of U.S. nuclear weapons.

On another voice vote, the Senate endorsed a resolution by Sessions and Sen. Joe Lieberman, I-Conn., expressing support for a ground-based midcourse missile defense (GMD) system in Poland and the Czech Republic. Alternative sites should be considered only if they are equally capable of protecting the United States and Europe from future long-range Iranian missiles, it said.

Lieberman said the resolutions "are our way of sending a message both to the administration and to the Russians." He said he is open to options other than Poland and the Czech Republic as sites for a missile defense system, including missile defense cooperation with Russia, but "not at the cost of in any way diminishing our security."

Obama has made no final decision on proceeding with the Poland-Czech plan, proposed during the George W. Bush administration. Russian leaders say deployment of a missile defense system in Eastern Europe is a direct threat to their country. They suggested that progress on an arms agreement could hinge on the U.S. giving up its missile defense plan.

Sessions said he was concerned the administration was pursuing alternatives to the Poland-Czech proposal "as part of a grand strategy to reset relations with Russia and conclude a follow-on to the START nuclear reduction agreement."

He said he was baffled by Russian "bluster."

"Perhaps this is a way they think they can extract concessions from the United States as a bargaining chip," Sessions said.

Conservatives would not be overly concerned about the numbers in a new arms reduction treaty if the administration doesn't look like it is abandoning missile defense and other areas such as weapons development, said Stephen Flanagan, an international security specialist at the Center for Strategic and International Studies.

Another factor is that the urgency Cold War arms talks had no longer exists, said Gary Schmitt, director of advanced strategic studies at the American Enterprise Institute.

"The Obama administration can overestimate how much momentum there is for doing anything in this area," Schmitt said.

Schmitt said senators will question any treaty that comes to them before the Pentagon completes a congressionally mandated Nuclear Posture Review. That report on nuclear threats and deterrent capabilities is due by the end of 2010.

"There are chances of ratification," said Ariel Cohen, senior research fellow and Russia expert at the Heritage Foundation, "provided the administration does not capitulate" on the European defense system.

In 1999, during the Clinton administration, the Senate rejected the Comprehensive Nuclear Test Ban Treaty after its supporters couldn't muster even a simple majority.

Senators contended the treaty, which the United States informally abides by, lacked adequate means of verification. Obama has expressed interest in trying to get it ratified by the Senate.

#7

Russia admits violation in Ukraine base incident Reuters, July 26, 2009

MOSCOW - Russia made a rare admission on Sunday that it had violated Ukrainian law by trying to transport cruise missiles outside its Black Sea naval base of Sevastopol, Russian news agency RIA reported.

Earlier this month, Ukrainian police blocked a convoy of Russian trucks from leaving the base to transport missiles through the Ukrainian city, adding to tensions between the two ex-Soviet states.

"We acknowledged there were violations of basic agreements on basing the Russian Black Sea fleet in Sevastopol," RIA quoted Russian navy commander Admiral Vladimir Vysotsky as saying.

"We believe those were serious violations," he said. "Those responsible will be punished, quite heavily at that."

Vysotsky, who was in Sevastopol to mark Russia's annual Navy Day, said the paperwork dealing with the convoy had not been done properly.

Moscow leases a base for its Black Sea Fleet in Sevastopol, a port in the Crimea peninsula populated mainly by ethnic Russians. The status of the base has been a thorn in relations between Moscow and Kiev since Ukraine's independence in 1991.

Ukraine, which has committed itself to closer ties with the West and whose President Viktor Yushchenko is pressing for NATO membership, wants Russia to close the base in 2017 as stipulated by existing agreements.

Russia sees NATO expansion up to its borders as a threat to its security and was troubled by joint Ukrainian-NATO naval exercises last July in the Black Sea.

Tensions hit a peak the following month, when Russia sent warships from the base to Georgia during its five-day war with the Caucasus state. Yushchenko backed Georgia in the conflict.

The two sides have traded accusations over a series of incidents concerning the base and in the past have been reluctant to acknowledge any guilt.

Relations are also marred by disputes over Russia's gas supply to Ukraine and its transit to Europe.

#8

Do Dissidents Matter?

The Obama administration should make common cause with today's brave democracy activists.

By Bret Stephens

Wall Street Journal, July 28, 2009

You are either for or against apartheid and not by rhetoric. You are either in favor of evil or in favor of good. You are either on the side of the oppressed or on the side of the oppressor. You can't be neutral. — Desmond Tutu, 1984

Make a list of the most inspiring figures of the last 50 years, and it's sure that political dissidents will weigh heavily at the top of it: Alexander Solzhenitsyn, Nelson Mandela, Lech Walesa. Now make a list of the most consequential figures of the same period and those same names will also appear. So why is the Obama administration borderline Nixonian when it comes to making common cause with today's dissidents?

In his memoirs, Henry Kissinger once recalled his opposition to the Jackson-Vanik Amendment, which linked trade privileges for communist countries with their emigration policies. "If [the Kremlin] made the concession [on emigration]," wrote Kissinger, "there was literally no telling what would happen to the Soviet Union."

Mr. Kissinger's fear was that too much hectoring could put the policy of detente in jeopardy. In a sense he was right: Jackson-Vanik became law, persecuted minorities were allowed to go, human rights was put at the center of the superpower agenda, and the Soviet Union collapsed on the weight of its own moral bankruptcy.

Fast forward to Sunday's interview of Hillary Clinton by NBC's David Gregory, in which the newsman asked the secretary whether negotiations with Iran's government wouldn't betray the country's democracy movement.

"I don't think so, David," she answered. "We have negotiated with many governments who we did not believe represented the will of their people. Look at all the negotiations that went on with the Soviet Union. That's what you do in diplomacy. You don't get to choose the people [you negotiate with]. That's up to the internal dynamic within a society."

Mrs. Clinton is certainly right that presidents of both parties negotiated with the Soviets: There's a 40-year record of Soviet treaty violations to prove it. Meanwhile, people like Vaclav Havel and Andrei Sakharov lingered in detention or prison while their respectable jailers cut their deals with the West.

But here's a thought experiment for Mrs. Clinton: If parleying with the Soviet Union then or with Iran now was (or is) the right thing to do, was the Reagan administration also right when it sought a policy of "constructive engagement" with P.W. Botha's apartheid government in South Africa? What would Mrs. Clinton have to say to Bishop Tutu? That he sounds too much like George W. Bush?

Of course the bishop was right. Of course, too, opposing the apartheid regime was not only morally right but smart, since nothing good could have come of persuading black South Africans, as we nearly did, that the U.S. stood by their white oppressors while the Soviets backed the African National Congress.

But the biggest "of course" was that the most important power in South Africa at the time wasn't Botha but rather the old man on Robben Island chipping away in a lime quarry. Just so, the ultimate future of Iran doesn't lie with Supreme Leader Ali Khamenei but with his opponents now in Tehran's Evin Prison, just as Burma's future lies with its elected Prime Minister Aung San Suu Kyi and not the ruling junta, just as Russia's future lies with its brave band of opposition activists and not with Vladimir Putin or Dmitry Medvedev.

Today, these opposition activists may be little more than uncomfortable reminders of the nature of the people with whom the administration wishes to break bread. Someday, however, they (or their children) will be in power, and they will hold the U.S. to account for whether it helped or hindered the cause of their freedom

Yet there again was Mrs. Clinton in Thailand last week, suggesting the U.S. was willing to make deals with the Burmese junta in exchange for Ms. Suu Kyi's freedom—never mind that a woman who once refused an offer of release to be with her dying husband isn't about to take the same offer at a price of giving the junta an opening to

the West. President Obama did better in Russia this month by meeting with some of the opposition. But how do you press the “reset” button with a regime that enforces a rule of terror in Chechnya, where human-rights activist Natalia Estemirova was recently murdered?

In Hong Kong last week, I had breakfast with Martin Lee, the city’s best known democracy activist. What keeps him going? “If everyone is holding a candle in the middle of the night, and I blow mine out, then everyone else will blow theirs out,” he explained. The best U.S. foreign policy is the one that helps those like Mr. Lee cradle that candle.

#9

Will Moldovans, cowed by crackdown, rise up again?

By Corneliu Rusnac and William J. Kole

AP, July 27, 2009

CHISINAU, Moldova - Moldovans go to the polls Wednesday, three months after protesters stormed the capital accusing the communist-led government of rigging nationwide elections - and used Twitter to rally support after cell phone networks went down.

Authorities swiftly suppressed the unrest using brute force that left at least three dead and hundreds arrested.

So, will the nation rise up again?

Few expect a fresh wave of violence in this week’s tightly contested parliamentary vote, which could help determine whether the ex-Soviet republic remains in Russia’s orbit or edges closer to the European Union and the West.

Fear of another crackdown is just one factor. With some 3,000 observers being deployed to help guard against any fraud, the world will be paying closer attention this time.

"A repeat of violence ... is very unlikely because people are tired and the parties' resources are depleted," said Igor Botan, a political analyst.

In April, opposition supporters resorted to Twitter to organize after cell phone service was cut and cable news stations were taken off the air, blacking out coverage of the protests.

It’s not the only time Twitter, Facebook, blogs and other social networking have been used to organize protests. Iran’s embattled opposition turned to the Internet to get the word out during last month’s crackdown by the clerical regime, and online tools played a key role in the recent ethnic unrest in southern China.

But so far such Web technology hasn’t contributed to bringing about regime change.

"It’s a great tool for organizing and mobilizing people. But it’s just a tool - not an end in itself," Juan Carlos Zarate, deputy national security adviser in the Bush administration, told The Associated Press.

"People still have to find ways to challenge a regime. At the end of the day, there has to be a shift in the power dynamics."

Things have loosened up a bit in Chisinau, the capital, since April’s protests.

The mayor, a key opposition figure, has set up free wireless Internet access in a downtown park, where young people have been logging on with their laptops. And reformists staged a small rally Monday in front of the election commission, some waving signs that read: "NO FRAUD."

In an apparent attempt to deflect challenges to his government, President Vladimir Voronin has been appealing to Moldovans’ collective pride in their country.

Voronin, who leads the ruling Communist Party, has been campaigning on fears the center-right opposition - which claimed the April 5 parliamentary elections were rigged - might want to reunite the nation with neighboring Romania. Moldova was part of Romania until 1940.

Appealing to voters last week, Voronin said Wednesday's election "will answer this question: Should Moldova exist as a country, as a society, this wonderful and unique fatherland of ours?"

Support for his Communist Party, in power since 2001, has been falling in recent months - partly because of the ferocity of the government's crackdown, but also because of the fresh misery inflicted by the global economic crisis.

The world economic downturn has exacted a heavy toll on Moldova, where the average monthly wage is only \$350 (euro245).

The International Monetary Fund warns that Moldova's gross domestic product will tumble by 9 percent this year. And 20 percent of its 4.1 million people say they're poorer now than they were in March, just before the last elections, according to a survey by the Institute for Public Politics.

"Things can't go on this way. We need change, we need a new political class," said Andrei Tighineanu, 32, a clerk in Chisinau.

"They tell us one day we'll be in the European Union, but things are getting worse by the day," he said. "I think we need real and deep change. We need new people, serious-minded and young people who can help Moldova join the EU - not through words, but with actions."

During the Communist Party's eight years in power, there has been international criticism about the lack of press freedom and critics say some arrests are politically motivated.

Tensions have soared since the opposition accused the government of rigging April's vote.

Voronin, 68, accused Romania of trying to overthrow the government, a charge Bucharest vehemently denied. Romanians now need visas to travel to Moldova.

Last month, Voronin dissolved parliament after his Communists twice failed to muster enough votes in the bitterly divided assembly to elect a president.

Voronin - a former baker known for keeping a bust of Lenin on his desk and a painting of the former Soviet leader on the wall - is not eligible to run again. He has served two consecutive four-year terms as president, the maximum allowed under the constitution, though he is still expected to retain influence in parliament.

The opposition wants to move Moldova closer to the EU and NATO. Moldova is part of NATO's Partnership for Peace, but the Communists oppose full membership in the Western military alliance.

Almost four in five Moldovans are ethnic Romanians, and thousands have Romanian passports. Romania, a EU member, is Moldova's top advocate in the EU and NATO.

Still, Russian influence remains strong. The country was part of the Soviet Union until it was dissolved in 1991, and last year Russia was Moldova's No. 2 trading partner after Romania. Many Moldovans speak both Romanian and Russian fluently.

Voronin's Communists appeal mainly to older voters, and they have an important say in their country's political future. That's because 600,000 Moldovans aged 20-40 - who normally would vote for the opposition - are working abroad in Europe, mainly in Russia, Italy, Spain and Ireland.

Although legally entitled to vote absentee, few traditionally have made it to a Moldovan embassy to cast a ballot in a weekday election.

Political analysts say the Communists and the opposition will likely have to negotiate on a new president because no party will get the 61 seats needed in the 101-member parliament to name a successor to Voronin.

A recent poll by the Institute for Public Politics shows the Communists leading with 31 percent, although four center-right opposition parties could win a combined 33 percent and form an alliance. The June 26-July 10 survey of 1,500 people gave a margin of error of 2.5 percentage points.

Kole reported from Vienna. Associated Press Writers Alison Mutler and Alina Wolfe Murray in Bucharest, Romania, contributed to this report.

#10

IMF approves \$3.3 billion Ukraine loan tranche By Lesley Wroughton; Editing by Kenneth Barry Reuters, July 28, 2009

WASHINGTON - The International Monetary Fund on Tuesday agreed to release a \$3.3 billion loan tranche to Ukraine after approving a second review of the country's \$16.4 billion IMF program.

The IMF said its board also approved adjustments to the loan program, including a deeper budget deficit to take account of financial difficulties at state energy company Naftogaz.

"To cushion the impact of the sharper economic contraction and to reflect the imbalances of the state gas company Naftogaz, the revised economic program targets a broadened fiscal deficit," the IMF said. The IMF did not elaborate on the deficit.

IMF First Deputy Managing Director John Lipsky said Ukraine was moving ahead with a strategy to strengthen the finances of Naftogaz. A key step, he said, was to develop a schedule of natural gas price increases to bring domestic prices in line with international ones.

"Corrective fiscal measures and structural reforms are a priority to ensure fiscal sustainability and to avoid crowding out of private sector borrowing," Lipsky said.

"The authorities have reduced nonpriority expenditures as well as taken a number of steps to restore viability in the natural gas sector," he added.

Lipsky also said Ukraine's monetary policy stance was adequate although the central bank stood ready to tighten policies if inflation or exchange rate pressures were to reemerge.

#11

Aeroflot Sheds Its Soviet Legacy and Turns to a Western Fleet By Andrew E. Kramer New York Times, July 29, 2009

MOSCOW — Aeroflot's symbol is still the winged hammer and sickle, but otherwise, the former communist carrier has mostly shrugged off its Soviet past. The strongest evidence yet: by the end of the year, it will fly a fleet nearly entirely made in the U.S.A. and Western Europe.

Aeroflot is selling all of its Tupolev jets, the workhorse passenger aircraft of the former East Bloc. Once they are gone, only six of about 100 jets in Aeroflot's fleet will be Russian-made. And those planes, Il-96s, will fly within Russia and on select foreign flights, including the Moscow-Havana and Moscow-Hanoi routes.

That Aeroflot will fly almost exclusively Boeing and Airbus jets is a remarkable turn for a company that once owned virtually every civilian airplane in the Soviet Union. But the airline has tried to reinvent itself as a business carrier, and its passengers tend to prefer Western airplanes.

While experts say Russian airplanes are well-constructed, poor maintenance and repairs brought them a bad reputation for safety after the Soviet collapse. And as any passenger will tell you, they are also more noisy and cramped. “I look at every bolt and every screw and wonder if any are loose, and I worry,” Anastasia A. Tkachova, a student flying to London on Aeroflot, said while awaiting a flight at Sheremetyevo Airport in Moscow.

“It’s more comfortable to fly an Airbus,” another passenger, Mikhail A. Kotlyarov, said. But he was quick to add, with a touch of regret, “Russia will be left without its own airplanes.”

Not exactly. In fact, despite Aeroflot’s move, Russia’s domestic jet industry actually appears to be making an improbable comeback.

It was the Russian-made planes’ far greater fuel consumption that doomed them with Aeroflot, especially given the hard times in the industry worldwide. Aeroflot’s chief executive, Vitaly Savelyev, said the company was losing money on about 40 percent of its routes and that it would have to lay off about 6,000 workers in the coming two or three years, the Vedomosti business newspaper reported Monday.

Over its history, of course, Aeroflot has had myriad problems. Horror stories abound, though statistically flying was as safe here as in the West until a series of recent crashes involving both Western- and Russian-made jets, accidents blamed mostly on pilot error.

Ms. Tkachova recalled one white-knuckled take-off when flight attendants, posted in the aisles and looking out the windows, periodically called out updates to the cockpit about ice forming on the wings.

Ms. Tkachova said she was so visibly disturbed that a flight attendant later gave her gum, to help her calm down.

Irina Danenberg, Aeroflot’s spokeswoman, said Aeroflot was selling its Tu-154 jets because they burned so much fuel compared with Western planes, not because of safety concerns. The Soviet legacy is “completely irrelevant” today, Nikolai Kovarsky, a Moscow-based business consultant, said of Aeroflot. “They’re extremely friendly, extremely professional. The service is impeccable. And they’re Russian.”

Aeroflot now operates 26 Tu-154 jets that it is taking out of service and selling, in the process laying off cabin crews to help shed employees. The reshaping of its fleet is seen as a victory for the company, which is listed on the London Stock Exchange and has struggled to shed its role as a source of subsidies for Russian airplane factories.

It is a trend in Russian aviation. For now, the Tu-154 and a smaller variant, the Tu-134, remain the most common passenger airplane in Russia, with about 600 in service. Russian airlines have placed orders for about 100 of the Tupolev factory’s newer replacement, the Tu-204. But there are just as many Russian orders outstanding for Boeing and Airbus airplanes, according to Airclaims CIS, an aviation consultancy.

Aerospace is among the few competitive sectors of Russia’s economy outside petroleum. The absence of modern planes now is not, in fact, a reflection of the current state of the industry but of the postcollapse crisis of the 1990s — the lead time is long on new plane designs. After a restructuring of aircraft manufacturers in 2005, a new crop of Russian planes is expected on the market through the next decade.

Aeroflot has placed orders for 30 new regional jets being built by Sukhoi in partnership with Boeing. And the Sukhoi superjet is also being marketed worldwide as a competitor to regional jets made by Bombardier of Canada and Embraer of Brazil.

The Il-96, the last Russian model in Aeroflot’s fleet, still serves as the Russian presidential jet, though its reputation was damaged in 2005 when Vladimir V. Putin, then president, had to take a backup airplane home from a trip to Finland because the Ilyushin’s brakes had malfunctioned. The president of Ilyushin was fired after the incident.

Worldwide, only 14 Il-96s are operating, including a model made for Cuba with a flex cabin that converts from passenger seating for Cubana de Aviacion to a V.I.P. layout for presidential trips.

Because Cuba retains ground crews trained to service the plane, the Il-96s can be flown more cheaply between Moscow and Havana than to European or United States airports, according to Boris Bychkov, the general director of the Moscow office of Airclaims, the aviation consultancy.

Meanwhile, the disappearance of the Tupolevs from Aeroflot's fleet, he said, should not be seen as a "blow to the image" of Russian plane makers. "We still have excellent fighter jets."

#12

No Place in BRIC for Russia's Economic Mess

By Anders Aslund

Moscow Times, July 29, 2009

First-half results are arriving, presenting many countries with shocking declines, but the record is quite varied. Whatever standard we choose, Russia is underperforming.

The country's natural comparison is with the BRIC countries - Brazil, Russia, India and China. According to JP Morgan's current forecast, this year the gross domestic product of China is expected to grow by 8.4 percent, India - 6.2 percent, while that of Brazil is expected to shrink by 1.0 percent, and Russia - 8.5 percent. During the first half of 2009, China and India have been forging ahead, while Russia's GDP plunged by 10 percent.

Russia's economy remains dominated by oil and gas, and its overall government policies depend heavily on the global oil price. Three standard scenarios were formulated in the official Strategy 2020 program. The favored "innovation scenario" was supposed to generate an annual growth of 6.5 percent. It presupposed far-reaching reforms and investment in human capital, which is not a plausible option with an oil price above \$60 per barrel.

The Kremlin's negative "inertia scenario" assumed no significant reforms and forecasted an average growth of 3.9 percent a year. Such an authoritarian petrostate is likely if the oil price is \$75 per barrel. In between, the Kremlin put an "energy and raw materials scenario" with 5.3 percent growth, which could be called status quo with an oil price of \$60 to \$75 per barrel, but such a policy is not likely to generate a high growth rate.

The critical insight is that the higher the oil price is, the lower Russia's long-term economic growth is likely to be, because the ruling elite will thrive on energy rents rather than pursue reforms or invest in human capital. The greater the corruption is, the more repression the rulers need to defend their fraudulent revenues.

Russia's course is difficult to discern because overt economic policy changes every few months with the oil price. During the period from May to July 2008, the inauguration of President Dmitry Medvedev raised hopes that he would initiate economic and political reforms - particularly as it related to his anti-corruption initiatives - but we saw no significant changes.

Instead, Prime Minister Vladimir Putin intimidated Mechel in late July, threatening to send a "doctor" to clean out the company's problems, and the war in Georgia two weeks later augured a period of darkness and reaction. Russia's attempts to accede to the World Trade Organization were suspended and a renationalization of leading companies became a priority.

But the devastation caused by the financial crisis and gradual devaluation allowed reformist ideas to surface again. Russia saw a renewed openness from February until May that could almost be labeled a thaw, but again no legislation was passed.

In early June, the oil price surpassed \$70 per barrel, and the reactionaries got into action again. In Pskalyovo, Putin declared the not very market-oriented view that private businessmen have to produce for the sake of producing. Numerous governors threatened private enterprise owners with confiscation if they did not rehire workers and keep decrepit factories alive. Several weeks later, Putin suspended Russia's attempted accession to the WTO and he even went on a personal tour to control sausage prices. Naturally, rumors are ripe of possible new confiscations of large corporations.

This is no way to run economic policy. In effect, Russia is pursuing the status quo or inertia scenario - but without the benefit of stability. With its quarterly swings in declared economic policy, the government destabilizes the business environment and fails to carry out any economic policy. Both the vagaries and passivity are dangerous to the country's economy as is evident from the drastic decline in GDP. Little surprise that not only China and India but also Brazil are much more successful.

Russia's only sensible policy has been its fiscal policy with a persistent budget surplus in the good times from 2000 until 2008, which allowed it to build huge international reserves that, while reduced, remain at roughly \$400 billion today. This means that Russia can safeguard itself from some fluctuations of the global financial market.

But it is not doing so. On the contrary, it is causing unnecessary domestic financial problems. The ultimate folly was Russia's gradual devaluation during the period from November to January. Naturally, everybody speculated against the ruble, which meant that the Kremlin instigated a domestic liquidity freeze. It was probably the main reason for the excessively sharp drop in Russia's industrial output. Amazingly, this operation is officially hailed as a success, making evident that the danger of a repetition persists.

The state-dominated banking system remains a morass. The five dominant state banks are in poor shape. The government pours more and more money into them, but it helps little as the banks lose it in short order on politically motivated, nonperforming loans. The state banks pose a threat of nationalizing big Russian companies, while they provide little credit. In effect, the Kremlin maintains a detrimental liquidity squeeze.

Senior officials interfere arbitrarily in big enterprises, asking them to hire more workers, to reduce prices and to expand production under threat of confiscation, further undermining the country's weak property rights. This is the worst possible policy.

Gazprom appears to be the greatest management failure of them all. It is difficult to fathom how it has succeeded in scaring so many customers away in half a year that it has been forced to cut its output by 35 percent. In any other country, save Congo, such a harmful management would be ousted without delay. There is no reason to expect any significant improvement as long as the managers remain the same.

Russia's ultimate shortcoming is its pervasive top-level corruption. Remember that it has failed to extend its road network since 2000. A country that cannot build roads cannot develop much more.

Undoubtedly, Russia will recover somewhat because of higher oil prices, the global recovery and recovering exports, but nothing has been done about the country's profound structural problems, which have only been aggravated during a year of financial crisis. Worse, Russia's economic policy is in such flux that nothing is being done. Gradually, the question is moving from complaints about how Russia is being governed to criticism that it is not being properly managed. No forthcoming disaster is evident, but no country can be ruled so poorly for so long.

Anders Aslund, a senior fellow at the Peterson Institute for International Economics, has coauthored with Andrew Kuchins "The Russia Balance Sheet."

#13

The Kremlin's Violent Underbelly

By Alexei Malashenko

Moscow Times, July 29, 2009

The Kremlin has been caught off guard by a spike in violence in the North Caucasus over the past few months. One reason for this: The Kremlin had believed its policies in the region were successful. After canceling its anti-terrorist operations in Chechnya (largely at the insistence of Chechen President Ramzan Kadyrov), the authorities were convinced that the situation there had stabilized.

It is clear, however, that the picture is far less rosy. It has become obvious that the number of insurgents in the North Caucasus - primarily in Ingushetia, Chechnya and Dagestan - is greater than official figures have stated and

that they have deep reserves and the ability to operate at a fairly professional level. The militants have also formed, if not coalitions, then at least mutual understandings with other political forces, primarily those that have suffered from the government's fight against corruption. The result is that the daily news coming from the Caucasus sounds more like war coverage, including attacks on well-known religious figures, government ministers and even Ingush President Yunus-Bek Yevkurov.

It is no longer possible to explain the spike in violence on the seasonal factor - that insurgents are most active in the spring and summer. In Ingushetia, the policies of Yevkurov have caused fear not only among militants, but also corrupt officials who had grown fat under the republic's previous leader. In Chechnya, the reason for the troubles is the political and human costs associated with the policies of Kadyrov, who is hated as much as he is loved by the population. What started as the Kremlin's attempt to "Chechenize" the conflict in the republic - that is, to convert it into a domestic struggle rather than one between Russian troops and local forces - has now turned into a "Kadyrovization" of the problem, with all of its numerous drawbacks. As a result, Moscow is becoming increasingly annoyed with Kadyrov's absolutism and the way his strong loyalty to the Kremlin is coupled with attempts to transform Chechnya into something bordering on an independent state. Neither can Russia's leaders be too happy about the murders in Moscow and Dubai of the Yamadayev brothers, who had connections with the siloviki, or the recent killing of human rights activist Natalya Estemirova in Chechnya. All of these murders have been linked in one way or another to Kadyrov.

Finally, there is dissatisfaction in Moscow and the North Caucasus over Kadyrov's ambitions to extend his political influence beyond Chechnya to include the entire region. His desire to impose order on neighboring Ingushetia personally - while emphatically claiming that he has President Dmitry Medvedev's support - has caused heightened anxiety within Ingushetia. Kadyrov has also aggravated many people with his attempts to interfere in Dagestan's internal affairs. Many blame Russia's leadership for Kadyrov's uncontrolled, reckless ambitions.

Since canceling the decade-long, anti-terrorist operations in April, the security situation has deteriorated to such an extent that it has been necessary to reinstate the operations in some regions. But this has turned out to be only a stopgap measure and one that is clearly inadequate.

Kremlin officials have no idea what to do next. On one hand, the direct application of force is no longer effective. Sending federal forces to the region evokes hostility among local people and only escalates tensions. On the other hand, it is unrealistic and even dangerous to give full authority to local officials to solve their own problems, given the widespread lack of trust they have among the people.

Moscow's experiments with the powerful Kadyrov and the weak former Ingush President Murat Zyazikov demonstrated that both extremes produced similar results. Kadyrov's excessive force proved to be just as dangerous as Zyazikov's weak hold on power. In the first case, the local leader can break free from Moscow's control, and in the second the president is simply unable to carry out his leadership role. The best option is somewhere in the middle, a strong but tractable president whose actions do not create additional problems for the Kremlin. But finding such a candidate is difficult, especially because that person should not simply rule with an iron fist, but he must also somehow find a common language with the people and build a consensus. This is the only way to achieve stability in the region.

That is precisely what Yevkurov tried to do in Ingushetia. Unfortunately, having attempted to earn the public's trust by fighting corruption and the irreconcilable insurgents, he has become the Caucasus' most tragic political figure. In late June, he was the target of a suicide bomber and is recovering from serious injuries in a Moscow hospital. Without idealizing Yevkurov in any way, I think that he is the first leader who, in the midst of an ongoing crisis, has tried to build the foundation for consensus by seeking alternatives to the use of force.

The drama surrounding Yevkurov mirrors the condition of the entire North Caucasus. Here is a person who, while striving for peace, was forced out of the political arena by a terrorist attack. In the process, the very idea of establishing a wide-ranging dialogue has effectively been lost. Now, anybody can point to Ingushetia as proof that the soft approach to resolving conflicts is ineffective. This once again strengthens the position that the use of force is the only effective way to rule in the North Caucasus.

In the meantime, the people living there continue to live according to their own laws. Blood feuds are on the rise again, and Islam is playing an increasingly central role in regulating social relations. Religion has become politicized from two sides. First, jihad remains a standard rallying cry for the Muslim opposition. Second, secular authorities frequently appeal to Islamic leaders, viewing them as convenient tools for maintaining their own authority. Even traditional Islam has become politicized in the Caucasus, and in Chechnya the mosque serves as the center of political indoctrination for the republic's youth.

Members of both the Wahhabi opposition and the Tariqah order advocate introducing sharia into society. They simultaneously welcome the success of the Palestinians' Hamas and support the well-known theory that the Judeo-Christian civilization is moving toward an epic clash with Muslim civilization.

The republics across the North Caucasus are experiencing an acute de-modernization. The region is extremely weak. It has few elements of a modern economy, and the system of middle school and secondary education has practically collapsed. Emigration is growing, in turn causing tensions in neighboring regions of Russia. The problems in the region have definitely become one of the Kremlin's biggest problems.

And it is precisely in the North Caucasus - in the country's vulnerable "underbelly" - that the 2014 Winter Olympic Games will be held. True, the games might stimulate the economy of the Southern Federal District, where Sochi is located, but who can guarantee that they will be carried out without any unwanted terrorist attacks? The Sochi Games could be an excellent opportunity for Caucasus extremists to demonstrate their own importance. Vladimir Putin's 10 years of rule as the country's president and prime minister have not been enough to defeat extremism and instability in the region. Now, only five years remain before the Sochi Olympic Games' opening ceremony.

Alexei Malashenko is an analyst specializing in religion and security issues at the Carnegie Moscow Center.

#14

Keeping Up the Momentum with Moscow

By James Collins

Carnegie Endowment, July 28, 2009

The latest flap over U.S. Russia policy sparked by the interview Vice President Biden gave to the Wall Street Journal last week demonstrates the fragility of the "reset" proclaimed after the Moscow summit between President Obama and President Medvedev in July. And it further underscores how vulnerable the effort to recast relations will remain so long as they depend more on words and symbols than on achieved and tangible results.

The Vice President's trip to Ukraine and Georgia already focused attention on the topic that remains most neuralgic in relations between Moscow and Washington. However, despite criticizing Russia for the benefit of audiences in Kyiv and Tbilisi, Mr. Biden gave Moscow no real grounds to complain that the Administration was moving away from the positions President Obama laid out during his Moscow visit and since. But when the Wall Street Journal reported Biden remarking that Russian economic distress would give Washington a way to extract concessions from Moscow, the Russian reaction was as immediate as it was negative. One Russian news agency characterized the reaction as a "mixture of puzzlement, hurt, and warnings" quoting Medvedev foreign policy adviser Sergei Prikhodko as saying that if "some members of Obama's team and government ...disagree with the policy of their own President, we ought to know it." Others were less generous.

The reaction from Moscow resulted in immediate damage control. Statements from the White House and State Department sought to backtrack and deny any suggestion that the Administration was changing its carefully crafted new approach to Russia. White House spokesman Robert Gibbs noted that the "President said in Moscow that the United States seeks a strong, peaceful and prosperous Russia - one that will be an even more effective partner in meeting common challenges," and that the "President and Vice President believe Russia will work with us not out of weakness but out of national interest."

This was followed by a statement from Secretary of State Clinton reaffirming that the Administration wants "a strong, peaceful and prosperous Russia," and that the U.S. views Russia "as a great power." But the effect of this contretemps is unfortunately all too predictable. It has given ammunition to Russian critics of better relations with

Washington even as it has awakened doubts and debate in the U.S. about how firmly the Obama Administration is committed to resetting its approach. In the present environment, words alone will not get America's relations with Moscow back on more solid ground; only concrete actions and demonstrable results will.

Both Washington and Moscow must move with determination and persistence to capitalize on new diplomatic openings produced at the July summit in Moscow. The need is all the more urgent as we approach the August political dead zone, when regular diplomatic activity gives way to desultory vacation-time routines. The short time negotiators have to complete a new strategic arms agreement to replace the expiring START treaty before December gives reason to expect that both sides will continue to press forward in that area. Most indications since the Moscow meeting remain positive and suggest progress is being made. One can only hope that the urgency of the subject will prompt both sides to work actively even through August to deliver results by the fall.

Likewise, the agreement on Afghanistan and new opportunities for cooperation on that front need to be shown to work. That will require both parties to undertake activities that demonstrate the practical benefits from the new arrangements generated at the summit. Similarly, the military to military program agreed in Moscow will create a new atmosphere of cooperation only with implementation of the projects outlined. In addition to these concrete activities, however, it is the promise of expanded areas of cooperation that offers the best hopes of a new era in U.S. relations with Russia.

In this regard, the agreement in Moscow that the U.S. and Russia will put the conduct of their future business on a more structured basis represents a major opportunity. The inability of the Bush and Putin presidencies to develop an apparatus to prosecute relations in a predictable and productive way worked to the detriment of both countries. Programs with potential for the U.S. and Russia were allowed to wither, and differences and disagreements were allowed to develop or fester in the absence of sustained dialogue.

The creation of a bilateral commission led by presidents Obama and Medvedev has put in place new machinery designed to address this problem. This new commission will provide an institutionalized framework for the two governments to carry out routine work effectively and to prevent neglect of issues with the potential to cause trouble. As set out in their statements from Moscow, Secretary Clinton and Foreign Minister Lavrov will lead and coordinate the work of the commission's working groups. Each structured to address a major element of U.S.-Russia relations, these working bodies will permit the governments to develop pragmatic, mutually beneficial programs, to deepen and broaden dialogue at both the expert and political levels, and to work toward better outcomes in addressing issues on the international agenda. They can further develop the useful habit -- that has so long been lacking -- of consultation and joint work.

As designed, the commission can address nearly all aspects of U.S.-Russia relations. Its working groups will address security issues ranging from how to combat the dangers of terrorism and extremist movements to dealing with the challenges of energy security and energy efficiency. It should also be hoped that the appropriate working group will immediately take up the matter of managing Russia's World Trade Organization membership, where it will find agreement at the political level, and experts eager to get started on implementation. If past examples serve, topics ranging from cooperation on public health and climate change to nuclear nonproliferation and missile defense will be most usefully addressed in a sustained structured dialogue within a solid institutional framework.

The Obama-Medvedev meetings in Moscow carried a step further the efforts of the U.S. and Russia to move their relations in a more positive, productive direction. The first meeting of the two presidents in London last spring committed the partners to a new course, set priorities for the relationship and defined an ambitious and broad agenda reflecting the role the two nations play in the international arena. The Moscow summit moved the process of "resetting" further along by reaching some critically important agreements and setting up a framework for further work.

None of what the two presidents accomplished is, however, self-executing or self-implementing. If we are to take any lessons from previous chapters in the history of U.S.-Russia relations, it is the absolute requirement to give their conduct priority, structure, and above all consistent attention. With nearly a month having passed since the meeting in Moscow, both capitals must keep up the pressure for progress toward a strategic arms accord, and for at least some elements of the new commission to begin practical work. Only if both our countries move boldly to deal with the issues can we expect the reset to produce the results we so urgently desire.

Ambassador James F. Collins was appointed the Director of the Russia and Eurasia Program in January of 2007. He is an expert on the former Soviet Union, its successor states, and on the Middle East.

#15

Communists Lose in Moldova Vote

By Michael Schwartz

New York Times, July 31, 2009

CHISINAU, Moldova — Moldova's pro-Western opposition parties appear to have unseated Europe's last ruling Communist Party in repeat parliamentary elections that have become a test of whether the impoverished former Soviet republic aligns with the European Union or Moscow.

With 97 percent of the vote tabulated, the Communist Party seems to have lost the majority it held for eight years in Parliament, winning about 45 percent of the vote, Moldova's Central Elections Commission said.

A smattering of opposition parties, loosely united in their pledge to forge stronger ties with the neighboring European Union, have vowed to form a coalition, which would give them 53 seats of the 101 seats in Parliament.

But the Communists, with 48 seats in the legislature, won enough votes to block the pro-Western forces from choosing a president, which could plunge the country into a prolonged political crisis.

Wednesday's repeat elections came almost four months after a victory by the Communist Party in a parliamentary election last April set off riots by young people desperate for an end to political and economic stagnation.

In line with the Constitution, Vladimir Voronin, Moldova's departing president, dissolved Parliament and set new elections last month after the Communist Party twice failed to muster support from at least one opposition lawmaker needed to select a new president. Wedged between Ukraine and Romania, Moldova is Europe's poorest country. Unemployment is high, and the country is heavily dependent upon remittances from thousands of Moldovans working abroad.

The riots in April, sparked by allegations of electoral fraud, left government buildings gutted by fire and looting and at least three people dead.

The ensuing political crisis left Moldovan society, already fractured among competing ethnic and linguistic groups, even more polarized. Most young and urban citizens seek integration with the West, while the older and more rural population has a lingering affinity for Russia.

In his eight years in power Mr. Voronin has been buoyed by an older generation nostalgic for the stability of Moldova's Soviet past. In those years he has hewed closest to Russia, which maintains a contingent of troops in Moldova's breakaway Transdnister region and supplies the majority of Moldova's energy. Moscow also recently promised Moldova a \$500 million loan. Mr. Voronin is obliged to step down, having served two terms, though he will remain in power until Parliament chooses a new president.

It is still unclear what accounted for the Communist loss just four months after the party won 60 seats in Parliament, though a major factor might have been the defection of Marian Lupu, a popular Parliament speaker who joined the small Democratic Party after the April elections. That party received 12.5 percent of the vote.

Seen as a kingmaker in Wednesday's elections, Mr. Lupu has pledged to join in coalition with the other pro-Western forces, but has cautioned against ignoring Russia.

"It is difficult to predict how the future will play out," said Oazu Nantoi, the deputy chairman of Mr. Lupu's Democratic Party. "But the first step has been taken: Voronin's monopoly on power has been broken."

International monitors from the Organization for Security and Cooperation in Europe who observed the election were generally upbeat about the conduct of the vote. But the O.S.C.E. said its 300 observers noted media coverage biased in favor of the Communists, intimidation of opposition supporters, and other violations of election law.

"The irregularities were many, but of the level and quality that would not affect the final results," Ambassador Boris Frlec, head of the election observation mission of the OSCE Office for Democratic Institutions and Human Rights, said at a press conference.

#16

Russia and Iran join hands

By Kaveh L. Afrasiabi

Asia Times, July 30, 2009

The United States may think of Russia as a strategic partner when it comes to Iran. In reality, the geostrategic tensions between Washington and Moscow are still powerful enough to warrant a common approach by Russia and its eastern neighbor Iran with respect to a deterrent strategy towards the intrusive Western superpower.

This week, a small but significant clue is on full display with joint Russia-Iran military exercises in the Caspian Sea involving some 30 vessels. This is partially disguised by a benign environmental cause.

The maneuver, dubbed "Regional Collaboration for a Secure and Clean Caspian", combines security and maritime objectives in the Caspian Sea, the world's largest lake and also a main energy hub that is now the scene of competing alternatives for energy transfer. It signals a new trend in Iran-Russia military cooperation that will most likely increase in the near and intermediate future in light of Iran's observer status at the Shanghai Cooperation Organization. The continuing standoff over Iran's nuclear program should affect this warming of relations.

Iran's willingness to join this exercise represents a complete about-face from seven years ago. In May 2002, Tehran reacted sharply to a Russian military exercise in the Caspian - held in the aftermath of a failed summit on the issue - by refusing to even send a military observer to the maneuver.

Despite all the ups and downs of Iran-Russia relations since then, the weight of geopolitical and geo-economic considerations on both countries has increasingly switched towards greater cooperation, much to the chagrin of Washington, which is keen on isolating "nuclearizing Iran".

At a time when Russia feels undermined by US-backed pipeline projects in the region, as well as dismayed by the absence of any compromise by the Barack Obama administration on its planned installation of an anti-missile shield in Eastern Europe, Moscow's intention to upgrade its military connections with Tehran is calculated. The signal to Washington is that Russia does not tolerate any direct or indirect "regime change" scenario with respect to Iran, a major pillar of anti-US sentiment in the region.

The two-day military exercises are being closely watched by the region's other littoral states - Azerbaijan, Turkmenistan and Kazakhstan - as well as neighboring states in the Caucasus and Central Asia, some of which are aligned with the West and are wary of a new level of Russia-Iran military ties.

Should Russia make good on its promise to put into operation the much-delayed Bushehr power plant that it is building in Iran, a good deal of present Iranian misgivings about Russia will disappear. After all, Russia is Iran's sole nuclear partner and Russian President Dmitry Medvedev openly rebuffed Obama's attempt, in his recent Moscow visit, to link a new arms limitation treaty with the issue of new sanctions on Iran.

Not surprisingly, on the eve of the Russia-Iran military exercise, US Secretary of State Hillary Clinton expressed the US's toughening approach toward Iran, by stating categorically that the US was opposed to Iran's possession of a "full enrichment" program, even though this is allowed under the articles of the nuclear Non-Proliferation Treaty to which Iran is a signatory. Clinton's statement on Sunday is in sharp contrast with Obama's statement during his tour of Prague, when he hinted that the US was willing to accept Iran's enrichment program as long as it was fully monitored by the United Nations' atomic watchdog, the International Atomic Energy Agency.

A widening gap between Moscow and Washington over Iran is indisputable and will likely impact the Obama administration's plans for tough new sanctions later this year. Tehran has already been slapped with several rounds of UN sanctions, as well as those imposed unilaterally by the US over its nuclear program.

United States Defense Secretary Robert Gates, visiting Israel this week, told his hosts that he would remain "hopeful" about the administration's engagement with Iran for the next few months, hinting about an emerging deadline for the "engagement" that has unnerved Israel and some moderate Arab states as well.

Compared with the hypothetical US-Iran engagement, relations between Russia and Iran are progressing toward a honeymoon born of geostrategic considerations. The joint maneuver in the Caspian may prove a starting point for more comprehensive military collaboration between the Russian and Iranian navies, particularly if Moscow sets aside its previous refusal to allow new Iranian naval vessels to enter the Caspian through the Volga channel.

Russia's Caspian neighbors - above all Azerbaijan - may not like it, given the dispute between Tehran and Baku over a Caspian oil field. Still, the imperative of closer Russia-Iran cooperation to fend off Western influence dictates the need to beef up Iran's naval presence in the Caspian.

An important question deals with the possible ramifications of closer Russia-Iran military cooperation on the stalemate over the ownership of the Caspian Sea. Most of the Caspian is already portioned out by bilateral and trilateral agreements, involving Russia, Azerbaijan and Kazakhstan. Iran remains unhappy over Russia's lack of cooperation on this matter. This has been somewhat compensated by both countries agreeing on the common use of Caspian surface water, going back to the 1921 Iran-Russia friendship agreement. The earlier pact is the legal foundation for today's naval cooperation between the two countries.

Meanwhile, the predominant sentiment in Iran is that Moscow must make some concessions to Iran on the thorny issue of the Caspian's legal authority in order to gain Tehran's full confidence. Even Iranian officials in charge of Caspian affairs are unclear about what exactly Russia can do about a situation that is partially controlled by the other Caspian littoral states.

Blaming Russia for the stalemate over Caspian legal rights is a favorite pastime of some of Iran's reformists, who despise Moscow's early embrace of President Mahmud Ahmadinejad after the June 12 presidential elections. Such criticisms must be tempered by a cold calculation of Russia's limits of influence on the other Caspian states which have carved up the inland sea among themselves.

Another question raised by the maneuvers pertains to the Persian Gulf, considered a de facto "American lake", where France has entered the scene via a deal with the United Arab Emirates for a permanent military base. Iran's weak response to France's arrival, inexcusable by Iran's foreign policy standards, may be balanced by similar Iran-Russia military exercise in the Persian Gulf.

As such, the Caspian joint maneuver may well turn out to be the harbinger of a broader agenda that includes the concept of a gas cartel.

Kaveh L. Afrasiabi, PhD, is the author of After Khomeini: New Directions in Iran's Foreign Policy (Westview Press).

#17

Russia wants 2nd base in Kyrgyzstan

By Jim Heintz

AP, July 30, 2009

MOSCOW — A high-ranking Kremlin aide said Wednesday that Russia aims to establish a second military base in Kyrgyzstan, where the United State also has an important air base, Russian news agencies reported.

The comments by Sergei Prikhodko underlined how Kyrgyzstan, although small, poor and little-known until recently, has become important geopolitically.

The base would be used by a rapid-reaction force being formed by the Russia-dominated Collective Security Treaty Organization, Prikhodko said.

"In essence, this is not a Russian base," he said, according to the RIA Novosti news agency.

The agency cited him as saying that Russia and Kyrgyzstan have agreed in principle on establishing the base. The issue will be discussed Friday when Russian President Dmitry Medvedev meets other CSTO leaders in Bishkek, the Kyrgyz capital, Prikhodko said, according to ITAR-Tass.

Other CSTO members are Armenia, Kazakhstan, Belarus, Tajikistan and Uzbekistan.

The reports did not specify how many troops would be at the base or exactly where it would be located. RIA Novosti said Russia previously had proposed basing the force near Batken in southwestern Kyrgyzstan. That is on the fringe of the Ferghana Valley region that spreads across Tajikistan and Uzbekistan, an area that has been an incubator of Islamic militancy over the past decade.

The U.S. established an air base at the Manas international airport near Kyrgyzstan's capital, Bishkek, in late 2001 to support military actions in Afghanistan. The base has become an important transit point for coalition troops and supplies, and it is home to tanker aircraft that refuel warplanes over Afghanistan.

Russia watched in dismay as the United States boosted its military profile in former Soviet Central Asia, and in 2003 Moscow opened an air base in Kyrgyzstan.

This year, Kyrgyz President Kurmanbek Bakiyev announced the Manas base would be closed. He made the announcement shortly after Russia granted the country more than \$2 billion in aid and loans, and U.S. officials suggested the eviction decision hinged on the Russian aid.

But under an agreement reached in June, the U.S. will continue to use the base, paying significantly higher rent.

The base's importance to coalition operation in Afghanistan was highlighted this year as militant attacks increased on coalition supply routes.

The presence of the U.S. and Russian bases make stability in politically troubled Kyrgyzstan a concern for both Washington and Moscow.

Opposition forces are vowing large protests against last week's presidential election that returned Bakiyev to a second term, although there were only small gatherings on Wednesday that were quickly broken up by police.

Bakiyev came to power in 2005 after demonstrators protesting an allegedly fraudulent national election stormed the presidential administration building and forced then-President Askar Akayev to flee the country.