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# Russia in the Year 2004[1]

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**Abstract:** Four specialists on the former Soviet Union reflect on events in Russia and Ukraine during 2004. Areas covered include power politics in Moscow, the condition of the economy, events in Ukraine, and Russian foreign relations with both the West and the states of the former Soviet Union.



## PUTIN'S POWER CONSOLIDATION[3]

In democracies, we normally think of political life as using a metric that has some relationship to the properties of the system that make it democratic. Very often we will think about a certain era or period in the politics of a country as bounded by the democratically-elected leaders who presided over its government in those years. We might think of the Clinton years or the "Bush 43" years, but that is an American and a democracy-centered approach. When we thought about the now defunct Soviet system, the metric was quite different. Because there was no fixed term, and to the extent that we thought about these events in terms of leadership and leaders, it was for the entire period of their primacy, which, among other things, was never knowable until it actually ceased. Therefore, the Brezhnev period ends up covering almost twenty years. As we know from our experience with the Soviet system and its dissolution, one can easily be misled as to the main trends by focusing on the leaders at the top and

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their terms. This is a danger that confronts us today in thinking about 2004 or about Putin's Russia.

The year 2004 was the thirteenth year of the existence of an independent, post-Soviet Russian state. If you think along that timeline of a baker's dozen years, there are a number of ways you could subdivide it, but one obvious way is to focus on who has been at the top. The years 1991–1993 were quite extraordinary because the regime at that point was not settled and there was, as we all remember, a great struggle over control of high office and key institutions of the state, which was resolved by one side prevailing over the other at the end of 1993. This was followed by six years in which the winner from 1993, Boris Yel'tsin, was leader of the system, but again, as we all know, for the last three or four of those six years he was not there for half of the time for one reason or another, usually health-related. This helps put the Putin period in Russian politics into perspective. Putin has now been in charge for five years, since the autumn of 1999. That is already almost as long as Yel'tsin actually governed post-Soviet Russia, at least under the terms of the 1993 Constitution, broadly speaking. It is not too early to be wondering what it all adds up to, and I would not think that we are any longer at a point where we have to keep guessing about what Putin himself is up to or where he is taking the country. He is well into his second term, and I think most of what we are likely to get in the coming years we will have seen already, or at least it is reasonable to speculate that this is the case.

The year 2004 was a year of headlines in Russian politics. On the surface of things, there was a lot going on. In March 2004, there was a presidential election in Russia, the third or fourth, depending on how you count the original 1991 election that made Yel'tsin president of the still-Soviet Russian Federation. The presidential election this past March took place three months after the Duma election of 2003—the fourth parliamentary elections fought under the rules that Yel'tsin imposed by decree in 1993. This was also the year of the trial of the richest man in Russia—Mikhail Khodorkovskiy. I mention this as a political event because, at least in large part, the whole affair was driven by political considerations, political grievances, and political rivalries. Khodorkovskiy's trial has not yet been brought to a conclusion; presumably, his fate will register among the headlines of 2005, as will the fate of his company, which will be settled fairly soon.

There were other headlines from this past year that figure prominently—certainly the incidents of terror, of which there were a number. These culminated in the ghastly Beslan hostage incident in September, which ended tragically in the death of hundreds of people under the most gruesome and dehumanizing conditions you can imagine. This was followed by announcements from President Putin about proposed changes in institutions, ostensibly in response to the Beslan events, including very significant changes in the federal structure as well as in national election rules, which he put forward later in the fall and is now getting the Russian parliament to write into law. In addition, the last several months of Russian

politics have been dominated by Ukrainian politics, or at least by Ukrainian politics in its Russian dimension, and this has been more or less an utter fiasco from the point-of-view of the Russian government. I am not going to try to single out any one of these things and comment on it in detail, but rather will muse briefly about threads that run through all of these events.

If you look at the behavior of Putin and of those officials at the very top in Russia, I think there is a certain style at work here that we should be quite familiar with. I do not think anyone has found a single aphorism for summarizing this style of rule. There are so many different ways to see political life, and I think that political figures act according to one or another of these visions at different times in their lives and may indeed move from one phase to another. In fact, for Russia's two previous top leaders, Yel'tsin and Mikhail Gorbachev, that was clearly the case. The vision that they acted on in their fifties and sixties was very different from what they were doing in the provinces in Brezhnev's Soviet Union when they were in their forties. One can think of politics as a multi-faceted process: of creation and innovation; of enacting an ideological point-of-view, peacefully or violently; perhaps of pragmatic problem-solving; of strategic maneuver and deception; of cooperation and coalition-building; of trading in the symbols, icons, and trappings of power.

Some of these things do apply to Putin. The elements of a vision are perceptible. Whether one likes it or not, he does have a pragmatic streak. He has been known to maneuver strategically and to act deceptively. He has cooperated from time to time with other groups and built coalitions. He is not indifferent to symbols, icons, and trappings. But if I were forced to characterize what we have witnessed this year, culminating a half-decade of his period of leadership, I would reduce it to one phrase—he sees politics as a process of imposing one's will on the other. I think for Putin, power is not merely the means to an end. It seems that nine times out of ten, it is the main end itself. I am reasoning backward from behavior to motivation, not forward from motivation to behavior, because I do not think we have much by way of independent information for confirmation about what really makes Vladimir Putin tick, what he "really wants." You sometimes have the impression that he wants to keep on doing what he has been doing in just the same way for the indefinite future, but there are other times when you get the impression, rightly or wrongly, that he mainly wants to escape from his job and not have to do it anymore. We will know in a few years—if not sooner—which of these propositions is indeed true.

What I have said about politics as a process of imposing one's will on another encompasses a wide array of possibilities. I think the way that Putin has set about doing this is also rather distinctive, and it might help to narrow this question down just a bit. The way I have chosen to express it is pejorative; it mirrors the language that Western liberals like most of us would use. I do not have the rights of a citizen in relation to Putin, but if I were a Russian citizen, I would view him as a ruler who had greatly disappointed whatever hopes my countrymen might have had when he came to power. But our main point here is not to condemn or to praise, but

to try to look at things with some detachment. It seems to me that the main strategy that Putin has used from the very beginning to carry out this vision—such as it is—involves one basic thing, which is to minimize political competition. I cannot really say where that impulse comes from. Is it deep within his character? Does it have some aspect of national political culture to it? Is it the circumstances in which he worked? Is it the organization to which he committed himself as a young man—the KGB—that molded him in this regard? Perhaps it is all of these things. Someday, perhaps William Taubman will manage to write a great biography of Putin that will make all of this clear, but in the meantime we look at this through many veils, and the danger is in trying to infer motivation and origin from the behavior itself.

As Russia's politics becomes more authoritarian—which obviously it has—scholars are trying to come up with simple ways of characterizing that politics. I think that one of the more interesting ones was put together by a couple of young political scientists a few years ago. Lucan Way, now of Temple University, who works on Russia, Ukraine, and other countries in that region, and Steve Levitsky of Harvard, who is a Latin American specialist, characterize Kuchma's Ukraine, Putin's Russia, and a number of other like systems as "competitive authoritarian systems" (Levitsky and Way, 2002). This formulation tries to get at the fact that, although there has been, especially in Russia, an authoritarian restoration of sorts, it has not gone nearly as far as what would be required to reinstitute a Soviet-type monocratic system, one where a single party, single organization, single point-of-view dominates completely. They say it is authoritarianism and authoritarian rule, but with an element of competition. I do not have an alternative, snappy phrase to offer, but I have to say that the concept "competitive" bothers me some. Although it may very well apply to Kuchma's Ukraine—and we have seen in recent weeks and months the results of a level of competition in Ukrainian politics that is in its own way extremely impressive—it is hard to see how that image travels to Putin's Russia, at least halfway through his term. There really is not much competition at all.

I wrote a paper some weeks ago called "Putin and the Attenuation of Russian Democracy." What I was trying to describe and to a limited extent explain was the extraordinary diminution of competition in Russian national politics since the mid-1990s. Consider just the raw facts that we know about voting in Russian presidential elections. In 1996, Yel'tsin ran for reelection for a second term. He took 35 percent of the votes in the first round. He may have benefited from a little bit of cheating, but not much more than 1 to 2 percent. He had to face a runoff against Gennadiy Zyuganov and won in the second round. In 2000, four years later, his successor Putin won 53 percent of the votes in the first round. Four years after that, Putin ran for reelection and took 71 to 72 percent of the votes in the first round. I think those numbers tell a very important story. The gap in first-round support for the incumbent between 2000 and 2004 is every bit as large as the gap between 1996 and 2000. In fact, if this trend continues

for one more election, then Putin or his successor, perhaps, would take 88 percent of the vote. I think intuitively we know that there comes a certain point in the high deciles range, above 70 percent, at which you conclude that there is no competition at all. It might be an exaggeration to say that in the 2004 there was no competition, but it is fair to say there was no serious competition. There could not have been a single person in Russia or any other country who thought there was a chance that Putin could lose that election. In fact, the leaders of major parties, including the Communist Party, refused to run a candidate. Vladimir Zhirinovskiy's bodyguard ran instead of Zhirinovskiy himself.

Looking at this phenomenon gets us into the familiar terrain of looking at the curbs on media freedoms and all the other things that have happened since March 2000. I think things have now gotten to the point where ordinary Russians have difficulty imagining anyone other than Putin leading them. He is limited by the Constitution to two terms; absent that formal limitation, he might not have to worry about further reelection possibilities at all.

In survey work that some of us did earlier this year, we asked Russians a battery of questions about which candidate was best able to deal with certain tasks facing the country, like economic growth, foreign policy, crime and corruption, and fighting terror. They were simply asked (without being prompted) to say which person would do the best job of dealing with these problems. Back in 1996, when we first fielded these questions, we received a wide array of responses. Many people thought Yel'tsin would do the best job, but on some issues he was not the first-ranked candidate at all. On crime and corruption, Russians in 1996 thought General Aleksandr Lebed would do the best job. On social welfare policy, they thought that Zyuganov would do the best job.

In 2004, by contrast, an absolute majority of our respondent Russians thought that Putin would do the best job on each and every issue in question. It was most striking that he had a plurality of support even among Russians who were negative about his performance since 2000. This was what really astonished us when we looked at these data—these were people who thought that economic policy had not gone so well, who were concerned about greater inequality, about Russia's sore relations with its neighbors, or about terror in Chechnya. There were many people who were quite critical or nuanced in their approach to what had happened over the four previous years, but even these people thought that Putin would do the best job of dealing with that issue. We had an "indifference response" in the questionnaire that said "give us the name of the person who you think would do the best job," or, alternatively, you could respond that "it does not matter." The second most common response among Russians—if they did not pick Putin—was to say it does not matter who deals with the issue. I see this as a failure of imagination caused by changes in the context and exercise of state power, which has now infiltrated into the population in a very profound way.

I think what we see in 2004 is this mentality and approach working its way through the system in an extremely one-sided presidential election in which there was, incidentally, virtually none of the sleazy cheating we saw in the Ukrainian election. Not that they would not do it in Russia, but it was not necessary. In fact, I have heard from a number of good sources that the Putin government laid down the law to governors, telling them—especially in the Duma election—that there was to be no fudging of the results. Of course, they were entirely confident that they were going to win in a landslide, and that is what happened, especially in the presidential election. This confidence in the population's acceptance of Putin and his squelching of competition, I believe, has also had an effect on many other aspects of political and governmental decision-making. The ways ordinary people think finds reflection in how the government behaves.

I have an impression that something changed in Putin's behavior after March 2004. He was not a person who lacked in self-confidence before that date, but I have the impression that he has been much more self-assured and arrogant since then. Reelection by that landslide vote of 72 percent seems to have gone to his head. I would not explain the disastrous record of policymaking *vis-à-vis* Ukraine in recent months only on that basis, but I would argue that the diminution of political competition within Russia has influenced policy in a significant way. The person at the top in Russia seems more and more convinced that he understands what needs to be done and that he is not accountable to the population in the short term because, among other things, there is absolutely no one who can criticize him from any position of stature within the system. He has no rivals, he has no peers. He is able to solicit advice from any source he chooses, and he has selected such advice from entirely unworthy sources and made some incredibly bad and dumb decisions for which Russia will probably pay the price more than he will.

## THE ECONOMY OF RUSSIA[4]

I will examine underlying trends in Russia—the economic as well as physical trends—and then discuss some prospects. What I have to say is not going to be all that optimistic. Let me begin with the underlying economic trends.

Table 1 demonstrates that the Russian economy recently has been enjoying highly positive growth. In 2003, it grew at 7.3 percent; in 2000, at 10 percent. Of course, this pick-up began after the 1998 financial collapse, before which, during 1991–1998, the economy had lost basically half of its value (GDP). The economy began to improve in 1999, even before Putin was appointed prime minister in August 1999. The economy began to recover and stabilize in March 1999, then began to grow substantially in May 1999. Then it began to grow at rates that George H. W. Bush and

[4]By Marshall Goldman.

**Table 1.** Changes in Annual Russian GDP

| | GDP as a percent of preceding year | Revised percent change |
|---|---|---|
| 1989 | – | – |
| 1990[a] | 97.6 to 95 | –24 to –5 |
| 1991 | 95 | –5 |
| 1992 | 85.5 | –14.5 |
| 1993 | 91.3 | –8.7 |
| 1994 | 87.3 | –12.7 |
| 1995 | 95.9 | –4.1 |
| 1996 | 96.4 | –3.6 |
| 1997 | 101.4 | 1.4 |
| 1998 | 94.7 | –5.3 |
| 1999 | 106.4 | 6.4 |
| 2000 | 110 | 10 |
| 2001 | 105 | 5 |
| 2002 | 104.3 | 4.1 |
| 2003 | 107.3 | 7.3 |

*Sources:* Goskomstat (2000, p. 16, p. 559); Davis Center (February 19, 2002; June 2002; February 12, 2004).
[a]Central Intelligence Agency (1991, p. 62).

George W. Bush clearly would envy. If you look at the most recent report, which is for September 2004, the Russian economy is beginning to slow down at 3.5 percent (see Table 2). I think there are very good reasons for that, which in this case clearly are attributable to Putin.

Everything in Russia today depends on oil (see Fig. 1). Whenever oil production has declined, the GDP has declined. Whenever oil production has risen, the GDP has risen (though not necessarily by the same percentage); the covariation is striking. Notably, the turnaround toward sustained and substantial positive growth in both indicators took place in 1999. Clearly, the implication of the covariation is that if oil production is strong, then the GDP will increase, especially if oil prices rise to above $10 per barrel (as they did in 1998). If they go up to $30–$50 per barrel, then you are flush.

Indicators for 2004, however, suggest that the strong performance of recent years may be abating. If you look at the most recent reports, for

**Table 2.** Changes in Industrial Output

| | 1999 as percent of 1998 | 2000 as percent of 1999 | | 2001 as percentage of 2000 | | 2002 as percent of 2001 | 2003 as percent of 2002 | 2004 as percent of 2003 |
|---|---|---|---|---|---|---|---|---|
| | | Original index | New index | Original index | New index | New index | New index | New index |
| January | 97.6 | 110.7 | 114.1 | 105.3 | 107.8 | 102.2 | 104.9 | 107.5 |
| February | 97 | 113.7 | 116.7 | 100.8 | 103.1 | 102 | 106.5 | 108.7 |
| March | 100.4 | 109.6 | 112.3 | 103.6 | 104.7 | 103.7 | 106.7 | 106.6 |
| April | 100.6 | 105.5 | 109.5 | 105.2 | 107 | 104.3 | 107.1 | 106.7 |
| May | 106 | 110.6 | 114.2 | | 107 | 102.8 | 108.5 | 105.5 |
| June | 109 | 109.8 | 112.4 | | 103.7 | 104.4 | 107 | 109.2 |
| July | 112.8 | 108.5 | 111.9 | | 104.5 | 107.8 | 107.1 | 104.4 |
| August | 116 | 110.2 | 113.2 | | 105.1 | 103.4 | 105.5 | 106.8 |
| September | 120.2 | 107.2 | 110.7 | | 103.8 | 105.5 | 108 | 103.5 |
| October | 110.3 | 110.4 | 113.9 | | 105.1 | 103.9 | 107.2 | 103.5 |
| November | 112.9 | 107.6 | 111.6 | | 104.7 | 100.8 | 107.1 | |
| December | 111.1 | 102.5 | 103.9 | | 102.6 | 103.2 | 107.9 | |



January–October 2004, you will find that the drilling of exploratory wells in Russia fell by 20 percent. The effect of this can be seen in Russia's growth rates for September 2004. Although there was an increase in GDP, it was only 3.5 percent. The strong ruble (and weak dollar) may be reinforcing this decline. If oil production should decline next year, we can expect to witness an impact on the GDP.

Demography is another major concern. Beginning in about 1990, most people just stopped having children. When coupled with the fact that people were dying at a very early age, this made for a remarkable demographic problem: an annual population decline of 500,000 to 600,000. Who will man the factories of the future if both birth rates and life expectancy remain low? Who will pay for social security for the elderly? And how will the army replenish its ranks, especially if only about 25 percent of the draft-age male population is healthy enough to serve? In the most recent year, there has been a slight increase in the number of births, but this is not likely to be sufficient to make a difference in these problems. Of course, Russia is not the only country on the European continent that has demographic problems, but its situation is the most dramatic.

Let me now turn to the political-economic and social situations in Russia, and specifically the very flawed nature of the reforms that took place in the Yel'tsin years and the end of the Gorbachev years. I called my book *The Piratization of Russia* (Goldman, 2003), which expresses my feeling about the way the reforms were conducted. They allowed a small group to

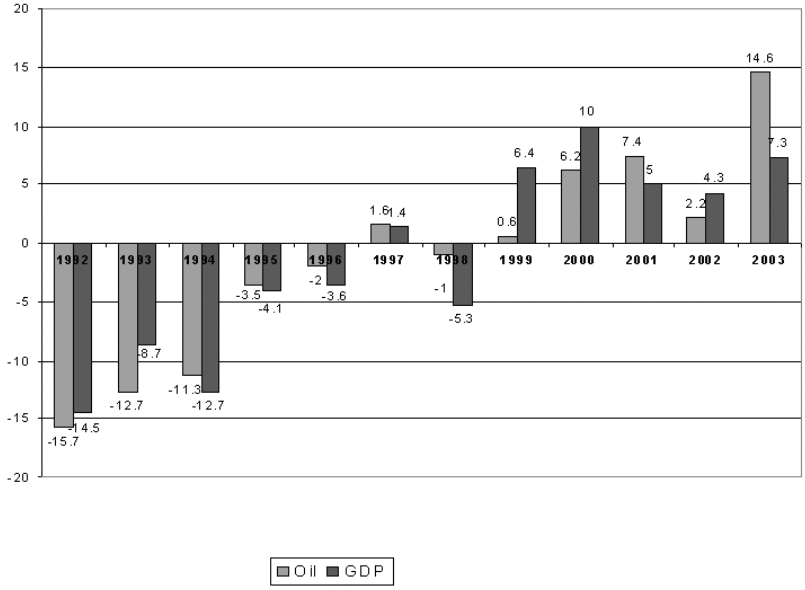


**Fig. 1.** Russian oil production and GDP (percent change)

seize state property. Not only were the reforms flawed in terms of the concept, but they were flawed in terms of their assumed durability. To me, it seemed absolutely impossible that the reforms would be sustainable. It is simply not acceptable to the general public that there would be a small group of individuals who would end up with enormous quantities of wealth that had previously belonged to the ministries, while the vast majority of the population would end up either poor or impoverished. At one point, over 30 percent of the population was below the poverty line. Now it has improved because the economy has been recovering, but 20 percent remain below the poverty line. That is simply an intolerable situation, particularly when the people who seized the property initially added no real value to their enterprises and were not self-made men. You did not have Russian equivalents of Ang Wang, Edwin Land, or Bill Gates.

There are currently thirty-six billionaires in Russia, thirty-three of them in Moscow alone, which exceeds the number in New York City (31). Russia now ranks third in the world in the total number of billionaires, following the United States and Germany. These are the people who prospered from piratization in the 1990s. Almost all of their wealth derives from raw materials, while only one or two of them have made their fortunes in manufacturing. Putin is determined to correct this. I was with a relatively small group that met with Putin in September 2004, and he and some of his aides talked about this. Some of his aides also indicated that the

Khodorkovskiy/Yukos affair is not the end of the road. There is going to be a continued attack on the oligarchs.

In the case of Yukos, the Americans that are now the chief executive officer and the chief financial officer are both leery of being arrested. The chief financial officer, Bruce Misamore, said he is not going to go back into Russia until his safety is assured, and the authorities, he believes, are not interested in protecting him. I asked Putin if he would hold to his commitment not to bankrupt Yukos, and he said "yes"; but in the meantime, he said, the tax authorities are just doing what they should be doing. To judge by what is happening, though, it would appear that the authorities are indeed trying to bankrupt Yukos. Initially, they said that Yukos owed about $4 billion worth of taxes and that they were going to price Yukos at a very low price in terms of its value to outside investors. That created an uproar, so the authorities conceded that Yukos is worth more than $4 billion, perhaps actually $17–18 billion. But then they increased the tax bill to $24 billion, a revised tax bill that happens to exceed the total reported revenue of Yukos in most years. And while perhaps not all company revenue is reported, the magnitude of the tax bill clearly suggests an effort to seize Yukos assets, to strip them, and to turn them over to others.

Who are the others? Some of them include officials of the national security establishment (*siloviki*), who work by day in the Kremlin and who, on the side, are being put in charge of companies, either as the CEOs, chairmen of the board, or members of the board. In other words, the prevailing ethos within this realm of officialdom is: "It is our time to share in the loot." Either they are going to take over parts of Yukos, strip them, and combine them with Rosneft or Gazprom (or with a combined Gazprom-Rosneft) or they are going to take them over themselves and enrich themselves. They may not become billionaires in the process, but they will be very wealthy. It is clear that the Putin administration is undoing the "piratization" and enacting its own version of re-privatization. Putin said as much just last week, when he met with a group of judges and indicated that Yukos is not the last such case and that everyone is expected to adhere to the law. Whether re-privatization entails "re-piratization" may determine the level of public anger or dismissal at the results of Putin's crackdown.

Economically, then (as in politics), Putin is regaining control of some of the "commanding heights." By the time the process is completed, Gazprom will be very much like the Ministry of Energy. It will not control 100 percent of all the resources, but, with some 20 percent, it will be able to dominate. I call this the revenge of the *siloviki*.

There is also a more disturbing factor in the air at this time, which is a heightening of xenophobia. There have been growing numbers of comments in public to the effect that Russia should not tolerate foreigners owning some of these resources. Indeed, Sergey Stepashin very recently issued a statement complaining that there has been too much overt and covert control by foreigners of some of the energy companies, including Tyumen Oil. This company, I would argue, may be the next candidate for

sharing the fate of Yukos. The Audit Chamber is restricting foreign direct investment; the political party "Rodina" invokes the idea of "Russia for Russians"; and there is more talk about closing borders to protect national security. Thus far, the atmosphere has not deterred foreign investors: they ignore my pessimistic advice, and some of them have done very well.

But they keep coming in since, as some of the oil companies have put it, "where else do you want us to go? To Iraq?" Conoco-Philips is indeed going to Iraq through Lukoil, which has investments there. But for the others, there are not many other opportunities. British Petroleum is in a half-partnership with Tyumen Oil, although they are having problems because they have been told that they are violating state law, which precludes foreigners from access to information about the reserves. How can you run an oil company unless you know something about the reserves? Therefore, they are in violation of the law; so keep your eye on Tyumen Oil. Total, the French oil company, is coming in, and there is some talk about some of the other foreign companies trying to get a bid on Yuganskneftegas, which is part of Yukos. But foreigners have also been told that if you come in and bid for parts of Yukos, you are going to be sued, so some are moving away. Yet the Chinese and the Indians now seem willing to risk such lawsuits since it may be one of the few ways they can gain access to energy supplies.

Because of the oil-driven prosperity there is plenty of money to be spent in Russia. If any of you have been to Moscow recently, you know that the traffic jams are the first illustration of that. General Motors is expanding, and General Electric has just bought a major financial company, because they want to get into the mortgage market. IKEA, the Swedish furniture company, is moving into many locales in Russia. McDonald's cannot resist the opportunities and now has over 100 outlets. The strong ruble, however, has created problems for manufacturers who had intended to export much of their product. I recently spoke with the man who is responsible for building the General Motors joint venture in Tolyatti, which is building a version of an off-road vehicle. Their original business plan called for them to export half of what they were producing, because that is where they expected to make money. But they have abandoned that idea because the ruble is too strong. Instead, because of the prosperity in Russia, they are having no trouble selling all the cars they have inside the country.

While FDI continues to flow into Russia despite the Yukos affair and growing signs of xenophobia, capital outflow has also increased in response to the same trends. At the beginning of 2003, capital actually began to move back into Russia because it looked like the economy was doing well. But the process of attacking Yukos has frightened everyone and increased capital flight. The Russians seem to have a hard time learning from their past mistakes.

## RUSSIAN PERCEPTIONS AND MISPERCEPTIONS OF UKRAINE, OCTOBER–DECEMBER 2004[5]

In early December 2004, Ukraine was in the midst of what would come to be known as the "Orange Revolution"—after the first runoff vote on November 21 and before the second runoff on December 26. This essay does not attempt to chronicle or interpret the Ukrainian events. Its focus is different: to note how certain Russian commentators and analysts interpreted the current scene in Ukraine and to suggest that their errors in fact and opinion had their origins in traditional Russian perceptions of Ukrainian history and identity.

At this time everybody agrees that the official Russia—Russian elites, especially Moscow's (self-designated) "Ukraine hands," and along with them President Vladimir Putin himself—made some serious mistakes in connection with the Ukrainian presidential election of 2004. I will reflect on the reasons why and how the leadership of Russia and its consultants and advisors got Ukraine so wrong.

I start from the premise that Russia's treatment of Ukraine in 2004 was based on its course toward the restoration of some kind of union of post-Soviet states, around and under the leadership of Moscow. In that new union, Ukraine was to be an essential component. The presidential election of 2004 was to move Ukraine closer to Russia, with Ukraine, Russia, Belarus, and Kazakhstan connected in the "Single Economic Space," and coordinated by supranational policymaking organs. Under President Kuchma, several accords had been signed that promoted such integration.

For many Russians, the breakup of the USSR and Ukraine's independence since 1991 were considered to be a historical mistake, an accident, something that, sooner or later, would be corrected as Ukraine rejoined Russia. Regardless of how long it would take formally to reunite, Ukraine even as an independent state would emulate Russia's economic reforms, politics, foreign policies, and cultural policy. Russia's unreformed communists predicted that Ukraine's return to the Soviet ways would be inspired and guided by the actions and ideas of the Russian comrades. But even pro-Western figures in Moscow predicted and proposed that Russia would be the leader in "Westernization" and that Ukraine's economic and political reforms would follow and be modelled on the reforms in Russia. When Russia turned from the "Euro-Atlanticist" orientation that prevailed under Yel'tsin and toward a "guided democracy" under Putin, the assumption was that Ukraine would follow Russia in that course.

Hence, by early 2004 it seemed to people in Moscow that the next president of Ukraine should be someone who would tie Ukraine to Russia even more firmly than Kuchma had done. If reliability was to be the primary qualification for such a president, the choice of Viktor Yanukovych seemed to be the right one. After all, someone with his past, including his

[5]By Roman Szporluk.

criminal record, would be an unacceptable partner for the West and thus even more likely to follow Moscow. The process of reintegration of Ukraine, they reasoned, had gone far enough to allow such an assumption: with a president like Yanukovych, Ukraine would be even more dependent on Russia than before and would be correspondingly isolated from the Western world.

But in pursuing this goal, Russian policymakers lacked an accurate and reliable knowledge and understanding of the real situation in Ukraine. How else can one explain Putin's two visits to Ukraine in the election period, or the Moscow-led Orthodox church's open endorsement of Yanukovych, not to mention Putin's congratulating Yanukovych before the official declaration of of the result?

Behind these failures to see the realities—this almost intentional refusal to learn new things—one detects the survival of old stereotypes. It brings to mind Jadwiga Staniszkis and her concept of "*wyuczona bezradnosc*," which refers to a self-instilled or self-taught incapacity to face reality. In her book (Staniszkis, 1999), Staniszkis attributed such lack of realism to the influence of Marxist ideology. In our (Ukrainian) case, something else has been at work: certain traditional Russian stereotypes of Ukraine's history and identity. I would say that, as a result of such stereotypes, a significant part of the Russian political and intellectual elite has displayed, throughout the entire post-Soviet period, an amazing capacity to get Ukraine wrong.

Let me briefly list some of the most common, and most enduring, misconceptions about Ukrainian history and its contemporary relevance.[6] The first historical myth is that Russia and Ukraine have enjoyed a centuries-long common history, that Ukraine and Belarus for centuries coexisted in one state with Russia, with Russia in the leading role, that Ukraine "joined Russia" in 1654. Therefore, one is led to predict, re-union is inevitable. But this myth ignores the centuries-long connection of Ukraine with Lithuania and Belarus and, together with these, with Poland. That connection was disrupted only for a part of Ukraine in the seventeenth century, and it survived even the partitions of Poland in the late eighteenth century.

A second myth widely propagated in Russia is that the western part of Ukraine—the one not sharing a common history with Russia—is a marginal, non-typical, deformed part of Ukraine—an aberration, a deviation from the norm. The assumption that modern Ukrainian nationalism had its origins in the West—formerly Austrian Galicia, then Polish-ruled Western Ukraine—is based on an Eastern Ukrainian story. Choosing the Ukrainian identity, the story goes, meant that the Galician Ruthenians declared themselves not to be a nation in their own right but a part of a much larger nation, one whose main body lived in Russia. By so doing, they recognized the intellectual lead of the East and adopted as their

[6]For a fuller treatment of my own view of the real condition of Ukraine and its history, see Szporluk (2004).

historical legacy the conception of Ukrainian history formulated by the Orthodox Easterners—even though the Cossack myth had a powerful anti-Uniate, anti-Catholic component. The Uniate West adopted a national ideology of the Orthodox East—and recognized the leading role, the primacy of the East in Ukraine. Lviv, the claim goes, always recognized the primacy of Kyiv.

Bad geography and bad history on the question of the origins of modern Ukrainian nationalism led to the further error—a very major error—of identifying Ukrainian nationalism in post-Soviet Ukraine with the Catholicism in its West Ukrainian form known as the Greek Catholic Church. This preconception helps explain a false diagnosis of the religious-cum-political situation in post-Soviet Ukraine. I think the distinction between Catholic West and Orthodox East ignores the fact that the Greek Catholic Church is no longer limited to the western regions of Galicia and Trans-Carpathia and has parishes even as far east and south as Donbas and Crimea. Also, the traditional Latin-rite Catholic Church has adherents in Ukraine, including Ukrainians and Russians in addition to its traditional Polish constituency. Indeed, the Greek Catholics are completing the construction of a huge cathedral in Kyiv, and the head of the church is preparing to move his headquarters from Lviv to Ukraine's capital city. As for the Orthodoxy, Ukraine has three rival Orthodox churches, of which one is under the patriarch of Moscow and another under the jurisdiction of the patriarch of Kyiv. There is also a smaller autonomous Orthodox church. And to these two major denominations one might add the active Protestant, Jewish, and Moslem communities. Indeed, the fact that no single church in Ukraine can claim for itself a position comparable to that which the Orthodox church occupies in Russia shows why Ukraine is unlike Russia in the area where religion, nationality, and civil society intersect.

To stress the non-Western origins of modern Ukrainian national identity does not mean we must downplay the actual role of Western regions in Ukrainian politics of recent decades. The three western regions known as Galicia played a very important role in Ukrainian politics during the *glasnost'* era, when, for example, they voted for Ukraine's independence from the Soviet Union in the March 1991 referendum. But unlike the Baltic republics, which simply wanted to secede, Galicia wanted all of Ukraine to go together with it. It wanted Kyiv, not Lviv, to be its capital.

When speaking about western regions of Ukraine, it is necessary to go beyond the borders of the Soviet Union to understand not only the breakup of the USSR but also Ukrainian politics in the 2000s. Had Moscow scholars and policy-makers in the post-Stalin period looked around more widely, beyond the borders of the Ukrainian SSR, they would have noticed the gradual replacement of the historic Polish-Ukrainian enmity by the gradual realization by Polish elites of the need to develop a new Polish position on Ukraine. One striking feature of the latter has been Poland's support of Ukraine internationally as well as Polish engagement in the domestic sphere during Ukraine's 2004 election process. The Ukrainian-Polish conflict in modern times was almost wholly a conflict between the West

Ukrainians and the Poles. Poles changed their position on Ukraine: they accepted the loss of territory and decided to help the Ukrainians as part of their effort to free themselves from Soviet hegemony. The new policy had been first formulated in the 1950s by the authors writing for the Paris monthly *Kultura,* but by the 1980s that policy had become the guiding principle of political elites in Poland itself. Moscow's experts failed to register the change in Polish-Ukrainian relations that had been under way for decades but had produced a new level of cooperation starting with the victory of Solidarity in Poland in 1989. Russia's Ukraine watchers would have spared themselves some of their misjudgments had they read Snyder's book on the topic (Snyder, 2003).

But one should not be surprised. In his book (English, 2000), Robert English presents the history of the origins and evolution of the "New Thinking," whose leading representative was Mikhail Gorbachev. English traces the beginning of "New Thinking" back to the 1960s, if not quite to the immediate post-Stalin years. Tellingly, there is no sign in the English volume that the scholars in Moscow's think tanks and academic research centers asked themselves how their ideas, if adopted by the Soviet leadership, would be received by the intellectual and political elites in Warsaw or Prague, let alone how they would play in the non-Russian republics of the USSR. Whatever new national identity these thinkers constructed, it became clear during Gorbachev's time in office that the national activists in the republics did not consider themselves members of the same nation to which the Moscow think-tankers felt they belonged.

The presence of the western regions in post–World War Two Ukraine helped to create a sense among the post-war generations that Ukraine was also part of East Central Europe. Some Ukrainians believe that their revolution of 2004 is a continuation of what East Central Europe had done in 1989–1990.

Returning to the intra-Ukrainian situation, many Russians predicted a possible dissolution of Ukraine into a Ukrainian-speaking and a Russian-speaking part. This was to happen in consequence of popular political mobilization by Russian speakers, demanding autonomy within Ukraine, independence, or re-union with Russia. These possibilities were openly discussed in the Russian media during the election crisis in Ukraine.

There are several explanations why this dog has not barked—at least not as yet. First, many citizens of Ukraine declare in censuses, and demonstrate in their behavior, that their first or indeed only language is Russian; yet they declare at the same time that they consider themselves to be Ukrainian by nationality. The census does not provide a separate name for such people, but sociological surveys have called them Ukraino-Russy—that is, Russo-Ukrainians. They are particularly numerous in the eastern and southeastern regions of Ukraine. Second, language is not a predictor of how people vote. Kyiv, a Russian-speaking city, had voted in the 1990s and in 2002, like the Ukrainian-speaking Lviv, in favor of Ukrainian nationalists and democrats. Even as early as the March 1991 referendum, a

majority in Kyiv voted against Gorbachev's "renewed Union." In 2004, Kyiv voted overwhelmingly for Yushchenko. Third, bilingualism is common in Ukraine and is a "two-way" bilingualism: Ukrainian speakers understand Russian and Russian speakers understand Ukrainian. In daily usage and also on television, it is thought normal to have one person speak Russian and another Ukrainian. The closeness of the languages helps to remove any practical—but not necessarily psychological—reasons for people's fighting over which language to use.

Early in October—that is, before the first ballot—a Moscow commentator (Serkov, 2004) declared that the division of Ukraine into two antagonistic parts was "a fact, not a cliche or an out-of-date idea, as some people say.…" But of the two, "the Russian-speaking and Russian-thinking South East needs to assert itself as the real Ukrainian nation"—and thus to reject the claim of the western regions to represent and lead the nation.

On the basis of such preconceptions, some Russian analysts anticipated the attempt by the Ukrainian-speaking and thus nationalist and Catholic Galicia to seek secession from a Ukraine in which Yanukovych had won the presidency, which would accelerate the movement for Ukraine's re-integration with Russia. In that case, a marginalized minority consisting of Ukrainian speakers would seek to secede from a Russian-speaking Ukraine. They were totally unprepared for what actually would happen—the emergence of a Lviv-Kyiv connection and the corresponding marginalization not of Lviv but of the two most pro-Yanukovych regions—Donetsk and Luhansk.

After the Ukrainian Supreme Court's order for a second re-run of the presidential election, open calls were made for political mobilization of the Russian-speaking and Yanokovych-voting East and South Ukraine. Participants at assemblies in Kharkiv and Severodonetsk called for the creation of a separate republic, either as a component of a federalized Ukraine or as an independent state. (In addition to Russian language, those supporting such a republic also invoked Orthodoxy as their distinguishing mark.) But no Ukrainian counterpart to Moldova's "Trans-Dnyestr Republic" was formed—mainly because no Russian military was stationed in Ukraine, unlike Moldova. Even more strikingly, also missing were crowds in Donetsk, Kharkiv, and Odessa comparable in size and enthusiasm to those occupying the center of Kyiv in support of Yushchenko. But had the Donbas region managed to break away, it would have done so as a marginalized part of Ukraine.

There was no popular mobilization for Yanukovych under an ethnic or linguistic Russian flag because his main challenger, Yushchenko, did not campaign under a Ukrainian ethnic flag. His program was honest elections and a free press, struggle against corruption in government and business, adherence to European values, and a vision of Ukraine's European integration. This secured him the support of the young generation, and his supporters of all ages included persons of diverse ethnic, linguistic, and religious backgrounds.

But to top all these errors and oversights, Russia's commentators on Ukrainian events forgot something even more fundamental and obvious: that in Ukraine you have a new generation—people in their twenties, college students in their late teens, young adults, young professionals in their thirties—who are no longer afraid to say what they think. They are not afraid to talk to foreigners. They do not even understand that there was a time when their parents were afraid to speak to foreigners. These young people have been abroad. Their concerns go beyond beliefs about politics, nationalism, or liberalism. To them, the idea that you could have such total repression of the media as took place in Ukraine in 2004 is profoundly insulting to their pride and dignity. The same, of course, applies even more strongly to the idea that you can falsify the elections, as was done so blatantly in Ukraine. They take it very personally. When you see those interviews with young girls and boys on the streets of Kyiv in conversations with Western correspondents, they actually tell you that it is a matter of human dignity.

Many of Ukraine's young people compare themselves to Europeans. The extent of their "Europeanization" and "globalization"—via Poland if not Canada or the United States—was totally overlooked or disregarded by the PR consultants from Moscow.

In May 1994, *The Economist* published a survey of Ukraine titled "Ukraine: The birth and possible death of a country" ("A survey," 1994). In the concluding part, *The Economist* wrote: "Mr Szporluk, at Harvard, believes that the only real hope lies with the younger generation; 'those who were never in the Komsomol /the young Communists' league/, have had a chance to travel to normal places, and only dimly remember that Ukraine was ever part of something called the Soviet Union. They can build a country, if there's anything left when their parents have finished'" ("A survey," 1994, p. 18). Now we have reached this stage.

Russian commentators and policy-makers had not been prepared for the victory of Yushchenko in Kyiv and in other old Soviet regions. Obviously, the vote of the mother of Russian cities hurt especially. This was another example of a self-induced ignorance. The fundamental misunderstanding stemmed from a failure to grasp that Ukrainian political programs and current Ukrainian national identity are not rooted in linguistic nationalism. Consider, for example, the writer Andrey Kurkov, who was born in Leningrad. Still in his early forties, he is a Russian-writing writer who lives in Kyiv. He declares himself to be a Ukrainian in political, not ethnic terms. He will go on writing in Russian, but he says he is a Ukrainian. Yulia Tymoshenko is another example of someone whose family language remains Russian, but the prospect of becoming Ukraine's prime minister encouraged her to switch to making public speeches in Ukrainian just several years ago.

Had they known recent Ukrainian history, Moscow's experts would have found analogous examples in the past. After 1945, several generations grew up in a Ukraine that included the western parts. For someone like president-elect Yushchenko, a native of northeastern Ukraine, near the

Russian border, there was nothing unusual in his choice to go to study in Ternopil. For many men and women of his age, and even more so for their juniors, a Ukraine that extends from the Hungarian Plain to Sevastopol and Luhansk has long been a fact of life.

But there were exceptions to the Russian myopia. The influential commentator Aleksandr Tsipko, writing in *Literaturnaya gazeta* during the Ukrainian crisis, called for Russians to accept the fact that the young generation of Ukraine had been lost for Russia. ("We lost the young generation—practically all the young generation in Ukraine is lost to us" [Tsipko, 2004a, p. 4].) Also, the Ukrainian-speaking Ukraine, he noted, is not limited to Galicia and the Catholic West, but extends even beyond the Dnyepr River. Acknowledging these unpleasant realities—and blaming his Russian fellow experts for their failure to see them—Tsipko nonetheless called, in a follow-up article, for the southeast, the Russian-speaking Ukraine—a nation he considers pro-Russian culturally and politically—to assert itself as an alternative Ukraine, one that would be pro-Russian and pro-European at the same time, against what he terms the Ukrainian-speaking Ukraine's primitive peasant culture (Tsipko, 2004b, p. 2).

In the post-election period, more Russians have called for a new, more realistic, and more positive approach toward Ukraine. Thus, Sergey Dubinin calls for an acknowledgement that no influential political or social forces in Ukraine desire direct unification with Russia, that the Ukrainian populace, whether in the east or west, rejects the corrupt system, not just the Kuchma regime itself, and that Russians should not blame the CIA for their problems with Ukraine (Dubinin, 2005).

At the same time, some prominent academic and political personalities are calling for new approaches to the task of *Russian* nation-building in the Russian Federation itself. The leading scholar in the area of nationality problems, and a former minister for the nationalities in the early 1990s, Valeriy Tishkov, argues in a recent interview with a Moscow journal that it is imperative to promote the formation of a Russian political nation embracing all ethnic and linguistic groups that inhabit the Russian Federation. Tishkov's point is supported also by Sergey Gradirovskiy and Vyacheslav Glazychev, who, in the same article, call for launching a country-wide nation-building project, starting at the level of localities—in order to create "a new nation of a new Russia" (Mekhanik, 2005).

If these and other such calls for *political* nation-building on a multiethnic basis are heard and acted upon in Russia, one may expect that Moscow decision makers, policy analysts, and academic experts will abandon their argument that Ukraine is a candidate for a "reunion" with Russia because many citizens of Ukraine speak Russian or are ethnic Russians. If they do abandon this argument, they will learn the lesson they had not learned in time for the presidential campaign of 2004.

# *PLUS CA CHANGE*? RUSSIA'S FOREIGN POLICY IN 2004[7]

At the end of 2004, there was a marked division among Russian commentators about the success or failure of the Kremlin's foreign policy during the previous twelve months. Where conservative, *derzhavnik* (realpolitik) observers saw major strides, more liberal commentators saw miscalculation and failure. However, while the pundits disagree, what does seem clear is that Russia's international behavior represented a continuation of previously existing tendencies. This discussion will analyze the year's foreign policy, stressing two themes: Russian–US relations, with all their inherent ambiguities, and increasing attempts to consolidate Russian influence in what most analysts refer to as the "former Soviet space." It will conclude by noting briefly the impact of terrorism and of domestic politics on Russia's foreign policy.

## Russian–US Relations

Russia's relations with the US remain the framework through which Russian President Vladimir Putin and his small circle of advisors view events both in the larger world and closer to home. During his first term, Putin attempted to balance growing ties to US President George W. Bush with maintaining independence and maneuverability for Russia. Despite Putin's endorsement of Bush's reelection, relations were roiled by US policy toward Iran and Iraq and what many in Moscow viewed as US interference in Georgia, Central Asia, and Ukraine.

In the Iranian case, while the US and the Europeans are alarmed at Teheran's pursuit of a nuclear capability, Russia—under Boris Yel'tsin and Putin—remains committed to the completion of the Bushehr nuclear reactor. Not only is this a major financial boost to Russian businesses and the Ministry of Atomic Energy, but Bushehr has become emblematic of Russia's independent foreign policy line. These political and economic incentives to complete Bushehr run directly contrary to the attempts by the international community to force Iran to comply with the regulations of the International Atomic Energy Agency (IAEA). Once the IAEA found that Iran was indeed trying to develop a nuclear weapons capability, Moscow could no longer claim that it was only the US that was critical of Iranian developments and the Russian provision of technology. Russia has repeatedly stated that it would continue to work on Bushehr, but that Iran needed to comply with IAEA agreements.

In May 2004, both Kamal Kharazi, Iranian Foreign Minister, and Asadollah Saburi, the deputy head of the Iranian Atomic Energy Organization, traveled to Moscow. Saburi met with Aleksandr Rumyantsev, the head of the Russian Atomic Energy Ministry, to discuss the often-post-

[7]By Carol R. Saivetz

poned deliveries of nuclear fuel for the reactor (ITAR-TASS, May 12, 2004). Kharazi met with both Vladimir Putin and Igor Ivanov, the current Security Council secretary. According to both Western and Russian press reports, Kharazi stressed the importance that Iran attached to its links to Moscow, while Putin, for his part, called Iran "our old and stable partner" (RIA News Agency, May 17, 2004; *Agence France Presse*, May 17, 2004). Five months later, Foreign Minister Sergey Lavrov, in public comments in Teheran, continued the Russian tightrope act. He reportedly continued negotiations about the return of spent fuel from the Bushehr reactor, but emphasized that Iran must comply with all of the IAEA's demands. While in Dushanbe on his way back to Moscow, Lavrov urged the Iranian *majlis* to ratify the additional IAEA protocol and stressed that completion of Bushehr should not be a cause of concern for the IAEA (*Agence France Presse*, October 17, 2004).

As of this writing, the final Russian-Iranian agreement over the return of spent fuel rods to Russia remains unsigned; nevertheless, both sides are claiming that the reactor will go on-line in late 2005 or early 2006. Indeed, both seem to be looking beyond Bushehr. Rumyantsev, noting the lack of reactor construction in Russia, has openly expressed interest in building other reactors in Iran, estimated to be worth $10 billion (*Kommersant*, December 27, 2004, p. 6). In order to pressure Moscow, the Iranian government is implicitly threatening Russia with competition. The Iranian ambassador to Russia, Gholam Reza Shafei, stated that Russia will have to deal with a number of EU nations competing on the Iranian market (*New Europe*, January 10, 2005).

The Iraqi situation, as well, remains problematic. Russian opposition to the war in Iraq stemmed from several factors. On the political side, the Russian foreign policy establishment—as in the Iranian case—sought a way to oppose US unilateralism; on the economic side, they hoped to protect both LUKoil's interests in Iraqi oil production and the tremendous financial gains derived from the UN-administered Oil-for-Food Program. In May 2004, National Security Advisor Condoleezza Rice traveled to Moscow to discuss the Iraqi situation and to solicit Moscow's help in stabilization. Although both sides claimed interest in stabilizing the situation during the hand-over to Iraqi authorities, the Russians objected to US plans for the transfer, in particular to what they perceived as limitations Washington intended to place on Iraqi sovereignty (*Kommersant*, May 14, 2004, p. 10).

As during the invasion in March–April 2003, one could question what exactly were Russia's foreign policy goals. On the one hand, it is clear that Moscow looked upon the initial difficulties in the war and the continuing counter-insurgency struggle as constraints on US unilateralism. Yet, on the other hand, neither a US defeat nor a protracted civil war, particularly one in which Islamist forces might be victorious, would appear to be in the Kremlin's best interests. It would seem, therefore, that perhaps Russia was looking for "managed instability," that is, a situation in which things would not go well for the US, but one that also would not pose a serious threat to

the rest of the Middle East. Sergey Lavrov has repeatedly said that his government is seeking a stable Iraq in which the UN would play the central role.

The Russian economic stake in the pre-war *status quo* was a multi-billion-dollar business. According to Russian reports, Russian companies bought $19.2 billion of Iraqi oil and sold, in return, $3.3 billion in food and other goods (G. Walters, in *The St. Petersburg Times*, October 26, 2004). Russian companies and individuals—Gazprom, LUKoil, Tatneft, the Communist Party, Vladimir Zhirinovskiy, and Aleksandr Voloshin, among others—benefited from illegal dealings with the Saddam Hussein government. For example, in the second half of 2002, Voloshin was given a voucher worth 3.9 billion barrels of oil to sell for personal gain (Duelfer, 2004; *Moscow News*, October 13, 2004). These revelations about Saddam Hussein's illicit oil trade with Russian companies and personalities come against the backdrop of negotiations regarding the Iraqi debt and LUKoil's participation in developing new oil resources there. As part of the Paris Club agreement on forgiving Iraqi sovereign debt, Moscow has written off approximately 90 percent of the debt owed by Iraq. However, Putin and other Russian politicians have made clear that they expect lucrative business contracts in return.[8] And Iraqi Prime Minister Iyad Allawi stated that the writeoff "will facilitate Russia's leading role in [the] rehabilitation of industry and economy in Iraq" (*Izvestiya Digest*, December 8, 2004). Reinforcing these trade-offs was Russian approval for the purchase of 7.59 percent of LUKoil by Conoco-Phillips. The participation of the US company would seem to ensure that LUKoil's interests in Iraq would be pursued.

This brief discussion of East-West relations would be incomplete without mention of NATO. To state the obvious, despite the creation of the Russia-NATO Council, NATO expansion and NATO involvement in the post-Soviet space has been a constant concern for politicians in Moscow. Putin, critical of NATO's refusal to alter the Conventional Forces in Europe Treaty and the alliance's inadequate recognition of Russia's role more generally, declined an invitiation to attend the 2004 NATO summit in Istanbul. In the words of longtime observer Aleksandr Golts:

> When you get right down to it, all Putin really needs is membership in an international club for the elect. A club where he can shake hands with George W. Bush and Tony Blair and be treated as an equal, as he is this week at the G-8 summit. Putin regarded the role he would have played at the NATO summit—a second-stringer mixed in with the Bulgarians and Slovenians—as beneath him. And that is why he turned down NATO's invitation (*St. Petersburg Times*, June 11, 2004).

[8]In his end-of-the-year press conference, President Putin noted that Russian businesses are ready to reenter any and all sectors of the Iraqi economy, and he linked this directly with the willingness to write off the debt. In a somewhat ironic tone, he added that Iraq was not a poor country and yet the others had agreed to the write-off; see Putin (2004).

Thus, the framework through which Putin and his senior advisors view the world contains any number of problems, Iran and Iraq being only the most severe. Russia has continued its balancing act, yet, as compared to 2003, the balance has been harder to maintain. Despite Russia's tentative successes in using Germany and France to try to block the Iraq war and US unilateralism, Russia's views of NATO remain largely negative because of the inclusion of the Baltic states and the ties between NATO and several of the other post-Soviet countries. In terms of the US–Russian relationship, Putin's seeming reversal of democratic reform has made Washington more skeptical of Putin's intentions. And intensification of the insurgency in Iraq means that policy toward Iraq remains in contention between the two sides. Finally, observers in Moscow must be wary of the talk in Washington about possibly forcing regime change in Syria and Iran—two of Moscow's clients in the Middle East. Vladimir Putin, who apparently supported George Bush's reelection, fearing that a John Kerry administration would be more critical of Russian domestic developments, may regret that support if the US role in the Middle East grows apace.

## Influence in the "Near Abroad"

Given the difficult relations between Moscow and Washington and between Russia and the NATO alliance, it is not surprising that Russia increasingly sees evidence of competition in its backyard. The expansion of NATO's relations with several of the Soviet successor states, the presence of US troops in Georgia and Central Asia, and, most recently, what Russian pundits labeled Western interference in the Ukrainian elections have raised alarms in the Russian capital. Despite the fact that former Georgian President Eduard Shevardnadze used to talk about joining NATO by 2005, Russian commentaries have repeatedly claimed that the West supported Georgia's Rose Revolution with the intention of undermining Russia's influence in the Caucasus. In 2004, the new Georgian president moved to reintegrate the several secessionist provinces that have been supported by Moscow. In Ajariya, as tensions escalated between Russian-supported feudal lord Aslan Abashidze and the Saakashvili government in Tbilisi, Russia was forced by events to facilitate Abashidze's exile to Moscow. In Ossetiya, the Russian presence is legitimized as part of a tripartite peacekeeping arrangement that has been in effect since the early 1990s. Most residents have Russian citizenship and the Russian military deployed there derives significant economic benefit from corruption and illegal border trade. Georgia closed the borders with Ossetiya in order to stop the smuggling, both to help the Georgian economy and to undermine the secessionist authorities. Additionally, Georgia sought to appeal to the local populations with promises of greater social services. After military clashes in late summer, a tentative cease-fire was implemented and illegal groups were disarmed. The situation in the last of the breakaway republics, Abkhaziya, will be the most difficult to resolve. Abkhaz separatists have long been supported by Moscow. In a foreshadowing of events in Ukraine,

Russia's heavy-handed backing of the losing candidate in the contested October Abkhazian elections illustrated both the Kremlin's determination to keep the central Georgian government under pressure and the limits of its influence. Saakashvili, taking advantage of Moscow's embarrassment over the unsuccessful manipulation of politics in its vassal, has increased the pressure for territorial reintegration. Russia, at the same time, has seemingly not been afraid to criticize Georgian activities and perhaps to give a nod to militarization of the situation.

In Central Asia, there is now open competition between the US and Russia for influence and presence. Following September 11, 2001, Putin acquiesced in the deployment of US troops there, but even then, observers were questioning whether the US would overstay its welcome. It is not unusual now to see references in the Russian press to the US bases as temporary, but in quotation marks. Beginning in 2003, Moscow moved decisively to counter-balance the US military deployments: the Russia military has reopened its base in Kant, Kyrgyzstan, only twenty miles from the US base; and it has opened a new base in Tajikistan, south of the Tajik capital. Finally, Uzbek President Islam Karimov, annoyed at US criticisms of his human rights record, has reinvigorated his ties with Moscow. On the sidelines of the most recent meeting of the Shanghai Cooperation Organization, presidents Putin and Karimov signed a treaty of strategic partnership. They announced agreements on intelligence sharing and on joint military exercises. These specific bilateral agreements should be viewed as part of an overarching Russian strategy to reassert itself in Central Asia. These moves are enhanced by Russian offers of military equipment to the Central Asian militaries on a concessionary basis and by new energy agreements between Russian companies and their counterparts in the Central Asian states.

Of course, at the end of 2004 Russia's obvious intervention in the Ukrainian elections underscored Russian intentions, as well as its spectacular failure. Putin openly backed Viktor Yanukovych and portrayed opposition leader Viktor Yushchenko as pro-Western. The Russian president, in his year-end press conference, commented that there were those people in Yushchenko's circle who base "their ambitions on anti-Russian and Zionist [sic] slogans and the like. This is completely inadmissable" (Polit.ru, December 23, 2004). Looking forward, much will depend on Yushchenko's ability to consolidate his administration. Will he be able to ensure that the Russian-speaking eastern Ukraine remains loyal to Kyiv? Will he be able to assuage Russia's concerns about Ukrainian "defection" to the West? How will Moscow handle its Ukraine policy? The answer to this last question, of course, depends in part on the answers to the previous questions. But there are clearly those in Moscow who might be tempted to stoke separatist fires in the east or pressure the government in Kyiv by threatening to withhold energy supplies. Although comments like these are highly speculative, such policies are not outside the realm of possibility.

## Terrorism and Domestic Politics

In the aftermath of 9/11, Vladimir Putin used the issue of terrorism in an attempt to garner US support for Russian policies in Chechnya and to create a commonality between Moscow and Washington. These tendencies were reinforced by the tragedy of the school siege in Beslan in August 2004. However, other parts of President Putin's response to Beslan have aroused concern around the world. Commentary has centered on the Russian threats of preemption and on governmental reforms, including the elimination of gubernatorial elections and single member districts in the Duma, implemented ostensibly to strengthen Russia in the face of terrorism. The threat to track and attack terrorists wherever they are found has served to exacerbate the security concerns of states bordering Chechnya. For example, Georgian foreign affairs experts are particularly concerned that Russia will violate Georgian sovereignty in the name of fighting terrorism. Although this has been a fear in the past, it is now explicit Russian policy.[9]

The move to recentralize power in Russia has created a major public relations issue for Moscow. Many Western politicians, including President Bush, have been critical of what is seen as reversal of the democratization process. At the APEC meeting in Santiago, Chile, in November 2004, the US president was reported to have told Putin of his concerns. According to news reports, Bush expressed "concerns that we've had about checks and balances, about the centralization of power inside Russia." These same reports indicate that Putin told Bush that Russia was developing a form of democracy consistent with its history (*Agence France Presse*, November 21, 2004). Many of these concerns predate Beslan, but Western criticism is now more open.

The turmoil in Russian domestic politics in 2004 also leads observers to inquire as to which groups are influencing politics and what their interests are. It is now presumed that the so-called *siloviki* are ascendant and that they are seeking not only a redistribution of privatized energy assets, but also to reorient Russia's foreign policy to protect those interests. The information included in the Duelfer Commission Report (Duelfer, 2004) indicates how many businesses and individuals were benefiting from the Oil-for-Food program and goes a long way toward explaining the economic reasons Russia opposed US policy in Iraq. More recently, a Putin associate was named head of the Russian nuclear trading company, which would lead one to speculate on the interest in further dealings with Teheran.

It would also seem fair to presume that the *siloviki* support Putin's goal of reasserting Russia's role as a great power. In this regard, the heavy-handed interventions in Ossetiya, Abkhaziya, and, of course, Ukraine represent attempts to reestablish Russian hegemony, though not necessar-

[9]Based on author's private conversations with Georgian experts, Cambridge, MA, September 2004.

ily to recreate the USSR, on the territory of the former Soviet Union. Taken together, these moves create questions about how Russia is perceived by outsiders. In turn, the open Western criticism of the new electoral changes, US threats of preemption, and her policies in the "Near Abroad" are poorly received by politicians in Moscow. As former foreign minister Andrey Kozyrev noted: "In this whole controversy over Ukraine's election, the only forces in Russia who stand to benefit are those who really want to restore Europe's dividing line....[this Russian fortress mentality] only benefits the most reactionary part of our corrupt bureaucracy." (*Kommersant*, November 26, 2004). By the same token, what can be seen as a spiral of wariness and sensitivity would seem to ill serve Russia's professed interest in maintaining cordial relations with the West.



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