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#1

Russia and the White House: A Strained Partnership

By Jill Barshay

CQ WEEKLY, April 17, 2006

If there is one part of the world on which President Bush's chief diplomat can claim indisputable expertise, it is Russia. With a doctorate in Soviet studies, Secretary of State Condoleezza Rice once served in government as a Russia expert with the National Security Council during the final years of the Cold War and was known to deliver speeches to Soviet generals in fluent Russian.

Even today, Rice takes a particularly active interest in Russia. While Middle East policy has been driven by the neo-conservatives in Vice President Dick Cheney's office and the Pentagon, the secretary of State has kept a firm grip on matters involving Russia, even as it has slid as a foreign policy priority. She has plucked experts from the White House, Moscow and inside the State

Department to form a circle of Russia-specific advisers to keep her up to date. And she regularly raises Russia matters directly with the president.

Russia today, however, is not the country Rice knew back when she first worked in the White House of Bush's father. Fifteen years since the collapse of the Soviet Union, it is neither the beggar nation that it was back then, nor the dependable U.S. ally that supported Bush's invasion of Afghanistan immediately after the Sept. 11 terror attacks. Indeed, Russia, with billions of petrodollars in its coffers and a renewed sense of empowerment under the leadership of President Vladimir V. Putin, is now pursuing its own interests on the world stage, even if that means defying the priorities of the United States.

In the last five years, Putin has cracked down on Western aid groups, accusing them of undermining the government's authority. He has taken control of television stations, eliminated elections for regional governors and partly renationalized the energy industry.

And in his relations with his neighbors, Putin has not been reluctant to use Russia's energy supplies for diplomatic purposes, keeping the spigot open for friendly countries such as Belarus and turning it off for critics such as Ukraine, as he did in January. That move frightened the rest of Europe, which depends upon the pipeline that crosses Ukraine. Putin reopened the pipeline after a few days, but his message to the West was clear: Russia once again is a power to be reckoned with.

Contrary to Washington's wishes, the Kremlin hosted the leaders of the Palestinian territories' new ruling Hamas Party after their election victory in January. Russia also continues selling sophisticated weapons to China and is openly working to persuade Central Asian nations to deny the U.S. military the use of their air bases.

The biggest of the administration's challenges with Russia is, of course, over the issue of Iran's suspected effort to develop nuclear weapons. With Iran openly defying the United States and threatening to wipe Israel off the map, Bush desperately needs Moscow to pressure Tehran to give up on its uranium enrichment program, the first stage of developing nuclear weapons.

The Russians, though, have their own perceptions of the situation in the Middle East, including a deep mistrust of the United States' agenda there, especially in light of the invasion of Iraq, which Russia opposed. Unlike the Bush administration, they do not see sanctions or the threat of military action as effective, but rather destabilizing.

This leaves the Bush administration caught between hard-liners who want it to take a tougher approach toward Russia and those who favor a more diplomatic approach because of the potential fallout of pushing back against an old adversary-turned-ally that now seems to have little need for Washington. The hardest criticism comes from the right, where conservatives see Russia's great potential for democracy lost as the country drifts back toward authoritarian rule.

"Russia today has simply become a stagnant autocracy, living on receipts from energy resources and cozying up to repressive, if not lethal, regimes from around the world," said Republican Sen. Sam Brownback of Kansas, a potential presidential candidate in 2008.

Brownback speaks for a group of foreign policy conservatives whose primary concerns are democracy, human rights and freedom of religion. But Rice must consider a wider diplomatic palette that balances such ideological concerns with the need to protect U.S. interests abroad. And finding that balance has not been easy. Her approach has been one of *realpolitik*, the school that argues for practical diplomacy based on the realities of the world, rather than on theoretical, moral or idealistic goals.

But even in the realm of practical politics, the reality remains that there is little mutual interest between the United States and Russia, in Iran specifically and in the Middle East in general. Russia experts say this leaves the administration grasping for an approach, especially as it prepares for July's annual G-8 summit of industrialized democracies in St. Petersburg, where Putin plans to showcase his country's resurgence.

"We don't have a lot of leverage," said Michael McFaul, a Russia expert at Stanford University's Hoover Institution. "This is not a small country that we can put some money into democracy assistance and turn the tide."

The Problem of Iran

With Iran's announcement last week that it has successfully enriched uranium, the Bush administration is hoping that Russia will finally grasp what it sees as the seriousness of the threat posed by Iran and join forces with Washington and Europe in demanding meaningful United Nations sanctions against Tehran.

As Russia's cool response suggests, what the Bush administration sees as a clear-cut threat to U.S. and Western interests in the region the Kremlin sees in far more complex terms. The administration's differences with Russia over Iran are as much a matter of conflicting perceptions as of policies.

Russia's caution in dealing with Iran stems in part from the fact that parts of Iran are less than 200 miles from Russia's southern border region, where Muslims in Chechnya and Dagestan have for years been in revolt against Moscow. The Kremlin regards these areas as a tinderbox — and Bush's muscular policy in the region as a lighted match.

Experts say that Russia is convinced that U.N. sanctions on Iran will only further destabilize a Middle East already unsettled by the U.S. invasion of Iraq, and further roil the Muslim nations of Central Asia on its southern frontier, along with the rebellious Muslim areas just inside the border.

As for recent reports that the United States is considering military action to halt Iran's enrichment program, Russia is dead set against the idea.

"If such plans exist, they will not be able to solve this problem," Russian Foreign Minister Sergei Lavrov was quoted by Russian news agencies as saying April 12. "On the contrary, they could create a dangerous explosive blaze in the Middle East, where there are already enough blazes."

Experts also note that Russia has longstanding commercial interests in Iran, including more than \$2.2 billion in annual exports to Tehran, according to U.S. government figures, as well as major investments in Iran's oil industry that would be affected if economic sanctions were imposed. And if the nuclear standoff between Iran and the United States can be resolved diplomatically, Russia stands to make billions more by supplying Iran with nuclear fuel.

With these considerations in mind, Russia has resisted every U.S. effort since 2003, after it first surfaced that Iran had been secretly enriching uranium, to bring that nation before the U.N. Security Council for economic sanction.

Wielding its veto power on the council, Russia instead proposed talks among Iran, Britain, France and Germany, insisting that Iran and the three European Union countries could resolve the matter diplomatically. Lacking the votes for stronger action, the Bush administration deferred to the Russians and supported the negotiations, which went on for two years.

Politics, Diplomacy and Nuclear Power

When those collapsed in December 2005 and Iran resumed its enrichment activities, the White House once again demanded that the U.N. Security Council take up the issue of Iran's nuclear ambitions, but this time, the Russians insisted that bilateral talks with Iran should be given a chance. Those negotiations failed as well, leading the International Atomic Energy Agency (IAEA), the United Nations' nuclear watchdog, to report Iran to the Security Council for a strong warning to halt its enrichment activities.

In the Security Council debate that followed, Russia did its best to tone down whatever statement was to emerge. The United States demanded wording that would have given Iran two weeks to stop its uranium-enrichment program and that described it as a "threat to international peace and security," a prerequisite to begin sanctions.

Russia, emphasizing the destabilization that U.N. sanctions would cause, successfully argued for language to send the matter back to the IAEA, which was given 30 days to report that Iran had halted its enrichment program or the matter would be referred to the Security Council. The Russians also succeeded in stripping out the sanction language. The Security Council passed the watered-down statement March 29.

With Iran's announcement last week that it is determined now to enrich uranium on an industrial scale, it is highly unlikely that Tehran will halt the program by the April 28 deadline. The Bush administration once again is preparing to discuss future steps with members of the U.N. Security Council, but few experts believe Russia will lend its support for sanctions when the Security Council takes up the issue again at the end of April.

Yet the administration has not given up on winning Russia's cooperation. During Lavrov's Washington visit last month, Rice met with him over a private dinner and said that if Russia were to help the Bush administration on Iran, Iraq and terrorism, such cooperation would open up avenues for constructive relationships on "anything" Russia wanted, according to a State Department official familiar with their conversation.

The unspoken subtext was Russia's accession to the World Trade Organization, the U.S. official said. Indeed, the only thing standing between Russia and the WTO is a bilateral U.S.-Russia trade treaty, which has been stalled over technical issues for more than a year.

So far, however, Lavrov has not responded to Rice's offer, the official added.

The Bear Awakens

The personification of Russia's new swagger is Putin, who was elected president in March 2000 and who has taken a number of steps to stabilize Russia and consolidate power, even if that has meant some backsliding along the country's democratic path.

U.S. politicians who held out great hope for Russian democracy after the fall of communism in the early 1990s place great blame on Putin, whose KGB background and democratic intentions have long been suspect to old Cold Warriors. Some have even called for a boycott of the G-8 summit as signal of U.S. displeasure. Among Westerners, there is broad disappointment about Russia's slow progress toward democracy.

The Council on Foreign Relations — in a recent report by a task force on Russia chaired by former Sen. John Edwards of North Carolina, the Democratic vice presidential candidate in 2004, and former Rep. Jack F. Kemp of New York, the GOP vice presidential nominee in 1996 — said that "the political balance sheet of the past five years is extremely negative. The practices and institutions that have developed over this period have become far less open, far less transparent, far less pluralist, far less subject to the rule of law, and far less vulnerable to the criticism and counterbalancing of a vigorous opposition or independent media. As the 15-year milestone of the Soviet Union's breakup approaches, Russia — almost alone among European countries — is actually moving further away from modern European political norms."

The question is whether those norms have had a chance to take hold in a society that started its road to democracy in a demoralized, chaotic state when the Soviet Union collapsed in 1991. Many experts said a democratic society would take decades to build.

Back then, Russia was all but broke and dependent on the good will and guidance of the United States as it sought loans from the U.S.-dominated World Bank and the International Monetary Fund.

Its first post-Soviet president, Boris Yeltsin, operated in fits and starts, fighting off coup attempts and changing prime ministers to suggest that he was cleaning house when his popularity sagged in the turmoil of democratic transition. He opened up the country's economy, but the privatization created a new class of wealthy oligarchs that left average Russians feeling excluded from the capitalist party.

While the roots of democracy have yet to take a firm hold, Russia's economy, still relatively small in superpower terms, has stabilized, giving the country a renewed sense of self-confidence that Washington has not seen since the height of the Cold War. "They think they're rich enough that they don't need to be part of the West," said McFaul. "That emboldens them."

Today, Russia has repaid all its loans, thanks to its position as the world's second-largest oil producer. The flood of petrodollars has pumped up its international reserves to more than \$208 billion, according to the Russian Central Bank. Moscow has also socked away a separate \$60 billion stabilization fund for a rainy day, according to the Russian Finance Ministry.

In the meantime, Russia has maintained its military status as a major nuclear power and its top-tier diplomatic standing as a permanent member of the U.N. Security Council with veto power.

Diminished U.S. Influence

Russia has asserted itself not only on the Iran nuclear issue, but also on several other matters where the United States needs Moscow's cooperation. And because of the United States' diminished influence in the wake of the Iraq War, Putin appears in no hurry to cooperate when he feels such accommodation is not in the interest of Russia and what it sees as its historic sphere of influence.

For example, Putin has urged the governments of Uzbekistan and Tajikistan to cancel agreements that have allowed the U.S. military to use air bases in those countries. He also has asked Turkmenistan, Kazakhstan and Kyrgyzstan, which offered the United States overflight rights, logistical and intelligence support, and the use of bases for search and rescue missions, to curtail those agreements as well.

In one important case, the Russian pressure worked: Last July, Uzbekistan formally evicted U.S. forces from the Karshi-Khanabad air base, which had served as a major hub for combat missions to Afghanistan since 2001.

Russia also has always considered the Middle East to be part of its sphere of influence, but until recently the United States has dominated there. In 2002, Putin managed to claim an unprecedented role for Russia in Israeli- Palestinian peacemaking by becoming a member of the quartet of countries and international organizations that produced the so-called road map peace plan, the only blueprint that is accepted by all sides of the conflict. The other members of the quartet are the United States, the United Nations and the European Union.

And Russia has demonstrated that it will not follow the U.S. lead when it feels it has something to offer. When the Muslim fundamentalist Hamas Party swept parliamentary elections in the Palestinian territories in January, the Bush administration declared that it would ignore the group until it renounced violence, recognized Israel's right to exist and accepted the diplomatic agreements signed by the previous Palestinian government. Russia supported that message, but Foreign Minister Lavrov delivered it in person to Hamas leaders, whom he invited to Moscow.

Even though Hamas rejected the Russian entreaty, experts saw the move as an attempt by Putin to reassert his country's influence in the region at a time when U.S. influence is waning. They add that Putin is trying to appeal to Russian public opinion, which has turned against the United States since the Iraq invasion.

According to Thomas Carothers, director of the Democracy and Rule of Law Project at the Carnegie Endowment for International Peace, many ordinary Russians see opposition to democracy promotion not as resistance to democracy itself, but to American interventionism. Abuses at Abu Ghraib and the Patriot Act's limits on individual freedoms have further eroded the United States' standing as an exemplar of democracy in Russian eyes.

U.S. State Department officials confirm the anti-democracy backlash in Russia. "There are indications that the Russian public has come to associate events like the Orange Revolution [in Ukraine] with the weakening of Russia," said Dan Fried, assistant secretary of State for European and Eurasian Affairs.

"Many Russians look upon these changes in zero-sum terms: A gain for democracy must be a defeat for Russia," Fried said.

Searching for a Response

Bush maintains that he can sway Russia to cooperate more with the United States on issues including Iran, Iraq and the global war on terrorism. "I haven't given up on Russia," he said last month after a speech to Freedom House, a group that supports expansion of freedom around the world. He added that he would use the G-8 summit to conduct some personal diplomacy with Putin. Their relationship has in the past been

a strong one, starting with Bush's declaration in 2001 that he "looked the man in the eye" and "found him to be very straightforward and trustworthy."

But now, Russia experts say, the White House appears to be scaling back its expectations of what it can expect from Putin.

They say that Russia will probably continue to oppose Bush on his demand for U.N. sanctions against Iran; maintain its arms sales to China, Venezuela and other countries of concern to the United States; and play an increasingly independent role in any Middle East peacemaking.

Yet in the face of such challenges, these experts say, the administration has given no clear indication of how it plans to respond. And unless it comes up with a new approach, Bush faces the possibility of a diplomatic setback in St. Petersburg if he comes away from the summit with little to show from Putin, they warn.

Administration officials "don't want [Bush] to go there and kiss the ring of the czar and applaud him and stand next to him in photo ops," said McFaul. But Bush's commitment to attend the summit "puts a constraint on what other signals you can send," he said.

The president has already dismissed the suggestion by some on Capitol Hill that the United States boycott the G-8 summit. But that sentiment runs deep among some lawmakers, and not just in one party. In a February speech at the Heritage Foundation, Brownback said he did not think Russia would ever agree to U.N. sanctions on Iran or take action to stop its nuclear program because the Iranian government has already bought Russia off with commercial contracts. As a result, Brownback said, there is little risk in openly criticizing Russia on its democracy and human rights record because there is little to gain by coddling it.

Sen. Joseph I. Lieberman, D-Conn., wants to kick Russia out of the G-8 because of its disregard for democratic norms, as does Tom Lantos of California, the senior Democrat on the House International Relations Committee. Democratic Rep. Benjamin L. Cardin of Maryland says the administration should protest Russia's violations of the Helsinki Accords, an international treaty on human rights and freedoms that both Russia and the United States signed in 1975.

"Every time we seem to be getting progress, it's Russia standing out there causing us a real problem," said Cardin.

Even the Council on Foreign Relations, which represents the foreign policy establishment in the country, said in its report that the administration could deal with Russia in a tougher fashion. The report recommends that the United States strategize separately with its G-7 partners to coax Russia to implement previous G-8 agreements.

For now, however, the administration and its supporters on Capitol Hill appear torn between appeasing those calling for a tougher line with the Russians and those who see such an approach as counterproductive.

"I don't think that's in the U.S. interest," said a Republican Senate foreign policy aide. "If you take a harder-line approach, what can you potentially lose?" The aide then ticked off a list that included cooperation on controlling nuclear weapons and intelligence sharing.

"Our approach is, better to have Russia inside the tent than have Russia outside the tent," said David Kramer, the deputy assistant secretary of State overseeing Russia, Ukraine, Moldova and Belarus.

State Department spokesman Terry Davidson defines U.S. policy as a "balance" between the two camps. "We're trying to get beyond the idea that it's all black or white," he said. "There are a lot of things we can't

do without the Russians; for example, Iran. Yet we should not hold our tongue when things are going wrong.”

State Department officials say the administration does not want to link the Kremlin’s backsliding on democracy with U.S.-Russian cooperation on other issues. At the same time, Rice in recent weeks has said that Russia has “responsibilities and obligations” that come with its membership in the G-8 and its chairmanship of the group this year.

“The struggle” said a State Department official who works on Russia, “is to try to figure out ways we can push back that can lead to some improvement, not simply to say things that make us feel better, a sort of check-the-box, feel-good exercise. Have we managed to do that to an enormous degree? No.”

#2

Editor's Notebook: Close Encounters

By Jill Barshay

CQ WEEKLY, April 17, 2006

The secret of politics, said German Chancellor Otto Bismarck more than a century ago, comes down to this: “Make a good treaty with Russia.” And nowadays, even with Russia shrunk, weakened and still lurching through an uncertain transition to a market democracy, it appears that close relations with Moscow are still as important as in the time of the Czar and the Kaiser.

The question is, how close? As this week’s cover story by senior writer Jill Barshay indicates, Russia has once again emerged as a divisive issue in American politics as the Bush administration struggles to find just the right approach with the suddenly more assertive President Vladimir Putin. (p. 1024)

The administration’s approach, Jill concludes, is one of realpolitik, dealing with Russia based on the realities of the world, not on our ideals of how the country should behave. And with Russia now cash-rich due to the current high price of oil, and in a position of influence regarding Iran and its nuclear ambitions, the United States is less able to lecture Putin on issues of democracy and freedom — even though Russia appears to be backsliding badly.

That hasn’t stopped some senators from calling for a tougher stance toward Russia, including two Republicans said to be considering runs for president: Sam Brownback of Kansas and John McCain of Arizona. McCain has even suggested the United States boycott the G-8 summit of industrialized nations in St. Petersburg this summer to protest Putin’s policies.

That, of course, is not likely to happen. It is not in Bush’s interest to wreck the summit at a time when he, still struggling with the fallout from Iraq, so desperately needs to avoid further isolating the United States in the world. Bush also knows that senators considering a presidential run are free to advocate measures such as a boycott without having to face the international consequences — a luxury that a president does not enjoy.

Bush knows this firsthand, because he did much the same thing as a presidential candidate in 2000 when he and other Republicans criticized President Bill Clinton and Vice President Al Gore for getting too close to Putin’s predecessor, Boris Yeltsin. The critics included Bush’s foreign policy adviser, Condoleezza Rice, now secretary of State and the primary driver of Bush’s Russia policy. Back in 2000, Rice accused Clinton and Gore of undermining U.S. interests in their handling of Russia and said, “It is important not to personalize relations with Russian leaders.”

Less than a year later, Bush, by then president, met Putin for the first time in Slovenia and declared that he had “looked the man in the eye,” got a “sense of his soul” and “found him to be very straightforward and trustworthy.”

Bush has tried to maintain a close personal relationship with Putin through all the ups and downs of the past five years. And all indications are that the president who began his second term by calling for promotion of democracy in the world will swallow hard, go to St. Petersburg and follow Bismarck’s advice.

Elsewhere, defense writer Anne Plummer examines the growing call for the resignation of Defense Secretary Donald Rumsfeld. There has never been a greater likelihood that he will leave office, some analysts say. But even if he does, Anne writes, one problem is in finding someone who could — and would want to — replace him. (p. 1014)

#3

Russian Policy Experts: Who’s Who on Bush’s Team

By Jill Barshay

CQ WEEKLY – COVER STORY, April 17, 2006

President Bush’s Russia policy reflects an effort to strike a balance between his ideological commitment to spread democracy around the world and his need to win Moscow’s cooperation on issues ranging from Iran’s nuclear aspirations to Israeli-Palestinian peace. With Russia resurfacing as a confident player on the world stage, finding that balance has been increasingly difficult for Bush’s team of Russian experts, all of whom are devotees of a practical, non-ideological foreign policy. Here are the Bush administration’s major players on policy toward Russia:

The person now firmly in control of U.S. policy toward Russia is Secretary of State Condoleezza Rice . Rice, a young Soviet expert on the National Security Council during the presidency of Bush’s father, wrote her doctorate thesis on the Soviet and Czech armies and speaks fluent Russian. The elder Bush was so impressed with Rice that he introduced her to Soviet President Mikhail Gorbachev in 1989 as the person who “tells me everything I know about the Soviet Union.”

Rice knew Russia’s transition to democracy after the 1991 breakup of the Soviet Union would be neither quick nor smooth. In a 2000 article in the journal *Foreign Affairs*, Rice predicted it could take a “generation” for Russia to form a democratic society. She urged the United States to maintain a close relationship with the Kremlin “on the important security agenda,” especially on nuclear weapons.

Rice entered the Bush administration in 2001 as the president’s national security adviser. While she deferred to neo-conservatives in the White House and Pentagon on issues regarding the Middle East, she kept Russian policy for herself. Since 2005, when Rice became secretary of State, the locus of decision making on Russia has moved to the State Department, where Rice relies on a team of like-minded Foreign Service veterans. Unlike the conservative ideologues who have shaped U.S. policy elsewhere in the world, Rice’s advisers have years of real-world experience in the diplomatic trenches in Washington and Moscow, as well as a deep knowledge of Russian history.

William J. Burns, a 24-year foreign service veteran, is the U.S. Ambassador to Russia and Rice’s man on the ground in Moscow. Burns earned a reputation as a Middle East expert, but he learned about the Soviet nuclear threat as a child. His father is Major General William F. Burns, a nuclear weapons expert who negotiated nuclear arms control agreements with the Soviets in the 1980s and later with the post-Soviet states in the 1990s. His son, a Marshall Scholar who speaks fluent Arabic, became ambassador to Jordan in 1998. In 2001, then-Secretary of State Colin L. Powell recalled Burns to Washington and promoted him to Assistant Secretary of State for Near Eastern Affairs. Burns frequently clashed with Elliot Abrams, Bush’s Middle East adviser on the National Security Council, over Abrams’ pro-Israeli positions. In 2005, Burns was

appointed ambassador to Russia, where he has worked closely with Rice in the formulation of U.S.-Russia policy. Burns is widely regarded as one of the State Department's most talented career diplomats.

Daniel Fried, the assistant secretary of State overseeing the Bureau of European and Eurasian Affairs, is Rice's top aide on Russia inside the State Department. Before Rice brought Fried back to the State Department in April 2005, he served for four years under her at the National Security Council, where he was the senior director for European and Eurasian Affairs. A former ambassador to Poland, Fried has been a foreign service officer since 1977, specializing in Soviet and Eastern European affairs.

Thomas Graham joined the National Security Council in 2002 and worked closely with Rice and Fried on Russian issues. Graham remains at the White House as the senior director for Russian Affairs under Rice's successor on the NSC, national security adviser Stephen Hadley. A scholar-diplomat, Graham earned his doctorate in political science at Harvard. He has written dozens of books and articles on Russia while serving two tours in Moscow as a foreign service officer between 1984 and 1998.

#4

Head of Russia's presidential human rights council vows NGO law won't be abused

AP, April 17, 2006

MOSCOW -- The head of a presidential human rights council promised that a restrictive new Russian law on non-governmental organizations that came into force Monday will not be abused, the Interfax news agency reported.

The law's implementation will be monitored by the Presidential Council for the Promotion of Civil Institutions and Human Rights, council head Ella Pamfilova said, according to Interfax.

"We will make sure it is not applied selectively," Pamfilova was quoted as saying.

President Vladimir Putin signed the NGO law in January, but rights groups and some foreign governments have criticized it as being part of a retreat from democracy.

The legislation provides for a new agency to oversee the registration, financing and activities of Russia's more than 400,000 NGOs, about 2,000 of which are involved in human rights.

It allows authorities to ban financing of specific NGOs if they are judged to threaten the country's national security or "morals," and to require foreign and domestic organizations to report in detail on how much money they have received and from whom.

Critics see the NGO law as part of a Kremlin campaign to stem dissent, particularly before parliamentary elections in 2007 and a presidential election in 2008.

New York-based Human Rights Watch has warned that it will give officials unprecedented discretion in deciding which projects comply with Russia's national interests and which do not.

Putin has said that foreign funds must not be used for political activities, and repeated accusations from Russian officials that foreign governments have used NGOs to weaken Russia through espionage and foment political change in ex-Soviet republics. (AP)

#5

'Worst Fears' of NGOs Realized

By Anatoly Medetsky

Moscow Times, April 17, 2006

Human rights, social services and aid to those hurt by the Nazis and Soviets would be further compromised by a proposal on enforcing a controversial law on nongovernmental organizations, NGO representatives said.

The April 7 proposal on how to enforce the law was expected to be approved by government officials before Monday, when the law comes into force, Alexei Zhafyarov, head of the Justice Ministry's Federal Registration Service's NGO department, indicated.

NGO representatives said the proposal would make the legislation, which was criticized by Western governments for squashing civil liberties after it was signed into law in January by President Vladimir Putin, even more burdensome by requiring annual reports on finances and activities.

NGOs would be expected to provide information on how much money they spent, for instance, on stationery and telephone services. The annual reports would be due by April 15. NGOs say they would need to hire more accountants or risk being shut down.

Foreign NGOs, which the Kremlin believes played a role in fomenting uprisings in Georgia in 2003 and Ukraine in 2004, would face even more onerous requirements, NGO officials say.

"Why are they demanding such an insane amount of details?" asked Yelena Topoleva, director of the Agency for Social Information, a group that managed PR-campaigns for civil-society projects. "Why they need all this is completely incomprehensible."

Prominent human rights activists Oleg Orlov and Svetlana Gannushkina said in a statement that the proposal confirmed their worst fears. "Instead of the on-the-ground work we're here to do, we are doomed to be consumed by a nightmare" of filing reports, Orlov, a leader of the group Memorial, said in an interview.

The proposal would require that NGOs file so much paperwork that it is unlikely anyone would actually read everything. Zhafyarov, of the Federal Registration Service, conceded at an April 11 meeting with NGO leaders that it would be impossible to study all the reports from the country's more than 500,000 NGOs.

NGO leaders have voiced confusion about how to distinguish between "main" events, which will have to be included in their annual reports, and other events, which would not have to be included. Zhafyarov told NGO officials at the April 11 meeting that the government would issue recommendations about filling out the reports.

"If we had to report about every small event or meeting over tea, we would have to shut down," said Jens Siegert, director of the Moscow office of the Heinrich Boll Foundation. The foundation's web site says the German group is affiliated with the Green Party and seeks greater human rights, women's rights and environmental protections.

The proposal further stipulates that NGOs detail the number of participants at events and the times those events begin and end.

Zhafyarov indicated in an interview Friday that the Federal Registration Service would investigate any questions raised by NGOs' reports. The registration service would also look into any questions raised by prosecutors, he said.

In anticipation of the new law, the registration service has created special departments outside Moscow to handle investigations, Zhafyarov said.

Foreign NGOs, in addition to filing the reports expected of domestic NGOs, would have to submit detailed reports every fiscal quarter about where their money was coming from and how they planned to spend it. Foreign NGOs would also be required to submit information each Oct. 31 about their plans for the upcoming year.

The requirement of quarterly reports puzzled Siegert, who said the Federal Tax Service already collected that information from foreign NGOs.

The Heinrich Boll Foundation, Siegert said, spends about 450,000 euros annually on projects in Russia; it spends an additional 200,000 euros on overhead, he said. That figure is likely to jump under the new NGO law.

Chris Cavanaugh, Moscow office director of the U.S.-based International Research and Exchanges Board, or IREX, said he might have to hire a full-time staff member or two part-time consultants to meet the new accounting demands. IREX's Russia office, which has an annual budget of \$4 million to \$5 million, could see its operating expenses grow from 5 to 7 percent of total expenditures to 10 to 14 percent, he said.

Yelizaveta Dzhirikova, general director of the group Sostradaniye, which distributes \$300,000 each year from foreign donors to victims of Stalin's gulag and the Nazi concentration camps, was a bit more philosophical about the impending law. "Things get difficult only when they come to arrest you," Dzhirikova said.

But she acknowledged that small groups, including many that her organization works with, would be hurt by the new law, as precious resources were diverted from charitable work to filling out government forms.

"I don't know how they are going to survive," Dzhirikova said.

Galina Bychkova, the head of the Moscow Society of Former Underage Prisoners of Fascism and the Disabled, said she had no idea how her group will continue. Soon, she said, members will get together to discuss the future.

#6

Newspaper editor beaten up

By Yulianna Vilkos

Kyiv Post, Apr 13, 2006

Katzman, who is also editor-in-chief of the Kyiv weekly Stolichnye Novosti, the company's major Ukrainian publication, was left with severe head injuries on Apr. 8 after he was beaten by two men on the staircase next to his apartment that evening. His colleagues say the assault is most likely tied to Katzman's professional activities, which included publishing materials condemning xenophobia and anti-Semitism in Ukraine. Rabinovich and Katzman are both active members of Ukraine's Jewish community.

"I personally guarantee 100,000 [hryvnias] to anyone who helps us find these criminals," Rabinovich pledged on Apr. 10, adding that he does not believe police, who already referred to the incident as "an act of hooliganism," will solve the crime.

"This is not the first attack on a journalist in Kyiv, and none of them have been solved, just like other outrageous incidents of violence, including [those] with anti-Semitic motives," Rabinovich said.

At around 8 p.m. on April 8, the 44-year-old Katzman was returning home after walking his dog when he was cornered by two men in the dark corridor of his apartment building in Pechersk. One of the men struck

the journalist on the head repeatedly with a large wooden handle from a shovel until the stick broke into pieces, Katzman recalled, adding that he instinctively covered his head with his hands.

Katzman said the perpetrators took none of his personal belongings, including money, a leather bag, or the Swiss watch he was wearing.

“I don’t have enemies, and the only reason I can think of for this assault is my journalistic work,” Katzman said.

The weekly Stolichnye Novosti is known for its harsh criticism of anti-Semitic activities in Ukraine, including articles about the management of Kyiv’s Interregional Academy of Personnel Management, an educational institution in Kyiv known better by its acronym MAUP. Stolichnye Novosti and others have accused MAUP of fueling inter-ethnic hatred by publishing materials deemed anti-Semitic.

CM-Stolichnye Novosti is part of the Rabinovich-owned Media International Group, which also owns a number of print and Internet-based publications in Ukraine and abroad.

While both clearly expressed their view that the attack was linked to their work, Rabinovich and Katzman stopped short of pointing the finger at anyone and could not provide concrete proof that the attack was triggered by their professional work.

“We are openly fighting against xenophobia and anti-Semitism, so it is the likeliest cause for the attack on the publishing house’s chief editor,” added Serhiy Kovtunenکو, who is editor-in-chief of another Kyiv daily, Stolichka, also published by CM-Stolichnye Novosti.

“I cannot accept the police version that this was ‘an act of hooliganism,’” Kovtunenکو said. “I think this was a murderous assault linked to [his] professional activities.”

The Katzman case is reminiscent of another accident that happened in December of last year.

A Kyiv correspondent of the New York-based Jewish Telegraphic Agency (JTA) Volodymyr Matveyev was attacked on Dec. 12 by two men and left with a broken collarbone. This attack occurred after he wrote an article that included some information about the work of anti-Semitic groups in Ukraine.

Matveyev said his offenders have not been found and the article has since been pulled from the JTA website to protect him from further attacks.

The police were not available for comment as the Post went to press.

Rabinovich, meanwhile, criticized the country’s authorities for not taking stronger actions to protect journalists, which was one of Viktor Yushchenکو’s campaign promises.

“If this crime is not solved, I will see it as a failure on the part of the authorities to fulfill their promises that journalists will be safe in this country,” he said.

#7

**Ukrainian synagogue attacked
JTA Brief, April 18, 2006**

Several windows were shattered in a Ukrainian synagogue in what is believed to be an anti-Semitic attack.

Vandals threw stones early Monday at the Choral Synagogue in downtown Kirovograd. No one was hurt.

Local police are investigating the case but no arrests have been reported.

According to local Jewish leaders, the incident was only the most recent act of vandalism against Jewish institutions in the central Ukrainian city during the past few years.

Vitaly Kakhnov, director of the Kirovograd charitable center Hesed Shlomo, told JTA community members believe this week's attack was motivated by an anti-Semitic act since it took place on Passover.

#8

**The Death Of the G-8
By Andrei Illarionov
The Washington Post, April 18, 2006**

The writer is a former senior economic adviser to Russian President Vladimir Putin.

Does Russia really belong in the Group of Eight -- the assembly of the world's leading industrialized democracies? As things stand today, it meets only one criterion for membership: the size of its economy. So far as political rights are concerned, Russia ranks 168th out of 192 countries, according to Freedom House. In terms of corruption, the organization Transparency International ranks Russia 126th out of 159 countries. The World Economic Forum calculates that when it comes to favoritism in governmental decisions, Russia rates 85th of 108 countries, in protection of property rights 88th of 108 and in independence of the judicial system 84th out of 102.

The principal difference between the original G-7 countries and Russia lies in their disparate approaches to nearly every essential issue on the global agenda. Russia pursues "wars" against its neighbors on matters relating to visas, electricity, natural gas, wine and now even mineral waters.

Russia's official media have whipped up propaganda against the hard-won democratic road chosen by Ukraine, Moldova and Georgia, as well as against the Baltic countries, Europe and the United States. These countries became the enemies in the new "cold war" being waged by Russia's authorities. At the same time, new friends have emerged in the leaders of Belarus, Uzbekistan, Iran, Algeria, Venezuela, Burma and Hamas -- a very different sort of G-8.

The question now occupying the minds of leaders of the G-7 countries is whether to participate in the upcoming G-8 summit in St. Petersburg. Idealists have proposed a boycott. Pragmatists oppose that approach. In either case, a bad outcome is inevitable.

Pragmatists proposed to include in the agenda a discussion of "energy security" and another attempt to persuade the Russian government to accept universal democratic values. But it would be naive to expect substantial results on these two points.

The Russian authorities have already demonstrated how they understand energy security. Instead of liberalization and privatization of energy assets, they are opting for nationalization of private companies, the cementing of state control over the electricity grid and pipeline system and, on the international scene,

efforts to use non-market methods to manage international energy resources. Is this something the world's leading democracies are ready to accept?

Who really thinks that Russian authorities are going to undergo radical change after listening to the G-7 leaders? Will they cease their destruction of civil society? Reverse antidemocratic laws adopted in recent years? Allow free and fair campaigns and elections in 2007 and '08? Give up control over the judicial system or the media? Return fired journalists and editors to their posts? Cease interfering in business? Refund confiscated property and fines levied against citizens and companies? Return billions of dollars of state assets? Launch investigations into bureaucrats, judges and prosecutors who have made illegal decisions?

In fact, the G-8 is not the place to clarify codes of conduct. The very suggestion that foreign leaders might feel the need to speak "frankly" about Russia's domestic affairs confirms that Russia is not considered a full-fledged member of the G-8 even by those who intend to come.

Leaders may go to St. Petersburg for various reasons. But what is most important is the way in which the summit will be perceived and how it will be used. The G-8 summit can only be interpreted as a sign of support by the world's most powerful organization for Russia's leadership -- as a stamp of approval for its violations of individual rights, the rule of law and freedom of speech, its discrimination against nongovernmental organizations, nationalization of private property, use of energy resources as a weapon, and aggression toward democratically oriented neighbors.

By going to St. Petersburg, leaders of the world's foremost industrialized democracies will demonstrate their indifference to the fate of freedom and democracy in Russia. They will provide the best possible confirmation of what the Russian authorities never tire of repeating: that there are no fundamental differences between Western and Russian leaders. Like us, Russia's leaders will say, they are interested only in appearing to care about the rights of individuals and market forces; like us, they only talk about freedom and democracy. The G-8 summit will serve as an inspiring example for today's dictators and tomorrow's tyrants.

True Russian patriots favor Russia's membership in the G-8 -- but a free, democratic, peaceful and prosperous Russia. Regardless of how the St. Petersburg summit proceeds, one thing is already clear: The G-8, as a club of advanced democratic states, will cease to exist. The summit has only hastened its demise. Perhaps it will be reborn later as the G-7, G-4, G-3 or some other entity -- for Russia this question is academic. There won't be a place in the new club for today's Russia.

#9

**Public Chamber To Monitor Enforcement Of NGO Law
Interfax, April 17, 2006**

MOSCOW. April 17 (Interfax) - The law on non-profit and non-governmental organizations (NGOs), which came into force on Monday, would not create obstacles for such organizations, said Yelena Zelinskaya, deputy head of the Public Chamber's media commission and vice-president of the Media Union.

"I disagree with those who say today that this law will hamper the functioning of non-profit organizations and serve as an instrument to exercise tight control over them. First we have to take a look at how this law will be enforced," Zelinskaya told Interfax on Friday.

Debates in the State Duma on the document "were the first opportunity for the Public Chamber to perform its duties and demonstrate the seriousness of its intentions," she said.

"Thanks to the Public Chamber, the initial version of the law was changed by 70%. We are not going to abandon this issue," she said.

"We will keep a close eye on the enforcement of the law. Our observations on the matter will be summed up and analyzed later," Zelinskaya said.

"We will be ready to come up with an initiative to amend the law, should it prove necessary," she said.

#10

Russia plans tougher hate crime penalties European Jewish Press, April 17, 2006

The Russian government has approved last week a bill to impose tough penalties for racist violence and anti-Semitism, news agencies said, as two more attacks on foreigners were reported in a rising tide of hate crimes in the country.

The bill to be submitted to parliament calls for jail terms of up to three years for persons convicted of crimes with racial motives or with the aim of sowing ethnic, religious or ideological hatred, ITAR-TASS and RIA Novosti said.

It also called for imposition of fines of up to 1,000 times the minimum wage index rate, or 100,000 rubles (around 2,967 euros), for the production, distribution or use of Nazi paraphernalia or symbols, the reports said.

"The production or spread of agitation materials including propagandistic literature is considered one type of extremist activity" in the bill, an unnamed government spokesman was quoted by ITAR-TASS as saying.

Increased racist attacks

Approval of the draft legislation comes amid increasing attacks in Russia on ethnic minorities, Jews and foreigners that human rights groups and top Russian officials alike have identified as a serious problem.

Most often however, these attacks are still treated by local law enforcement personnel as acts of "hooliganism" rather than hate crimes, carrying relatively light -- if any -- legal penalties and little social stigma.

Earlier this month, a student from Senegal was brutally murdered after leaving a nightclub with friends in the northern city of Saint Petersburg in what authorities quickly identified as a racist crime.

Meanwhile, there were two more attacks on foreigners reported Thursday in Russia.

In the eastern city of Chita, a group of 12 to 15 youths shouting nationalist slogans attacked a group of Chinese workers at a construction site, Echo Moscow radio station reported, citing information from the Center for the Fight against Xenophobia and Nationalism.

Police arrived on the scene within half an hour of the start of the incident, which occurred on Sunday. Six people were arrested and have been charged with "minor hooliganism" which is punishable by a fine of up to 500 rubles (14 euros) or days in jail, the report said.

There were no reports of serious injuries.

Separately, in the western city of Nizhny Novgorod, a 22-year-old Malaysian student was hospitalized with a concussion after she was attacked by an unknown assailant who hit her on the head and fled, RIA Novosti said.

Police were questioning witnesses to the attack, which occurred late Wednesday, but so far no arrest had been made, the report said.

#11

Ukrainian Jews have seder choices, but do they still need outside help?

By Vladimir Matveyev

JTA, April 18, 2006

KHARKOV, Ukraine, April 18 (JTA) — Jews in the Ukrainian city of Kharkov had a smorgasbord of seder choices this Passover. Feeling more comfortable with the Orthodox tradition? Local chapters of Chabad and the Orthodox Union offered holiday meals and ceremonies to help local Jews relive the enslavement and Exodus from Egypt.

One thing all these seders had in common is that all were led or co-led by foreign guests, usually rabbinical students from the United States and Israel, who passed on spending the holiday with their families to help make Passover more meaningful for Ukrainian Jews.

In recent years, foreign students leading seders have become a tradition in every corner of the vast former Soviet Union.

But in Ukrainian Jewish communities served by rabbis of their own — which also benefit from a network of communal institutions — some Jews are beginning to think they've outgrown the need for such visits.

Foreign students came to Ukraine to help locals “be a part of a Jewish extended family and to support them,” said Sara Sapadin, a U.S. rabbinical student at the Reform movement’s Hebrew Union College Jerusalem campus.

To some of the foreign students, the visits carry extra meaning since their own ancestors hail from those lands.

One of the American students, Emily Dunn from HUC, took the opportunity to visit with a relative, Esfira Rabinovich, 87, who still lives in the small town of Talnoe, Ukraine.

This spring, the Reform movement sent 53 students, cantors and educators to lead seders in communities across Ukraine.

Other organizations also sent sizeable groups: Chabad sent 96 rabbinical students from Israel, the Orthodox Union sent 11 students and Hillel sent nine Americans.

Some of those attending seders this spring said they weren’t happy with Passover ceremonies led by foreigners. Some mentioned the difficulties of following the English-Russian translations. Others suggested that the money spent to bring foreign guests might have been better spent on local groups.

“We spend much time interpreting back and forth, and before the students come to visit, they should get more advice from the local people as to what our community really needs today,” said a Kharkov Jewish leader who asked not to be identified for this article.

“We have learned a lot ourselves in recent years,” he added. “And it looks like these students need such visits more than us.”

But not all in the community agree.

“Hillel students who come today to Ukraine do not come to teach us how to lead seders anymore,” said Yulia Pototskaya, director of the Kharkov Hillel group. “They know we can do it ourselves. But they come to conduct seders with us as partners.”

Aleksandr Gaidar, executive director of the Association of Reform Jewish Congregations in Ukraine, said, “Of course we can lead seders without Americans in our congregations, but when we are together, our seders have a deeper meaning.”

One Jewish leader said he believes the presence of foreign rabbinical students is not a sign of disrespect for local communities. On the contrary, said Rabbi Shlomo Asraf, the O.U. leader in Kharkov, these students, many of whom are more knowledgeable about tradition than locals, can teach Ukrainian Jews how to “better experience the seder and Judaism.”

But many local Jewish leaders feel that foreign groups should focus on smaller communities that don't have rabbis.

“Such visits help us forge better ties with foreign communities and show them what we can do,” said Rabbi Misha Kapustin, leader of the Kharkov Reform congregation. “But I don't see much sense in sending nine students to lead seders in Kharkov Hillel, where local students” can run the seders.

#12

Politics: The Putin succession question

By Neil Buckley

Financial Times April 20, 2006

Russia's next presidential election is two years away, the next parliamentary elections not for more than 18 months. But what political analysts have dubbed the “2008 Question” or “Operation Successor” already dominates the political landscape.

One thing seems certain: president Vladimir Putin will comply with Russia's constitution and stand down when his second term ends in March 2008.

Russians might prefer it otherwise. Mr Putin's approval ratings remain close to 70 per cent, and opinion polls suggest he could easily win a third term if the constitution allowed.

But analysts believe the president is reluctant to put himself in the category of leaders who rewrote constitutions to prolong their presidencies. That includes Alexander Lukashenko, president of neighbouring Belarus, labelled “Europe's last dictator” by the US, or Islam Karimov, Uzbekistan's despotic leader.

“Putin wants to be part of the international community,” says Fyodor Lukyanov, editor of the journal *Russia in Global Affairs*. “But from an internal point of view it would be absolutely no problem for him to continue.”

Instead, Mr Putin will attempt to hand power to an anointed successor and last November appeared to mark out two possible candidates. One was Dmitry Medvedev, moved from Mr Putin's chief of staff to become first deputy prime minister. He was also given the high-profile but sensitive job of implementing Russia's \$7bn-a-year “national projects” to overhaul education, healthcare, housing and agriculture (see interview). The other was Sergei Ivanov, awarded the first deputy prime minister title on top of his role as defence minister.

The appointments give the Kremlin time both to groom and test out the two men or find an alternative if both fail to click with voters.

Yet the fact Mr Putin will not stand against himself introduces at least some risk. Pro-democracy revolutions in former Soviet Georgia, Ukraine and Kyrgyzstan since 2003 have also raised questions about whether the same could happen in Russia.

Given the current president's popularity, and a fragmented and squabbling democratic opposition, few believe that is possible. But the Kremlin is taking no chances.

"They don't believe in an Orange Revolution scenario, but they will do anything to prevent it," says Vyacheslav Nikonov, a Kremlin-linked political analyst. "There will be no Orange Revolution here."

In the past year, Mr Putin's entourage has taken a series of steps to strengthen the system of "managed democracy" put in place since 2000 and guarantee a smooth transition in 2008.

Changes to election laws have raised the bar for parties to gain representation in the Duma, or lower house of parliament and also opened loopholes that opposition groups warn could lead to the kind of abuses and falsification seen in Ukraine's 2004 elections.

The administration has striven to build United Russia, the pro-Kremlin party founded only in 2001 but which took two-thirds of seats in Duma elections in 2003, into a long-term "party of power". Despite having little ideology beyond loyalty to Mr Putin, the party last month registered its one-millionth member, and won 55 per cent of all seats in eight regional parliament elections.

The Kremlin also set up a youth movement last year called Nashi, or "Our own". Its main purpose seems to be to organise pro-Kremlin demonstrations should the 2008 election results be disputed.

Demonstrations and disruption by Nashi members have been among the many hurdles faced by Kremlin opponents, including Mikhail Kasyanov, the former prime minister sacked by Mr Putin in 2004, and Garry Kasparov, the former world chess champion. In spite of barely registering in opinion polls, both have faced obstructions ranging from mysterious power cuts to cancelled venues, hotels and flights when campaigning around Russia.

Mr Kasyanov, though dogged in the past by corruption allegations that he has denied, was hit with what was widely seen as a politically-motivated fraud investigation, weeks after emerging as a presidential candidate last year.

At the same time, two opposition parties believed to have been created with the help of Kremlin-connected political consultants in recent years to split the Communist vote have been neutered, after they showed signs of becoming too popular. Leaders of the populist Pensioners' Party and nationalist Motherland party were deposed in what both said were Kremlin-backed moves. The Kremlin has denied involvement.

Central control over media and civil society has also been tightened. Izvestia, one of few remaining independent newspapers, and Ren-TV, a commercial TV channel with an independently-minded news service, were acquired by pro-Kremlin business groups.

Non-governmental organisations, which Russian officials blame for helping foment the Georgian and Ukrainian revolutions, face strict new controls from a new law. While it was toned down from a draconian first draft, under international pressure, civil rights groups warn it could still be used to close any NGOs the authorities disapprove of.

Meanwhile, both Mr Medvedev, 40, and Mr Ivanov, 53, have been featuring prominently on state-controlled TV. The former appeared to gain an early advantage, several times being shown chairing government meetings.

Mr Ivanov's standing was dented in February by news of a vicious case of bullying endemic in the Russian army. But the defence minister, seen both as more conservative but a more natural politician than the liberal technocrat Mr Medvedev, has fought back with an intensive PR campaign. His standing was boosted last month when Mr Putin named him head of a commission overseeing \$25bn of state military procurement.

Observers believe it will not be until much closer to 2008, however, that it will become apparent which of either is the favoured successor.

#13

A Bad Track Record

Russians Remain Wary of Western Advice on Democracy

Comment by Alexei Pankin

Russia Profile, April 20, 2006

In the autumn of 1991, following the coup attempt against Soviet President Mikhail Gorbachev, I published an article in the daily newspaper *Nezavisimaya Gazeta* that was immediately reprinted by the *Financial Times*. The article was called "The center has not vanished, but only moved abroad." The main point was that, although Soviet people were disillusioned with Gorbachev and the leaders of the Soviet republics, they were not ready to dispense altogether with a centralized authority that could give them clear instructions on what to do next. Disillusioned with their own authorities, they were ready to hand this role to the West, associated above all in their minds at that time with the United States and the recently reunited Germany.

Looking back, it is hard to believe just how open the country was to Western influence. Gorbachev and the leaders of the republics were all willing to recognize the West's authority and to look to it with their hopes, complaints and problems.

I spent a lot of time in those years in Rostov and the Krasnodar Territory, both very conservative regions in Russia's south. But, even there, collective farm chairmen and state enterprise directors dreamed of having the West dictate a competent economic policy and longed for foreign investment like manna from heaven.

In other words, the Soviet Union did not just lose the Cold War, although it would be closer to the truth to say that the country simply got sick of fighting and went over to fraternizing with the enemy. The Soviet Union was also quite ready for foreign occupation. Not in the literal sense, of course, but in the sense that the West would do from afar what it did for its defeated enemies in World War II: establish a democratic system and rebuild the economy.

Fifteen years on, however, people often say that President Vladimir Putin is successful in standing up to pressure from the West. Even pro-Western Russians who are not at all enthused by the state of their country's democracy and want to do something to improve the situation are increasingly irritated with Western criticism and advice.

I think that this response to Western influence in Russia has fallen victim to the fact that the West began to see democracy in Russia in the way that Russia's "democrats" saw it - as a love of economic reform à la Gaidar and the removal, at any price, of whatever gets in the way or does not correspond to the idea of democracy identified with the "democrats." In other words, only those who vote for Anatoly Chubais or Grigory Yavlinsky are democrats.

Real democracy, of course, is not about individual politicians, but about following certain rules set out in a democratic constitution and involving the participation of any political force that does not call for the

overthrow of the constitutional regime. In this sense, the Communist Party and the LDPR, for example, are just as much democratic parties as the Union of Right Forces or Yabloko.

But the free world, led by the United States, with its immense authority and influence in our country, spent the post-Soviet years playing on the side of the “democrats” against democracy. Rather than insisting firmly that the standoff between President Yeltsin and the Congress of People’s Deputies be resolved through simultaneous general elections, they gave Yeltsin the green light, first for an unconstitutional dissolution of the parliament, and then for a referendum that saw the adoption of a new constitution which was much more authoritarian than its predecessor - even though there were clear violations during the referendum.

The country could have resigned itself to all of this had the policies of the “democrats” proven to be more successful. But their policies were ineffective. They led the country into economic and political chaos and were ultimately rejected by the people in the subsequent election. The West, it turns out, with the United States at its head, placed all its stakes on a group of politicians doomed to failure from the start. Now they are coming in for their share of the mistrust that people feel for the “democrats.”

And under Vladimir Putin, when the West heaps criticism on a popular president whose antidemocratic moves don’t go as far as those to which the West gave its nod to under the much disliked Yeltsin, it can say goodbye definitively to the last remnants of its influence in, and on, Russia.

#14

No Difference, Hot or Cold Ignoring U.S. Criticism Is Like Trying To Ignore the Weather

Comment by Yelena Rykovtseva

Russia Profile, April 20, 2006

If you’re wondering whether Russia should bother listening to U.S. criticism, you would be just as well off asking if it makes sense to pay attention to the weather. Like the weather, the United States has an effect on just about everything that happens on the planet. Any country acting in line with the norms of the civilized world can’t ignore the attitude of the United States. You just end up out in the cold as a pariah. Russia, thank God, is not a crazy pariah. That is why you have to dismiss most of the garbage coming from our political commentators and patriots as mere ointment for the wounded pride of the Kremlin, and not as any kind of prescription for action. These people have to react to the criticism that we hear from across the ocean. But what would the appropriate reaction be? How is it possible to answer these challenges without damaging the ongoing talks on Russia’s accession to the WTO or threatening the success of Russia’s high-profile G8 summit this summer - while avoiding the appearance of a weak teenager being scolded by a disapproving parent?

As a rule, Russia has used its press, in the form of state-owned television and other media outlets totally loyal to the state. The strategy is simple: Don’t deal directly with any of the specific points of criticism. Just stick with that classic childhood comeback, “No, you are.”

Russia’s media has yet to return to the days of showing American blacks in ghettos and the poor huddled in the subways. The polemics are subtler now, using Americans as allies. It sounds more convincing when Americans themselves criticize a report from the U.S. Council on Foreign Relations, entitled “Russia’s Wrong Direction: What the United States Can and Should Do.” Komsomolskaya Pravda, one of the dailies loyal to the Kremlin, offered up Dmitry Simes, the director of Washington’s Nixon Center. He didn’t go into any of the details of the report, but simply said: “I have been a member of the council for 25 years, and I am ashamed of the report. You will not find among any other reports dealing with questions of this type one with such a provocative or openly propagandistic title.” The pro-Kremlin daily Izvestia called on scholar and commentator Stephen Cohen: “All the double standards of the Cold War are present in the document. But we’re the ones fighting the war in Iraq, creating an American empire and infringing on the democratic rights of citizens at home. The authors, of course, don’t mention any of this, as all of the fingers are being pointed

at Russia!" Both papers present criticism from these two Americans of the specific people involved in preparing the report.

The liberal newspaper Vremya Novostei took an entirely different approach to the report and its authors. It quoted Nikolai Zlobin, senior fellow at the Washington-based Center for Defense Information. He is convinced that the report represents a real cross-section of opinion in the American elite. He labeled the authors of the report "authoritative specialists on Russia," predicting that "many of the people working on the report could end up in power in another two years and could start to put these ideas into practice."

In general, U.S. reports, studies and official statements about Russia appear fairly regularly. The reaction in Russia is the same every time: Liberal newspapers repeat the main points of the criticism and express their regret that "It is doubtful that the White House will listen to these arguments," or that "George Bush wouldn't raise these points in a meeting with Vladimir Putin," while the pro-Kremlin media and commentators try to show that the document in question is highly tendentious and represents only the personal position of American "hawks."

All in all, however, the reaction in Russia to criticism from across the ocean exhibits a demagogic, but rather peaceful character. One example was when Foreign Minister Sergei Lavrov asked his counterpart, Condoleezza Rice, to provide "real evidence of restrictions of freedom of speech in Russia," even though such proof exists in every home with a television set. All the same, you can't say that the government or the media under its control are trying to sour the Russian mood toward the United States. They could do it easily, but they don't. Too much depends on the United States - just like on the weather.

#15

Ukraine`s Karpaty Lviv fined Reuters, April 19, 2006

Second division side Karpaty Lviv were fined \$5,000 on Tuesday in connection with anti-Semitic chants by their fans at a Ukrainian Cup semi-final match against Premier League side Dynamo Kiev last week, according to Reuters.

Officials from the Ukrainian Professional Soccer League (PFL) told the country`s media that the fine had been imposed against the side for "unethical chants" towards Dynamo Kiev coach Igor Surkis.

Media reports said fans who came to Kiev`s Olympic Stadium from the western city of Lviv in groups organised by Karpaty had repeatedly chanted "Surkis is a yid" during the semi-final, won by Dynamo 1-0. The League said the fine was imposed for a failure to work properly with its fan clubs.

Dynamo won the semi-final 3-0 on aggregate against longshots Karpaty and now take on Metalurg Zaporizha in the cup final next month.

Surkis does not conceal his Jewish background and nor does his brother Grigory, who heads Ukraine`s Soccer Federation.

Ukraine had a troubled history of anti-Semitism during the tsarist and communist eras, but post-Soviet authorities have made a determined effort to stamp it out.

#16

In Russia, Corporate Thugs Use Legal Guise

By Peter Finn

Washington Post, April 20, 2006

MOSCOW -- The general director of the Na Ilyinke catering company was very much alive when his coffin arrived. "In memory of dear Alexei Alexeyevich Likhachev," read the message on a ribbon attached to an accompanying wreath. "We will never forget you."

The empty pine coffin, draped in red cloth, was delivered to the company's central Moscow office by a courier service. Soon the phones began to ring as shareholders, who had received telegrams inviting them to a memorial service, called about poor Alexei's unexpected passing.

For the owners of Na Ilyinke, the ghoulish stunt carried an unspoken message: Sell or else, according to Oleg Gubinsky, a shareholder and head of the company's legal team. "It was an opening move," Gubinsky said.

Na Ilyinke is the target of a new breed of Russian financial predator, one that hunts in lesser-known parts of the country's booming economy: small and medium-size companies. Often the goal is not the company itself, but the real estate it occupies, acquired in the privatizations of the early 1990s.

In those days, people wanting to take over a company often simply sent armed thugs to occupy it. The new raiders employ some of that old-style intimidation, but dress it up in legality by teaming with corrupt lawyers, accountants, judges, bureaucrats and police to exploit weaknesses in Russia's fledgling corporate legal system, Russian lawmakers and entrepreneurs say.

Typically the raiders are politically connected developers and their allies in the bureaucracy. Their activity is drawing attention at the highest levels of the government, where officials fear it undermines Russia's investment climate and adds to the sense that rule of law remains illusory in the country.

"Honest business people and property rights should be protected," President Vladimir Putin told an audience of prosecutors in February. He added that the criminal seizure of property was destabilizing the country.

In Soviet days, Na Ilyinke was the government-owned catering facility for the Moscow City Committee of the Communist Party. Located in downtown Moscow, it was also a center of social life and shopping for the party elite. Its basement held a supermarket carrying such hard-to-find products as Coca-Cola; senior party officials held wakes and receptions on its premises, which at one point had a tunnel to the nearby headquarters of the KGB.

During the waning days of the Soviet Union, Likhachev ran the place as a government employee. After the collapse of the communist state, he and a team of investors bought it and turned it into a private company, a hand-over similar to other privatization deals that took place all over Russia in the 1990s.

Today, its staff of 60 continues to run cafeterias in government buildings, including the former party building across the street that became the office of the presidential administration.

Na Ilyinke's prime fixed asset is its 130,000-square-foot headquarters. Given its choice location, real estate experts estimate it would fetch at least \$35 million as is, and much more if refurbished and converted into luxury offices or apartments.

Gubinsky said he had suspicions as to who the raiders were, but no proof. He believes that the real estate value is what drew their interest; he and the other owners foresee rehabbing the building themselves but think the timing isn't quite right.

The delivery of the coffin spooked Likhachev, an elderly man. He sold his shares to two colleagues, Gubinsky and Ilya Dyskin, who had the spirit to fight the raiders' next moves. One occurred at a private depository company, where Na Ilyinke stores its official documents that list its shareholders.

Last September, a Ukrainian citizen named Sergei Shevchuk came to the firm and presented a power of attorney document that indicated he had the legal right to manage the shares of Gubinsky and Dyskin.

Shevchuk then sold the shares, 58 percent of the company's total, to Tamara Tobiya, another Ukrainian. Three days later Tobiya sold them again, to a man named Evgen Halynski, who provided a Warwick, N.Y., address on official forms.

The Warwick address, it turns out, is a dry-cleaning shop. A person who answered the phone there said there was no one named Evgen Halynski living or working in the building. And no one responded to messages left at the Brooklyn, N.Y., address of a man by that name.

Both Shevchuk and Tobiya, who worked at a stall at an open-air market in Moscow, later vanished.

None of this was known at Na Ilyinke, Gubinsky said, until after a letter arrived from the depository last fall informing it of the company's new ownership structure. "It was like thunder from a blue sky," Gubinsky said.

The rightful shareholders quickly secured an investigation by the Federal Financial Markets Service. A report it issued last November documented the fraudulent sales and concluded that the power of attorney document that set them in motion had been forged. The agency suspended the transactions and, in January, revoked the license of the depository company, according to agency documents, on grounds it should have tried to ascertain that the power of attorney was real.

"We know about maybe 1,000 cases a year, but the real scale of these attacks is probably closer to 10,000 or 15,000," said Gennady Gudkov, head of a parliamentary working group examining the issue. "This problem is almost impossible to solve in a corrupt state."

"Big business can usually protect itself," said Yuri Glotser, head of the Federation for the Protection of Entrepreneurs' Rights in Moscow. "Smaller businesses are much more vulnerable, and their property can be worth a lot of money."

In Na Ilyinke's case, the fraudulent share sale was just one element of the attack. Last year it also found itself fighting off three separate court orders. Each one followed a pattern: Legal papers would arrive at the company informing it that a judgment had been returned against it, in a proceeding that the company was entirely unaware of. The company then had to respond with its own attorneys.

One order was issued by a court in St. Petersburg and another by a court in Moscow, freezing the company's assets, Gubinsky said. The third originated in the city of Tuva, near the border with Mongolia. A court there ordered the company to vacate its Moscow building, saying it had been leased to a Tuva company. The person listed as the Tuva firm's director turned out to be a student at the local agricultural college.

Gubinsky estimates the company has spent \$300,000 defending itself.

The multiple attacks in the courts are a pretext to establish some legal basis to send security guards to seize the building, Gubinsky said. If they successfully occupy the targeted property, the police typically tell the ejected party to go to court and fight it there.

As a defense, Na Ilyinke's building now resembles an armed camp. An alarm system at the front entrance can trigger the closing of steel doors that seal off all sections of the building. The rear entrance has a large steel gate and is surrounded by barbed wire.

"If you lose physical possession of your property, you are in serious trouble," Gubinsky said. "So far, we've kept them out."

Other owners wish they'd taken such precautions.

Near Moscow's Kiev railroad station, a group of prominent artists is battling in the courts to get back light-filled studios that were seized last April by private security guards after the ownership of the studios was re-registered in what the artists call a fraudulent transaction. The studios would fetch millions if converted to penthouse apartments.

"It was monstrous," said Lev Tabenkin, a painter who was forced out after the raiders persuaded a court to issue an eviction order. "I don't understand our system."

In January, Rinat Kudashev, general director of a former state institute that designs pipelines and other facilities for transporting oil and gas, was escorted out of his offices by about 30 private guards. The previous November, he said in an interview, one of the institute's minority shareholders called a meeting without the knowledge of Kudashev or the company's two majority shareholders and merged the business with another company. The original two companies were then liquidated.

Vitaly Semyonov, general director of a Moscow transportation company, said his company has been raided 31 times by different government agencies, the orchestrated prelude to a \$10 million offer for a business that he values at \$25 million. He rejected the offer, he said, not only because it was low, but because what the raiders really wanted was the land his business sits on -- and they intended to lay off his 1,000 workers. He remains ensnared in several court actions.

"In the '90s, your enemy operated openly and you knew how to defend yourself," Semyonov said. "I was shot by bandits who wanted our business, but we survived. Today I'm facing Oxford-educated lawyers."